The President’s Message

On 28 February 2012, during the 2012 IPBA Annual Conference in New Delhi, India, Mr Hideki Kojima, the then Chair of the Publications Committee, was granted an interview with The Honorable Justice Altamas Kabir. A condensed version of the interview is published in this issue.

Investments in Dynamic Economies in Challenging Times: Lawyers’ Guidelines of Dos and Don’ts on Cross-Border Investments

The Cross-Border Investments Committee of the IPBA held a workshop which investigated uncertainty in regulations and other challenging circumstances in cross-border investments in the current charged economic landscape. The varied and extensive experiences and knowledge of the highly qualified panellists were distilled into a useful ‘Lawyers’ Guidelines of Dos and Don’ts on Cross-Border Investments’, which is presented in this article.

Trade Secrets Protection in China

Protection of intellectual property rights continues to be a huge challenge for international businesses operating in China particularly trade secrets which are especially vulnerable to misappropriation and infringement. This article looks at some of the characteristics of Chinese law in this regard and offers some suggestions on how to ensure that trade secrets are well protected in China.

US Securities Law Developments Under the JOBS Act

On 5 April 2012, President Barack Obama signed the Jumpstart Our Business Startups Act (the ‘JOBS’ Act). This new law materially changes existing federal securities laws and regulations governing raising new capital in the United States. This article briefly discusses the changes brought about by the JOBS Act, changes that may well alter the way in which public and private offerings of securities are conducted, and highlights provisions of the JOBS Act which may be of particular interest to non-US issuers.

The Issue of Control: Uncertainty Regarding Investor Protection Rights in Listed Indian Entities

The law in relation to the acquisition of shares or voting rights or change in control of a listed Indian company has been set forth in the Takeover Code. The Securities and Exchange Board of India in the Subbkan case decided that some minority protection rights would amount to change in ‘control’. This article analyses this decision and the order passed by the appellate tribunal and the Supreme Court in this regard.

Pakistan – Patents/Designs 2011

While 2011 posed many challenges to Pakistan’s economic outlook, the Pakistan Patent Office remains on the path to growth, and continues to improve its know-how and technological skills to bring them in line with global standards.

Discover Some of Our New Officers and Council Members

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Dear Colleagues,

The legal profession is undergoing a tremendous paradigm shift. A tidal wave has hit the legal profession and the legal profession is going through incredible upheaval. If we are to be successful as we go forward in the future, we must defeat the fear of change. According to Richard Pena, Past President of the American Bar Foundation, we must change and there is no turning back. “You cannot be nostalgic about how you used to practice law. It is not going to work in the future. Our challenge as a profession is ... to move ... in a different direction and to shape our own future and we can do that.”

The first impact is the use of computer technology in the legal profession. Mr Frederic Ury said: “Not surprisingly, the Internet is a major force driving changes in the practice of law. Easy access to legal answers on the Internet will change how people use attorneys.” The ‘search’ function can become the key to ‘access to justice for all’. Websites such as LegalZoom.com and search engines such as Google Scholar have brought legal research within easy reach of the client. At the same time, artificial intelligence is being developed to the point where it can be added to basic ‘search’ functions easily accessible to consumers, to arrive at answers to complex legal questions. As a result of this development, lawyers have lost the monopoly on legal research.

In the future, lawyers will survive by ‘adding value’ in the form of expertise and counsel to clients who have already done the research about their legal problems. This model of practice will require lawyers to develop a better, more in-depth understanding of their clients’ businesses, and to partner with them in more of an ‘ongoing consultation’ regarding clients’ strategies to develop and grow their businesses.

General counsel have used technology to bid out their largest legal work to law firms via the internet. These law firms have to prove their readiness to utilize technology in their law practice. According to one expert, the law firms must demonstrate that they offer electronic case management and time management. In addition, they must offer safe portals, which allow the client to look at documents online and to follow along closely as legal work is undertaken on their behalf, greatly increasing the transparency of the work of the law firm.

The legal profession experienced immense growth throughout most of the 20th century. Thanks to the increasing economies of scale in multi-national corporations throughout the world which, according to Professor William Henderson of Indiana University Law School, led to a growth that increased the demand for legal services. Demand for legal services in this century has started to diminish and, in the future, firms will have to compete much harder for legal work. According to Professor Henderson, law firms will need to find economical ways of identifying and cultivating young lawyers who will add the most value to their firms. Professor Carole Silver of the same law school has highlighted globalization’s influence on the work of lawyers and on what students must learn in law schools. According to Professor Silver, one important task law schools must take on is preparing students to work in a world which increasingly requires interaction with attorneys and clients from other countries and cultures. The law schools would be well advised to help students learn to develop and maintain effective working relationships with a broad range of people of varying backgrounds. Lawyers who are adept at developing relationships both within and outside of the firm add another kind of value to the law firm, as pointed out by Professor Frederic Ury.

It is in this background that one has to see the functioning and evolution of the IPBA during the last 22 years. The IPBA has seen, anticipated and visualized the need for a change in the thinking, mindset and practice of law. The legal profession of one country cannot effectively, meaningfully and fruitfully develop the practice of law without interaction, interconnection and internetworking with colleagues practising law in other jurisdictions. As the world economies have opened up, so is the need for the legal profession to introduce and adopt a global legal culture which would encompass sharing of modern technology, contemporaneous law practices, significant developments in the field of law, and knowledge about new legislations and judicial decisions. As a founding member of the IPBA, I can say with daring certainty that the IPBA has sought to achieve for its members a ‘home’ where people from different geographical regions meet, they share their experiences, ideas and vision, develop cultural affinities and inculcate a sense of togetherness. The IPBA, unlike other international law organizations, is not an association of lawyers but is essentially a ‘family of lawyers’ which believes and promotes fraternal relationships.

Every year there is a homecoming but a different home for the members of the family of IPBA.

I, however, see the need for strengthening the IPBA. The IPBA must carry on with greater vigour its present activity but I would like to highlight four
or five areas which may require more efforts.

First, I feel that young members of our profession need to be more actively involved. The IPBA Annual Meeting and Conferences do have a symbolic reception/session for young lawyers but there is no systematic effort to bring in young lawyers into the fold of the IPBA. The IPBA will have to evolve a practice of having special conferences, seminars, regional meetings possibly exclusively for young lawyers.

Second, I feel that women lawyers also need to be encouraged to participate more actively in the IPBA. At present, we have excellent committees headed by dynamic lady lawyers but more is required to be done as in the case of young lawyers by arranging and organizing exclusive meetings in different geographical regions.

Third, the same rationale would apply to the involvement of corporate counsel in IPBA membership and activities. The present leadership of this committee has taken excellent initiatives and these need to be strengthened and encouraged.

Fourth, IPBA’s presence should be seen and visible at various conferences of other international organizations and IPBA members attending such events should be encouraged to have exclusive IPBA get-togethers in the form of a meeting or lunch or dinner and also to promote the IPBA at these events.

Lastly, the IPBA should not be seen as an elitist group of lawyers. There should be some guidelines for IPBA members to encourage and promote ‘Professional Social Responsibility’. This can be done in more than one way and not just by doing pro bono work. The voice of the IPBA should be heard at international fora in respect of any development which tends to affect human rights in any part of the world, the administration of justice and the rule of law, which could have global consequences in terms of economy, environment and manufacturing, and the hoarding of nuclear arsenal and weapons of mass destruction. The IPBA must raise its voice against any type of injustice anywhere in the world and should ensure that the fruits of economic development are available to the people of world as a whole and in an equitable manner.

I have some other suggestions which I will be sharing with you from time to time. I will be meeting some of you at the Mid-year Council meeting on 4 November this year in Auckland. I have set in motion a suggestion to have a regional meeting in Europe in the second week of January, 2013.

In order to make the IPBA more participative, I would encourage and request our members to send me their valuable suggestions with regard to workings of the IPBA and how to strengthen the IPBA as an organization which can serve not only its membership but also the world at large.

I convey my best wishes to the members, their families and their staff.

Lalit Bhasin
President

Life, Liberty and the Law

Lawyers are, by the very nature of things, servants of society. They render and utter legal services to people at large. No doubt they charge their professional fee but that does not detract from their professional social responsibility.

In the IPBA we are not just business lawyers but we are also conscious of our role in the society. At the 2012 New Delhi Annual Conference, the IPBA took the lead in organizing a historic Plenary Session on ‘Life, Liberty and the Law’.

The Plenary Session was global in its reach and coverage. For the first time in the history of the legal profession in the world, top bar leaders of all important bar organizations addressed the participants numbering over a thousand from a common platform on 1 March 2012. Representing the International Bar Association IBA at the Conference were President Akira Kawamura and Vice President Michael Reynolds; President Driss Chater of Union International des Avocats; President WT (Bill) Robinson III of the American Bar Association; President Tanja Jussila of the AIJA; President Dr Young-Moo Shin of the Korean Bar Association; President Shiro Kuniya of the IPBA; President Anil Divan of the Bar Association of India; and President-elect, Mr Lalit Bhasin, of the IPBA spoke passionately about legal issues concerning the life and liberty of citizens in their respective regions/countries.

It was one of the most outstanding features of the conference where leaders from all over the world committed their memberships to protect the life and liberty of human beings across the globe.
Dear IPBA Members,

As international lawyers, we may be flying to Singapore, Hong Kong, Tokyo or a myriad of international capitals to conduct business. Cross-border transactions and international dispute resolution may be the order of the day, and our busy schedules may keep us from thinking about the oath we took when we were first licensed as attorneys to ‘promote justice, serve the public and improve the legal profession’. Each bar association may have a different mission, but I believe it would be similar to the mission quoted here which is issued by the Hawaii State Bar Association of which I am a member.

Despite our busy schedules, attorneys are asked to give back to the profession and to the communities we serve. Bar association requirements may differ, but in Hawaii, attorneys are asked to provide 50 hours per year of pro bono services to those who would otherwise be unable to obtain the services of a lawyer. Usually, such services are not needed in complex stock transactions, cross-border mergers and acquisitions or airplane lease negotiations. People who cannot otherwise afford lawyer assistance generally need legal services in areas like landlord-tenant disputes, guardianship applications and other less glamorous areas of the law.

In our firm, we have a partner who is a liaison with non-profit legal services organizations that act as links between indigent individuals with legal needs and lawyers who can assist them on a pro bono basis. Through these organizations, and through their own efforts, attorneys in Hawaii assist the needy with their legal needs. So it is not unlikely to have a corporate partner in our firm who may be more familiar with Security Exchange Commission filings helping a needy individual in a dispute with his or her landlord. Such work brings us back to our days in law school when the desire to right the wrongs of the world may have glowed much brighter than it does as we get older and jaded.

In addition to promoting justice and serving the public, another of the tenets of our mission is to improve the legal profession. I have worked on and continue to work on such matters with the Hawaii State Bar Association. I also believe that part of my contribution to improve the legal profession includes my work with the IPBA.

As Secretary-General of the IPBA, I am in constant communication with various officers, council members and the Secretariat on administrative matters relating to the operations of the IPBA from its day-to-day dealings (publications, co-sponsorships of seminars with other organizations, dealing with vendors) to the organization of the IPBA’s feature event – our annual conference. All of this takes up quite a bit of my time, but what I have come to know in the course of my work as Secretary-General is that the IPBA is supported by countless volunteers who spend hours on end on the various duties delegated to them in their positions as officers and council members. We all believe that our work with the IPBA results in the betterment of our profession in our region.

Unlike much larger bar organizations which are well-funded that can afford a completely professional executive and administrative office, all of the officers and council members of the IPBA are volunteers. The Secretariat which handles much of the administrative duties of the IPBA consists of three paid administrators in Tokyo. But much of the work involved in such matters as organizing the annual conferences of the IPBA are left in the hands of the Vice President with his myriad of volunteer attorneys. Mr Lalit Bhasin, our current President, was also the President of the Society of Indian Law Firms when he was organizing our annual conference in New Delhi. How these gentlemen have the time to handle work for their clients, I do not know. But I know that Dr Shin and Mr Bhasin enthusiastically embrace the multiple duties delegated upon them because they know the work is important for the betterment of our profession in the region.

The duties delegated to us as officers of the IPBA and as council members are duties we have volunteered to take on. What has become clear to me in the course of handling my duties as Secretary-General of the IPBA is that these volunteers care deeply about the IPBA. The
volunteers work hard to promote the goals of the IPBA which are set forth in its Constitution, to provide its members opportunities:

i. to contribute towards the development of the legal profession in the Pacific and Asian regions ... and towards the development and improvement of the legal profession’s status and organization within the Region;

ii. to contribute towards the development of the law and the legal structures within the Region;

iii. to meet and exchange ideas with other lawyers who live in, or who are interested in, the Region;

iv. to study and discuss legal issues that involve the Region; and

v. to share information upon legal developments affecting the Region.

