

Leveraging IP and Collaboration to Create Value in Emerging Technologies

Bin Sun | CLO May 18, 2017





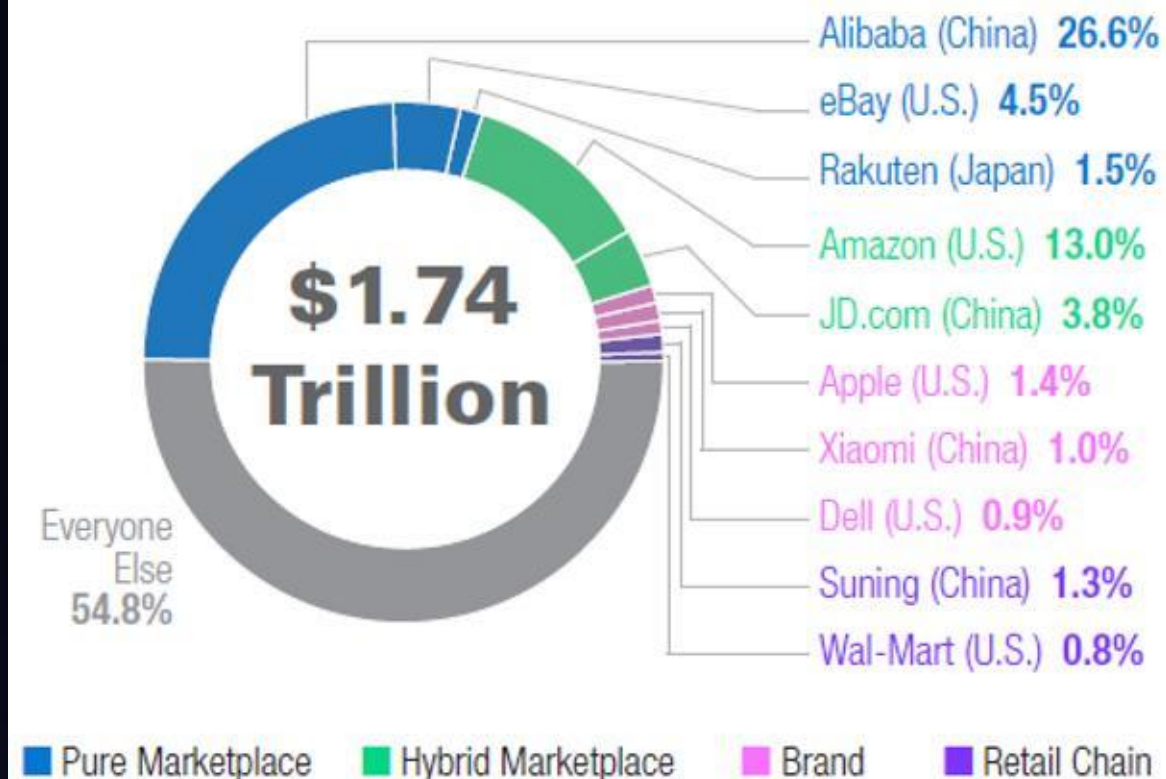
Xiaomi Mi 6 Hands-On: iPhone 7 Camera Tech, With Galaxy S8 Specs, But Half The Price.

小米6上手体验：苹果7的照相技术，三星S8的配置，但只有一半的价钱。

— 福布斯

The World's Top 10 Largest Retailers Hold Nearly Half the Global Market

Global E-Retail Market Share, Company Type



* Hybrid marketplace means they sell their own products, and those owned by other sellers. Market share amounts represent global GMV of each merchant.

Source: Company reports, ChannelAdvisor, Internet Retailer



MIUI 全球联网激活用户数

Worldwide activated
users of MIUI:

2亿 Over 200 million!



