



Shen Changyu, Commissioner of China National Intellectual Property Administration

Commissioner's Message

The year 2018 marks the 40th anniversary of China's reform and opening up as well as the 10th anniversary of the implementation of *the Outline of National Intellectual Property Strategy*. This year has also witnessed the institutional reform of IP authorities and the reorganization of CNIPA. The CPC Central Committee and the State Council laid great emphasis on intellectual property work. At the 2nd Meeting of the Central Leading Group for Deepening Overall Reform presided over by President Xi Jinping, *the Working Measures for Outbound Transfer of Intellectual Property Rights (for Trial Implementation)* was deliberated and adopted. In the keynote speech addressed by President Xi Jinping at the Opening Ceremony of the Boao Forum for Asia Annual Conference 2018, he pointed out that intellectual property protection is the centerpiece of the system for improving property rights protection, and it will provide the biggest boost to the competitiveness of the Chinese economy. In the keynote speech delivered at the Opening Ceremony of the first China International Import Expo (CIIE), President Xi Jinping stated that China will foster a world-class business environment, and is resolute in meting out, in a law-binding manner, punishment for violations of the lawful rights and interests of foreign investors, particularly IPR infringements. In addition, China will enhance the quality and efficiency of IP examination, and put in place a punitive compensation system to significantly raise the cost for offenders. In his congratulatory letter to the High-level Conference on Intellectual Property for Countries along the Belt and Road, he noted that intellectual property system plays a crucial role in promoting the joint development of the Belt and Road, and hoped that parties at the conference can enhance communication and

cooperation to ensure more effective protection and utilization of IP rights and jointly construct the road of innovation. In *the Report on the Work of the Government*, Premier Li Keqiang stated that China will strengthen the protection of intellectual property rights, and enforce a punitive compensation system. At executive meetings of the State Council presided over by Premier Li, *the Amendment to the Patent Law (Draft)* and *the Regulations on Patent Commissioning (Draft Amendment)* were deliberated and adopted, the progress in reducing trademark and patent examination pendency was reported, and important deployments on intellectual property were made.

Throughout the year, CNIPA earnestly implemented the decisions and deployments of the CPC Central Committee and the State Council with the guidance of the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. Bearing in mind the general principle of pursuing progress while ensuring stability and the aim of pursuing high-quality development, we continued to implement IP strategy, deepen the reform in the IP field, and strengthen IP creation, protection and utilization, for the purpose of accelerating the development of an IP powerhouse. New achievements have been scored in all aspects of IP-related efforts.

Comprehensive progress has been made in the development of an IP Powerhouse.

The reorganization of CNIPA has been smoothly completed. With unified administration of trademark, patent, geographical indication and integrated circuit layout design, the management efficiency has been greatly enhanced. Adjustment has also been made to the Inter-Ministerial Joint Conference on the Implementation of National Intellectual Property Strategy under the State Council, and its 3rd plenary meeting has been convened, at which *the 2018 Annual Plan for Deepening the Implementation of the National IP Strategy and Accelerating the Development of an IP Powerhouse* has been issued. The evaluation on the implementation of *the Outline of the National Intellectual Property Strategy* in the past ten years and mid-term evaluation on the implementation of *the Thirteenth Five-Year Plan for National Intellectual Property Protection and Utilization* have been completed. The drafting of *the Outline of National Strategy for the Development of an IP Powerhouse* has been launched.

The comprehensive strength of IP reached a new level. Throughout this year, a total of 432,000 invention patents, 1.479 million utility models, and 536,000 industrial designs have been granted. 5.007 million trademarks were registered. 67 geographical indication products were approved, and 961 geographical indication trademarks were registered.



3,815 integrated circuit layout designs were registered. 55,000 PCT applications were received, and Madrid international trademark registrations exceeded 6,000. 33,000 patent reexamination and invalidation cases, 265,000 trademark review and adjudication cases and 69,000 trademark opposition cases were concluded. The number of invention patents per ten thousand people in China reached 11.5, and the number of trademarks per ten thousand market entities amounted to 1,724. The Trademark Examination Cooperation Centers respectively located in Jinan and Zhengzhou were inaugurated. The Fujian Sub-center of Patent Examination Cooperation (Beijing) Center was put into operation.

The reform to streamline administration and delegate power, improve regulation and upgrade services in the field of IP has been advanced. We have stepped up efforts in enhancing both the quality and efficiency of IP examination. The pendency of trademark registration on average has been reduced to no more than six months, and the examination pendency of high-value patents reduced by 10%. Complaints on patent examination have decreased by 52% compared with the previous year. The error rate of written opinions for PCT applications has decreased to less than 1%. The social satisfaction rate on examination quality keeps growing. The construction of trademark and patent intelligent examination systems has been carried forward proactively. The trademark online service system, which can provide one-stop services, has been put into operation. The trademark database is freely accessible to the public. Throughout this year, the deductions on patent fees amount to 5.86 billion RMB, and the reduction of files for patent and trademark applications totals 3.357 million. The acts of abnormal patent filing, trademark squatting and hoarding have been cracked down severely. The administrative certification of well-known trademarks has ceased. The amendment to *the Regulations on Patent Commissioning* has been completed.