I hope that in my several years as council member and officer of the IPBA, I have been able to contribute towards promoting the goals of the IPBA. In doing so, I also think that I have been able to contribute to the mission of my bar association to improve the legal profession.

I have had the pleasure of working with wonderful members of the IPBA. Even though each of us do not agree on every issue all the time, the strong bond among the members and their belief in the good of the organization have kept the IPBA taking great strides for over 20 years. More importantly, I have been able to make life-long friends through the IPBA.

I have no doubt in my mind that many of you who are reading this and have not done so yet will decide to volunteer to promote the goals of the IPBA like so many of my colleagues have done and are doing. I have been involved with the IPBA for many, many years, as has many of my fellow officers and council members. But you do not have to be a 20-year veteran of the IPBA to volunteer to contribute to its goals. All you need is the strong desire to help and to work hard. By doing so, you can also be taking small steps in promoting the goals and missions of your own bar association which is the reason you became an attorney in the first place. My fellow officers and council members and I, look forward to meeting new friends who share the values and goals of the IPBA and who may be willing to work hard in promoting the goals of the IPBA. If you wish to join us in this mission, please feel free to contact any of the officers, council members or committee chairs whose names are set forth in the front pages of this Journal.

Aloha,

Alan S Fujimoto
Secretary-General

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### IPBA Event Calendar

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<td>23rd Annual Meeting and Conference</td>
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<td>24th Annual Meeting and Conference</td>
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<td>2012 Mid-Year Council Meeting and Seminar</td>
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<td>InnoXcell’s e-Discovery Exchange 2012</td>
<td>Hong Kong</td>
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<td>Kluwer Law’s Second Annual International Arbitration and Mediation Summit 2012</td>
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<td>CCH’s Retrospect and Prospect on 2011-2012 China Labour Law Issues</td>
<td>Hong Kong</td>
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<td>Marcus Evans’ Corporate Legal Risk Management</td>
<td>Kuala Lumpur, Malaysia</td>
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<td>Incisive Media’s Corporate Counsel Forum</td>
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<td>HKIAC’s ADR in Asia Conference</td>
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More details can be found on our website: [http://www.ipba.org](http://www.ipba.org), or contact the IPBA Secretariat at ipba@tga.co.jp.
The Honorable Justice Altamas Kabir, Supreme Court of India

On 28 February 2012, during the 2012 IPBA Annual Conference in New Delhi, India, I was given the opportunity to interview The Honorable Justice Altamas Kabir for the *IPBA Journal*. The following is a condensed version of the interview.

**Interview by Hideki Kojima**

*Kojima Law Offices, Tokyo, Japan*

Kojima: Thank you very much for taking time out of your busy schedule for this interview. We have over 900 lawyers from all over Asia and other parts of the world gathering here in New Delhi for the annual IPBA conference. Your dedication to the law and career as a judge serve as an inspiration to the legal community. I would like to begin by asking what motivated you to enter into the legal profession?

Justice Kabir: That takes me back to almost, let’s say, 50 years ago. At that time I think I was in class 7 or 8 in my school days. In school, we used to have a subject known as Civics and Economics. As part of our social activities in school the curricula in connection with civics involved various human problems and social problems, with which we were gradually acquainted. There was this one examination that was held where various social problems were indicated, and we were asked to respond to them. Each question had an answer with a social angle or a human angle. My teacher, I still remember him, told me, “Kabir, I think you should be a lawyer.” So I asked, “Sir, why do you say so?” He said each of my responses to the problems was just in the manner in which a lawyer would respond and he thought that I should choose law as a career. Since then, I’ve not looked back. It was my object and aim to be a lawyer and it was from that one point in time when I was a student that influenced my career.

Kojima: What do you consider to be the important qualities that a capable private practitioner should possess?

Justice Kabir: We were dealing directly with clients, and the manner in which we were dealing with the clients requires a lot of trust. Solicitors were the repository of trust. All people, the ordinary citizens, reposed all their faith in them, even to the extent of being the guardian of their property, wills and everything. A lawyer needs to

* Hideki Kojima is the former Chair of the Inter-Pacific Bar Association’s Publications Committee.
be a person who can do no wrong. For a freelance practising lawyer, the main emphasis was on the lawyer himself, so that he could maintain the trust of or be the repository of trust for any person who came to him directly. What is important is that he took the brief. Apart from that, he has to be honest with his dealings with the court; he has to see that he did not put the client into unnecessary expenses and difficulties. All in all, he is a person who can be trusted by the ordinary litigant, to do a fine job, the best way he can.

Kojima: Are the important qualities of a good capable lawyer you mentioned applicable to being a capable judge?

Justice Kabir: Yes of course. I became a judge in 1990. I practised as a lawyer in the High Court and in the lower courts, both criminal and civil. So judges have an idea of knowledge about all the different types of law. I was elevated in 1990 first in Calcutta, then at Jharkhand and then I came to the Supreme Court of India in 2005. The basic thing is your sincerity. I have this little peculiar thing about which I speak of wherever I go. We have a journal of Supreme Court Cases (SCC). I have my own brand of SCC. Lawyers are all very familiar with them. My theory of SCC is, for me, ‘S’ stands for sincerity, ‘C’ stands for caring and the last ‘C’ stands for commitment. If you can combine all these together not only will you be a good lawyer, but you will be a good judge as well.

Kojima: I see. You have many languages and racial/ethnic/cultural differences in India which are different from Japan. What are your thoughts to stabilize and increase people’s trust in the judiciary of India?

Justice Kabir: Yes, we have diverse languages and religions. Although we have a wide disparity, we have coined a phrase. A historian named RC Majumdar coined this phase ‘unity in diversity’. In spite of our diversity, we have a certain unity because of our federal-like judicial system. At the top we have the Supreme Court. In each state, we have High Courts and below them the District Courts. The law provides that they may use their own state’s language for the purpose of conducting their legal affairs up to the level of the District Judicial Court. Thereafter, in the High Court, the language used is English. Certain states by notification and by exercising the power that has been given under the Constitution, have adopted their own local language for their court system. But ultimately, it is English which links the other languages all over India and the Constitution provides that the language of the Supreme Court is English. So documents, depositions, witness statements, if they are made in the local language, when they come up to the High Court are translated. We obtain both the original as well as the translation. Any particular judge who comes from a particular area and knows that language can have access to the original as well as the translation. I come from Calcutta and I can see the documents in Bengali, our mother tongue in West Bengal. I also know Hindi which is prevalent in India. The southern languages create some problems but there are judges from the south who are proficient. We have no problems as far as race, religion and creed are concerned. In some states there could be such problems, but it is something which we don’t feel as much.

Kojima: In Japan, the disproportionate value of voting rights in election districts for national elections is presently a serious issue in cases before the judiciary. Depending on the voting district, the value of a vote can be worth less compared with a vote in another district. Basically, readjusting voting rights has been held to be the responsibility of the Parliament. What is your view on the judiciary’s intervention into such political matters? In Japan, plaintiffs are challenging the present election voting allocation system as an unconstitutional violation of the equal protection clause under the Japanese Constitution. Do you have any comments on this?

Justice Kabir: The voting system in Japan and the voting system in India are different. In Japan, you have the Diet. In India, as far as our Parliament is concerned, there is no division or weighting of votes. Each citizen has one vote and it is equal in value wherever it is, whether it is in the states, the cities or the villages, they all have the same weight.
Our representatives both in the state assemblies and in the ‘Central Lok Sabha’, or Parliament, as we call it, are equal. They are elected by direct vote which is cast directly by an individual. Only the President of India, the Head of the Executive, is elected by members of the House of the People, and the House of the Elders, or the Rajya Sabha, we call them, and the State Assemblies. At that point in time, each vote has a different unit value. At the state level, it has a certain value and at the Lok Sabha level it has a different value. That is only for the purpose of election of the President and a formula is provided. It is bit of a complicated formula but it’s there. But now your basic question is whether that could be questioned by the courts, as the Japanese have done.

Kojima: Yes.

Justice Kabir: The basic question here is, in order to question any of the provisions of the Constitution it can be done as ultra vires or whatever. In Japan, I think what has happened is that it has been challenged on the grounds of the equality clause in the Constitution.

Kojima: Right.

Justice Kabir: Here you don’t have that problem, but any challenge must be in a manner that doesn’t affect the basic structure of the Constitution. We have our Preamble to the Constitution which is the soul of the Constitution. Also the Universal Declaration of Human Rights of 1948 adopted by the United Nations provides in the first article for equality, and all people are equal. This is pertinent in our system as well as your system. Provisions of the Indian Constitution provide for equality of opportunity and equality in government service. The Supreme Court can find that the voting pattern conforms to the Constitution.

Kojima: India has a history of being governed by the British. During World War II, for a short period, one of your Indian leaders, I think, had ideas to ally with Germany who was the enemy of the British.

Justice Kabir: Subhash Bose?

Kojima: Chandra Bose, Netaji, founder of the Indian National Army. He’s very well known in Japan. He made an alliance with Imperial Japan headed by General Tojo at that time.

Justice Kabir: Yes, that’s right. I don’t think we have any problems with this because already more than 64 years have passed since we won independence in 1947. Most of our laws which are in place, many of the basic laws are laws which are from that period. You have the Indian Penal Code of 1860; the Civil Procedure Code of 1908; the Transfer of Property Act, 1882; and the Criminal Procedure Code of 1898. The only Act which we have altered and changed from amongst those backbone Acts is the Evidence Act. We have adopted the British pattern of judicial governance. We follow earlier decisions of the British Council which governed until independence. After independence our Supreme Court took over. Even today, there are certain decisions in the British Council which are so clear cut that we follow those such as customary law, criminal law, civil law and others. We don’t have any hiccups over that. And as far as the alliance with Japan was concerned that was for one brief period. General Tojo and Netaji Subhash Chandra Bose, they met only once.

Kojima: Only once?

Justice Kabir: At the Andaman and Nicobar Islands, if I am not mistaken. The Andaman and Nicobar Islands were places where Netaji and, if I remember correctly, General Tojo went and they planted the first Indian freedom flag in what is now known as the cellular jail over there where the British used to take prisoners and keep them. There were really no hiccups as such. We have our own interpretations and laws. Everywhere you look there is something which is guiding your life.

Kojima: Thank you very much. Lastly, as this interview will be published in the IPBA Journal, do you have any thoughts or any specific message for our IPBA members?

Justice Kabir: Well, I think the message has been right through the discussion we have been having. The most important thing is to be true to yourself, true to your clients, true to the courts and be respectful to the court and uphold the faith that people have in the courts. Of late there has been a slight lack of confidence maybe in some areas that may be because of the amount of pressure that is generated in India, the second largest population in the world, with 1.25 billion people. Cases are building as more and more people litigate. A strong judiciary requires people who are honest and who are willing to work hard. I really mean the whole judicial family, not only judges, but every person who has anything to do with the law. Judges cannot exist without lawyers; lawyers cannot exist without judges. We are both part of the same coin. We have to cooperate to provide relief for the clients, and for society.
The CBIC workshop sought to bridge the gap between reality and rhetoric in relation to cross-border investments. As a springboard for discussion, the session relied on five comparative case studies. Issues and solutions from various jurisdictions were discussed in the context of the case studies presented.

The Cross-Border Investments Committee of the IPBA (CBIC) held a workshop which investigated uncertainty in regulations and other challenging circumstances in cross-border investments in the current charged economic landscape. The varied and extensive experiences and knowledge of the highly qualified panellists were distilled into a useful ‘Lawyers’ Guidelines of Dos and Don’ts on Cross-Border Investments’, which is presented in this article.

Jose Cochingyan III (ed)*
Managing Partner,
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* Moderator of the session on ‘Investments in Dynamic Economies in Challenging Times’ and Co-Chair of the Cross-Border Investments Committee. IPBA members can send in their comments to the editor of this article at: josecochingyan@cochingyanperalta.com.

Case Studies
Rohit Kumar presented a study based on two joint ventures in Brazil. The study identified the challenges of an uncertain regulatory environment to include: the language barrier; the lack of clarity on tax and labour laws; the excessive documentation for compliance; the currency fluctuations; the very high financing costs; the requirement of being a Brazilian resident; security concerns; the inefficient court system and alternative dispute resolution system; and the high transaction cost.
Eriko Hayashi\textsuperscript{2} discussed a real estate project in China, an area with tough regulations including a one company one project rule. She described a Japanese company with many international projects that enters the Chinese market for the first time, and partners with another foreign developer with prior experience in the Chinese real estate market and with a local company. This tripartite joint venture raised unique issues regarding good governance, a reasonable exit mechanism and dispute resolution. In this case, the proposed solution was the formation of an offshore company in Hong Kong.