User activity for Android devices:

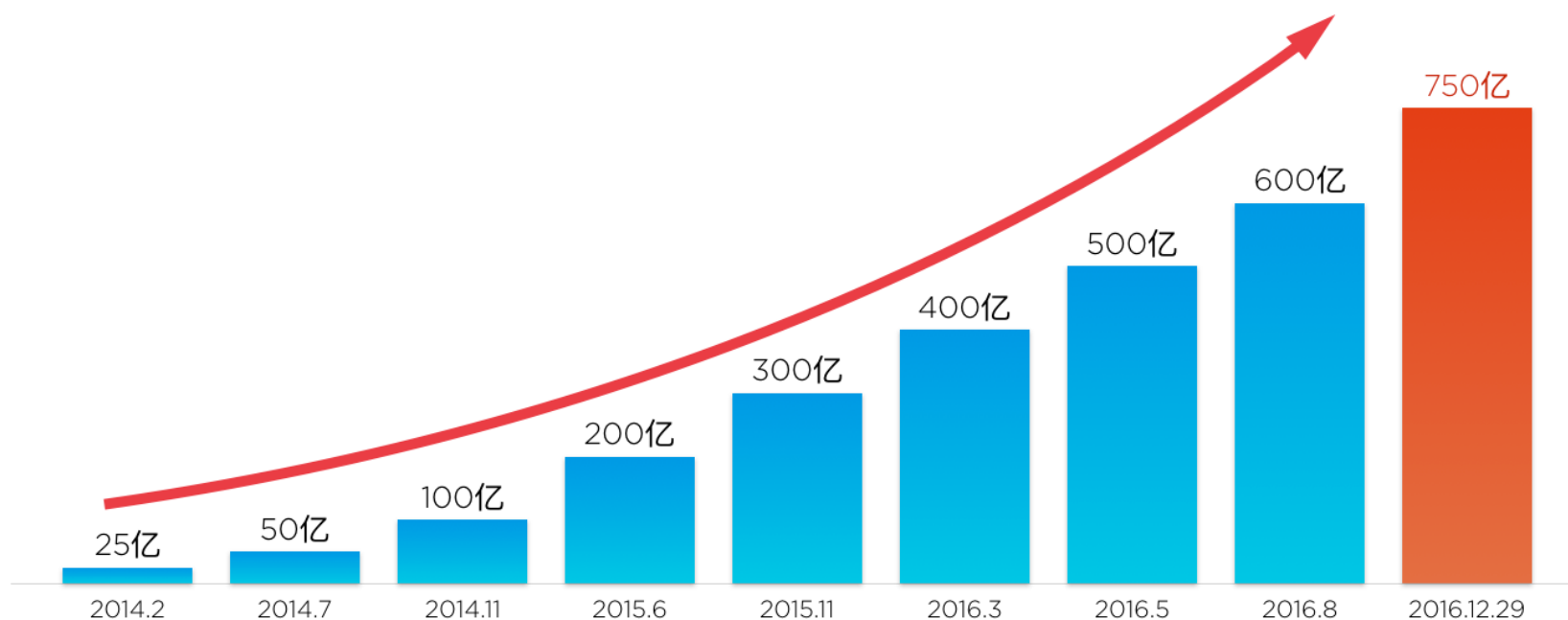
- Among the top 5, 4 from Xiaomi
- Among the top 10, 7 from Xiaomi



Apps distribution on Mi Apps Store exceeds 75 billion !

