

IP Musings

with **Learned Paw** and **Percy the Lizard**

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LeEco Reaches Agreement with Former Appeals Court Judge.

(October 2016) A September IAM (Intellectual Asset Management) publication indicated that Randall Rader, a former chief Judge

of the U.S. Court of Appeals for the Federal Circuit, reached a “strategic cooperative agreement” with LeEco, a China-based conglomerate. LeEco recently released a new smart phone (“LePro”). These moves signal LeEco’s likely entry into the U.S. smart phone market and its preparations for defending itself against tech companies in the intellectual property front in the U.S. LeEco had hired Google’s former lead counsel for mobile patent strategy in June, only to see him recently parting ways with LeEco.

LeEco’s moves reflect the growth of Chinese tech companies and their ambition to challenge smart phone makers in the U.S. market. Chinese tech companies, such as Oppo, Vivo, Xiaomi, and Huawei have been competing in the Chinese market against U.S. and South Korean phone makers for years. In 2016, Oppo, Vivo, Xiaomi, and Huawei saw their Chinese market share

increase to 12.6%, 11.9%, 12.2%, and 15.8%, respectively, while their foreign competitors’ market share shrank. With their successes in China, it seems only natural that these companies would engage their rivals in the U.S. market.

Although Samsung and Apple have battled each other for years in courts, their battles appear to be winding down. The China-based phone manufacturer’s entry into the U.S. market is likely to reignite phone patent wars in the U.S and elsewhere. For example, in June, Huawei filed a lawsuit in the U.S. against Samsung for patent infringement. Since then, Samsung hit back at Huawei with a patent lawsuit of its own in China.

For many years, enforcing patents in China was problematic. In 2014, however, the Supreme People’s Court in China established intellectual property courts, which has led to increasing patent-related litigations in China, including those initiated by foreign companies against Chinese phone manufacturers. The fact that China is allowing its corporations to be sued by foreign companies on the IP front indicates China’s growing confidence that their companies can engage their competitors in foreign courts.