Björn Etgen\textsuperscript{3} demonstrated how a well-intended toll road project in a central region of China turned into a legal nightmare for its foreign investors. Björn spoke of the various stages of this project, with a promising take-off, the difficulties dealing with a state-owned enterprise as a joint-venture partner, the interference by central authorities and the last chapter – a court dispute between the parties under mainland China’s challenging judicial system.

Rafael Vergara\textsuperscript{4} discussed a cross border investment in a mine in Chile. The mine had to expand and increase water utilization, placing the project in confrontation with residents and the authorities. His discussion dealt with uncertainties on local tax treatment; the utilization of unused legal instrument; the lack of clarity on environmental issues on water rights; the new trends in usage of water; the difficulties with local authorities and community relationships; and the compatibility of financial requests with governmental needs.

Tran Thai Binh\textsuperscript{5} presented a study regarding a joint venture between a foreign investor and a local entity to develop a new township. The local business would contribute the land and the foreign party would develop structures on the land for lease and sale. He discussed uncertainties arising from changes in and interpretation of the law.

**Comparative Views From Other Jurisdictions**

The session had a Jurisdiction Panel composed of IPBA lawyers in private cross-border investment practice from different jurisdictions. They voiced the legal concerns of their jurisdictions, either as an investor jurisdiction or as an investee jurisdiction or both. Their commentaries highlighted specific issues in seven countries in four continents, namely: the United States, Brazil and Peru for North and South America; France and Germany for Europe; and China, Malaysia and Vietnam for Asia.

1. **Brazil** – Shin Jae Kim\textsuperscript{9} provided a commentary about Brazil as both an investor and investee jurisdiction and that it is now progressing much further as an emerging economy. She discussed changing attitudes brought about by the emergence of Brazil and how this affects cross-border regulatory action and reaction in her jurisdiction;

2. **China** – Li Haibo\textsuperscript{10} said that China is no longer an emerging economy, but is now playing a lead role in world economic affairs. He provided an insider’s view on the regulatory issues on cross-border investments, relying on his experience in advising large Chinese institutions, such as the TEDA Economic Development Bureau (Administration for Industry and Commerce);

3. **France** – Frédéric Ruppert\textsuperscript{11} discussed how the case studies tend to show that western companies, accustomed to doing business in a fairly organized and stable environment, will experience culture shock when doing business in emerging countries. To bridge that cultural gap, they need to hire good local counsels with intimate knowledge of the local unwritten rules and culture. The French economy, identified by its active government presence, is now redefining itself as more outward looking with less reliance on government but more on market based solutions. Frédéric discussed how France’s revolutionary roots have now reasserted themselves beyond the rule of law to demand that the government take an active role in the economy, in the backdrop of the perceived excessive freedom enjoyed by businesses and of the resulting bank crises and global economic slowdown. While this has yet to affect cross-border investments, the pressure from French unease requires a higher degree of prudence in cross-border investments;

4. **Germany** – Michael Burian\textsuperscript{12} discussed...
how German investors view the regulatory environment in cross-border investments in the region given that Germany is a major investor in Asia. He explained the expectations German investors have when dealing with local counsel in dynamic economies and the qualifications counsel should have to successfully advise an investor;

5. Malaysia – Philip Koh discussed the casestudies vis-à-vis Malaysia’s own experience in the Najib Transformation programme and the Iskandar development within the backdrop of Islamic and political change;

6. Peru – Fernando Hurtado de Mendoza said that Peru has been receiving a large inflow of foreign investment under the aegis of consecutive right-wing governments. He focused on its recent shift to a left-wing President and the accompanying challenges that foreign investors had and still have to face within such transition in the form of legislative initiatives, statutes and administrative/judicial decisions. Political hesitation resulted in entrepreneurial unrest driven by a greater urgency to protect investments or devised exit strategies. The consultation procedures in Peru that are required prior to adopting legislative or administrative measures are being restrictively interpreted by lawyers, in an atmosphere where communities feel that they are entitled to paralyze projects; and

7. United States – Jaipat Jain discussed the concerns of the US on governance and foreign practices. He also mentioned how the US dealt with some of the cross-border investment regulatory issues when it is an investment destination.

Lawyers’ Guidelines of Dos and Don’ts on Cross-Border Investments

The workshop managed to put together the perspectives of both investor and investee jurisdictions, and a general counsel as well, to form a montage of valuable insights on how to deal with real situations. Thus, the workshop developed the following lawyers’ guidebook on cross border investments.

The List of Dos

1. Hire or work with good lawyers or advisors from the target jurisdiction:
   1.1. Engage local lawyers who can handle the language barrier (Kumar, general counsel) and with strong bilingual skills. (Etgen, Germany-China)
   1.2. Be mindful that lawyers and representatives have sweeping powers, hence it is imperative that you engage someone trustworthy. (Kumar, general counsel)
   1.3. Ensure that you are well informed about the background of the transaction. (Hayashi, Japan-China)
   1.4. Engage good lawyers at the early stage of the project: (1) to ensure compliance with applicable laws and regulations; and (2) to ensure a valid arbitration clause in case of disputes. (Etgen, Germany-China)
   1.5. Such lawyer must have in-depth experience; understand realities and how the legal system developed, especially in investee jurisdictions where the legal system is still evolving. In the case of Vietnam, such counsel must also understand the philosophy of a socialist-oriented economy. (Tran, Vietnam; Jain, United States)
   1.6. The lawyer must have experience in navigating through his/her legal system without engaging in corrupt practices. (Jain, United States)
   1.7. The lawyer must not only master the legal issues but also have intimate knowledge of the unwritten rules as well as of the local specificities and culture. (Ruppert, France)
   1.8. Retain a reputable law firm with extensive experience in dealing with foreign investors and international clients and is well educated. (Kim, Brazil; Tran, Vietnam)
   1.9. In China and in other relevant dynamic economies, well-connected lawyers are an advantage if they can act within the framework of good corporate governance and internal policies of the client’s organization. (Etgen, Germany-China; also, Vergara, Chile; Li, China)
2. Dealing with counsels in investee jurisdictions:
   2.1. Define in advance communication channels, format of memo and delivery time. (Kim, Brazil) and maintain smooth communications with your local counsel. (Etgen, Germany-China)
   2.2. Make proper fee arrangements that will appropriately incentivize your counsel, whether it is an hourly rate and/or a success fee. (Etgen, Germany-China)
   2.3. Instruct counsel who is not only qualified to address the legal issues but who has also experience in dealing with foreign investors and understands the investors’ background and goals. (Burian, Germany)
   2.4. Make sure to identify counsel who can bridge the cultural gap by explaining to the foreign investor what would be the usual approach and the expectation locally and, at the same time, by making the local counterpart aware of the cultural background and expectations of the investor. (Burian, Germany)

3. Beware of local partners or counsels with close ties with local powers to the point that it could be seen as improper. Depending on the applicable laws, it may lead to liability under some corruption prevention regulation, either in the investment country or the investor’s own country. (Ruppert, France)

4. Pre-investment due diligence/investigation/information gathering:
   4.1. Give your client confidence in the target jurisdiction. Get tips and advice from western companies, where applicable, that have already tried to do business in the target investee country and learn from the success stories of other investments. (Ruppert, France; Li, China)
   4.2. Do your homework; assess tax, customs and labour regulations before commencing any new project. (Kim, Brazil; Vergara, Chile)
   4.3. Ask your business people to meet with your local lawyer for initial advice before entering into negotiation with a potential partner. (Kim, Brazil)
   4.4. Ascertain and recheck project schedule to obtain government licenses and authorization with local/consultants. (Kim, Brazil)
   4.5. Do due diligence seriously and carefully. Make every substantial fact clear before you reach an agreement of cooperation. (Li, China)

5. Encourage clients from day one to enter into juridical stability agreements\(^{16}\) where available (thus securing tax rates, free remittance of funds abroad, non discrimination to foreigners, availability of foreign exchange). (Hurtado de Mendoza, Peru)

6. Investment vehicle:
   6.1. It is preferable to acquire through a local entity. (Kumar, general counsel, in relation to his experience in Brazil.)
   6.2. Invest in the form of 100% foreign-owned business to avoid disputes with the local party whenever legally possible. (Tran, Vietnam)
   6.3. In case you invest into the People’s Republic of China with little experience and little knowledge about business and legal environment, especially into a highly regulated industry, you may want to consider an offshore scheme for more flexible governance and exit condition. (Hayashi, Japan)

7. Local business partners:
   7.1. Clear barriers by cooperating with local business partner in a proper way. (Hayashi, Japan)
   7.2. In searching for a good partner choose one with suitable contacts and relationships with the authorities as well as financial capacity. (Tran, Vietnam)

8. Documentation:
   8.1. Have a detailed term sheet to avoid confusion during negotiations documentation. (Kumar, general counsel)
   8.2. Utilize well-known legal instruments and not those which are still untested. Otherwise, secure clarification from authorities at an early stage. (Vergara, Chile)
   8.3. The tax treatment of a legal instrument must be clear from the beginning. (Vergara, Chile)
9. The community:
   9.1. Anticipate community needs and concerns and establish permanent communication channels. (Vergara, Chile)
   9.2. Enhance community relationships through open, frank and transparent dialogue. Invite partners (through minorities) to participate in negotiations with financiers of a project from the beginning. (Vergara, Chile)

10. Dealing with authorities:
   10.1. For Vietnam: When necessary, use diplomatic relations and contacts to liaise with the authorities, but remember that all relationships or pressure are secondary to existing law. (Tran, Vietnam)
   10.2. For China: advise to generally cooperate and follow the authorities’ advice unless there is a decision that is obviously incorrect which you then may try to remedy through a ‘dialogue’ with the authorities. (Etgen, Germany-China)
   10.3. For Peru: Maintain good, but appropriate, relationship with government and potential government and always within the parameters of good corporate governance. (Hurtado de Mendoza, Peru)
   10.4. Avoid getting into a dispute with the Government or into extended court battles against the government. (Jain, United States)
   10.5. Do not challenge government authority in China based on western concepts and legal systems. (Li, China)

11. Attitude, outlook, expectations and managing expectations:
   11.1. Be open to change and be prepared to implement innovative solutions, within legal parameters. (Hurtado de Mendoza, Peru)
   11.2. Expect business policy and social policy to be intertwined. (Jain, United States)
   11.3. Be preventive, rather than reactive with regard to foreign investment protection. (Hurtado de Mendoza, Peru)
   11.4. Secure best and worst case scenarios for securing government approvals. (Kim, Brazil)
   11.5. Advise your client, their board, CEO or your contact person with your client of the presence of heavy bureaucracies in the target investee jurisdiction. (Kim, Brazil)
   11.6. Expect government intrusion. (Jain, United States)

12. Relay to clients how the things work in a country. The client must be informed of the complete picture, the reality, not only the legal technicalities or what the theory or papers or the law say, but also the real and practical terms and conditions applicable to the relevant matter or business (for instance, how long it would really take to get a license or permit), including the political or social environment surrounding a project or investment. (Vergara, Chile)

13. Find the best way to communicate with a local partner. (Li, China)

14. Be mindful of local and cross-border anti-corruption regulations. (Jain, United States; Ruppert, France)

15. Be mindful of competition laws. (Hayashi; Japan-China)

16. Be mindful of your client’s image, thus:
   16.1. When the way the contracts are performed get out of control and the goods or equipment sold are put to use in a way they are not designed for, the equipment or technology may be seen as defective, which could ultimately tarnish the company’s image. (Ruppert, France)
   16.2. Do urge clients to engage in corporate social responsibility and to pay taxes honestly, as this will enhance your client’s public image. (Tran, Vietnam)

17. Dispute resolution:
   17.1. Choose a reliable means of dispute resolution. (Hayashi, Japan)
   17.2. Utilize international arbitration to resolve disputes and ensure that a valid arbitration clause is used in all joint venture contracts. (Tran, Vietnam)
   17.3. Contracts should be clear on how deadlocks are to be resolved and this should be included in structuring the shares and the board of directors and the different procedures in managing disputes. (Li, China)
   17.4. Choose arbitration over court litigation to resolve disputes. (Li, China; Etgen, Germany-China)
The List of Don’ts

