



STATE INTELLECTUAL PROPERTY OFFICE OF  
THE PEOPLE'S REPUBLIC OF CHINA

**2006**

ANNUAL REPORT






■ On April 17, Premier Wen Jiabao visited China Achievements Exhibition for Intellectual Property Protection

# 2006

## Commissioner's Message



 Commissioner of the State Intellectual Property Office (SIPO) Mr. Tian Lipu

The year 2006 claimed a notable and proud year. With the Scientific Concept of Development and strategic guidance of constructing a harmonious society and an innovative country, China's intellectual property (IP) has realized a good beginning for the Eleventh Five-Year Plan and embarked on a new stage.

Constant achievements in China's IP work were witnessed in 2006, resulting in historical improvements in the status and role of IP in various aspects of national work. In March, "The Outline of the Eleventh Five-Year Plan for National Economic and Social Development" was approved at the Fourth Session of the 10th National People's Congress, which aimed at forming a batch of internationally competitive enterprises with independent IPRs and famous brands as one of its important goals during this period. In May, Secretary General Hu Jintao delivered an important speech at the 31st collective learning of the Political Bureau of the Central Committee of CPC. He stressed that it was a must to fully exert the important role of IP in enhancing China's economic, science and technology strength and international competitiveness, and safeguarding national interests and economic security in order to provide a strong support for China's transformation into an innovative country. At the 2nd Plenary Meeting of the Leading Group for the Formulation of National IP Strategy in September, Vice Premier Wu Yi pointed out that the Central Committee of CPC and the State Council had been attaching great importance to the formulation of national IP strategy, requiring consistent ideology and action of all aspects and sound work for the strategy establishment. In December, the Eleventh Five-Year Plan of IP Development was completed and submitted to the State Council for approval, marking that the first IP development plan in Chinese history being included into national special plan.

The year 2006 continued to witness an extensive growth of China's patent applications. Patent applications kept rapid growth, with the annual growth rate of 3 kinds of patent applications exceeded 20%, up to 573,000. On June 27, 2006, the total volume of patent applications surpassed 3 million. Between April 1, 1985, when the Patent Law were implemented, and January 11, 2000, it took the Office fourteen years and nine months to reach the first one-million record in patent application; then in March 17, 2004, the applications exceeded the second one-million mark after four years and two months; and when in June 27, 2006, the third million patent application was received, only two years and three months had passed. This was twelve and a half years less than the first one-million and nearly two years less than the second one. It indicated that China's innovation capacity for science and technology had been constantly enhanced, and at the same time its reforming and opening up had also been increasingly strengthened.

The year 2006 was also a fruitful year for IP work, represented by outstanding achievements. These include: major periodical achievements in national IP strategy formulation; submission of the revised draft of Patent Law to the State Council for review; satisfactory situation occurs with the publicity of IPRs; new progress gained in macro-administration of IPRs with improvements in both capabilities and levels; enhanced patent examination and granting ability under increasing patent applications; great advancement in informationization and information resource construction; and extensive international exchange and cooperation with active participation in international IPRs issues. In addition, new achievements have also been made in human resources development, talent cultivation and the strengthening of the integrity and discipline within the party organizations.

Although the achievements made in 2006 were encouraging, the impending new challenges will entrust greater responsibilities on us. On one hand, as China's economy, science, technology,

trade and cultural development have put forward new and higher requirements on IP work, the effect and role of IP in creation, administration, protection, utilization and even national economic and social development have revealed gradually. This has created an unprecedented and sound development environment and timing for IP development. On the other hand, due to short history of China's IP system, there still exist many issues inconsistent with China's economic development despite its progressive achievements. In a global view, new orientations have emerged in the reform of international IP system and conflicts are getting sharper in the establishment of international IP rules. These lead to the result that international cooperation in IP becomes the popular trend and IP turns into an increasingly important tool for national economy and diplomatic strategy. In a conclusion, we are facing with both good opportunities and severe challenges, and it is a reasonable choice for China's IP development by seizing the opportunity and taking advantage of the favorable situation.

The year 2006 was fulfilled with diligent work and we should give our warmest applause to everyone who made contributions to the development of IP in China. With great pleasure on the development in 2006, we will give the best wishes to all the stakeholders devoting to China's IP work, including foreign IP organizations and personage providing assistance to its development. We firmly believe that in 2007, under the leadership of the Central Committee of CPC and the State Council, better work will be achieved in formulation and implementation of national IP strategy so as to promote sound and fast development of China's IP and to fully realize the support role of IP to an innovative country construction.

田力普  
Tian Lipu

2006

  
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# Patent Application and Granting

## 1. Patent Application and Granting

### 1.1 The Amount of Three Kinds of Patent Applications and Their Constitution

In 2006, the State Intellectual Property Office of P. R. China (SIPO) received totally 573,178 applications for three kinds of patents (inventions, utility models and designs), a 96,914 or 20.3% increase over the previous year. The patent fillings showed the following features:

(1) The total amount of the three kinds of patent applications kept a constant and stable increase, with an

even higher growth rate for invention patent. From 2000 to 2006, the average growth rate of over 20% was achieved in seven consecutive years for both the total amount of three kinds of patent applications and invention patent. The annual growth rate of inventions in 2006 was up to 21.4%. From 1985 to 2006, applications for invention patent amounted to 1,089,515, or over one million in the aggregate.

(2) Domestic applications for three kinds of patents experienced a higher growth than foreign ones, which increased in 2006 by 22.8%, 12.4% higher than that of 10.4% hike of foreign applications.

(3) Domestic applications for invention patent witnessed substantially faster growth over foreign ones, which increased by 30.8%, 20.4% higher than that of 10.4%

Table 1 Applications for Three Kinds of Patents According to Service and Non-Service in 2006

Kinds of Patents		Total			Domestic			Foreign			
		Total	Service	Non-Service	Total	Service	Non-Service	Total	Service	Non-Service	
Accumulated Total	Number of Applications	3334367	1613438	1720929	2727857	1032712	1695145	606510	580726	25784	
	%	100.0%	48.4%	51.6%	100.0%	37.9%	62.1%	100.0%	95.7%	4.3%	
This Year	Total	573178	303174	270004	470342	203566	266776	102836	99608	3228	
		Number of Applications	210490	167319	43171	122318	81485	40833	88172	85834	2338
		%	100.0%	52.9%	47.1%	100.0%	43.3%	56.7%	100.0%	96.9%	3.1%
	Invention	Number of Applications	161366	59846	101520	159997	58769	101228	1369	1077	292
		%	100.0%	37.1%	62.9%	100.0%	36.7%	63.3%	100.0%	78.7%	21.3%
Utility Model	Number of Applications	201322	76009	125313	188027	63312	124715	13295	12697	598	
	%	100.0%	37.8%	62.2%	100.0%	33.7%	66.3%	100.0%	95.5%	4.5%	

Table 2 Distribution of Domestic Service and Non-Service Applications, 2006

Total	Non-Service	Service				
		Total	Universities and Colleges	Scientific Research Institutions	Enterprises	Organizations
470342	266776 56.7%	203566 43.3%	22950 11.3%	9878 4.8%	166874 82.0%	3864 1.9%

hike of foreign applications. In 2006, 122,318 domestic applications for invention patent were filed with SIPO, which were 1.39 times over 88,172 foreign applications.

(4) Domestic service applications for three kinds of patents enjoyed a higher growth rate than non-service applications. 203,566 domestic service applications were filed in 2006, which was an increase of 44,684 or 28.1% rise over the previous year. At the same time, non-service applications only increased by 19.0%. Therefore, service applications resulted in the growth rate of 9.1% higher than that of non-service applications. Among domestic service applications, the invention patent applications reached the amount of 81,485, which was an increase of 19,215 or 30.9% over the

previous year.

(5) Enterprises became the main source of domestic service applications for three kinds of patents. In view of domestic applicant for service applications for three kinds of patents, industry and mining, colleges and universities, scientific research institutes, government organs and other organizations accounted for 82.0%, 11.3%, 4.8% and 1.9% of the total applications respectively.

By December 31st, 2006, an accumulated number of 3,334,367 patent applications were received by the Office, among which 2,727,857 were domestic applications, or 81.6%, and 606,510 were foreign applications, or 18.4%.

