

Commissioner's Message



Dr. Shen Changyu, Commissioner of the State Intellectual Property Office of the People's Republic of China

In 2016, the Central Committee of the Communist Party of China (CPC) and the State Council laid great emphasis on IP. The Central Leading Group for Comprehensively Deepening Reform adopted *the General Scheme for Experimental Reform on Integrated Intellectual Property Administration*, which set forth a series of important deployments for IP-related work. “Accelerating the construction of an IP Powerhouse” has been included in *the Compendium of the National Strategy for Innovation-Driven Development* and *the Compendium of the 13th Five Year Plan for National Economic and Social Development*, the two policy documents published by the CPC Central Committee and the State Council, as one of the important deployment of the CPC Central Committee. By promulgating *the Intellectual Protection and Utilization Plan under the 13th Five Year Plan*, the State Council deployed a series of important policies, projects and programs. It is the first time IP was listed as a specialized national plan. The Inter-Ministerial Joint Conference for Implementing the National Intellectual Property Strategy was upgraded as an Inter-Ministerial Joint Committee of the State Council, with its coordination capability significantly improved as one of the State Council leaders served as the convener.

Throughout the year, under the leadership and support of the CPC Central Committee and the State Council, nationwide IP offices comprehensively executed the



spirit of the 18th CPC National Congress and the 3rd, 4th, 5th and 6th Plenary Sessions of the 18th CPC Central Committee, studied and carried out the series of important addresses and new ideas, thoughts and strategies on managing state affairs brought forth by General Secretary Xi Jinping, earnestly implemented the decisions and deployments of the CPC Central Committee and the State Council, stuck closely to moving ahead with the overall layout of “five in one” and the “four-pronged comprehensive” strategy, used the new development concept to lead development, deepened the implementation of *the National IP Strategy* and reform in the IP field, enhanced IP protection and utilization, accelerated the construction of an IP Powerhouse, successfully achieved all the planned objectives and made a good start for the development of intellectual property during the 13th Five Year Plan.

Sturdily push forward the construction of an IP Powerhouse. SIPO organized the formulation of the division of assignments under *the Opinions of the State Council on Accelerating the Construction of an IP Powerhouse under the New Circumstances*, breaking down the works deployed in the Opinions into 106 specific assignments and making clear of the leading ministries and participating ministries. SIPO formulated *the Annual Implementation Plan for the National Intellectual Property Strategy*, which clearly set out 99 key projects. The 31 members of the Inter-Ministerial Joint Committee for the Implementation of *the National IP Strategy* sturdily push forward relevant works according to their role set out in the division of assignments. 24 provinces, autonomous regions, municipalities and the Xinjiang Production and Construction Corps formulated specific implementation programs on the construction of IP Powerhouse. 13 provinces carried out IP Powerhouse pilot programs, formulated guiding opinions on constructing IP Powerhouse and firmly push forward the development of IP capacity in businesses. In this way, a multi-layered, categorized and coordinated IP Powerhouse construction setup took shape.

Deepen reform in the field of IP. SIPO actively pushed forward the reform on integrated IP administration. Following the instructions of the State Council, SIPO carried on the pilot program for comprehensive reform on IP utilization and protection in the Sino-Singapore Guangzhou Knowledge City. SIPO deepened the reform on “easing administrative constraints, improving management and optimizing services” and lowered the limits for setting up patent agencies, cancelled certain preliminary review items in relation to the application for setting up provincial branches by patent agencies. SIPO carried out pilot programs on reform in the patent agency sector in 10 provinces and municipalities to enhance supervision; good order in the patent agency sector was restored with 230 under-qualified agencies investigated and dealt with. In 2016, the patent agency sector expanded as 4,954 people passed the qualification examination for patent agents and 269 new patent agencies were registered. SIPO continued its efforts in amending *the Patent Law* and *the Patent Commissioning Regulations*, and the formulation of *the Service Invention Regulations*.

Implementation of the Patent Quality Improvement Campaign. SIPO issued the Implementation Scheme for the Patent Quality Improvement Campaign, aiming at comprehensively improve the quality of patents in the creation, application, agency, examination, protection and utilization of patents. In 2016, the application volume for the three types of examined and concluded patents was 3,465,000, representing a year-on-year growth of 23.8%, within which the number of invention patents was 1,339,000 with a year-on-year growth of 21.5%. The number of examined and concluded invention patents was 675,000 and the average pendency period steadied to 22 months. SIPO examined 4,100 patent invalidation cases, up by 12% year-on-year. The number of valid patents divided by every ten thousand population was 8. PCT filing volume exceeded 40,000. Valid domestic patents reached exceeded 1 million, making China the third country after the United States of America and Japan to have more than one million valid patents.