1. Don’t do the transaction remotely; being there helps. (Kumar, general counsel)
2. Where there is a risk of legal uncertainty, don’t rely entirely on any promises of government authorities. (Etgen, Germany-China)
3. Do not accept from the authorities favourable conditions that are not permitted by law. The potential risks of such conditions should not be ignored. Such favourable conditions may be later deemed illegal due to change of policy in the future or interference by the state or national government, and hence jeopardize the legitimacy of the whole investment activity. (Hayashi, Japan)
4. Choice of country of investor entity:
   4.1. Don’t channel investment through countries that will present a barrier to international arbitration. In the case of Peru, this will mean that one should channel investments with countries with executed treaties with Peru. (Hurtado de Mendoza, Peru)
   4.2. Don’t use any entities from legal jurisdictions which do not have diplomatic relations with the local jurisdiction, such as British Virgin Islands or the Cayman Islands in the case of investing in Vietnam. (Tran, Vietnam)
5. Don’t rely solely on good business sense. Make sure to check with a lawyer in the target investee jurisdiction if there are any regulatory, legal or other aspects that could affect the implementation of the actions being discussed. (Kim, Brazil)
6. Don’t rely on the verbal promises of a counter-party or the authorities. Conduct careful due diligence on all points. (Li, China)
7. Assumptions and pre-conceptions:
   7.1. Don’t assume that local regulation is similar to your home regulation. (Kim, Brazil)
   7.2. Don’t expect a level-playing field. (Jain, United States)
   7.3. Don’t assume that that one part of the investee jurisdiction is the same as another part of the country. (Kim, Brazil)
   7.4. Don’t assume that lobbying is legal or that facilitation payment is legally allowed. (Kim, Brazil)
   7.5. Don’t assume that all matters can be enforceable vis-à-vis local authorities because of contractual arrangements between private parties. Negotiations between parties on tax, labour and/or environmental liabilities may or may not be enforceable. (Kim, Brazil)
8. Don’t trust 100% individual consultants (local manager or business partner) as they may not have up-to-date information. (Kim, Brazil)
9. Don’t retain local people in the target investee jurisdiction without carefully evaluating the labour regulation of the target jurisdiction. (Kim, Brazil)
10. Don’t take a liberal regime for granted. (Hurtado de Mendoza, Peru)
11. Don’t be influenced by client’s anxiety nor be compelled by it to say only what the client wants to hear. (Hurtado de Mendoza, Peru; Vergara, Chile)
12. Don’t suggest clients to adopt drastic measures until you have a clearer picture of the entire situation. (Hurtado de Mendoza, Peru)
13. Don’t get involved in any type of corruption. (Li, China)

Conclusion
The session-workshop has demonstrated that while there may be some variations on opinions from lawyers across a dozen jurisdictions, everyone agrees on the broad strokes of the guidelines presented here and which can be said to have five basic principles:

1. A good lawyer is required in the target jurisdiction for investment.
2. To take all preventive measures to deal with uncertainty. This includes the necessity of knowing all the facts and not only the law, due diligence; and the use of appropriate protective contract provisions.
3. Manage expectations of the client as to timing and all other matters.
4. To never be involved in corruption.
5. To be sensitive to local norms and the community where the investment is made.

The panellists of this session are grateful to the IPBA for providing us the opportunity for cooperation in this workshop. We hope that these guidelines can be useful to all those who come across it.
Notes:

1. Rohit Kumar is the general counsel of United Phosphorus Limited (UPL) (Email: rohit.kumar@uniphos.com). UPL is the world’s 3rd largest generic agriculture chemical company with a large focus on growth through M&A. Among others, it made two acquisitions in Brazil in 2011. The latest transaction, in the form of a JV with DVA Group of Germany was worth US$175 million. The other one is also an equal JV with the Sipcam Group of Italy.

2. Eriko Hayashi is a partner of Oh-Ebashi LPC & Partners and the chief legal representative of the firm’s Shanghai Office (Email: hayashi@ohebashi.com). She is also Vice-Chair of the Cross-Border Investment Committee.

3. Dr Björn Etgen is a partner and head of the China Practice of the German law-firm BEITEN BURKHARDT (Email: Bjoem.Etgen@bblaw.com). He is currently based in China. He is also Vice-Chair of the Cross-Border Investment Committee.

4. Rafael Vergara is partner at Carey y Cía, Santiago, Chile where he heads the Natural Resources, Energy and Environment Group (Email: rvergara@carey.cl). He is the Co-Chair of the International Trade Committee.

5. Tran Thai Binh is a partner, LCT Lawyers in Ho Chin Minh City, Vietnam (Email: binh.tran@lctlawyers.com).

6. Jurisdiction from whence the investment capital originates.

7. The jurisdiction targeted for investment, that is, the jurisdiction where capital is invested in.

8. Some jurisdictions are traditionally investor jurisdictions, others investee jurisdictions. In many dynamic economies, a jurisdiction can be seen both as a situs for inbound investment and a source for outbound investment.

9. Shin Jae Kim is a member of TozziniFreire, based in Sao Paolo Brazil (Email: Sjk@tozzinifreire.com.br). She is in the firm’s executive committee and partner in the corporate/M&A, import/export, and corporate image management practice groups. She is also Vice-Chair of the Cross-Border Investments Committee.

10. Li Haibo is a Managing Partner at Winners Law Firm in Beijing, China (Email: lhb@winlawfirm.com).

11. Frédéric Ruppert is a licensed attorney in France and in California. He is with the de Gaulle Fleurance & Associés Law Firm, Paris (Email: fruppert@dgfla.com).

12. Michael Burian is a partner at Gleiss Lutz based at Stuttgart, Germany (Email: Michael.Burian@gleisslutz.com).

13. Philip Koh is Adjunct Professor, School of Law Deakins University Melbourne Australia; Adjunct Faculty Staff Handong International University Law School; Private Sector Advisory Group of International Finance Corporation/World Bank; Founder Chairman of World Vision Malaysia, a Humanitarian Relief Organization; Director of Minority Shareholders Watchdog Group; Director of Kairos Research Group (Email: philip.koh@mkp.com.my). He is also Vice-Chair of the Cross-Border Investment Committee.

14. Fernando Hurtado de Mendoza is member of the Corporate Practice group at Rodrigo, Elías as & Medrano Abogados, Lima, Peru (Email: FHdeMendoza@estudiorodrigo.com). Jaipat Jain is a partner, Lazare Potter & Giacovas LLP of New York City (Email: JJain@lpgllp.com).

In Peru, there exists contracts between the government and the investors called ‘contratos de estabilidad jurídica’. These are instruments from the start of which guarantees to the investors the legal regime existing in a determinate framework at the moment that the contract was celebrated, and this legal framework will not be changed for the duration so provided. These contracts are translated here into English as ‘juridical stability agreements’; perhaps we can also call them ‘legal framework stability agreements’ or ‘legal stability agreements’. (Fernando Hurtado de Mendoza, Peru)
Trade Secrets Protection in China

Protection of intellectual property rights continues to be a huge challenge for international businesses operating in China particularly trade secrets which are especially vulnerable to misappropriation and infringement. This article looks at some of the characteristics of Chinese law in this regard and offers some suggestions on how to ensure that trade secrets are well protected in China.

Li Haibo
Managing Partner, Winners Law Firm

To say China remains an intellectual property jungle is apparently an overstatement as the overall legal protection of IP rights with respect to legislation and enforcement has improved significantly in the past few years, thanks to continuous pressure from the international community. However, protection of IP rights continues to be a huge challenge for international businesses operating in China. In particular, trade secrets are especially vulnerable to misappropriation and infringement, due to its uniqueness, as opposed to patents and trademarks in the sense that ease of duplication and disclosure, non-registration and difficulty in collecting evidence to verify a claim of illegal acts prove to be frustrating for rights owners to prevail in civil litigations who are obliged to bear the burden of proof. This article looks at some of the characteristics of Chinese law in this regard and offers some suggestions on how to ensure that trade secrets are well protected in China.

Chinese Laws on Trade Secret

Anti-Unfair Competition Law (AUCL)
In China, the legal framework for the protection of trade secrets is set forth in s 10, Chap II, of the AUCL promulgated in September 1993. Prior to the AUCL, China did not have statutory recognition of trade secrets as a form of intellectual property which could only be protected through contractual obligations. The AUCL has been further updated by other regulations such as the Regulations on the Prohibition of Acts of Unfair Competition Involving the Passing-off of a Name, Packaging or Trade Dress Peculiar to Well-known Merchandise, effective in 1995, and the Regulations on the Prohibition of Acts of Infringement of Trade Secrets (RTS), effective 23 November 1995. What is a trade secret? Section 10 of the AUCL defines a trade secret as ‘technical information and operational information which is not known to the
public, capable of bringing economic benefits to the rights owner, has practical utility and which the rights owner has undertaken measures to maintain its confidentiality’.

Thus, in order to qualify as a trade secret, the information must fulfill the following three criteria:

1. the information remains in the possession of the rights owner and unknown to the public or business competitors;
2. the information possesses actual or potential commercial value and offers the rights owner a competitive advantage and is capable of generating economic benefits to its owner; and
3. the rights owner has taken reasonably sufficient measures to keep such information confidential and inaccessible to the public.

All the above-mentioned three elements must be present before a trade secret can be identified. Unlike patents, trademarks and copyrights which have a finite term, trade secrets can theoretically enjoy an infinite term of protection so long as the confidentiality measures continue to work.

The RTS enacted in November 1995 further clarified the definition of trade secret. For example, the RTS provides that ‘technical information and business information include information such as designs, procedures, product formulas, manufacturing processes, manufacturing methods, management know-how, customer lists, information on goods sources, production and marketing strategies, base numbers and tender contents in the invitation and submission of tenders, etc’.

The RTS defines ‘unknown to the public’ as ‘information that cannot be directly obtained through public channels’.

Section 10 of the AUCL sets forth the scope of what constitutes trade secret infringement. Any party found to be involved in one of the following acts would be considered as having engaged in trade secret misappropriation action and as a result legally liable for:

- acquiring the trade secret of another by theft, inducement, duress or other illegal means;
- disclosing, using or allowing others to use the trade secret of another acquired by the above illegal means; or
- disclosing, using or allowing others to use the trade secret in breach of an agreement or a confidentiality obligation imposed by the rights owner.

It is clear from the above provision that the third party can be deemed to have infringed on the trade secret, if the third party is fully aware that the trade secret it obtains, uses or discloses has been subject to the foregoing illegal acts.

Interpretation on Trade Secrets by the SPC
In January 2007, the Supreme People’s Court (SPC) issued an Interpretation on Some Issues Concerning the Application of Law in the Trial of Civil Cases Involving Unfair Competition (the ‘SPC Interpretation’) to clarify issues, among others, relating to unfair competition claims. The SPC Interpretation sheds light on the term ‘information which is not known to the public’ as provided under the AUCL and explains that such information must refer to information that is unknown and difficult to obtain by the relevant person in the relevant field.

The SPC Interpretation expressly excludes the following information as being ‘unknown to the public’:

- information that is common sense or industry practice as known by the relevant person in the relevant technical or economic field;
- information that only involves the simple combination of dimensions, structures, materials and components of products, and can be directly obtained by observing the products by the relevant public after the products enter into the market;
- information that has been publicly disclosed in a publication or other mass media;
- information that has been publicized by open conferences or exhibits;
- information that can be obtained through other public channels; and
- information that can be easily obtained for free.

The SPC Interpretation specifically provides that client lists ‘which contain customer names, addresses, contact information, trading habits, intentions and other information, including lists of a collection of many customers and specific customers with long-term stable trading relations’ are trade secrets.

According to the SPC Interpretation, any information which has actual or potential commercial value and can bring competitive advantages to the owner will be regarded as having ‘economic benefits and practical utility’.

The SPC Interpretation provides guidance as to what may constitute sufficient confidentiality measures. The following measures would be considered as reasonably sufficient:

a. limiting access of the classified information and disclosing it only on a need-to-know basis;
b. locking up the physical carrier of classified information;
c. labelling a confidentiality notice on the carrier of the classified information;
d. adopting passwords or codes on the classified information;
e. executing a confidentiality agreement;
f. limiting visitor access to the classified machinery, factory, workshop or any other place, or imposing confidentiality obligations on visitors; and
g. adopting other reasonable measures to ensure the confidentiality of the information.

According to the SPC Interpretation, independent creation and reverse engineering are not to be deemed as trade secret misappropriation. Reverse engineering refers to the process of acquiring relevant technical information through dismantling, mapping, analysing or any other technical means on the product obtained from publicly available media.

As for the calculation of damages to the rights owner, the SPC Interpretation provides three acceptable methods of ascertaining damages in trade secret misappropriation cases:

1. plaintiff’s lost profits;
2. defendant’s profits realized from the illegal activities; and
3. reasonable royalty.