小米应用商店分发量

突破750亿





小米生态圈层

Logic of Xiaomi Ecosystem



Consumption
Upgrading

Financial Services

Collaborative Ecosystem Products



Zmi
Xiaomi power bank

55 million



Huami
Xiaomi band

23 million



Smart Mi
Xiaomi air purifier

2 million



1MORE
Xiaomi earphone

18 million



Ching Mi
Xiaomi patch board

5.5 million



Yi
Xiaomi camera

3.3 million

Ecosystem Smart Device Platform



- Over **50 million** connected devices
- Over **50 million** users



Rapid Growth of Portfolio Ecosystem Companies

77

77 ecosystem
companies

30

30 companies
launched products

5

5 “Unicorn”
start-ups

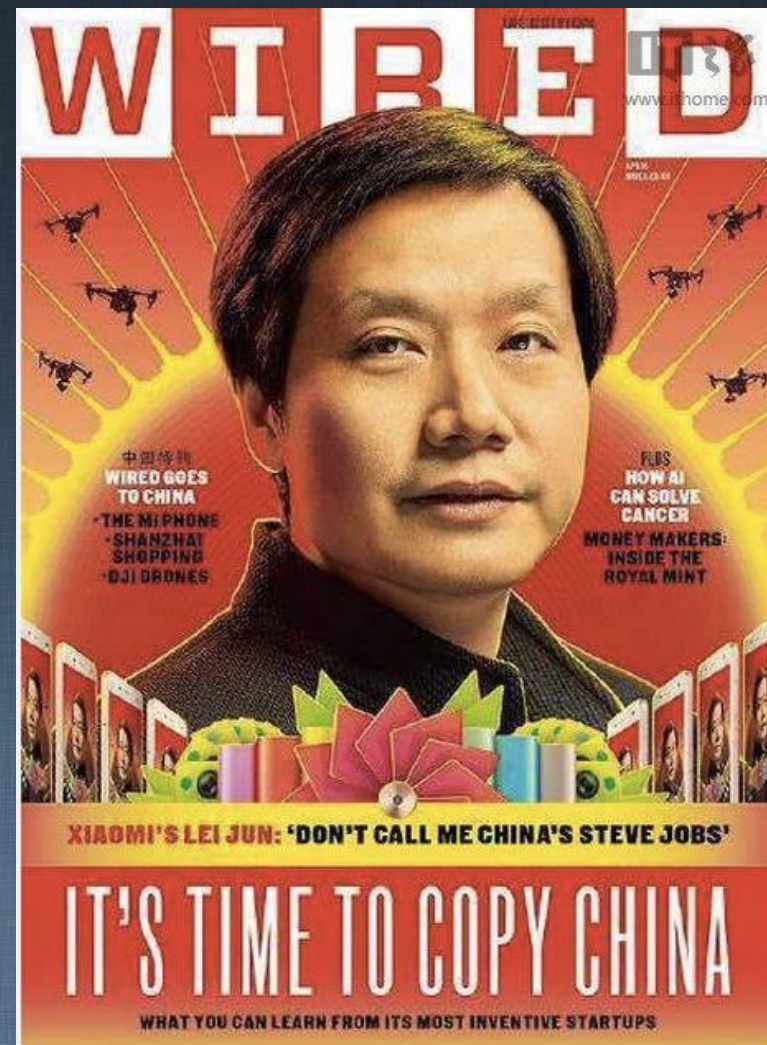
15mil

16 companies with
annual income over
15 million USD

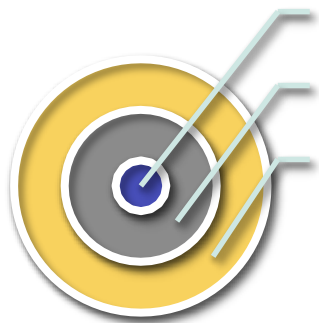
150mil

3 companies with
annual income over
150 million USD

Is It Time to Copy China



Trademark

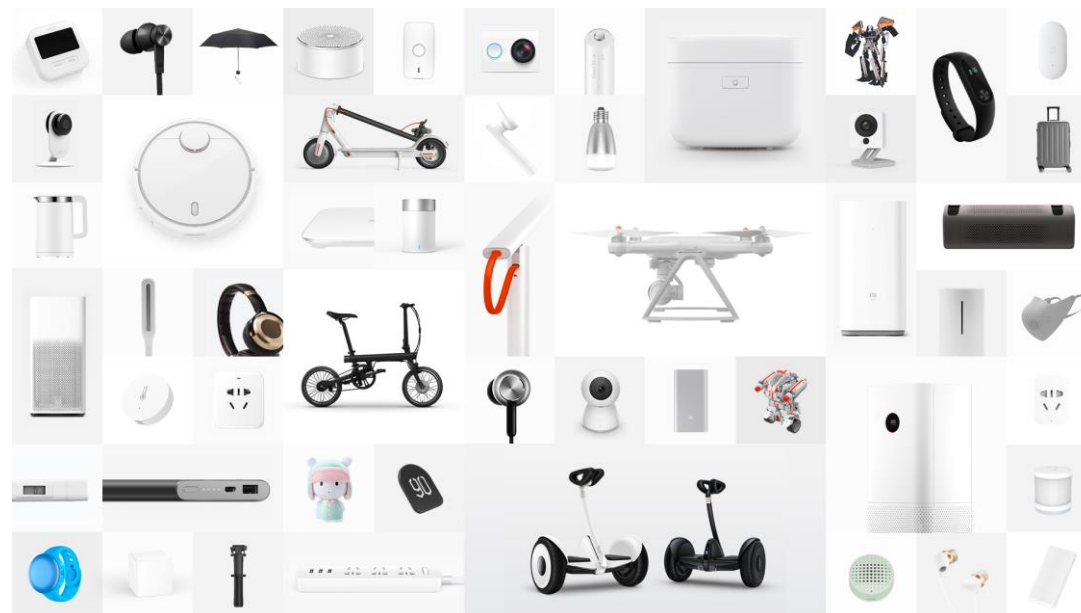


MI、XIAOMI、小米、米家、MIJIA、



米聊、MIUI、红米、小米之家...

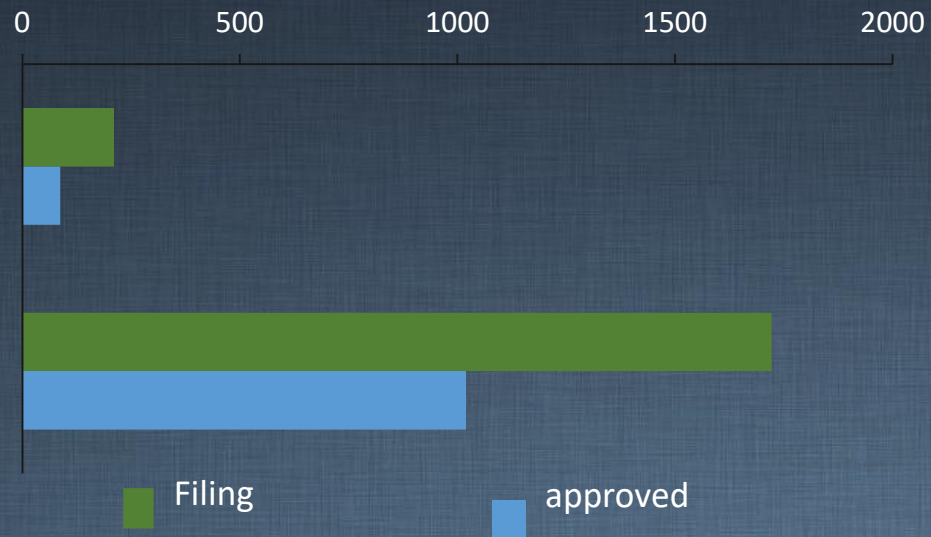
紫米、绿米、蓝米、智米、米粉、米线、米兔、华米、云米...



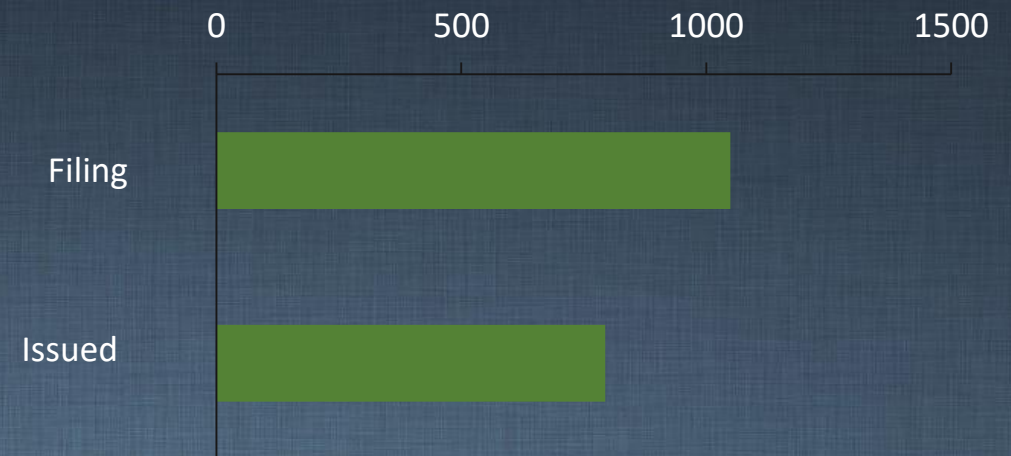
Trademark



➤ Domestic trademark



➤ Overseas trademark



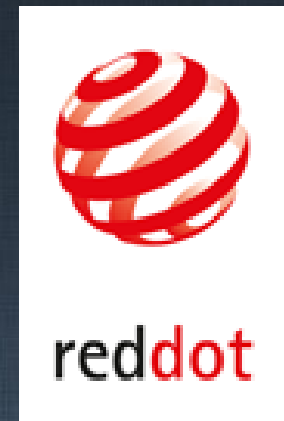
Designs (>40 Awards Won in last few Years)