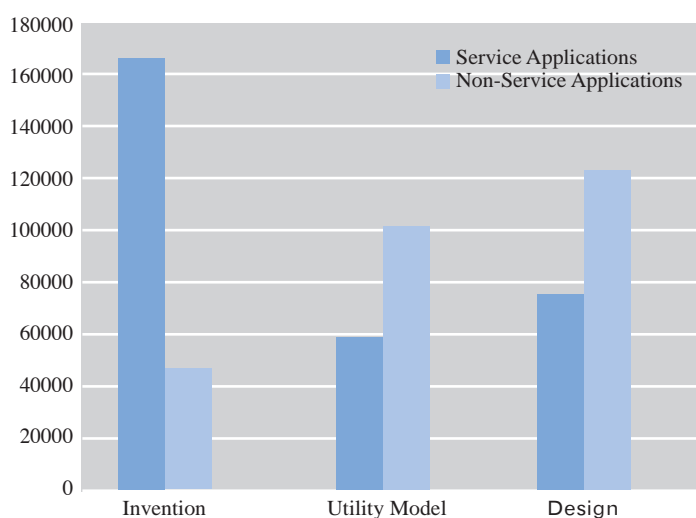


Fig. 1 Statistics of Domestic and Foreign Applications for Three Kinds of Patents According to Service and Non-Service in 2006

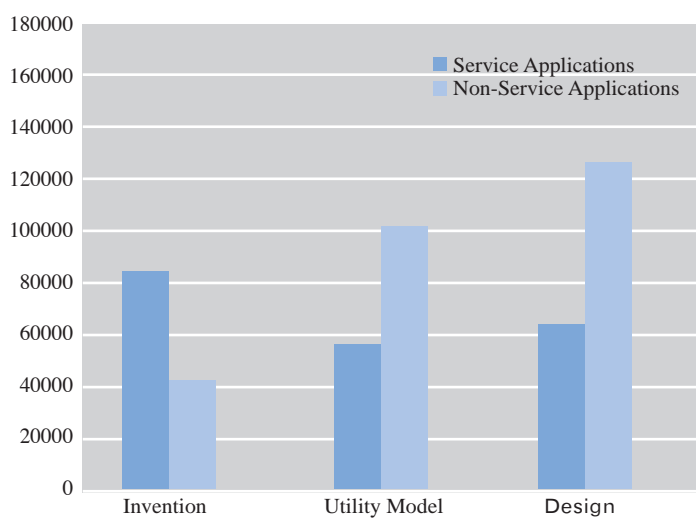


Fig. 2 Statistic of Domestic Applications for Three Kinds of Patents According to Service and Non-Service in 2006

### 1.2 Distribution of Patent Applications by Country

In the year of 2006, China received patent applications from 94 countries and regions, of which Namibia and Bangladesh were for the first time to join the list. The top 10 countries and regions in terms of application volume in 2006 were Japan, USA, South Korea, Germany, the Netherlands, France, Switzerland, UK, Italy and Sweden. By December 31st, 2006, 134 countries and regions had filed patent applications in China.

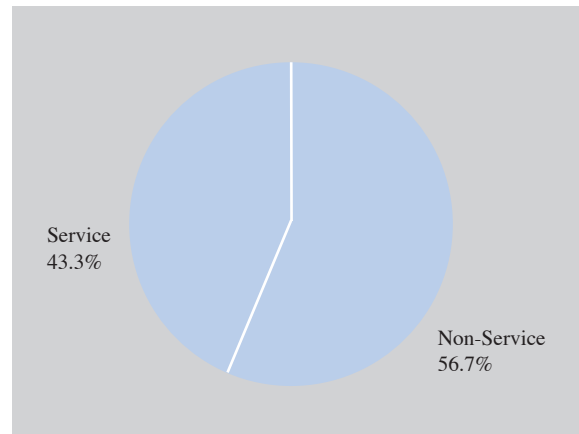


Fig. 3 Distribution of Domestic Service and Non-Service Applications in 2006

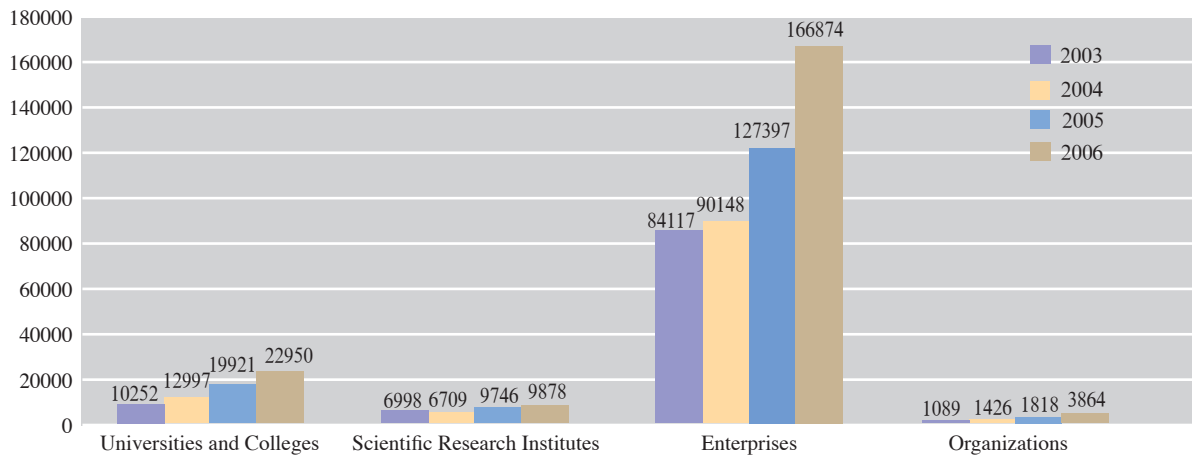


Fig. 4 The Growth of Domestic Service Applications, 2003-2006

Table 3 Top Ten Domestic Enterprises According to Their Applications in 2006

No.	Name of Enterprises	Number
1	Huawei Technologies Co., Ltd	5947
2	ZTE Corporation	2572
3	Hon Hai Precision Industry Co., Ltd	1982
4	Hong Fu Jin Precision Industry(Shen zhen)Co. , Ltd.	1543
5	BYD Company Limited	1021
6	Inventec Corporation	998
7	Oceanpower Corporation	816
8	Haier Co.,Ltd	790
9	Shunda Computer Factory Co., Ltd.	677
10	LG Electronics (China) R&D Center Co., Ltd	676

Table 4 Top Ten Domestic Universities and Colleges According to Their Applications in 2006

No.	Name of Universities and Colleges	Number
1	Zhejiang University	1476
2	Tsinghua University	909
3	Shanghai Jiao Tong University	875
4	Southeast University	569
5	South China University of Technology	512
6	Harbin Institute of Technology	432
7	Tianjin University	411
8	Beijing University of Aeronautics and Astronautics	376
9	Fudan University	365
10	Sichuan University	353

Table 5 Top Ten Domestic Scientific Research Institutes According to Their Applications in 2006

No.	Name of Scientific Research Institute	Number
1	Industrial Technology Research Institute	495
2	Guiyang Aluminium Magnesium Design&Research Institute	421
3	Shanghai Institute of Optics and Fine Mechanics, CAS	262
4	Dalian Institute of Chemical Physics, CAS	236
5	Research Institute of Petroleum Processing, SINOPEC	225
6	Institute of Semiconductors, CAS	173
7	Shanghai Research Institute of Petrochemical Technology, SINOPEC	151
8	Changchun Institute of Applied Chemistry, CAS	150
9	Changchun Institute of Optics, Fine Mechanics and Physics, CAS	132
10	Institute of Chemistry Chinese Academy of Sciences	126

Table 6 Top Ten Foreign Corporations According to Their Applications in 2006

No.	INID	Name of Corporation	Number
1	South Korea	Samsung Electronics Co., Ltd	4355
2	Japan	Matsushita Electric Industrial Co., Ltd	3067
3	the Netherlands	Royal Philips Electronics N.V.	2503
4	Japan	Sony Corporation	1648
5	South Korea	LG Electronics Co., Ltd	1506
6	the United States	International Business Machines Corporation	1435
7	Japan	Toshiba Corporation	1211
8	Japan	Seiko Epson Corporation	1144
9	Germany	Siemens AG	887
10	Japan	Hitachi, Ltd	836

Table 7 Top Ten Domestic Enterprises According to Their Applications of Invention in 2006

No.	Name of Enterprises	Number
1	Huawei Technologies Co., Ltd	5593
2	ZTE Corporation	2322
3	Hon Hai Precision Industry Co., Ltd	1223
4	Hong Fu Jin Precision Industry(Shen zhen)Co. , Ltd.	1220
5	Oceanpower Corporation	760
6	Inventec Corporation	677
7	China Petroleum & Chemical Corporation	619
8	LG Electronics (China) R&D Center Co., Ltd	607
9	LG Electronics Tianjin Appliances Co., Ltd	537
10	AU Optronics Corporation	530

Table 8 Top Ten Domestic Universities and Colleges According to Their Applications of Invention in 2006

No.	Name of Universities and Colleges	Number
1	Zhejiang University	1209
2	Shanghai Jiao Tong University	841
3	Tsinghua University	817
4	Harbin Institute of Technology	408
5	South China University of Technology	391
6	Tianjin University	367
7	Fudan University	337
8	Beijing University of Aeronautics and Astronautics	334
9	Sichuan University	298
	Shanghai University	298
	Nanjing University	298
	Peking University	298

Table 9 Top Ten Domestic Scientific Research Institutes According to Their Applications of Invention in 2006

No.	Name of Scientific Research Institute	Number
1	Industrial Technology Research Institute	488
2	Dalian Institute of Chemical Physics, CAS	232
3	Research Institute of Petroleum Processing, SINOPEC	216
4	Institute of Semiconductors, CAS	171
5	Shanghai Institute of Optics and Fine Mechanics, CAS	161
6	Shanghai Research Institute of Petrochemical Technology, SINOPEC	147
7	Changchun Institute of Applied Chemistry, CAS	146
8	Guiyang Aluminium Magnesium Design&Research Institute	144
9	Institute of Chemistry Chinese Academy of Sciences	126
10	Fushun Research Institute of Petroleum and Petrochemicals,SINOPEC	122

Table 10 Top Ten Foreign Corporations According to Their Applications of Invention in 2006

No.	INID	Name of Corporation	Number
1	South Korea	Samsung Electronics Co., Ltd	3770
2	Japan	Matsushita Electric Industrial Co., Ltd	2679
3	the Netherlands	Royal Philips Electronics N.V.	2369
4	Japan	Sony Corporation	1435
5	South Korea	LG Electronic Co. Ltd.	1441
6	the United States	International Business Machines Corporation	1230
7	Japan	Toshiba Corporation	1117
8	Japan	Seiko Epson Corporation	1089
9	Germany	Siemens AG	872
10	South Korea	Samsung SDI Co.,Ltd	818

Table 11 Top Ten Provinces and Municipalities According to Their Applications Filed in 2006

No.	INID	Number
1	Guangdong	90886
2	Jiangsu	53267
3	Zhejiang	52980
4	Shandong	38284
5	Shanghai	36042
6	Beijing	26555
7	Taiwan	22496
8	Liaoning	17052
9	Hubei	14576
10	Tianjin	13299

Table 12 Top Ten Countries According to Their Applications Filed in 2006

No.	INID	Number
1	Japan	37848
2	the United States	23494
3	South Korea	10596
4	Germany	8676
5	the Netherlands	3721
6	France	3614
7	Switzerland	2370
8	the United Kingdom	1813
9	Italy	1699
10	Sweden	1492

### 1.3 Patent Granting

In 2006, SIPO granted 268,002 patents, with an increase of 25.2% or 53,999 over the previous year. Among them, 57,786 were for invention, which was an increase of 4,481 or 8.4%; 107,655 for utility models, with an increase of 28,306 or 35.7%; and 102,561 for designs, with an increase of 21,212 or 26.1%.