In determining the commercial value of a trade secret, the following factors will be taken into account: the research and development costs of such trade secret; proceeds gained from the trade secret; the tangible benefits; the length of time during which the trade secret confers competitive advantages to the plaintiff, etc.

Enforcement of Trade Secret Rights
There are two options available for the owner of trade secret rights to enforce its rights in the event of suspected trade secrets infringement, and these are administrative or judicial actions.

For administrative enforcement, the office of the Administration for Industry and Commerce (AIC) is the authority in charge of IP protection enforcement. Generally speaking, the AIC is the governmental agency responsible for business registration, licensing, consumer protection, anti-unfair competition enforcement and market regulation, etc. The AIC above the county level will, upon the owners’ report and after an investigation and determination of the misappropriating acts, order the infringing party to cease its infringing acts. The AIC can order the return of the stolen materials and information, order the destruction of any goods made with the trade secrets, confiscate the infringer’s illegal income, revoke the infringer’s operating business license, and in some circumstances impose a fine of RMB10,000 to RMB200,000. If the infringer does not comply with the cessation order, a fine of more than twice and less than three times the amount of the value of goods sold can be imposed. All decisions of the AIC may be appealed to the courts. However, AICs do not have the authority to award damages.

The other option for a trade secret owner is judicial action. The infringed party can institute proceedings in the court to seek compensation for damages under s 20 of the AUCL. In cases where damages cannot be reliably calculated, the amount of profits obtained by the infringing party can be used as the basis for the compensation claim. In addition, expenses and fees arising from investigating and obtaining evidence of the infringement can also be included in the claim for damages. Injunctive relief is also available subject to the satisfaction by the court that such measures are warranted under the circumstances such as the infringed party is likely to suffer irreparable damages if the infringing acts continue.

Unlike the laws of the US where the procedure of discovery will enable the parties to have access to all relevant evidence, China does not have such proceedings. According to the SPC Interpretation, the plaintiff carries the burden of proof in a trade
secret misappropriation action which, in many cases, are not always easy for the plaintiff to establish a good case. Specifically, the plaintiff must present admissible evidence in a Chinese court that the trade secret:

- is not publicly known;
- has economic benefits and practical utility;
- was protected by adequate confidentiality measures; and
- has been misappropriated.

It is typical of Chinese courts to rely heavily on direct evidence in the form of documentations and much less on the role of witness in the legal proceedings. Also, the plaintiff cannot compel the other party to provide relevant evidence and files. Therefore, the plaintiff in such cases, mainly the trade secret owners, would find themselves in an uphill battle because they have to gather all pertinent information and prepare large volumes of records and written evidence to support its claim. This would require a huge amount of secretive investigation and evidence-gathering work on its own. The infringing party obviously would not be expected to cooperate in the absence of a discovery proceeding. In the opposite, the defendants would only make things even more difficult for the rights owner by hiding or destroying evidence that could be used against it since there is no legal liability for doing so under civil action proceedings.

It is noteworthy that trade secret infringement can also be a criminal offence under China’s Criminal Law (CCL). According to Art 219 of the CCL, infringements that cause ‘heavy loss’ or material loss to the trade secret owner are subject to criminal sanctions such as imprisonment. The term of the imprisonment is three years or less. Where the infringement is ‘exceptionally serious’, the prison sentence can be up to seven years in addition to a fine. In accordance with judicial interpretations regarding IP crimes issued by the SPC and the Supreme People’s Procuratorate in 2004 and 2007, ‘heavy’ loss is defined as a loss of more than RMB500,000 while ‘exceptionally serious’ loss is defined as a loss of more than RMB2.5 million. Pursuant to the 2007 interpretations, entities (such as companies, institutions or other non-government agencies) can be convicted in accordance with the same standard as provided in the 2004 interpretation for individuals. Under the CCL, entities can be held legally liable for crimes, and fines will be imposed on an entity if it is found to have committed a crime. The persons who are legally in charge of the entity and those who are directly responsible for the criminal acts will be held criminally liable.

Preventative Measures to Safeguard Trade Secrets
It goes without saying that it is of critical importance for international businesses operating in China to take precautions in order to protect themselves from any harmful disclosure of confidential trade secrets. The following suggestions can be of assistance to businesses:

- designate specific personnel to be responsible for formulating and overseeing internal IP protection programmes and policies, including trade secrets which need to be evaluated and updated regularly;
- regularly reviewing and updating the scope of trade secrets and those who have or should have access to such trade secrets;
- implementing proper security measures and restricting access to relevant computers and equipment, documents and areas such as password protection for electronic information and locks for physical information;
- ensuring clear contractual obligations are included such as a non-disclosure clause in employment contracts of employees to protect the trade secrets of the company (for management level employees or top executives, a non-competition clause with reasonable reimbursement and duration may be included...
in the employment contract; both a non-disclosure and a non-competition clause or agreement should remain in force beyond the validity of the employment contract to ensure that there will be continuing liability on such employees;

• all sensitive information should be labelled confidential and physical copies of the information should be shredded after use;

• conducting an exit interview with all employees ‘in-the-know’ when they resign or otherwise leave the company, bringing to their attention the non-disclosure obligation that will survive the employment contract; and where applicable, requesting such employees to return classified materials, files, computer keywords and keys to cabinets or lockers of documents and other materials;

• conducting interviews with new employees and making sure whether there existed non-disclosure or non-competition agreements between such employees and their previous employers, since inadvertent misappropriation of others’ trade secrets could also give rise to liability under the AUCL;

• including protection of trade secrets in staff on-job training programmes; and

• during business negotiations or transactions, make sure that a non-disclosure agreement is signed with potential business partners, suppliers, contractors, or customers before proceeding with the transfer of proprietary information and files; in addition, take steps such as periodic site inspections or audits of the business partners to ensure the non-disclosure agreement is well implemented and observed.

Conclusion
The infringement of trade secrets has posed a tremendous threat to the success of international investors who look to tap into the Chinese market or take advantage of the lower labour costs by setting up their business presence in the country. Following many years of effort, China has developed a comprehensive legal framework to protect trade secrets. Yet, the remaining daunting task is to enforce such laws and regulations. In light of the nature of being ‘unregistered rights and unknown to the public’, trade secret protection differs sharply from that of other IP rights such as trademarks, patents and copyrights. Risk awareness and appropriate preventative measures are always much more effective than legal actions afterwards because the onerous burden of proof borne by the rights owners can be tough and burdensome.
US Securities Law Developments Under the JOBS Act

On 5 April 2012, President Barack Obama signed the Jumpstart Our Business Startups Act (the ‘JOBS’ Act). This new law materially changes existing federal securities laws and regulations governing raising new capital in the United States. This article briefly discusses the changes brought about by the JOBS Act, changes that may well alter the way in which public and private offerings of securities are conducted, and highlights provisions of the JOBS Act which may be of particular interest to non-US issuers.

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On 5 April 2012, President Barack Obama signed the Jumpstart Our Business Startups Act (the ‘JOBS’ Act’). This new federal law, which materially changes existing laws and procedures involved in raising new capital in the United States, was designed to help smaller businesses have access to the capital markets, through reducing perceived impediments to capital formation and eliminating or reducing certain regulatory requirements for smaller companies going public. It was also supposed to promote job creation in the private sector. However, one former Securities and Exchange Commission (SEC) Commissioner, Roberta Karmel, has written in the New York Law Journal, 19 April 2012, that ‘it is unlikely that the JOBS Act will create any new jobs other than for lawyers’. She added that ‘perhaps that result is not so bad’.

The following briefly discusses the major changes to existing federal securities laws and regulations brought about by the JOBS Act, changes that may well alter the way in which public and private offerings of securities are conducted. The concluding portion of this article highlights provisions of the JOBS Act which may be of particular interest to non-US issuers.

Elimination of the Current Ban on General Solicitation and Advertising in Rule 506 and Rule 144A Offerings

Issuers of securities in a private offering under Rule 506 of Regulation D adopted by the SEC under the Securities Act of 1933, as amended (the ‘Securities
Act’), and in an offering which qualifies under Rule 144A adopted by the SEC under the Securities Act, can now engage in both general solicitation and advertising, so long as all purchasers are ‘accredited investors’ for offerings under Rule 506, and for offerings under Rule 144A the issuer has taken ‘reasonable steps’ to ensure that all purchasers are ‘qualified institutional buyers’ (QIBs). General solicitation and advertising can include, among other things, newspaper ads, television and radio broadcast pitches, outdoor billboards and use of the internet. The ability of issuers to engage in general solicitation and advertising in a private placement of securities is a very significant change from current SEC requirements.

However, since Rule 144A is not an issuer exemption but a resale exemption for underwriters, it is unclear how it will work with the issuer having to take reasonable steps to ensure that all purchasers in a Rule 144A offering are QIBs. It is equally unclear how issuers can be certain in a Rule 506 placement that all purchasers are in fact accredited investors.

These JOBS Act changes will not become effective until the SEC issues implementing rules, which it is required to do by 5 July 2012. The SEC, through its rule making, is expected to impose additional requirements on issuers and provide interpretive guidance on what is or is not permissible in such offerings. In other words, what ‘reasonable steps’ must an issuer take to verify that it only sells to accredited investors or, indirectly, to QIBs.

The JOBS Act also permits establishment of ‘platforms’ for participants to advertise, solicit, negotiate and enter into transactions in Regulation D offerings without requiring the ‘platform’ to register with the SEC as a broker-dealer, provided the ‘platform’ does not receive transaction-based compensation or have possession of customer funds or securities in connection with transactions over the ‘platform’. Any such ‘platforms’ can provide form documents for issuers to use in selling their securities, but they may not be involved in negotiating the documents with prospective investors on behalf of an issuer. Thus, internet platforms will be able to be used to offer and sell securities to the public without the platform having to register with the SEC.

**Emerging Growth Companies**

The JOBS Act has significantly reduced, or made less onerous, the traditional registration and initial public offering (IPO) process, and the subsequent SEC reporting and regulatory burden, for so-called Emerging Growth Companies (EGCs).

An EGC is defined in the JOBS Act as any company that had total annual gross revenues of less than US$1 billion in its most recently completed fiscal year, excluding an issuer whose IPO occurred on or before 8 December 2011. An EGC remains such until the earliest to occur of:

**Greater Threshold Before Having to Register Securities with the SEC Under the Securities Exchange Act of 1934, as Amended (the ‘Exchange Act’)**

The JOBS Act substantially increases the number of securities holders of record threshold previously in effect which required an issuer to register its equity securities with the SEC under the Exchange Act from 500 record holders to 2000 record holders, provided not more than 499 record holders are non-accredited investors, not including in this number any employee receiving issuer securities under equity compensation plans, and also not including persons purchasing securities under the new ‘crowdfunding’ provisions of the JOBS Act to be discussed later in this article. These amendments to ss 12(g) and 15(d) of the Exchange Act, which will enable companies to raise capital privately from a much greater pool of investors before having to register its shares under the Exchange Act and become a SEC reporting company, became effective upon enactment of the JOBS Act on 5 April 2012.
(i) the last day of the fiscal year in which its gross revenues exceed US$1 billion; (ii) the last day of the fiscal year following the 5th anniversary of its IPO; (iii) the date on which it becomes a large accelerated filer (having a public float of over US$700 million) with the SEC; and (iv) the date on which it has, during the previous three-year period, issued more than US$1 billion in non-convertible debt securities.

EGCs are: (a) permitted to file registration statements with the SEC for an IPO on a non-public or confidential basis, so long as the public filing is made at least 21 days before the road show for the IPO; (b) permitted to ‘test the waters’ by holding meetings with institutional accredited investors and QIBs to evaluate interest in an upcoming IPO without being subject to current limitations on pre-offering communications; (c) required to present only two years (instead of three years) of audited financial statements and selected financial information in an IPO registration statement; (d) exempt from Sarbanes-Oxley s 404(b) requiring auditor attestation of internal controls over financial reporting; (e) exempt from shareholder advisory votes on executive compensation (‘Say or Pay’), and from certain proxy disclosure requirements relating to executive compensation, and can otherwise comply only with the compensation disclosure requirements applicable to ‘smaller reporting companies’; (f) exempt from compliance with new US GAAP accounting pronouncements applicable to Exchange Act reporting companies until such pronouncements also become applicable to private companies; and (g) exempt from any future Public Company Accounting Oversight Board rules mandating auditor rotation or making modifications to the auditor report.

**Regulation A-Type Offerings Expanded**
The JOBS Act increased the maximum amount of proceeds that can be raised pursuant to a Regulation A offering under the Securities Act from US$5 million to US$50 million in any 12-month period by adding a new s 3(b)(2) to the Securities Act. Securities sold in a s 3(b)(2) offering will not be restricted and may be publicly resold. The SEC is required to adopt rules under the new s 3(b)(2) of the Securities Act to implement this change.

