

Spin Master Wins "Bakugan" Patent Case in China

TORONTO, April 22, 2019 /CNW/ - Spin Master Corp. (TSX:TOY; www.spinmaster.com), a leading global children's entertainment company, announced today that it has recently received a final judgement in its favour in a patent case against Suzhou HONGTU Film Animation Co., Ltd. ("Hongtu"). Spin Master succeeded in its claim that Hongtu infringed Spin Master's Bakugan patent with its derivative "Sky Warrior" toys.

In September 2017, Hongtu launched the "Sky Warrior" derivative toy in China, infringing Spin Master's patent rights relating to the popular Bakugan toy.

In March 2018, Spin Master filed a lawsuit in the Hangzhou Intermediate People's Court against Hongtu and three other defendants. In the first instance, the Court ruled that the "Sky Warrior" toys fall within the scope of Spin Master's patent and therefore constituted patent infringements. The Court ordered the defendants to cease all production and sale of the "Sky Warrior" toy and awarded Spin Master RMB 300,000 (approx. USD \$44,100) in compensation. Hongtu appealed to the Zhejiang Higher People's Court in April 2019. The Court has now issued a final judgment which affirmed the first instance decision.

Ben Gadbois, Spin Master's Global President and COO stated: "We expect our competitors to respect Spin Master's intellectual property and will take forceful steps if we believe our rights are being infringed."

Chris Harrs, Spin Master's General Counsel and Corporate Secretary added: "Given Spin Master's plans to distribute the Bakugan TV series in China and sell the associated toys, we are very pleased that the validity and enforceability of the Bakugan patent has been tested and we would expect that such positive results will make our future enforcement efforts easier."

About Spin Master and "Bakugan"

In 2007, in collaboration with Sega Toys, TMS and Nelvana, Spin Master released the Bakugan TV show. As the main derivative product of the animation, the Bakugan toys were widely welcomed by kids around the world. Spin Master filed various IP rights globally to protect Bakugan.

In the past 10 years, Spin Master has spared no effort to protect its Bakugan IP rights and has filed civil lawsuits globally against many competitors who attempted to infringe the Bakugan IP. So far, Spin Master has achieved meaningful success. The Bakugan patent rights have also withstood attempts by competitors to invalidate them before the China Patent Reexamination Board. Ultimately the Board dismissed all such attempted invalidations and affirmed the strength of the Bakugan patent.

In 2019, Spin Master relaunched the Bakugan TV show and toys globally.

About Spin Master

Spin Master (TSX:TOY; www.spinmaster.com) is a leading global children's entertainment company that creates, designs, manufactures, licenses and markets a diversified portfolio of innovative toys, games, products and entertainment properties. Spin Master is best known for award-winning brands including Zoomer®, Bakugan®, Erector® by Meccano®, Hatchimals®, Air Hogs® and PAW Patrol®. Since 2000, Spin Master has received 103 TIA Toy of The Year (TOTY) nominations with 30 wins across a variety of product categories, including 13 TOTY nominations for Innovative Toy of the Year. To date, Spin Master has produced nine television series, including the relaunched Bakugan: Battle Planet and current hit PAW Patrol, which is broadcast in over 160 countries and territories globally. Spin Master employs over 1,800 people in countries around the world including Canada, United States, Mexico, France, Italy, United Kingdom, Russia, Slovakia, Poland, Germany, Sweden, the Netherlands, China, Hong Kong, Japan, Vietnam and Australia.

SOURCE Spin Master Corp.

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