By December 31st, 2006, SIPO had granted an accumulated total of 1,737,504 patents.

### 1.4 Improvement of Patent Examination Capacity

In 2006, SIPO further enhanced its patent examination capacity both in external performance and internal foundation by comparison with the Tenth Five-Year Plan period, and it was reflected in the following two aspects:

(1) Patent examination witnessed constant increase of quantity, higher efficiency and improved quality. In 2006, the Office concluded substantive examination for 81,174 applications for invention patent, achieving an increase of

Table 13 Applications for Patents for Inventions and Utility Models Classified According to IPC in 2006

	A-H Total	A	B	C	D	E	F	G	H
Accumulated Total	2315074	509661	432819	226979	48341	144993	291142	318844	342295
	100.0%	22.0%	18.7%	9.8%	2.1%	6.3%	12.6%	13.8%	14.8%
Total in 2006	384090	74733	63605	39720	6780	21042	44359	61225	72626
	100.0%	19.5%	16.6%	10.3%	1.8%	5.5%	11.5%	15.9%	18.9%
Invention	218163	36106	25319	35690	3921	6512	15044	42954	52617
	100.0%	16.6%	11.6%	16.4%	1.8%	3.0%	6.9%	19.7%	24.1%
Utility Model	165927	38627	38286	4030	2859	14530	29315	18271	20009
	100.0%	23.3%	23.1%	2.4%	1.7%	8.8%	17.7%	11.0%	12.1%

Table 14 Top Ten IPC Sub-Classes of Applications for Patent for Inventions in 2006

Total	Sub-class	Number	Residents	Sub-class	Number	Non-Residents	Sub-class	Number
1	A61K	17197	1	A61K	14318	1	H01L	5282
2	H04L	9856	2	H04L	6232	2	G06F	4546
3	G06F	9297	3	G06F	4751	3	H04L	3624
4	H01L	8220	4	H04Q	3182	4	H04N	3312
5	H04N	5997	5	H01L	2938	5	A61K	2879
6	H04Q	4593	6	A23L	2712	6	G11B	2686
7	G01N	3738	7	H04N	2685	7	C07D	1881
8	G11B	3590	8	G01N	2661	8	G02F	1646
9	C07D	3275	9	C12N	1943	9	G02B	1553
10	A23L	2993	10	E04B	1776	10	H04B	1458

Table 15 Top Ten IPC Sub-Classes of Applications for Patent for Utility Models in 2006

Total	Sub-class	Number	Residents	Sub-class	Number
1	B65D	3952	1	B65D	3907
2	A47G	2836	2	A47G	2822
3	H01R	2781	3	H01R	2712
4	A61B	2497	4	A47J	2475
5	A47J	2496	5	A61B	2464
6	F16K	2254	6	F16K	2242
7	A61M	2236	7	A61M	2226
8	G06F	2117	8	G06F	2093
9	E21B	2061	9	E21B	2059
10	G01N	1880	10	G01N	1864

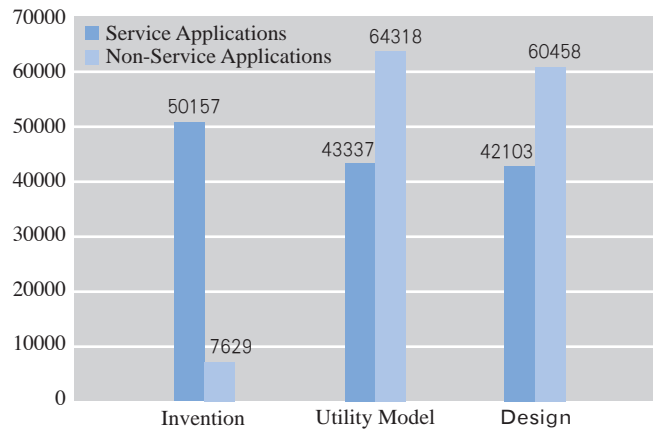


Fig. 5 Statistics of Three Kinds of Domestic and Foreign Patents Granted According to Service and Non-Service in 2006

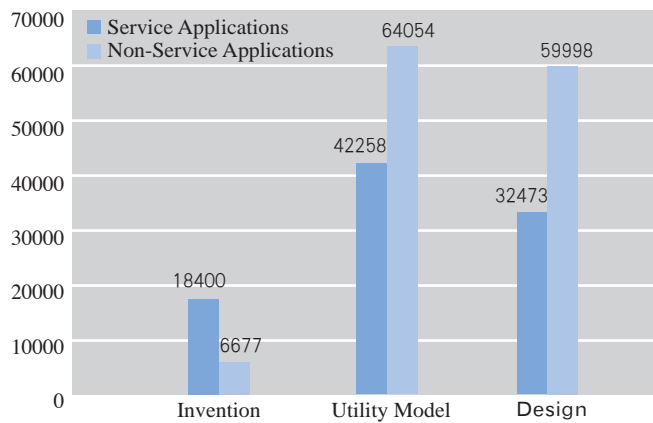


Fig. 6 Statistics of Three Kinds of Domestic Patents Granted According to Service and Non-Service in 2006

Table 16 Three Kinds of Domestic and Foreign Patents Granted According to Service and Non-Service in 2006

Kinds of Patents		Total			Domestic			Foreign			
		Total	Service	Non-Service	Total	Service	Non-Service	Total	Service	Non-Service	
Accumulated Total	Granted	1737504	816343	921161	1488747	578389	910358	248757	237954	10803	
	%	100.0%	47.0%	53.0%	100.0%	38.9%	61.1%	100.0%	95.7%	4.3%	
This Year	Total	Granted	268002	135597	132405	223860	93131	130729	44142	42466	1676
		%	100.0%	50.6%	49.4%	100.0%	41.6%	58.4%	100.0%	96.2%	3.8%
	Invention	Granted	57786	50157	7629	25077	18400	6677	32709	31757	952
		%	100.0%	86.8%	13.2%	100.0%	73.4%	26.6%	100.0%	97.1%	2.9%
	Utility Model	Granted	107655	43337	64318	106312	42258	64054	1343	1079	264
	%	100.0%	40.3%	59.7%	100.0%	39.7%	60.3%	100.0%	80.3%	19.7%	
Design	Granted	102561	42103	60458	92471	32473	59998	10090	9630	460	
	%	100.0%	41.1%	58.9%	100.0%	35.1%	64.9%	100.0%	95.4%	4.6%	



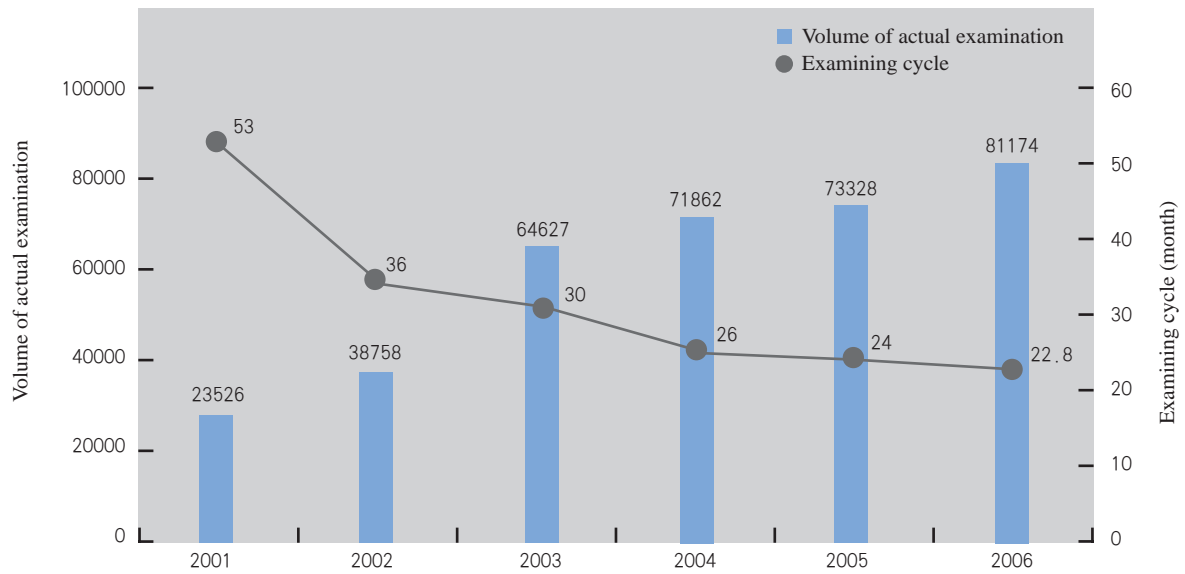


Fig. 7 Trend of Volume of Actual Examination Cases and Examining Cycle Changes from 2001 to 2006