Issuers relying on this exemption will be required to file electronically with the SEC and distribute to prospective investors an offering statement with audited financial statements and such other appropriate information as the SEC may require, likely to include a description of the company’s business and operations, risk factors, use of proceeds and corporate governance principles. However, the issuer will not be required to file periodic reports with the SEC pursuant to the Exchange Act. Nevertheless, the SEC is authorized to adopt rules that require any such issuer to file and make available to its investors periodic reports regarding the issuer’s business operations, financial condition, use of proceeds and corporate governance principles.

The Comptroller General is required by the JOBS Act to report back to Congress within three months of enactment on any necessary amendments to state blue sky laws regarding Regulation A. Currently, only Rule 506 offerings are exempt from state regulation and control of investor suitability issues and permissibility within the particular state of the offering, raising a question of possible state blue sky regulation of the expanded Regulation A offerings.

**Crowdfunding**
Crowdfunding is basically the term applied to raising money for a common cause or venture through relatively small contributions from a large number of people. This form of capital raising has generally been used by start-ups and hopeful entrepreneurs. More recently, crowdfunding moneys are being raised through social networking sites like Facebook, Twitter or LinkedIn, or through funding portals such as Kiva (www.kiva.org)
or Kickstarter (www.kickstarter.com). Those providing moneys through crowdfunding have not typically been traditional investors, since they did not receive a profit participation in the businesses they funded, and thus did not trigger securities law issues. Typically, they were customers of the issuer, friends, family and others solicited on the social networking sites.

More recently, however, crowdfunding has been offering those who contribute a return on investment capital, and thus such ‘offerings’ would require Securities Act registration or an exemption from registration – which was not available – and the ‘portals’ (intermediaries) who provided the platform for raising funds through crowdfunding would have to register with the SEC as broker-dealers. The JOBS Act adds a new s 4(6) to the Securities Act which permits non-SEC reporting issuers to raise capital from non-accredited investors without registering the securities being sold, provided no more than US$1 million can be raised in any 12-month period using this and all other exemptions. Additionally, the aggregate amount that can be raised from any one investor in any 12-month period and cannot exceed the greater of: (i) US$2000 or 5% of the annual income or net worth of the investor (if either is less than US$100,000); or (ii) 10% of the annual income or net worth of the investor, not to exceed a maximum amount sold to such investor of US$100,000 if either annual income or net worth is US$100,000 or more.

Under the JOBS Act, for crowdfunding to qualify for the new s 4(6) exemption, the funds being raised must involve a SEC registered broker-dealer or a ‘funding portal’ that complies with requirements to be promulgated by the SEC. Moreover, companies raising more than US$500,000 under s 4(6) in any 12-month period are required to file with the SEC and provide investors and the broker or ‘funding portal’ used to raise the funds with audited financial statements. Companies raising between US$100,000 and US$500,000 will need to provide financial statements that have been reviewed, but not audited, by an independent public accountant. Those companies raising less than US$100,000 will need to provide income tax returns for its most recent year and financial statements certified by the issuer to be true and complete in all material respects. In addition, the filings with the SEC and information provided to investors and the relevant broker-dealer or funding portal must include, among other things, disclosure regarding the company’s business, plan of operations, capital structure, officers, directors and principal shareholders, risk factors, intended use of proceeds and targeted offering amount.

The SEC is required by the JOBS Act to adopt within 270 days of enactment such rules as it may deem appropriate to carry out the new ss 4(6) and 4A of the Securities Act, which covers broker-dealers and funding portals acting as intermediaries in crowdfunding offers and sales of securities.

Provisions of the JOBS Act of Particular Interest to Non-US Issuers

The JOBS Act does not distinguish between US and non-US issuers with respect to EGCs. Thus, a non-US issuer which qualifies as an EGC can take advantage of a more expeditious and possibly less onerous IPO process, with fewer disclosure requirements both during registration and in its subsequent SEC reporting obligations.

Also, as previously described, a non-US issuer offering and selling its securities in a Rule 506 or in a Rule 144A offering will, after adoption of the mandated rules by the SEC, be able to engage in general solicitation and advertising with respect to its offering, provided all of the purchasers in the Rule 506 offering are accredited investors and that all purchasers in the Rule 144A offering are reasonably believed by the issuer to be QIBs.

Similarly, non-US issuers are eligible to take advantage of the increase to US$50 million of securities permitted to be sold without formal SEC registration within a 12-month period under Regulation A. While a Regulation A offering is generally a shorter and simpler process than full registration, it is not yet clear how the SEC will implement the expanded Regulation A availability.

Finally, non-US issuers are not eligible to raise capital in the US under the new crowdfunding exemption in s 4(b) of the Securities Act. Further, as noted previously, crowdfunding must be conducted through a broker-dealer or funding portal that is registered with the SEC and the applicable self-regulatory organization, thereby excluding non-US broker-dealers and funding portals from participating in crowdfunding offerings in the US.
The Issue of Control: Uncertainty Regarding Investor Protection Rights in Listed Indian Entities

The law in relation to the acquisition of shares or voting rights or change in control of a listed Indian company has been set forth in the Takeover Code. The Securities and Exchange Board of India in the Subhkam case decided that some minority protection rights would amount to change in ‘control’. This article analyses this decision and the order passed by the appellate tribunal and the Supreme Court in this regard.

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Investors acquiring a stake in target companies typically ensure that their investment and interests are protected through provisions in the transaction documents that safeguard their rights. Shareholder agreements or investment agreements set forth crucial rights of the investors, such as the right to appoint directors, form a part of the quorum, approve modifications to the business plan and obtain investor approval for a specified list of reserved matters. Apart from ensuring that certain investor rights are protected, such provisions also ensure effective corporate governance in the target companies.

Where listed companies in India are concerned, the law pertaining to the acquisition, whether direct or indirect, of the shares or voting rights in or control over the target company, has been framed by the Securities and Exchange Board of India (SEBI) and provided for in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the ‘New Takeover Code’), which has replaced the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (the ‘Erstwhile Takeover Code’). A recent order passed by SEBI and the consequent appeals before the Securities Appellate Tribunal (SAT) and the Supreme Court of India over the issue of what constitutes ‘control’ has raised concerns amongst the investor community and has created ambiguity regarding the issue of whether having negative control in a listed Indian entity necessarily implies that the investor is in ‘control’ of such company.
The Facts
Subhkam Holding Private Ltd (an entity which merged with Subhkam Ventures (I) Private Ltd) (‘Subhkam’), had executed a share subscription and shareholders agreement dated 20 October 2007 (the ‘Agreement’) with MSK Projects India Ltd (the ‘Target Company’) and the promoters of the Target Company (the ‘Promoters’). In furtherance of the terms of the Agreement and necessary resolutions being passed by the board of directors and shareholders of the Target Company, the Target Company made a preferential allotment of equity shares to Subhkam, which constituted 17.9% of the post preferential issue of the equity capital. A recital to the Agreement states that Subhkam is only a financial investor in the Target Company and shall not be considered as a promoter of the Target Company and that the control and management shall continue to vest with the promoters, and that the control and management of the Target Company shall not be acquired by Subhkam for any reason whatsoever.

Since the acquisition by Subhkam along with its existing shareholding in the Target Company and that of the shareholding of persons acting in concert with it exceeded 15% of the voting rights in the Target Company, Regulation 10 of the Erstwhile Takeover Code was triggered and Subhkam made a public announcement on 24 October 2007 for an open offer to acquire 45,77,572 equity shares of the Target Company from its public shareholders. Regulation 10 of the Erstwhile Takeover Code provides that no acquirer shall acquire shares or voting rights which (taken together with shares or voting rights, if any, held by him or persons acting in concert with him), entitles such acquirer to exercise 15% or more voting rights in the company, unless such an acquirer makes a public announcement to acquire shares of the company in accordance with the Erstwhile Takeover Code.

On the date of the public announcement, Subhkam (along with persons acting in concert with it), held 24.26% of the equity share capital of the Target Company. In accordance with the Erstwhile Takeover Code, Subhkam filed a draft letter of offer with SEBI which stated that more than 20% of the voting rights of the Target Company was sought to be acquired from the public shareholders. The draft letter of the offer also contained a clause which stated that Subhkam was merely a financial investor and that the acquisition would not result in any change in control of the Target Company and that Subhkam would not be in control of the management of the Target Company. By a letter dated 28 April 2008, SEBI directed that the offer documents be revised to reflect that the open offer was being made under Regulations 10 and 12 (which requires that irrespective of whether or not there has been any acquisition of shares or voting rights of a company, no acquirer shall acquire control over such target company unless such acquirer makes a public offer) of the Erstwhile Takeover Code and not just under Regulation 10.

The term ‘control’ is defined in the Erstwhile Takeover Code to ‘include the right to appoint majority of the directors or to control the management or the policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner’ (emphasis added). During meetings held between the merchant bankers and SEBI where it was emphasized that an offer could not be made under Regulation 12 of the Erstwhile Takeover Code as no change in control was envisaged and that Subhkam was a financial investor and could not be termed as a ‘promoter’, SEBI referred to certain provisions of the Agreement which it alleged gave ample powers to Subhkam, and in effect gave Subhkam the power to exercise control over the Target Company. SEBI via its letter dated 13 August 2008, directed Subhkam to comply with comments provided by SEBI in its letters dated 28 April 2008 and 13 June 2008. An appeal was filed by Subhkam before SAT which was allowed on the ground that SEBI’s decision did
not contain any reasons and the case was remitted back to SEBI to pass a fresh order in accordance with law after giving reasons. SEBI, by its order dated 15 December 2008 (the ‘SEBI Order’), reiterated its earlier decision giving detailed reasons for the same. It is against the SEBI Order that an appeal was filed by Subhkam with SAT.

**SAT’s Interpretation of the Term ‘Control’**

In its order passed on 15 January 2010 (the ‘SAT Order’), SAT had held that control is a proactive and not a reactive power; and that it is a power by which an acquirer can command the target company to do what he wants it to do. SAT held that the power by which an acquirer can only prevent a company from doing what the latter wants it to do is, by itself, not control and that control is a positive power and not a negative power.

Acknowledging that in board managed companies, it is the board of directors that are in control of the company, SAT held that other than through the right to appoint a majority on the board of directors, an acquirer could also be in control if such acquirer had the right to control the management or policy decisions of a company and that the test would be to see if the acquirer was really in the driver’s seat. SAT held that the question to be asked in each case would be whether the acquirer is the driving force behind the company and whether he is the one providing the motion to the organization and that if the answer to the question is in the affirmative, the acquirer would be in control, but not otherwise. SAT held that control means effective control.

**Relevant Clauses of the Agreement and the SAT Order**

SAT examined the various provisions of the Agreement which had been referred to in the SEBI Order and on the basis of which SEBI had concluded that Subhkam had acquired control over the Target Company. These provisions included:

1. **the right to nominate a director**: the Agreement had conferred on Subhkam the right to nominate a director on the board of directors and for such investor director to be a member on all committees. SAT had held that since Subhkam had the right to nominate only one director, the nominee could, by no stretch of reasoning, exercise control over the Target Company or its board and that the object behind such a right is to enable Subhkam, which has made significant investment in the Target Company, to know what is happening in the Target Company and to protect its interest with respect to the list of reserved or affirmative approval matters;

2. **a standstill clause**: SEBI had referred to a clause in the Agreement which provided that between the date of signing and actual investment, the Target Company would not deviate from the basis on which the decision to invest had been made. SAT held that since the clause would cease to operate from the date when the shares would be allotted to Subhkam, it cannot be regarded as conferring control on it;

3. **the right to constitute part of the quorum**: the Agreement had stated that a valid quorum for a board meeting would be three directors, one of which would be the investor director. SAT referred to another clause which provided that if adequate quorum in any meeting is not present, the meeting would be adjourned by a week at the same time and place, and that the directors present at such adjourned meeting would constitute quorum, except that they would not be able to vote on the list of reserved or affirmative approval matters. However, SAT held that these clauses did not confer any control on Subhkam; and

4. **reserved or affirmative approval matters**: the Agreement provided for a list of reserved or affirmative approval matters, which required Subhkam’s affirmative vote, till such time as Subhkam held at least 10% of the equity share capital of the Target Company. The list of reserved or affirmative approval
matters included: (a) any amendment to the memorandum and/or articles of association of the Target Company; (b) any consolidation, subdivision or alteration of rights attached to the share capital of the Target Company or its subsidiaries, any capital calls on shareholders; (c) approval of the annual business plan and any deviations to the same; (d) sale of assets of the Target Company other than certain exempted sales; (e) winding up, liquidation or dissolution of the Target Company; (f) incurring indebtedness in excess of 5% of the Target Company’s net worth other than as approved in the annual business plan; (g) any strategic alliance/joint venture proposed to be entered into by the Target Company; (h) appointment of key officials of the Target Company eg CEO, COO, CFO, Cs or equivalent and the determination of their remuneration and powers; (i) any authorization, creation, grant, issue allotment, redemption of any shares or convertible instruments of any class, debentures or warrants, grants, options over shares, approval of terms of a public issue or approval or disapproval of share transfers except as permitted under the Agreement; and (j) transactions with affiliates etc.