18 Awards



11 Awards



8 Awards



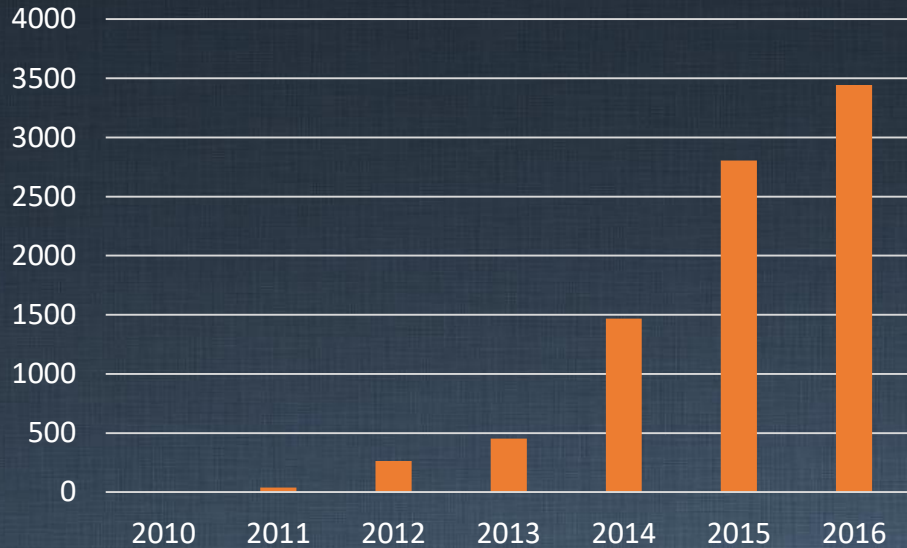
5 Awards



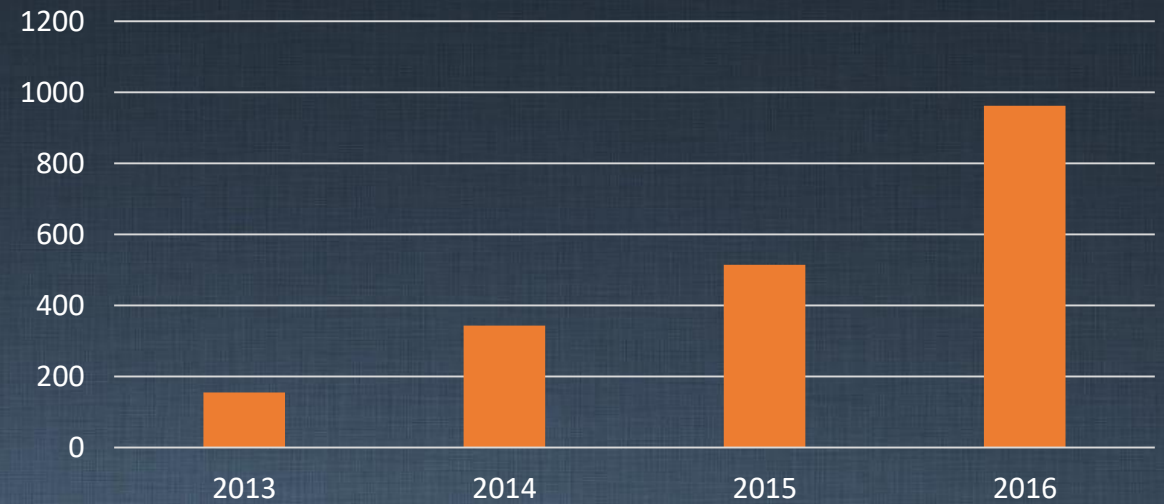
4 Awards

Patent : Independent Innovation

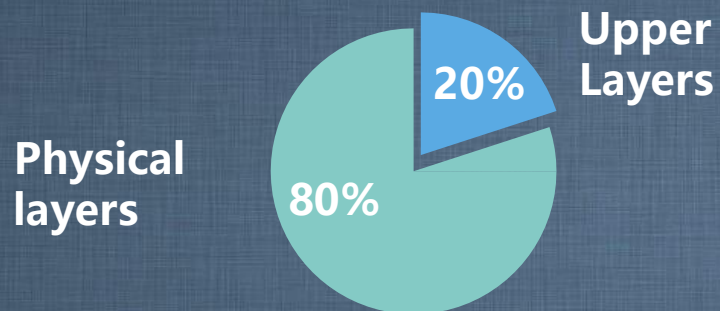
✓ Patent filings in China



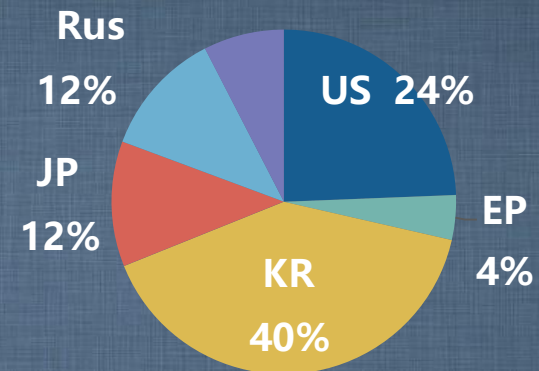
✓ Oversea patent filings



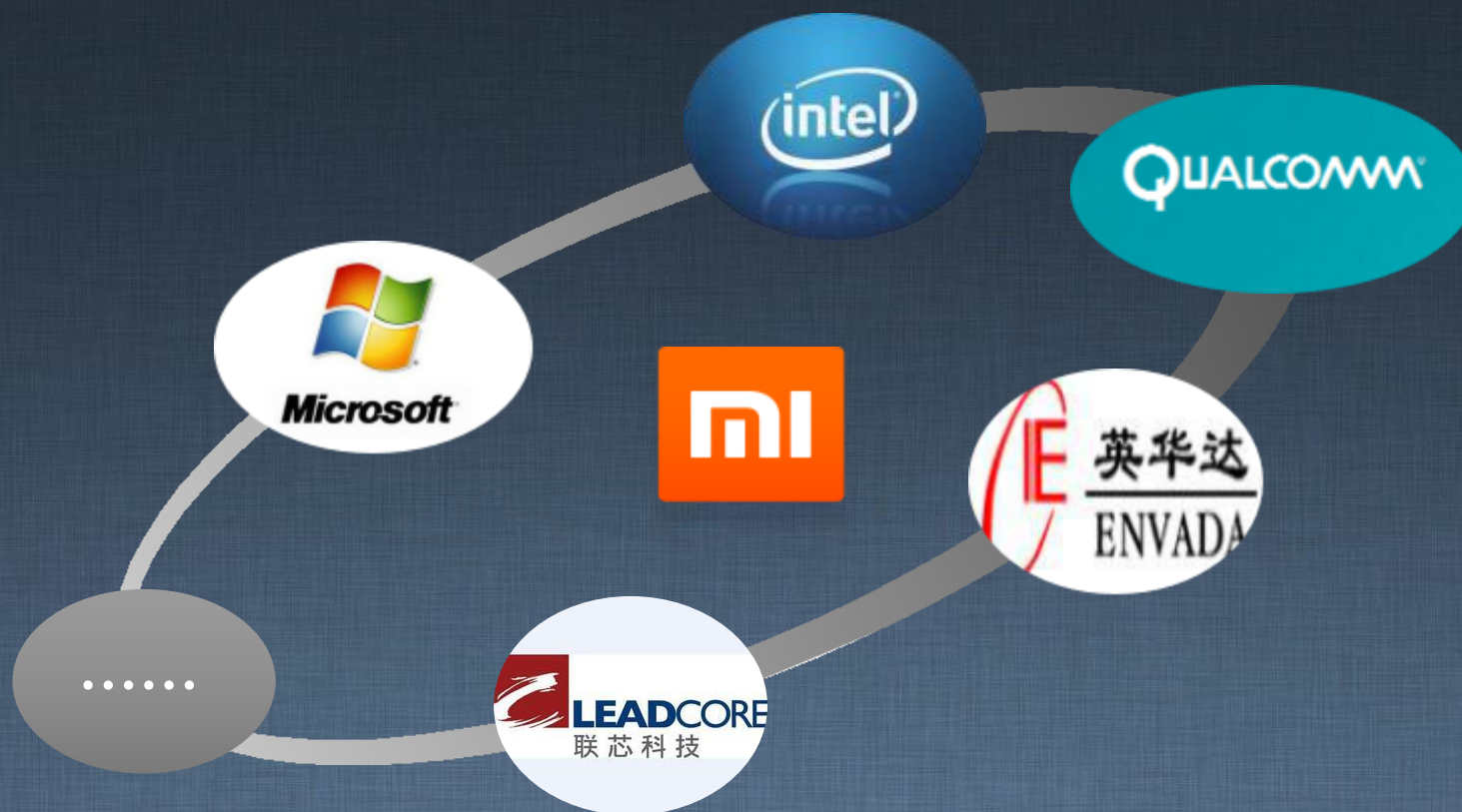
✓ Standard invention filings



✓ Issued patents breakdown



Patent: Open Collaboration



Privacy & Data Security (Xiaomi Practice)



Organization-wide Ad Hoc Committee on Privacy

Privacy Compliance Certification



Xiaomi Whitepaper on Privacy Protection

Privacy and Data Security Law (EU)

✓ EU:

The General Data Protection Regulation (GDPR) (Effective on 25 May 2018)

- **Increased Territorial Scope (extra-territorial applicability)**
 1. Arguably the biggest change to the regulatory landscape of data privacy
 2. Applies to all companies processing the personal data of data subjects residing in the Union, regardless of the company's location.
- **Penalties**

Up to 4% of annual global turnover or €20 Million (whichever is greater).