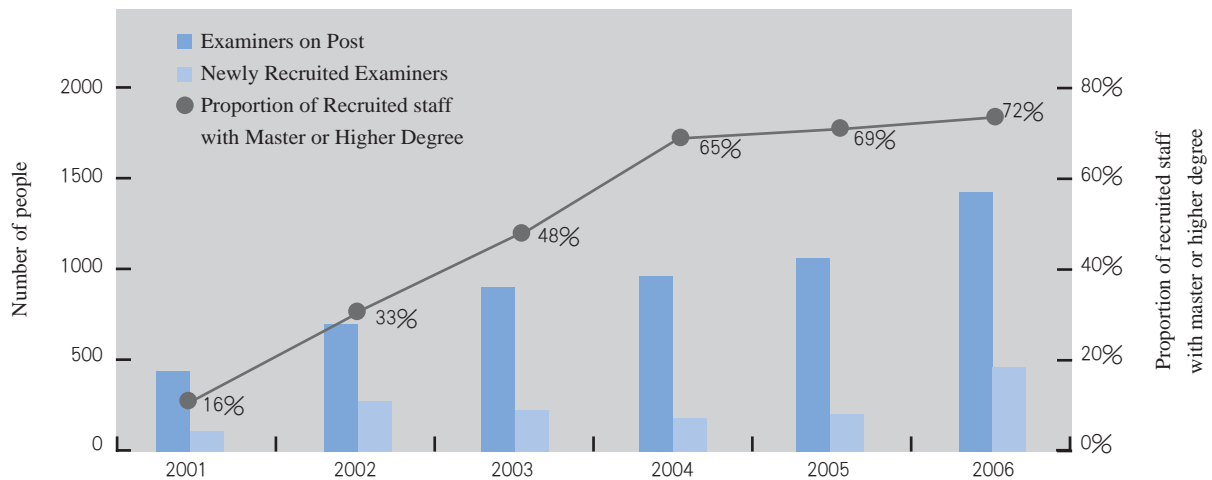


Fig. 8 Trend of Numbers of Actual Examination Examiner and Education Level Changes from 2001 to 2006

10.7% over the previous year and maintained an average annual growth of 28.1% over the year 2001, during which 23,526 applications were concluded. The actual duration for substantive examination cycle decreased by 30.2 months, from 53 months in 2001 to 22.8 months in 2006. In the cases of utility model and design, the Office concluded examination respectively 146,983 and 151,110 applications in 2006, resulting in 45.7% and 44.3% increase over the previous year. The examination cycle was 8.5 months for utility models, 2.5 months shorter than the previous year

and 5.8 months for designs, 2.2 months shorter.

(2) The team of patent examiners was further enlarged while the staff structure was constantly optimized and better personnel quality achieved. In 2006, SIPO newly recruited 535 employees, covering various field, inter alia, preliminary examination, procedure management, substantive examination, re-examination and invalidation, making the total number of examining staff to 2,170 at the end of the year. In high profile technical fields like

electronics, telecommunication, light and electric, the number of examiners increased faster than the growth of patent applications, thus decreasing the per-capita examination workload in stock by 20% to 30%. The average period of higher education for examiners was longer than before, due to the fact that 72% of those substantive examiners newly recruited in 2006 had Master's degree while the figure was only 16% in 2001.

## 2. PCT International Applications

### 2.1 Receiving of PCT International Applications

As a Receiving Office of the Patent Cooperation Treaty (PCT), the Office received 3,826 PCT applications in 2006, which were 1,388 more than that of 2005 or 56.9% increase. Among those received applications, 3,481 were filed in Chinese while 345 in English. Since 1994, SIPO has received an accumulated total of 13,399 international applications.

### 2.2 PCT International Search

As an International Searching Authority, the Office established an accumulated total of 11,651 international search reports, of which 3,162 were established in 2006. This was 883 more than that of 2005 and 38.7% increase over the previous year.

### 2.3 PCT International Preliminary Examination

As an International Preliminary Examining Authority, the Office established in 2006 international preliminary examination reports for 332 international applications, which were 330 less than that of 2005 and 49.8% decrease year on year. By December 31st, 2006, the Office established an accumulated total of 3,953 international preliminary examination reports.

### 2.4 PCT International Applications Entering into the National Phase

In 2006, the Office received 48,211 international applications entering into China's national phase, 48,144 of which were for invention patent and 67 for utility model, with an increase of 7,407 or 18.2% rise comparing with 2005. Since 1994, SIPO has received an accumulated total of 247,153 international applications entering into China's national phase.

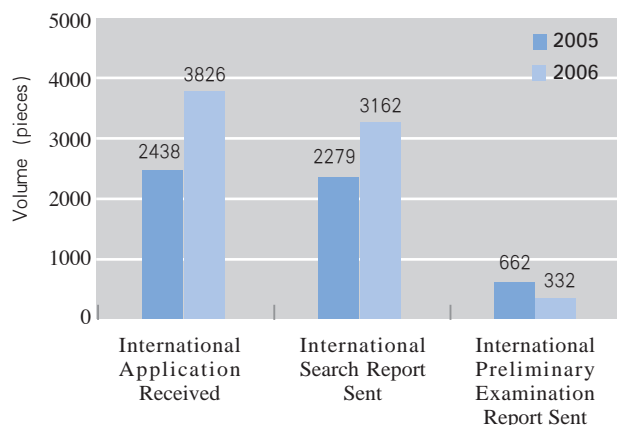


Fig. 9 Volume of PCT International Applications, International Search and International Preliminary Examination Reports (from 2005 to 2006)

## 3. Registration of Applications for Layout Designs of Integrated Circuits

In 2006, the Office received 417 applications for registration of layout designs of integrated circuits, and published and issued certificates for 373 registrations. Since the implementation of the Regulation on the Protection of Layout Designs of Integrated Circuits on October 1st, 2001, the Office had received a total of 1,380 applications for registration, published and issued certificates for 1,219 registrations, by the end of December 31st, 2006.

## 4. Re-examination and Invalidation

### 4.1 Requests for Re-examination Received and Cases Resolved

In 2006, 2,894 requests for re-examination were received, which were 336 less than that of 2005 or 11.6% decrease. Of all the above received, 2,824 cases were related to invention patent, including requests for re-examination of decisions on rejection of invention patent applications and those against decisions on request for revocation of patent rights, accounting for 97.58% of the total. 53 were related to utility models, including requests for re-examination of decisions on rejection of utility model applications and those against decisions on request for revocation, accounting for 1.83% of the total. And 17 were related to designs, including requests for re-examination of decisions on rejection of design applications and those against decisions on request for revocation, accounting for 0.59% of the total. In 2006, altogether 2,667 re-examination cases

were resolved.

Since 1985, a total of 14,882 requests for re-examination have been received by the Patent Re-Examination Board, and 4,442 re-examination cases were being dealt with by the end 2006.

#### 4.2 Requests for Invalidation Received and Cases Resolved

In 2006, 2,468 requests for invalidation were received, which were 381 more than that of 2005, representing an increase of 18.26%. Among requests received in 2006, 356 cases were related to requests for invalidation of invention patent, accounting for 14.42% of the total; 1,136 were related to requests for invalidation of utility model, accounting for 46.03% of the total; and 976 were related to design, making up 39.55% of the total. In 2006, 2,022 cases requesting for invalidation were resolved.

Since 1985, the Patent Re-Examination Board has received totally 16,866 requests for invalidation. Until the end of 2006, 2,707 requests for invalidation were being processed.

#### 4.3 Administrative Litigation on Patent

In 2006, 615 cases were brought with the Beijing First

Intermediate People's Court or appealed to the Beijing High People's Court, of which 61 cases were against the re-examination decisions on rejection of invention patent applications or on requests for revocation of patent rights, 119 were against the decisions on requests for invalidation of patent rights, no case was against decisions on requests for re-examination of rejecting utility model, 256 were against the decisions on requests for invalidation of utility model, 178 were against the decisions on requests for invalidation of design and 1 was against other notifications.

## 5. Patent Analysis and Forecast on Certain Technology Fields

### 5.1 Patent Analysis on Water Treatment

Water treatment refers to water, sewage or wastewater and sludge treatment, and it is an important component of environment technology. From 2000 to September 2006, 6,107 invention patent applications relating to water treatment (wherein 822 were PCT applications) were filed in China, indicating an annual growth rate of 10%. Fig.10 shows the development of domestic patent applications for invention excluding PCT ones.