In the SEBI Order, SEBI had held that by virtue of the list of reserved or affirmative approval matters set forth in the Agreement, Subhkam would be in a position to influence major policy decisions of the Target Company by virtue of its affirmative vote and that Subhkam would have veto rights on crucial matters which would confer control.

SAT in its order held that the reserved or affirmative approval matters set forth in the Agreement are not in the nature of day-to-day operational control over the business of the Target Company nor of the management or policy decisions of the Target Company. SAT held that the aforementioned provisions merely enabled Subhkam to oppose a proposal and not carry a proposal on its bidding. The SAT Order also stated that although the reserved matters imposed fetters on the Target Company, it was for the purpose of good governance and that such fetters fell short of the existence of ‘control’ over the Target Company and that every fetter of any nature in the hands of any person over a listed company cannot result in ‘control’ of that person over that company.

SAT allowed the appeal filed by Subhkam against the SEBI Order and held that the clauses of the Agreement, whether taken individually or collectively, did not demonstrate control in the hands of Subhkam and that Regulation 12 of the Erstwhile Takeover Code was not triggered.

**SEBI Appeal Before the Supreme Court**

SEBI had filed a civil appeal before the Supreme Court against the SAT Order. The SEBI Order, which had in effect brought negative control within the definition of the term ‘control’ had raised serious concerns with respect to investments in listed Indian companies and the impact on certain basic investor rights that are fundamental to ensuring minority protection. With SEBI having filed an appeal before the Supreme Court, the decision of the Supreme Court with respect to negative control was awaited with much anticipation.

However, in the interim, the parties reached a settlement and on 16 November 2011, the Supreme Court dismissed the appeal. The Supreme Court in its order mentioned that the question of law was kept open and clarified that the SAT Order will not be treated as a precedent.

The order of the Supreme Court has further muddied the waters with respect to the issue of whether ‘negative control’ rights granted to an investor would amount to ‘control’. The New Takeover Code also has not amended the definition of the term ‘control’ which remains identical to the definition under the Erstwhile Takeover Code. The Supreme Court’s decision stating that the SAT Order will not be treated as precedent has led to uncertainty once again. With no direction from the Supreme Court and the SAT Order not being precedent, SEBI may continue to apply its interpretation of the term ‘control’ whereby negative control would also amount to ‘control’ and trigger the mandatory offer requirements under the New Takeover Code. As most private equity investments are accompanied by certain standard investor protection rights, which include investor affirmative approval rights, acquisition of even minority stakes in listed companies which confer rights on an investor may be treated as ‘control’ and would trigger the mandatory offer requirements. What will ensue is that each right being granted to investors will need to be examined on a case-by-case basis and each minority protection right being granted to an investor in a listed company carefully analyzed to determine whether the same could be regarded as impacting the management or policy decisions of the target company, thereby leading to a change in ‘control’ of the target company and triggering the mandatory offer requirements.

**Note:**

1 The portion in the bracket applies to Regulation 12 only.
Pakistan – Patents/Designs 2011

While 2011 posed many challenges to Pakistan’s economic outlook, the Pakistan Patent Office (PPO) remains on the path to growth, and continues to improve its know-how and technological skills to bring them in line with global standards.

Hamood-ur-Rub Jaffry
Senior Associate, Khursheed Khan & Associates

The PPO had observed a slow year for patents in 2011 as compared to previous years. During 2011, the PPO received 953 new patent applications and granted 225 patents. In comparison, with respect to designs, the PPO received a record 917 applications and granted 558 designs.

While the lack of patents has been assumed by many as some kind of a negative trend, the PPO utilized the extra time made available to them by re-structuring their system and re-grouping its internal organization. The restructuring of staff departments has produced positive results. The relocation of the acceptance department close to the formalities department has also helped coordination efficiency. PPO visitors can immediately feel the difference of the environment.

The examiner’s ability to examine patent applications has improved manifestly and their work has progressed to a much higher level. This has really helped the PPO to improve the standards of patents granted. The most frequently used sections in examination reports are ss 7, 8, 9, 13(3), 15(4) and 15(8) of Patents Ordinance 2000, all read together with their respective supporting sub-sections of s 2. These sections relate to the issues of novelty, inventive step and unity of invention whilst s 2 provides for the definitions
of the terms used therein. The examiners are also making good use of the international search reports issued by the International Searching Authority which correspond with patents abroad. Although there are still a few issues (eg the local stamping (stamp duty) on translation of foreign certified copies which is nonsensical and raising objections on Markush-style claims under s 15(4)) that are unnecessarily rigid in patent examination procedure, it is hoped that the Controller of Patents and the Intellectual Property Organisation of Pakistan (IPO) will turn their minds to them in due course.

Despite the record filing of design applications, the speed of the grants process has remained stable when compared with past years. The average grant time is now around six months provided the applicants respond promptly. The Controller of Patents and the IPO should be congratulated for bringing about very impressive and informative changes in the formatting of the Official Gazette Part V, as well as on the official website of the IPO wherein the publication of new applications for designs filed and registered, and list of ceased cases have been provided for the benefit of the public. This additional information not only helps interested persons but assists applicants to keep an eye on the status of their patents and designs.

The laws of patents and designs have remained unchanged for the past year and no substantial changes were made to the rules either, except for the two-fold increase in the official fee. However, the interpretation of s 23 (the pre-grant opposition proceedings) read together with ss 2(e) and 2(u) are currently under debate. Many of the opposition cases are being held time-barred by the Controller of Patents and the opponents have filed appeals in the Sindh High Court against the decision of the Controller. The opponents are relying on the phrasing of s 2(e) ‘made available to the public’ since the gazette reaches the public quite late, while the Patent Office is relying on the phrasing of s 2(u) ‘made available to the public whether in Pakistan or elsewhere’ since they make it available on their website relatively early. Cases regarding these sections such as, Pakistan Pharmaceuticals Manufacturers Association (PPMA) v F Hoffman La Roche, are pending before the High Court. We hope that this debate will end in a decisive interpretation of these sections.

Please note that the IPBA Publication Committee has moved away from a theme-based publication. Hence, for the next issues, we are pleased to accept articles on interesting legal topics and new legal developments that are happening in your jurisdiction. Please send your article by 17 August 2012 to both Caroline Berube at cberube@hjmasialaw.com and Maxine Chiang at maxinechiang@leetsai.com. We would be grateful if you could also send a lead paragraph of approximately 50 or 60 words, giving a brief introduction to, or overview of the article’s main theme and a photo with the following specifications (File Format: JPG, Resolution: 300dpi and Dimensions: 4cm(w) x 5cm(h)) together with your article).

The requirements for publication of an article in the IPBA Journal are as follows:

1. The article has not been previously published in any journal or publication;
2. The article is of good quality both in terms of technical input and topical interest for IPBA members;
3. The article is not written to publicise the expertise, specialization, or network offices of the writer or the firm at which the writer is based;
4. The article is concise (2500 to 3000 words) and, in any event, does not exceed 3000 words; and
5. The article is written by an IPBA member.
Discover Some of Our New Officers and Council Members

Maxine Chiang
Publications Committee Vice-Chair

What was your motivation to become a lawyer?
In early 1980s, the key leaders of various democratic movements and campaigns in Taiwan, which were formed to fight for lifting martial law and promoted democracy, were lawyers and graduated from National Taiwan University. I was so touched by their passion for Taiwanese people, courage and sacrifice that it triggered me to follow in the footsteps of those leaders. I also studied law at National Taiwan University, participated in various demonstrations and campaigns, and became a lawyer. Martial law was finally abolished in 1987 and this movement laid the foundation for the democratization of Taiwan.

What are the most memorable experiences you have had thus far as a lawyer?
Instead of referring to any specific case, I would like to share with you that being a lawyer for me is like being a ‘healer’. We diagnose the cases and provide solutions to clients. A workable solution can sometimes ‘heal’ the client more than providing a solution from the business aspects. When I contribute to the healing process, I am fulfilled as well.

William A Scott
Vice President

What was your motivation to become a lawyer?
I didn’t start out intending to become a lawyer. However, the practise of law seemed a natural progression after studying philosophy at university since it involved many similar skills, including careful analysis, vigorous scepticism and the clear articulation of reasoning. I’m still at it 30 years later.

What are the most memorable experiences you have had thus far as a lawyer?
The two most challenging (and memorable) files so far have been: (1) acting as lead counsel to the Hungarian government on the privatization of that country’s electricity industry in 1995; and (2) acting as lead counsel for eight international banks on the C$32 billion restructuring of the Canadian third-party asset backed commercial paper market in 2007-09, the largest insolvency restructuring in Canadian history. In both cases, we had to come up with creative solutions to very difficult issues while subject to intense public scrutiny and controversy.

What are your interests and/or hobbies?
Travel and golf.

Share with us something that IPBA members would be surprised to know about you.
I like travelling to unusual destinations. For instance, in 2007 I toured North Korea and in late-2011, I joined a one-month expedition on a Russian icebreaker to the Ross Sea in Antarctica. I even got to hit a few golf balls on both trips!

Do you have any special messages for IPBA members?
Our planning for the 24th AGM and Conference is progressing well and our Host Committee looks forward to welcoming IPBA members to Vancouver in May 2014.

What are your interest and/or hobbies?
I meditate daily, which keeps me energetic and it pours love and light into me so that I can get myself ready for the various challenges I may face. I also practise yoga and spinning from time to time.

Share with us something that IPBA members would be surprised to know about you.
I enjoy reading storybooks to kids and I have been a volunteer for reading/telling stories in the elementary schools for about two years. The young audiences always give me feedback with the wonderful smiles and lovely facial expressions. They are angels! Their pure and innocent thinking reminds me of inner truth and happiness.

Do you have any special messages for IPBA members?
Although the IPBA, from the perspective of membership numbers, is currently not a big organization, it is traditional for IPBA members to participate in various programmes and events organized by the various committees of the IPBA in large numbers. Such a tradition makes the IPBA a more prominent platform for the members to explore legal networking horizons. I do hope that more legal professionals can realize this feature of the IPBA through the recommendation of its members.
Members’ Notes

Lalit Bhasin

Taking over as President of the IPBA coincides with my completion of 50 years in the legal profession. It has been a long journey but I have no plans to retire. Someone said ‘a lawyer never retires – he just drops dead’.

Hamood-ur-Rub Jaffry

I am pleased to inform all IPBA members that I have now joined Khursheed Khan & Associates (KK&A), Karachi, Pakistan as a senior associate. Before joining KK&A, I practised as a patent attorney in Pakistan for about 17 years. I am also a member of APAA, PIPRA, Sindh Bar Counsel and Karachi Bar Counsel. Apart from my professional degree in law obtained from Karachi University, I am also a certified patent expert. The certification was awarded to me by the Japanese Patent Office in 2008 upon successfully completing the ‘Patent Expert Course’ held in Tokyo.

Stephan Wilske


Helen Tung

Helen Tung has recently been elected as Secretary of the British Korean Law Association. On 12 May 2012, about 20 lawyers from Austria, Germany, the Netherlands, US, UK and South Korea gathered for the Second International Association of Korean Lawyers European Mixer event. This event was supported by Clifford Chance, Kobre & Kim LLP and the British Korean Law Association. Topics for discussion included issues with transnational crime, cross-border financing in Korea and also issues of structuring cross-border mergers from a European perspective. The International Association of Korean Lawyer’s Annual Conference will be held in Los Angeles, California from 13 to 16 September 2012.

Jeffrey Robert Holt

After a little more than five years as senior counsel at Saipem SA, the French subsidiary of the Saipem Group, I have recently taken up my new position as Head of Legal for Saipem Offshore Norway in Stavanger. This company was recently incorporated and owns and manages a number of vessels of the overall Saipem fleet, which perform offshore EPC projects. I look forward to bringing my new found expertise, as well as the old, to assist the officers and members of the Energy & Natural Resources Committee for next year’s annual conference in Seoul and to the IPBA community in general.
The Inter-Pacific Bar Association (IPBA) is pleased to announce that it is accepting applications for the IPBA Scholarship Programme, to enable practicing lawyers to attend the IPBA's Twenty-Third Annual Meeting and Conference, to be held in Seoul, Korea, 17-20 April 2012 (www.ipba2013.org).