IP protection has been strengthened in all fronts. The Standing Committee of the National People's Congress completed the first round of deliberation on *the Amendments to the Patent Law (Draft)* after its adoption by the executive meeting of the State Council. The Draft stipulates on the establishment of a punitive compensation system to significantly raise the cost for IP infringers. The revision of *the Regulations on the Protection of Olympic Symbols* has been completed. *The Work Plan for "Internet Plus" IP Protection* has been released. Seriously dishonest acts in the field of intellectual property rights (patents) will be punished jointly by various authorities. CNIPA launched special law enforcement actions such as "Thunderclap", "Escort", "Traceability" and "Cleansing". 77,000 patent administrative enforcement cases

were handled, a year-on-year increase of 15.9%. 31,000 trademark infringement cases were investigated, with penalties of 510 million RMB in total. Special rectification campaigns were launched against IP infringement and counterfeiting acts on e-commerce platforms. So far, 43 IP protection centers and fast-track right protection centers have been established. The social satisfaction rate on IP protection reached a new high level.

The performance of IP utilization has been improved rapidly. 8 more cities have been selected as pilots of IP operation and service system. The national IP operation and public service platform has been further improved, and measures introduced to promote innovation-driven development in private sectors with intellectual property. Pilot projects on IP regional layout were launched, and work related to patent navigation, analysis and review as well as early warning was enhanced. *The Regulations on Disclosure of IP-related Accounting Information and the Administrative Measures for IP Certification* has been issued, and 18,000 enterprises have implemented the IP management standard and received certification. The total volume of patent and trademark pledge financing amounted to 122.4 billion RMB. The inbound IP royalties reached 235.52 billion RMB, with an increase of 22% over the previous year, while the outbound IP royalties amounted to 36.8 billion RMB, a year-on-year increase of 14.4%.

IP international cooperation has been further deepened. The High-level Conference on Intellectual Property for Countries along the Belt and Road was successfully held, and the *Joint Statement on Pragmatic Cooperation in the Field of Intellectual Property among Countries along the Belt and Road* was adopted at the conference. CNIPA actively participated in the Sino-US high-level trade and economic negotiations, as well as negotiations on IP-related issues in relevant Free Trade Agreements. CNIPA successfully hosted the BRICS, China-Japan-ROK, and China-Mongolia-Russia IP heads meetings, as well as China-Africa High-Level Seminar on Intellectual Property System and Policies. CNIPA has been deepening the IP cooperation within the IP5, China-ASEAN, and China-EU frameworks. 28 IP authorities have joined Patent Prosecution Highway (PPH) partnerships with CNIPA. The registration of Chinese invention patents in Cambodia entered into force officially. CNIPA also signed cooperation agreement with Laos on the recognition of Chinese patent examination results.

IP culture has been promoted vigorously. CNIPA successfully organized several events such as the World IP Day on 26 April, the National Intellectual Property Publicity Week, and the China Patent Week, and provided support to the convening of the China Patent Annual Conference, 2018 China Trademark Festival, etc. The Administration also participated in the



organization of the Chinese Brands Day publicity activities and the First China Independent Brand Expo. CNIPA has been stepping up efforts in IP publicity. Relevant activities have been carried out including Grassroots Tour for Intellectual Property to Serve the Economy and Tour Lectures on Targeted Poverty Reduction Supported by Intellectual Property. CNIPA has collected a total of 120 million patent documents, and established altogether 132 bases for patent information dissemination and utilization as well as facilities for documentation services. 112 primary and secondary schools nationwide have been selected as pilots for IP education.

The year 2019 marks the 70th anniversary of the founding of the People's Republic of China. It is also a crucial year for building a moderately prosperous society in all aspects. With in-depth study and practice of the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as well as the spirits of the 19th CPC National Congress and the 2nd and 3rd plenary sessions of the 19th CPC Central Committee, CNIPA will earnestly execute the relevant decisions and deployments of the CPC Central Committee and the State Council. Bearing in mind the general principle of pursuing progress while ensuring stability and the aim of pursuing high-quality development, CNIPA will apply the New Development Ideology to promoting the quality of IP creation, effectiveness of IP protection and utilization, capacity of IP administration and service, and our international influence in the IP field. At the new historical starting point, we will propel the innovative development of the IP undertaking and score greater achievements.

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