

Commissioner's Message

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The year 2021 proved to be a milestone in the Chinese history. China historically solved the problem of absolute poverty, achieved the first centenary goal of building a moderately prosperous society in an all-round way, and began to move toward the second centenary goal of building a modern socialist country in all respects. Ushering in the new stage of development, China attached more importance to the role of intellectual property (IP) in building a new development paradigm and promoting high-quality development. As President Xi Jinping stresses at multiple major international events such as the 16th G20 Leaders' Summit, China will keep on strengthening IP protection, continue to foster a business environment that is based on market principles, governed by law and up to international standards, and ensure a fair and equitable market order for both domestic and foreign companies. The Central Committee of the Communist Party of China and the State Council issued the outline to boost China's competitiveness in the area of intellectual property (2021-2035), a framework document that provides a top-level design for the development of China's IP ecosystem in the next 15

years, and indicates that China has entered into a new stage of development in the IP area. The State Council issued the national plan for protection and utilization of intellectual property during the 14th Five-Year Plan period, a blueprint for the next five years for boosting China's competitiveness in the IP area.

As the second largest economy in the world, China is always convinced that innovation is the primary driving force for development. China's R&D spending has been at the forefront of the world. In the Global Innovation Index 2021 (GII 2021) released by WIPO, China ranked 12th in the world, and Shenzhen-Hong Kong-Guangzhou, Beijing and Shanghai ranked 2nd, 3rd and 8th among the "Top 100 GII Science & Technology Clusters", respectively. China has been speeding up its transformation from a major IP owner to a strong IP competitor.

Over the past year, in accordance with the central deployment, CNIPA made proactive endeavors in face of risks and challenges. Concrete efforts were made to comprehensively strengthen IP protection, continuously

foster a better innovative and business environment, promote quality-oriented development in the IP area, and secure sustainable economic and social development.

While putting in place strict COVID-19 control and prevention measures and ensuring effective functioning, CNIPA continued to provide further convenient IP services for global users, maintained smooth running of the fast-track examination for patent and trademark applications related to control and prevention of the pandemic, so as to support anti-epidemic pharmaceutical R&D and technological innovations, and reinforce the response to challenges posed by the pandemic.

CNIPA highlighted the improvement in quality and efficiency of IP examination, especially for patents and trademarks. In 2021, CNIPA completed the examination of 1.266 million invention patent applications and 10.568 million applications for trademark registration. The average pendency for invention patents was reduced to 18.5 months, and the pendency for the high-value invention patents was shortened to 13.3 months; the average pendency for trademark examination kept stable at 4 months. Moreover, 13,000 layout designs of integrated circuits were registered; 99 products were approved for geographical indication (GI) protection; 477 GI certification marks and collective trademarks were registered; and 7,677 market entities were authorized to use the special sign for geographical indications.

CNIPA remained committed to comprehensively strengthening IP protection. The amended *Patent Law of the People's Republic of China* came into effect on June 1, 2021, establishing the highest standard of punitive damages for patent infringement globally. The *Measures for Administrative Adjudication of Major Patent Infringement Disputes* and the *Measures for Administrative Adjudication of the Early Resolution Mechanism of Pharmaceutical Patent Disputes* were issued. Special campaigns on IP protection were launched for the 2022 Olympic and Paralympic Winter Games. For the first time, IP-related work was integrated into the State Council's supervision and incentive measures.

CNIPA gave full play to IP in promoting economic development and expanding employment. Patent and trademark pledge financing amounted to 309.8 billion RMB nationwide in 2021, with 15,000 enterprises benefited, which effectively supported the financing of SMEs. The total import and export of IP royalties

amounted to 378.3 billion RMB, in which the export increased by 27.1%. The total added value of patent-intensive industries reached 12.13 trillion RMB in 2020, accounting for 11.97% of the GDP. CNIPA has developed an effective approach to targeted poverty alleviation and rural revitalization with patented technology, trademarks, brands and geographical indications.

Despite the COVID-19 pandemic, CNIPA continued to promote international cooperation in the IP field with innovative measures such as video conferences, virtual training workshops and virtual signing ceremonies. The first Global TISC Conference was co-hosted by CNIPA and WIPO. Solid progress was made in implementing the *Agreement Between the Government of the People's Republic of China and the European Union on Cooperation on and Protection of Geographical Indications*, with cumulative mutual recognition and protection of 244 GI products in China and the EU. CNIPA actively shared its experiences and best practices with other IP offices in using IP to support anti-epidemic scientific research and innovation, promote new emerging technologies, and facilitate green and sustainable development. CNIPA deepened exchanges in the IP-related norm setting in relation to new technological fields and business models to promote the further development of the global governance system in a fair and equitable way.

CNIPA is willing to strengthen cooperation and coordination with other IP offices in the world to exert the role of IP in stimulating innovation and expanding opening up, to support efforts in response to the COVID-19 pandemic and promote the development of the global economy, and to make joint efforts with its counterparts in achieving the goals set in the *2030 Agenda for Sustainable Development* by the United Nations, so that innovation and creativity will better serve the well-being of the people worldwide.