Enhanced IP commercialization and utilization. The national IP commercialization platform took shape as the pilot platforms in Zhuhai and Xi'an were put in trial operation. SIPO established a special foundation for IP commercialization in key sectors. The volume of patent pledge financing reached RMB 43.6 billion, and the initial fund raising of the special foundation for IP commercialization in key sectors gathered RMB 4.28 billion. SIPO further implemented the patent navigation pilot project and explored on pilot programs on geographical layout of IP. SIPO published the directory of patent-intensive industries in China and related statistical report and made efforts to foster patent-intensive industries. In 2015, the contribution of patent-intensive industries to the gross domestic products was 12.4%. SIPO carried on the “Internet Plus Government Services” to expand disclosure of information and data so as to better support innovation and entrepreneurship.

Strengthened IP protection. For the purpose of implementing the decisions and deployments of the CPC Central Committee on applying stricter IP protection, SIPO formulated and promulgated *the Opinions on Applying Stricter Patents Protection*. SIPO enhanced patent administrative enforcement and carried out special enforcement operations such as “Convoy” and “Lightening”. SIPO started to build IP protection centers integrating fast-track solutions for granting, post-grant proceedings and protection of intellectual property rights. In 2016, the number of patent administrative enforcement cases handled nationwide was 49,000, showing a year-on-year growth of 36.5%. 7 fast-track IP rights protection centers and the China E-Commerce Patent Enforcement Coordination (Zhejiang) Center were created and the first batch of 30 national IP protection model markets was determined.

Deepened international cooperation in the field of IP. The signature of the inter-governmental cooperation agreement between China and Uzbekistan in the field of IP was witnessed by President Xi Jinping, and the cooperation agreement

between China and Kyrgyzstan in the field of IP was witnessed by Premier Li Keqiang. The High-Level Conference on Intellectual Property for Countries along the “Belt and Road” was held. The Common Initiatives for Strengthening Cooperation between Countries along the “Belt and Road” in the Field of Intellectual Property was adopted, signifying the establishment of a durable “Belt and Road” cooperation mechanism in the field of IP. SIPO actively participated in the multi-lateral and bilateral affairs within the framework of the World Intellectual Property Organization. SIPO organized the Industrial Design Annual Meeting between SIPO, the United States Patent and Trademark Office (USPTO), the European Union Intellectual Property Office (EUIPO), the Japan Patent Office (JPO) and the Korean Intellectual Property Office (KIPO) and launched a joint statement. SIPO pushed forward its cooperation with the USPTO, deepened the strategic partnership with the EPO, continued to carry on the China-Mongolia-Russia, China-Japan-Korea and the China-ASEAN IP cooperation mechanisms.

Firmly pushed forward comprehensively stricter Party governance. SIPO sturdily implemented the education campaign which focuses on the study of the Party Constitution and rules, as well as the speeches made by General Secretary Xi Jinping, and calls for being qualified Party members, and firmly established the “four consciousness”. SIPO worked in cooperation with the central disciplinary inspection team to carry out relevant works and was self-motivated in accepting supervision by the Party. Based on the feedback of the central inspection team, SIPO carried out rectification and completed relevant tasks on time. It successfully held the 5th Convention of Direct Affiliated Party Organizations of SIPO and the 4th Convention of the Party Organization of the Patent Office of SIPO and elected the new discipline inspection committees for the Direct Affiliated Party Organizations of SIPO and the Party Organization of the Patent Office of SIPO. SIPO effectively performed its duty with regard to Party governance and management, and deepened its efforts in relation to the construction of honest and clean administration of the Party and anti-corruption.



Creating an enabling environment for IP. SIPO formulated and implemented the implementation plan for a Government Ruled by Law and the 7th Five Year Plan for publicity of IP laws nationwide. SIPO successfully held the China (Dalian) International Patent Fair, the China Patent Information Annual Conference and the China High-Level Forum on IP Protection. SIPO successfully organized major events such as the World IP Day, National IPR Publicity Week and the China Patent Week. It also established the 3rd National IP Expert Consultative Committee. SIPO worked in collaboration with the Ministry of Education to continue the pilot program on IP education in primary and middle schools nationwide. Owing to the abovementioned measures and activities, public IP awareness throughout the country was further strengthened.

2017 is vital for pushing forward the reform on integrated IP administration, implementing *the Intellectual Property Protection and Utilization Plan under the 13th Five Year Plan* and accelerating the construction of an IP powerhouse. IP offices nationwide will thoroughly study and implement the spirit of the 18th CPC National Congress and the 3rd, 4th, 5th and 6th Plenary Sessions of the 18th CPC Central Committee as well as the spirit of the series of important addresses made by General Secretary Xi Jinping. Bearing in mind the principle that progress should be made while maintaining stability, we will sturdily implement the decisions and deployments of the CPC Central Committee and the State Council, push forward works related to the IP Powerhouse construction. In this way, we shall have sound outcomes and progresses in the IP field for the grand opening of the 19th National Congress of the CPC.

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