- **Right to be Forgotten**

a.k.a. Data Erasure, covers

 1. the data no longer being relevant to original purposes for processing, or
 2. a data subjects withdrawing consent.
- **Data Portability**
 1. Allows individuals to obtain and reuse their personal data for their own purposes across different services.
 2. Individuals is able to move, copy or transfer personal data easily from one IT environment to another in a safe and secure way, without hindrance.

Privacy and Data Security Law (China)

✓ China:

- Cybersecurity Law and related regulations and interpretations (Effective on June 1, 2017)

The first law passed in China, superseding previous regulations and regulatory documents scattered across many different legal sections.

1. Network operations requirements (for “Network Operators” which could be a broad term)

- a) Make public all privacy notices
- b) Obtain individual consent for collecting and processing personal data
- c) Implement technical safeguarding measures, similar to those required in North American and Europe

2. Network security (for “Network Operators”)

Provide sufficient internal security management systems

1. Data localization rule (for “Key Information Infrastructure Operators”)

- a) Personal data or “important data” collected or produced in China should be kept within China.
- b) Transferring such data outside of China needs to go through a security assessment

Privacy & Data Security Law (Cross-border transfer)

Data cross-border transfer is a key issue confronting IoT in light of globalization. Each jurisdiction has its own legislations/requirements. Unified requirements will greatly enhance free data cross-border transfer and IoT.

✓ **EU:**

EU Directive 95/46/EC - The Data Protection Directive

Transfer of personal data to a third country is only allowed, when **the third country in question ensures an adequate level of protection.**

EU-U.S. Privacy Shield

Since the Commission consider that the United States does not ensure an adequate level of protection, the US government and the European Commission reached the Privacy Shield Principles, which provides principles to which U.S. companies can self-certify and then transfer data from the EU to the US.