Fig.11 shows the distribution of patent applications for

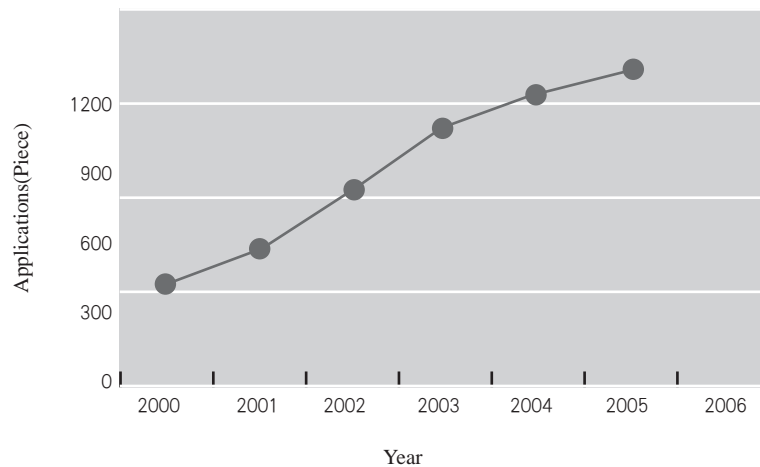


Fig.10 The Development of Domestic Patent Applications for Invention Excluding PCT Applications

invention in China by country excluding PCT applications from 2000 to September 2006; Fig.12 shows the distribution of PCT applications by country from 2000 to September 2006. The conclusion can be drawn from the above figures that domestic applications account for 89.9% of total patent applications for invention in China excluding PCT ones. In PCT applications, domestic applications only account for 0.9%, while applications from USA and Japan were 29.6% and 24.1% respectively, which made a total of over half. This reflects the fact that industrialized countries, represented by USA and Japan, are in favor of PCT, while more attention to it are required for China.

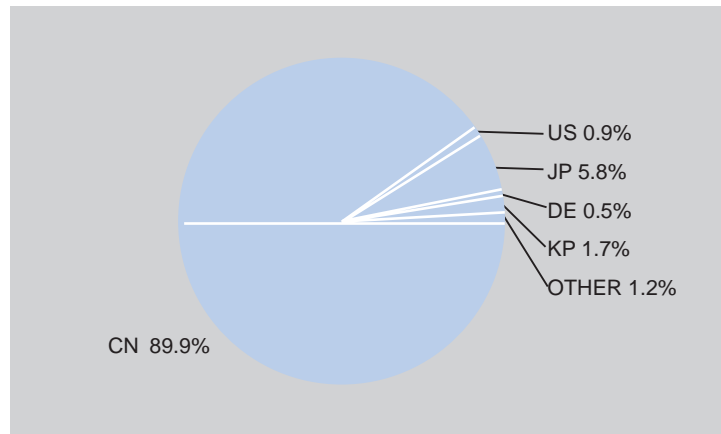


Fig.11 The Distribution of Patent Applications for Invention in China by Country Excluding PCT Applications

Fig.13 shows the percentage of domestic applications according to the main water treatment technology from 2000 to September 2006; Fig.14 shows the percentage of PCT applications according to the main water treatment technology from 2000 to September 2006. The figures indicate that, in domestic applications and PCT applications, patent applications for circulating and regenerating water resource account for 22.3% and 14.8% of the total respectively, and the percentages of patent applications for water treatment device and apparatus in domestic applications and PCT applications are 37.9% and 44.7% respectively. In the remained technical fields, the percentages of patent applications in domestic applications and PCT applications are quite close. This reflects that domestic applications have covered major technologies of water treatment, and increasing importance is drawn to rational utilization of water resource, circulating and regenerating. However, it also exposes a disadvantage of inadequate patent applications for water treatment device and apparatus in domestic applications.

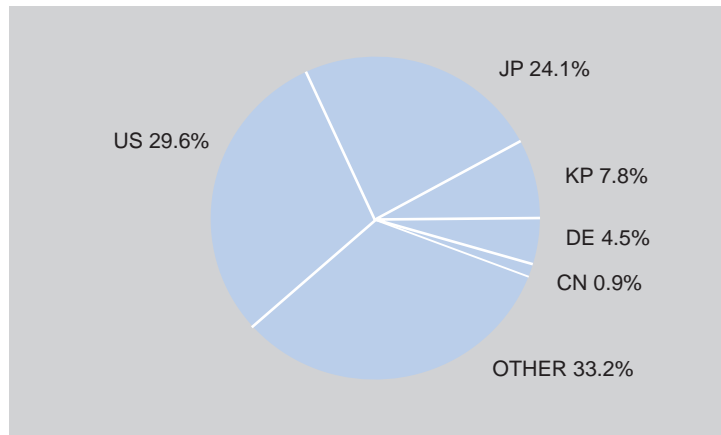


Fig.12 The Distribution of PCT Applications by Country

China is a developing country with water shortage. As the population continues to increase and economy keeps quick

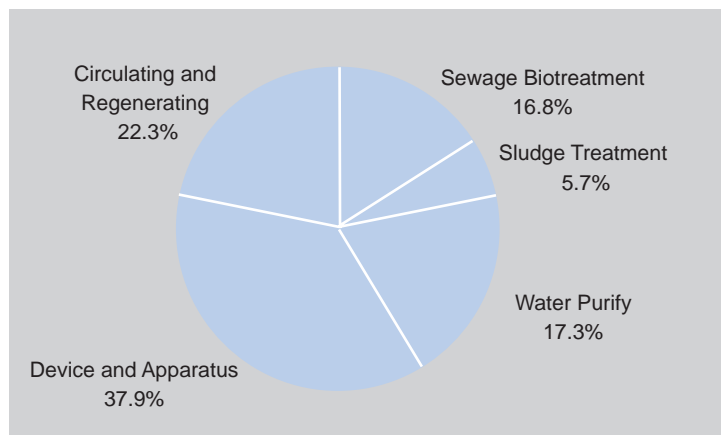
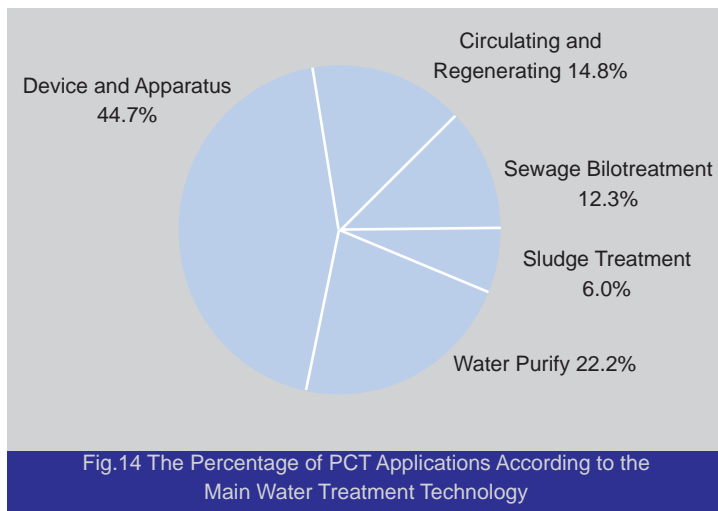
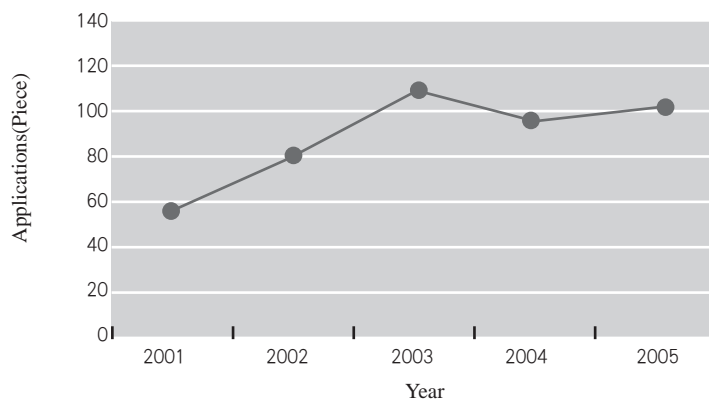


Fig.13 The Percentage of Domestic Applications According to the Main Water Treatment Technology



development, the conflicts between water shortage and water pollution will remain severe. It is expected that patent applications for treatment, reuse and resource recovery of municipal sewage and industrial wastewater will be further increased. At the same time, with accelerated urbanization and improved living standard in China, the technologies relating to water purify, especially water purify medicament, water purify device and water quality detect apparatus, will become the focus of future patent applications.

## 5.2 Analysis on Patent Applications Related to Utilization of Geothermal Resources



As a clean, re-generable new energy, geothermal energy gains increasing concerns all over the world. From 2000 to September 2006, the amount of patent applications on geothermal energy utilization in China was 616 with an annual increase about 68%. Among them, 15 were PCT applications and 63 were foreign applications, accounting for about 10% of total. Among the foreign applications, 39 were filed by US and Japanese applicants, accounting for 62% of the total foreign applications in China. Fig.15 shows the amount variety of the invention patent and utility model applications in China from 2000 to December 2005.