What is the Inter-Pacific Bar Association?
The Inter-Pacific Bar Association is an international association of business and commercial lawyers with a focus on the Asia-Pacific region. Members are either Asia-Pacific residents or have a strong interest in this part of the world. The IPBA was founded in April 1991 at an organising conference held in Tokyo attended by more than 500 lawyers from throughout Asia and the Pacific. Since then, it has grown to become the pre-eminent organisation in respect of law and business within Asia with a membership of over 1400 lawyers from 65 jurisdictions around the world. IPBA members include a large number of lawyers practising in the Asia-Pacific region and throughout the world that have a cross-border practice involving the Asia-Pacific region.

What is the Inter-Pacific Bar Association Annual Meeting and Conference?
The highlight of the year for the IPBA is its annual multi-topic four-day conference. The conference has become the ‘must attend event’ for international lawyers practising in the Asia-Pacific region. In addition to plenary sessions of interest to all lawyers, programs are presented by the IPBA’s 21 specialist committees. The IPBA Annual Meeting and Conference provides an opportunity for lawyers to meet their colleagues from around the world and to share the latest developments in cross-border practice and professional development in the Asia-Pacific region. Previous annual conferences have been held in Tokyo, Sydney, Taipei, Singapore, San Francisco, Manila, Kuala Lumpur, Auckland, Bangkok, Vancouver, Hong Kong, New Delhi, Seoul, Bali, Beijing, Los Angeles and Kyoto. Our most recent annual conference in New Delhi in February/March 2012 attracted over 900 delegates.

What is the IPBA Scholarship Programme?
The IPBA Scholarship Programme was originally established in honour of the memory of M S Lin of Taipei, who was one of the founders and a Past President of the IPBA. Today it operates to bring to the IPBA Annual Meeting and Conference lawyers who would not otherwise be able to attend and who would both contribute to, and benefit from attending, the IPBA Annual Conference. The Scholarship Programme is also intended to endorse the IPBA’s mission to develop the law and its practice in the Asia-Pacific region. Currently, the scholarships are principally funded by a group of lawyers in Japan to honor IPBA’s accomplishments in the 20 years since its founding.

During the conference, the Scholars will enjoy the opportunity to meet key members of the legal community of the Asia-Pacific region through a series of unique and prestigious receptions, lectures, workshops, and social events. Each selected Scholar will be responsible to attend the Conference in its entirety, to make a brief presentation at the Conference on a designated topic, and to provide a report of his/her experience to the IPBA after the conference. The programme aims to provide the Scholars with substantial tools and cross-border knowledge to assist them in building their careers in their home country. Following the conference, the Scholars will enjoy 3 years of IPBA membership and will be invited to join a dedicated social networking forum to remain in contact with each other while developing a network with other past and future Scholars.

Who is eligible to be an IPBA Scholar?
There are two categories of lawyers who are eligible to become an IPBA Scholar:

[1] Lawyers from Developing Countries
To be eligible, the applicants must:
(a) be a citizen of and be admitted to practice in Vietnam, Laos, Cambodia, Myanmar, Mongolia or the Pacific Islands;
(b) be fluent in both written and spoken English (given this is the conference language); and
(c) currently maintain a cross-border practice or desire to become engaged in cross-border practice.

[2] Young Lawyers
To be eligible, the applicants must:
(a) be under 35 years of age at the time of application and have less than five years of post-qualification experience;
(b) be fluent in both written and spoken English (given this is the conference language);
(c) have taken an active role in the legal profession in their respective countries;
(d) currently maintain a cross-border practice or desire to become engaged in cross-border practice; and
(e) have published an article in a reputable journal on a topic related to the work of one of our committees or have provided some other objective evidence of committed involvement in the profession.

Preference will be given to applicants who would be otherwise unable to attend the conference because of personal or family financial circumstances, and/or because they are working for a small firm without a budget to allow them to attend. Applicants from multi-national firms will normally be considered only if they have a substantial part of their attendance expenses paid by their firm. Former Scholars will only be considered under extraordinary circumstances.

How to apply to become an IPBA Scholar?
To apply for an IPBA Scholarship, please obtain an application form and return it to the IPBA Secretariat in Tokyo no later than 31 October 2012. Application forms are available either through the IPBA website (www.ipba.org) or by contacting the IPBA Secretariat in Tokyo.

Please forward applications to:

The IPBA Secretariat
Roppongi Hills North Tower 7F
6-2-31 Roppongi, Minato-ku
Tokyo 106-0032, Japan
Telephone: +81-3-5786-6796 Facsimile: +81-3-5786-6778
E-mail: ipba@tga.co.jp

What happens once a candidate is selected?
The following procedure will apply after selection:
1. IPBA will notify each successful applicant that he or she has been awarded an IPBA Scholarship. The notification will be provided at least two months prior to the start of the IPBA Annual Conference. Unsuccessful candidates will also be notified.
2. Airfare will be agreed upon, reimbursed or paid for by, and accommodation will be arranged and paid for by the IPBA Secretariat after consultation with the successful applicants.
3. A liaison appointed by the IPBA will introduce each Scholar to the IPBA and help the Scholar obtain the utmost benefit from the IPBA Annual Conference.
4. Each selected scholar will be responsible to attend all of the Conference, to make a very brief presentation at the Conference on a designated topic and to provide a report of his/her experience to the IPBA after the Conference.

Please provide this information to any qualified candidate. Thank You.
An Invitation to Join the Inter-Pacific Bar Association

The Inter-Pacific Bar Association (IPBA) is an international association of business and commercial lawyers who reside or have an interest in the Asian and Pacific region. The IPBA has its roots in the region, having been established in April 1991 at an organising conference in Tokyo attended by more than 500 lawyers from throughout Asia and the Pacific. Since then it has grown to over 1400 members from 65 jurisdictions, and it is now the pre-eminent organisation in the region for business and commercial lawyers.

The growth of the IPBA has been spurred by the tremendous growth of the Asian economies. As companies throughout the region become part of the global economy they require additional assistance from lawyers in their home country and from lawyers throughout the region. One goal of the IPBA is to help lawyers stay abreast of developments that affect their clients. Another is to provide an opportunity for business and commercial lawyers throughout the region to network with other lawyers of similar interests and fields of practice.

Supported by major bar associations, law societies and other organisations throughout Asia and the Pacific, the IPBA is playing a significant role in fostering ties among members of the legal profession with an interest in the region.

**IPBA Activities**

The breadth of the IPBA’s activities is demonstrated by the number of specialist committees. All of these committees are active and have not only the chairs named, but also a significant number of vice-chairs to assist in the planning and implementation of the various committee activities. The highlight of the year for the IPBA is its annual multi-topic four-day conference, usually held in the first week of May each year. Previous annual conferences have been held in Tokyo (twice), Sydney (twice), Taipei, Singapore (twice), San Francisco, Manila, Kuala Lumpur, Auckland, Bangkok, Vancouver, Hong Kong, New Delhi, Seoul and Beijing attracting as many as 1000 lawyers plus accompanying guests.

The IPBA has organised regional conferences and seminars on subjects such as Practical Aspects of Intellectual Property Protection in Asia (in five cities in Europe and North America respectively) and Asian Infrastructure Development and Finance (in Singapore). The IPBA has also cooperated with other legal organisations in presenting conferences – for example, on Trading in Securities on the Internet, held jointly with the Capital Market Forum.

IPBA members also receive our quarterly *IPBA Journal*, with the opportunity to write articles for publication. In addition, access to the online membership directory ensures that you can search for and stay connected with other IPBA members throughout the world.

**APEC**

APEC and the IPBA are joining forces in a collaborative effort to enhance the development of international trade and investments through more open and efficient legal services and cross-border practices in the Asia-Pacific Region. Joint programmes, introduction of conference speakers, and IPBA member lawyer contact information promoted to APEC are just some of the planned mutual benefits.

**Membership**

Membership in the Association is open to all qualified lawyers who are in good standing and who live in, or who are interested in, the Asia-Pacific region.

- **Standard Membership**: ¥23,000
- **Three-Year Term Membership**: ¥63,000
- **Corporate Counsel**: ¥11,800
- **Young Lawyers (under 30 years old)**: ¥6000

Annual dues cover the period of one calendar year starting from January 1 and ending on December 31. Those who join the Association before 31 August will be registered as a member for the current year. Those who join the Association after 1 September will be registered as a member for the rest of the current year and for the following year.

Membership renewals will be accepted until 31 March.

Selection of membership category is entirely up to each individual. If the membership category is not specified in the registration form, standard annual dues will be charged by the Secretariat.

There will be no refund of dues for cancellation of all membership categories during the effective term, nor will other persons be allowed to take over the membership for the remaining period.

**Corporate Associate**

Any corporation may become a Corporate Associate of the IPBA by submitting an application form accompanied by payment of the annual subscription of (¥50,000) for the current year.

The name of the Corporate Associate shall be listed in the membership directory.

A Corporate Associate may designate one employee (‘Associate Member’), who may take part in any Annual Conference, committee or other programmes with the same rights and privileges as a Member, except that the Associate Member has no voting rights at Annual or Special Meetings, and may not assume the position of Council Member or Chairperson of a Committee.

A Corporate Associate may have any number of its employees attend any activities of the Association at the member rates.

- **Annual Dues for Corporate Associates**: ¥50,000

**Payment of Dues**

The following restrictions shall apply to payments. Your cooperation is appreciated in meeting the following conditions.

1. Payment by credit card and bank wire transfer are accepted.
2. Please make sure that related bank charges are paid by the remitter, in addition to the dues.

**IPBA Secretariat**

Roppongi Hills North Tower 7F, 6-2-31 Roppongi, Minato-ku, Tokyo 106-0032, Japan

Tel: 81-3-5786-6796 Fax: 81-3-5786-6778 E-Mail: ipba@tga.co.jp Website: ipba.org
IPBA MEMBERSHIP REGISTRATION FORM

MEMBERSHIP CATEGORY AND ANNUAL DUES:

[ ] Standard Membership .............................................................. ¥23,000
[ ] Three-Year Term Membership ............................................ ¥63,000
[ ] Corporate Counsel ................................................................. ¥11,800
[ ] Young Lawyers (under 30 years old) .................................... ¥6,000

Name: ____________________________ First Name / Middle Name ____________________________

Date of Birth: year __________ month __________ date __________ Gender: M / F

Firm Name: ___________________________________________________________________________

Jurisdiction: __________________________________________________________________________

Correspondence Address: _____________________________________________________________________________

Telephone: ____________________________ Facsimile: ____________________________

Email: _______________________________________________________________________________________

CHOICE OF COMMITTEES (PLEASE CHOOSE UP TO THREE):

[ ] Aviation Law [ ] Intellectual Property
[ ] Banking, Finance and Securities [ ] International Construction Projects
[ ] Competition Law [ ] International Trade
[ ] Corporate Counsel [ ] Legal Development and Training
[ ] Cross-Border Investment [ ] Legal Practice
[ ] Dispute Resolution and Arbitration [ ] Maritime Law
[ ] Employment and Immigration Law [ ] Scholarship
[ ] Energy and Natural Resources [ ] Tax Law
[ ] Environmental Law [ ] Technology and Communications
[ ] Insolvency [ ] Women Business Lawyers
[ ] Insurance

I agree to showing my contact information to interested parties through the APEC web site. YES NO

METHOD OF PAYMENT (Please read each note carefully and choose one of the following methods):

[ ] Credit Card
[ ] VISA [ ] MasterCard [ ] AMEX (Verification Code: ________________)

Card Number: ________________ Expiration Date: ________________

[ ] Bank Wire Transfer – Bank charges of any kind should be paid by the sender.

to The Bank of Yokohama, Shinbashi Branch (SWIFT Code: HAMAJPJT)
A/C No. 1018885 (ordinary account) Account Name: Inter-Pacific Bar Association (IPBA)
Bank Address: Nihon Seimei Shinbashi Bldg 6F, 1-18-16 Shinbashi, Minato-ku, Tokyo 105-0004, Japan

Signature: ____________________________ Date: ________________

PLEASE RETURN THIS FORM TO:
The IPBA Secretariat, Inter-Pacific Bar Association
Roppongi Hills North Tower 7F, 6-2-31 Roppongi, Minato-ku, Tokyo 106-0032, Japan
Tel: +81-3-5786-6796 Fax: +81-3-5786-6778 Email: ipba@tga.co.jp