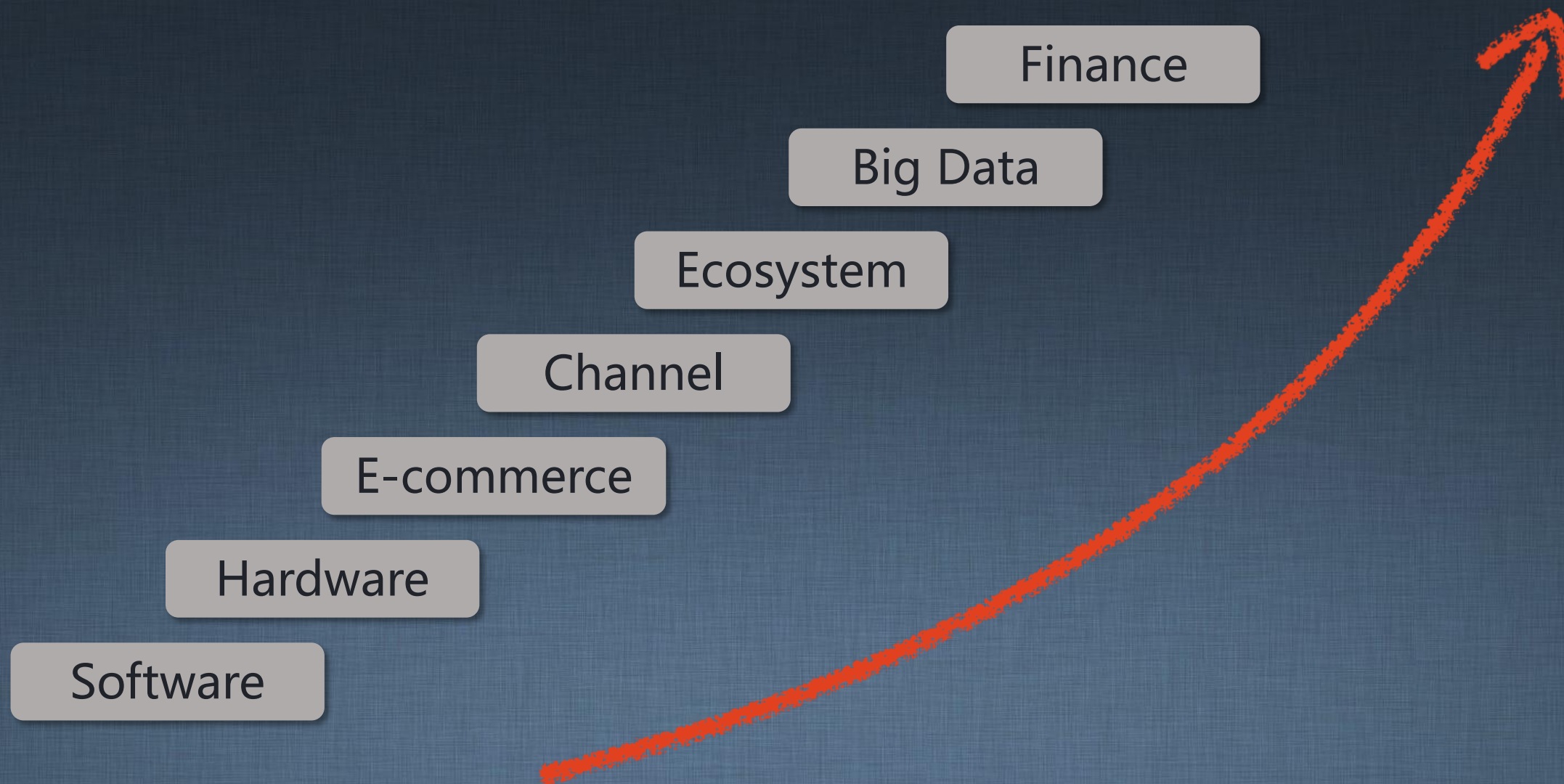
✓ **Russia:**

On September 1, 2016, Russia published the first results of the application of personal data localization requirements Russian citizens' data should be collected, recorded, systemized, accumulated, stored, adjusted and **extracted via a database located in Russia**

The LinkedIn case

In 2016, access to the LinkedIn websites was restricted for persons using Russian IP addresses. The decision to block the LinkedIn websites was based, among other things, on the failure by LinkedIn to comply with the data localization requirements and to obtain the consent of the relevant citizens for the processing of their personal data by LinkedIn.

Innovation-Collaboration-Evolution



Thank you!