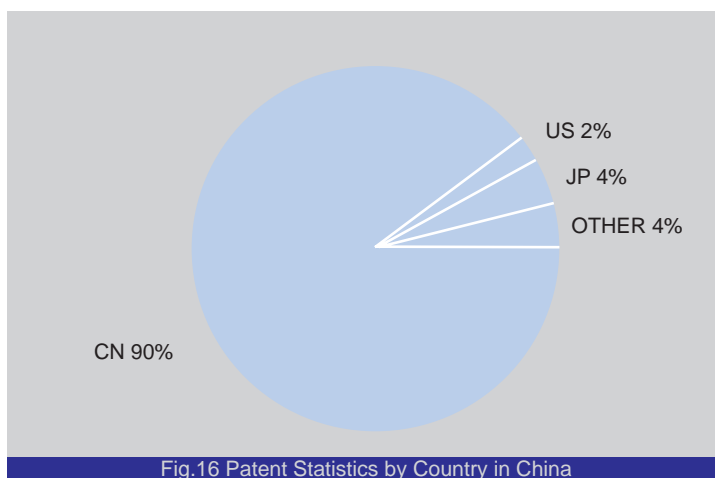
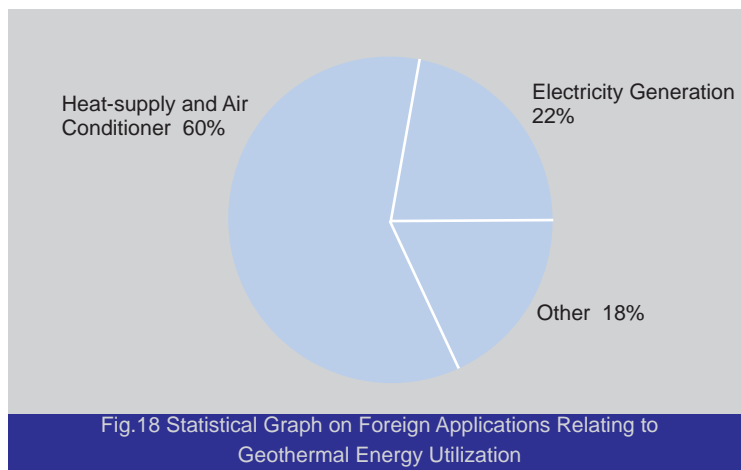
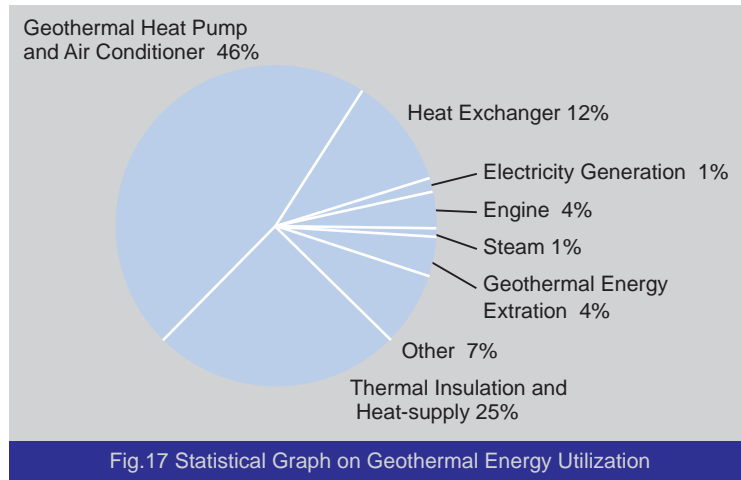


Fig.16 shows application distribution by country of geothermal energy utilization (excluding PCT) from 2000 to September 2006. Domestic applications took 90% of the total amount. There was no Chinese application in PCT applications.

Fig.17 shows the distribution of invention patent and utility model applications by technical field on geothermal energy utilization from the year 2000 to September 2006. The figure reveals that patent applications on geothermal



heat pump and air conditioner amount to 46%, patent applications on thermal insulation and heat-supply by means of direct utilization of geothermal energy amount to 25%, and patent applications on heat exchanger amount to 12%. These three kinds of patent applications on direct or indirect utilization of geothermal energy for heat-exchange accounted for 83%.

Fig.18 shows the analysis of foreign patent applications on geothermal energy utilization (including foreign PCT applications). It indicates that patent applications on heat-exchange by means of direct or indirect utilization of geothermal energy amount to 60%. Electricity generation by utilizing geothermal energy amounts to 22%.

In conclusion, domestic and foreign utilization of geothermal energy mainly relates to heat exchange by

means of direct or indirect utilization of geothermal energy, such as air conditioning, heating, etc. Among them, geothermal heat pump is the most popular one for indirect geothermal energy heat exchange. Fig. 18 reveals that utilization of geothermal energy has already proceeded into more sophisticated stage, such as electricity generation, in foreign countries while it is still an emerging sector in China.

The history of geothermal heat pump utilization can be traced back into a Swiss patent in 1912. However, its commercial application only began over twenty years ago. At present, geothermal heat pump technology is widely adopted in many industrialized countries, such as USA, Japan, Germany, France and Sweden. Geothermal heat pumps can save more than 50% energy than fuel boilers, and their operating cost is only about 50% of traditional

central air conditioners. It is expected that geothermal heat pump will become one of the most effective air conditioning technologies in 21st Century. Chinese government has also formulated plans to promote the importation and development of geothermal heat pump technology and to accelerate its localization. It may be predicted that Chinese market for geothermal heat pump has a promising expectation.

### 5.3 Analysis on Patent Applications Relating to Wind Energy Utilization

The patent applications relating to wind energy utilization are mainly for wind motor. Wind motor refers to a mechanism for converting the energy of natural wind into useful mechanical power and transmitting such power to its point of use.

In recent years, with the government's enhanced stress on environment protection, it had become an urgent need to seek for a clean and reusable energy resource. The wind energy enjoys the merits of inexhaustibility and environmental-friendliness, therefore, the number of the patent applications relating to wind energy utilization had been increasing sharply year by year. By the end of 2006, the accumulated total of the published patent applications relating to wind energy utilization had reached 1,548. Fig.19 shows the trend of published patent applications relating to wind energy utilization from 2002 to 2006. The annual applications from 2002 to 2006 was 140, 179, 250, 295, 112, respectively (The data is based on the amount of published patent applications by the end of 2006. Most of the applications filed in 2006 were not published by that time. Therefore, the actual total in 2006 was over 112). The data indicates that the total volume of patent applications in the last five years was 1.71 times of that from 1985 to 2001.

Fig.20 shows the application distribution of the top six countries by applicant's nations in the field of wind energy utilization. Among them Chinese domestic patent applications were 1,229, accounting for 79.39% of the total, and most of them were individual applications. Foreign patent applications were 319, accounting for 20.61%. The number of patent applications filed by applicants from Germany, U.S.A, Denmark, Japan and South Korea is 94 or 6.07%, 62 or 4.1%, 48 or 3.1%, 34 or 2.2% and 11 or 0.71% of the total respectively. According to applicant, foreign patent applications were mainly

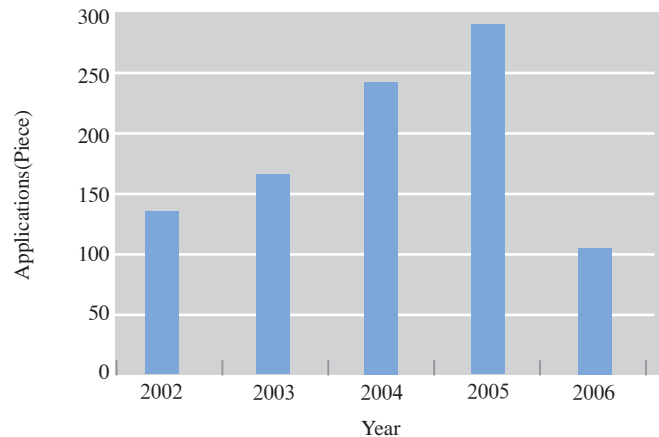


Fig.19 Number of Patent Applications Relating to Wind Energy Utilization

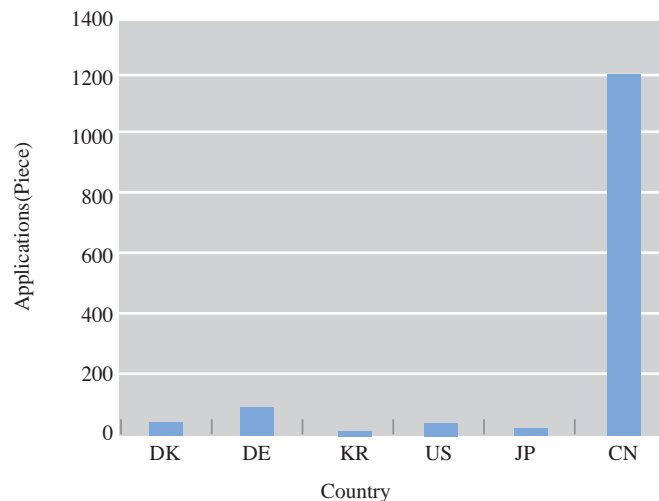


Fig.20 Application Distribution by Applicant's Nation in the Field of Wind Energy Utilization

filed by some major companies from Germany, U.S.A, Denmark and Japan, such as GENERAL ELECTRIC CO, VESTAS WIND SYSTEM AS, WOBLEN A and LM GLASFIBER AS. Although domestic patent applications are in an absolute advantage over foreign applications by number, most of them were filed by individuals and thus applications in core technologies are scarce. On the contrary, foreign applications were mainly filed by big companies with comparatively higher quality and resulted in a favorable position and better competitiveness.

The patent applications relating to wind energy utilization may be divided into four categories by technology including wind motor assembly, control of wind motor, wind motor for special use and component parts or

accessories.

