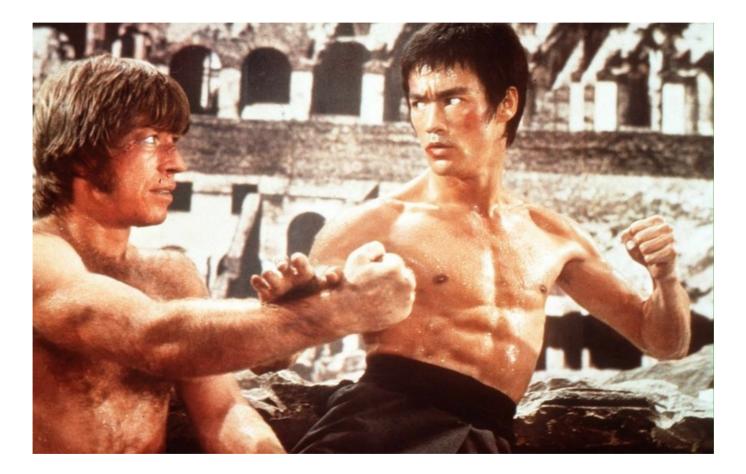
## Chinese Product Safety -risk management practices

June 19, 2008

Eugene Chen of Lovells, Shanghai Presented at Lovells, Munich





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# **Risk 1: Litigation in China**

- Distribution of products in China
- Manufacturing in China
- Long-arm jurisdiction of Chinese courts



# **Product Liability Claims in China**



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- Strict liability
- Tort-based liability
- Contract-based liability
- Breach of statutory obligations

# Action

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- Deep understanding of ever-changing Chinese law
- Connections within China
- Think ahead, plan ahead
- Be prepared to act immediately



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#### Risk 2: Product Recalls & Product Liability in China





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# Managing the Risk of Chinese Products

- Careful review of importer contracts
  - safeguards
  - audit/inspection
  - QC procedures
- Contractual provisions
  - indemnity
  - hold back
  - dispute resolution
- Adequate insurance for importer and manufacturer
- Develop crisis management strategy in China <u>and</u> your home country
- Be aware of your regulatory obligations in China

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### Sino-Global Legal Alliance

#### An unparalleled footprint in China

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The SGLA is an innovative alliance comprised of Lovells and ten leading law firms in China.

Each local SGLA member is a clear market leader in its own jurisdiction and was identified through a ground-breaking one-year market survey and due diligence process undertaken by Lovells to identify the best Chinese law firms across all key regions of China.



**SGLA Member firms** 

- Allbright Law Firm (Shanghai)
- Guangda Law Firm (Guangzhou)
- China Commercial Law Office (Shenzhen)
- Deheng Law Group (Qingdao and Jinan)
- T&C Law (Hangzhou)
- Wang, Wu, Yang & Ma Law Office (Shenyang)
- Join & High (Tianjin)
- Solton & Partners (Chongqing)
- Dewell Law Firm (Wuhan)
- Tahota Law Firm (Chengdu) (1 July 08)