Patent applications relating to the wind motor assembly is relatively high according to technology distribution. However, its technology is fairly mature with less improvement margin, and it may be expected that the number of the patent application relating to wind motor assembly will reduce comparatively in the near future. The wind motor for special use and component parts or accessories may attract more attention. This is reflected by patent applications in recent years. For example, the total volume of patent applications relating to wind motor for special use from 1985 to 2006 is 622, among which 499 were filed from 2002 to 2006, accounting for 80.23% of the total. Similarly, the total of the patent applications relating to component parts or accessories from 1985

to 2006 is 513, among which 460 were filed from 2002 to 2006, accounting for 89.67% of the total. Therefore, patent applications relating to wind motor for special use and component parts or accessories will remain a hotspot. In addition, with computer technology being widely adopted and control technology being broadly applied, control technology has become a future tendency for the purpose of improving the efficiency, safety, reliability and stability of the wind motor. It may be predicted that patent applications relating to the control of wind motor also will increase rapidly in the next few years.

## 6. Statistics

Table17 Applications for Three Kinds of Patents Received from Home and Abroad, 2000-2006

	Total				Domestic				Foreign			
	Total	Invention	Utility Model	Design	Total	Invention	Utility Model	Design	Total	Invention	Utility Model	Design
Accumulated Total	2338622	814451	764548	759623	1895336	433548	757404	704384	443286	380903	7144	55239
Average Growth Rate(%)	22.4%	26.3%	15.3%	26.1%	22.3%	30.0%	15.2%	26.2%	22.6%	22.3%	25.3%	24.4%
2000	170682 27.1%	51747 41.0%	68815 19.7%	50120 25.1%	140339 27.6%	25346 62.5%	68461 19.7%	46532 25.3%	30343 25.0%	26401 25.1%	354 27.3%	3588 23.5%
2001	203573 19.3%	63204 22.1%	79722 15.8%	60647 21.0%	165773 18.1%	30038 18.5%	79275 15.8%	56460 21.3%	37800 24.6%	33166 25.6%	447 26.3%	4187 16.7%
2002	252631 24.1%	80232 26.9%	93139 16.8%	79260 30.7%	205544 24.0%	39806 32.5%	92166 16.3%	73572 30.3%	47087 24.6%	40426 21.9%	973 117.7%	5688 35.8%
2003	308487 22.1%	105318 31.3%	109115 17.2%	94054 18.7%	251238 22.2%	56769 42.6%	107842 17.0%	86627 17.7%	57249 21.6%	48549 20.1%	1273 30.8%	7427 30.6%
2004	353807 14.7%	130133 23.6%	112825 3.4%	110849 17.9%	278943 11.0%	65786 15.9%	111578 3.5%	101579 17.3%	74864 30.8%	64347 32.5%	1247 -2.0%	9270 24.8%
2005	476264 34.6%	173327 33.2%	139566 23.7%	163371 47.4%	383157 37.4%	93485 42.1%	138085 23.8%	151587 49.2%	93107 24.4%	79842 24.1%	1481 18.8%	11784 27.1%
2006	573178 20.3%	210490 21.4%	161366 15.6%	201322 23.2%	470342 22.8%	122318 30.8%	159997 15.9%	188027 24.0%	102836 10.4%	88172 10.4%	1369 -7.6%	13295 12.8%



Table 18 Domestic Applications for Three Kinds of Patents According to Service and Non-Service, 2000-2006

	Non-Service	Service				
		Total	Universities and Colleges	Scientific Research Institutions	Industrial Enterprises	Organizations
Accumulated Total	1124431	770905	78835	47186	634662	10222
Average Growth Rate(%)	20.5%	25.0%	41.0%	15.7%	24.0%	42.2%
2000	86964 20.8%	53375 40.6%	2924 65.3%	4122 35.2%	45862 40.5%	467 -7.2%
2001	105669 21.5%	60104 12.6%	3810 30.3%	4360 5.8%	51302 11.9%	632 35.3%
2002	124302 17.6%	81242 35.2%	5981 57.0%	5373 23.2%	68962 34.4%	926 46.5%
2003	148782 19.7%	102456 26.1%	10252 71.4%	6998 30.2%	84117 22.0%	1089 17.6%
2004	167663 12.7%	111280 8.6%	12997 26.8%	6709 -4.1%	90148 7.2%	1426 30.9%
2005	224275 33.8%	158882 42.8%	19921 53.3%	9746 45.3%	127397 41.3%	1818 27.5%
2006	266776 19.0%	203566 28.1%	22950 15.2%	9878 1.4%	166874 31.0%	3864 112.5%

Table 19 Three Kinds of Patent Granted for Home and Abroad, 2000-2006

	Total				Domestic				Foreign			
	Total	Invention	Utility Model	Design	Total	Invention	Utility Model	Design	Total	Invention	Utility Model	Design
Accumulated Total	1206464	248057	493119	465288	1003012	92867	488276	421869	203452	155190	4843	43419
Average Growth Rate(%)	16.8%	28.8%	11.9%	18.0%	15.3%	26.3%	11.8%	17.8%	27.8%	30.9%	26.0%	20.7%
2000	105345 5.2%	12683 66.1%	54743 -2.9%	37919 4.9%	95236 3.4%	6177 99.5%	54407 -3.0%	34652 5.3%	10109 25.5%	6506 43.3%	336 22.6%	3267 0.8%
2001	114251 8.5%	16296 28.5%	54359 -0.7%	43596 15.0%	99278 4.2%	5395 -12.7%	54018 -0.7%	39865 15.0%	14973 48.1%	10901 67.6%	341 1.5%	3731 14.2%
2002	132399 15.9%	21473 31.8%	57484 5.7%	53442 22.6%	112103 12.9%	5868 8.8%	57092 5.7%	49143 23.3%	20296 35.6%	15605 43.2%	392 15.0%	4299 15.2%
2003	182226 37.6%	37154 73.0%	68906 19.9%	76166 42.5%	149588 33.4%	11404 94.3%	68291 19.6%	69893 42.2%	32638 60.8%	25750 65.0%	615 56.9%	6273 45.9%
2004	190238 4.4%	49360 32.9%	70623 2.5%	70255 -7.8%	151328 1.2%	18241 60.0%	70019 2.5%	63068 -9.8%	38910 19.2%	31119 20.9%	604 -1.8%	7187 14.6%
2005	214003 12.5%	53305 8.0%	79349 12.4%	81349 15.8%	171619 13.4%	20705 13.5%	78137 11.6%	72777 15.4%	42384 8.9%	32600 4.8%	1212 100.7%	8572 19.3%
2006	268002 25.2%	57786 8.4%	107655 35.7%	102561 26.1%	223860 30.4%	25077 21.1%	106312 36.1%	92471 27.1%	44142 4.1%	32709 0.3%	1343 10.8%	10090 17.7%

Table 20 Distribution of Domestic Applications for Patents Received from 1985 to 2006

Region	Accumulated Number	1985-2002	2003	2004	2005	2006
Total	2727857	1344177	251238	278943	383157	470342
Beijing	195597	111065	17003	18402	22572	26555
Tianjin	70932	30758	6812	8406	11657	13299
Hebei	69325	44434	5623	5647	6401	7220
Shanxi	24513	16012	1743	1949	1985	2824
Inner Mongolia	17282	11031	1393	1457	1455	1946
Liaoning	141098	80134	13545	14695	15672	17052
Jilin	44197	27594	4267	3657	4101	4578
Heilongjiang	61670	39194	4972	4919	6050	6535
Shanghai	188614	76986	22374	20471	32741	36042
Jiangsu	214883	84880	18393	23532	34811	53267
Zhejiang	234077	91119	21463	25294	43221	52980
Anhui	32413	18599	2676	2943	3516	4679
Fujian	71068	36523	7236	7498	9460	10351
Jiangxi	28750	17645	2434	2685	2815	3171
Shandong	195137	93836	15794	18388	28835	38284
Henan	72051	39953	5261	6318	8981	11538
Hubei	77853	37148	6635	7960	11534	14576
Hunan	82125	49366	6054	7693	8763	10249
Guangdong	426856	168363	43186	52201	72220	90886
Guangxi	28798	19183	2250	2202	2379	2784
Chongqing	38002	15511	4589	5171	6260	6471
Sichuan	85779	47400	7443	7260	10567	13109
Guizhou	17666	10038	1242	1486	2226	2674
Yunnan	25774	16035	1966	2132	2556	3085
Tibet	447	170	24	62	102	89
Shaanxi	44296	27775	3421	3217	4166	5717
Gansu	13702	8612	961	910	1759	1460
Qinghai	2826	1988	173	124	216	325
Ningxia	5371	3344	441	399	516	671
Xinjiang	17531	10459	1473	1492	1851	2256
Hainan	5716	3860	445	375	498	538
Hong Kong	21260	12028	1816	2148	2645	2623
Macao	207	141	18	9	27	12
Taiwan	172041	92993	18112	17841	20599	22496
(Guangzhou)	73919	34159	8137	8314	11016	12293
(Changchun)	14314	4599	2689	1937	2409	2680
(Wuhan)	38623	16710	3419	4136	6233	8125
(Nanjing)	24897	5895	3074	3908	5227	6793
(Hangzhou)	35294	6047	4024	5029	9479	10715
(Xi'an)	26084	14421	2341	2200	2950	4172
(Jinan)	26977	5331	2853	4067	6507	8219
(Shenyang)	51177	32832	5696	3898	4414	4337
(Chengdu)	33194	8436	4169	4324	7241	9024
(Dalian)	31253	11144	3055	4377	5573	7104
(Xiamen)	13684	3895	1957	2070	2796	2966
(Harbin)	28223	16375	2133	2447	3528	3740
(Shenzhen)	98306	20359	12361	14918	20940	29728
(Qingdao)	33987	14510	2886	2834	5927	7830
(Ningbo)	26920	4825	1892	2026	7764	10413

Table 21 Distribution of Foreign Applications for Patents Received from 1985 to 2006

Countries and Region	Accumulated Number	1985-2002	2003	2004	2005	2006
Total	606510	278454	57249	74864	93107	102836
Andorra	4	2	0	2	0	0
United Arab Emirates	64	4	1	3	5	51
Antigu and Barbuda	3	0	1	2	0	0
Armenia	1	1	0	0	0	0
Netherlands Antilles	205	71	23	22	35	54
Argentina	62	36	6	2	8	10
Austria	2374	1373	185	223	284	309
Australia	5258	2711	450	637	707	753
Aruba	1	0	0	0	1	0
Barbados	143	24	6	22	35	56
Bangladesh	2	0	0	0	0	2
Belgium	2452	1143	189	275	380	465
Bulgaria	63	44	2	5	6	6
Bahrain	3	3	0	0	0	0
Bermuda	182	46	14	34	38	50
Brunei	19	0	2	1	2	14
Brazil	524	244	58	63	82	77
Bahamas	128	53	25	24	9	17
Belarus	18	5	1	4	3	5
Belize	5	1	1	1	0	2
Canada	4937	2378	407	607	724	821
Central African Republic	2	0	2	0	0	0
Switzerland	16556	8962	1374	1744	2106	2370
Cook Islands	5	1	0	1	1	2
Chile	31	13	2	3	4	9
Cameroon	2	0	0	1	0	1
Columbia	16	5	5	1	3	2
Costa Rica	3	1	2	0	0	0
Czechoslovakia	72	72	—	—	—	—
Cuba	84	39	9	12	16	8
Cyprus	92	29	14	9	17	23
Czech Republic	195	10	13	25	77	70
Germany	52354	25737	4522	5917	7502	8676
Denmark	3503	1746	315	406	478	558
Dominica	3	1	0	0	0	2
Dominican Republic	1	1	0	0	0	0
Algeria	2	1	0	0	1	0
Ecuador	6	2	1	0	1	2
Estonia	9	3	2	1	1	2
Egypt	16	4	0	1	4	7
Western Sahara	1	0	1	0	0	0
Spain	1843	702	164	213	373	391
Finland	6273	3019	598	817	851	988
Falkland Islands	1	1	0	0	0	0
France	23278	12068	1941	2465	3190	3614
Great Britain	14303	8162	1314	1401	1613	1813
Georgia	5	3	0	0	0	2
Gibraltar	12	6	3	0	2	1
Greece	110	55	12	9	11	23

Continued Table 21

Countries and Region	Accumulated Number	1985-2002	2003	2004	2005	2006
Croatia	94	44	6	12	20	12
Hungary	597	474	12	33	33	45
Indonesia	95	35	13	11	20	16
Ireland	531	197	54	77	82	121
Israel	1795	806	163	251	237	338
India	960	271	118	171	217	183
Iraq	1	1	0	0	0	0
Iran	3	1	0	0	1	1
Iceland	56	24	4	6	12	10
Italy	9541	4278	765	1167	1632	1699
Jersey Island	8	2	1	5	0	0
Jordan	6	6	0	0	0	0
Japan	223545	94791	24241	30444	36221	37848
Kyrgyzstan	2	0	0	0	1	1
St. Christopher DPRK	2 10	1 6	1 0	0 1	0 2	0 1
Republic of Korea	48971	17400	5015	6660	9300	10596
Kuwait	9	6	0	0	1	2
Cayman Islands	337	61	23	20	66	167
Kazakhstan	10	3	1	0	5	1
Lebanon	7	1	4	2	0	0
Liechtenstein	725	390	79	87	84	85
Sri Lanka	46	44	0	1	0	1
Liberia	3	3	0	0	0	0
Lesotho	1	1	0	0	0	0
Lithuania	2	0	0	0	2	0
Luxembourg	480	288	42	28	53	69
Latvia	13	2	2	1	1	7
Morocco	8	1	0	3	1	3
Monaco	75	49	6	4	4	12
Madagascar	2	2	0	0	0	0
Mali	7	0	2	4	1	0
Malta	14	4	4	1	2	3
Mauritius	50	2	2	1	34	11
Maldives	2	2	0	0	0	0
Malawi	2	1	0	1	0	0
Mexico	115	55	5	15	14	26
Malaysia	438	218	32	66	46	76
Namibia	1	0	0	0	0	1
Niger	1	1	0	0	0	0
Nigeria	5	1	0	2	1	1
Netherlands	21686	9641	1376	2960	3988	3721
Norway	1327	696	120	159	168	184
New Zealand	573	306	43	44	84	96
Panama	233	107	19	47	35	25
Peru	3	2	1	0	0	0
Philippines	47	30	2	7	6	2
Pakistan	6	5	0	0	0	1
Poland	134	81	6	12	22	13
Puerto Rico	2	0	0	0	1	1

Continued Table 21

Countries and Region	Accumulated Number	1985-2002	2003	2004	2005	2006
Portugal	66	24	7	11	9	15
Romania	13	9	1	0	2	1
Russian Federation	1129	872	57	65	50	85
Saudi Arabia	275	14	11	4	28	218
Seychelles	6	0	1	0	2	3
Sudan	1	0	1	0	0	0
Sweden	9571	5385	694	899	1101	1492
Singapore	1439	516	142	156	208	417
Slovenia	100	40	14	11	18	17
Slovakia	21	0	1	4	10	6
San Marino	8	1	2	1	2	2
Senegal	1	1	0	0	0	0
Salvador	1	1	0	0	0	0
Syria	1	1	0	0	0	0
Swaziland	1	1	0	0	0	0
Thailand	379	198	61	51	25	44
Tunisia	1	1	0	0	0	0
Turkey	159	39	18	20	46	36
Trinidad & Tobago	2	0	1	0	1	0
Ukraine	55	36	7	3	4	5
United States	143748	71451	12221	16187	20395	23494
Uruguay	13	4	1	6	1	1
Uzbekistan	5	4	1	0	0	0
Vatican City State	2	2	0	0	0	0
St. Vincent & the Grenadines	2	1	0	0	1	0
Venezuela	37	28	3	2	4	0
Virgin Islands	968	347	117	111	133	260
Vietnam	8	1	0	0	2	5
Vanuatu	12	8	1	0	2	1
Samoa	47	17	3	5	10	12
Yugoslavia	33	33	—	—	—	—
Serbia and Montenegro	4	0	0	0	2	2
South Africa	585	291	56	69	84	85
Zambia	2	0	1	1	0	0
Zimbabwe	8	6	0	2	0	0

Table 22 Patents Granted for Domestic Applications, 1985-2006

Region	Accumulated Number	1985-2002	2003	2004	2005	2006
Total	1488747	792352	149588	151328	171619	223860
Beijing	99417	60826	8248	9005	10100	11238
Tianjin	29238	16951	2505	2578	3045	4159
Hebei	41445	26750	3572	3407	3585	4131
Shanxi	14313	9308	1175	1189	1220	1421
Inner Mongolia	9623	6152	817	831	845	978
Liaoning	70964	45965	5656	5749	6195	7399
Jilin	22849	14672	1690	2145	2023	2319
Heilongjiang	33117	20986	2794	2809	2906	3622
Shanghai	92975	36474	16671	10625	12603	16602
Jiangsu	106062	51960	9840	11330	13580	19352
Zhejiang	135794	56119	14402	15249	19056	30968
Anhui	18620	11229	1610	1607	1939	2235
Fujian	43844	22150	5377	4758	5147	6412
Jiangxi	14686	9382	1238	1169	1361	1536
Shandong	99568	54088	9067	9733	10743	15937
Henan	37636	22367	2961	3318	3748	5242
Hubei	33966	19221	2871	3280	3860	4734
Hunan	42059	26336	3175	3281	3659	5608
Guangdong	252965	111874	29235	31446	36894	43516
Guangxi	15851	10581	1331	1272	1225	1442
Chongqing	23098	8433	2883	3601	3591	4590
Sichuan	48710	28485	4051	4430	4606	7138
Guizhou	8961	5239	723	737	925	1337
Yunnan	15770	10275	1213	1264	1381	1637
Tibet	259	95	16	23	44	81
Shaanxi	24380	16397	1609	2007	1894	2473
Gansu	7091	4724	474	514	547	832
Qinghai	1403	1067	90	70	79	97
Ningxia	3014	1879	338	293	214	290
Xinjiang	9569	5917	752	792	921	1187
Hainan	3059	2037	296	278	200	248
Hong Kong	16171	9561	1565	1495	1669	1881
Macao	117	73	14	12	3	15
Taiwan	112153	64779	11329	11031	11811	13203
(Guangzhou)	43234	21132	4525	5468	5720	6389
(Changchun)	6157	1680	761	1277	1135	1304
(Wuhan)	16795	8054	1559	1945	2382	2855
(Nanjing)	10950	2599	1416	1883	2162	2890
(Hangzhou)	16526	2939	1335	2459	4065	5728
(Xi'an)	13442	7931	1099	1360	1280	1772
(Jinan)	10712	2392	1490	1593	2129	3108
(Shenyang)	26762	17831	2017	2176	2224	2514
(Chengdu)	16948	3922	2178	2636	3079	5133
(Dalian)	11549	5954	910	1096	1471	2118
(Xiamen)	8696	2538	1212	1419	1537	1990
(Harbin)	13886	8493	919	1212	1416	1846
(Shenzhen)	43861	10710	4937	7737	8983	11494
(Qingdao)	18613	9811	1490	1868	2329	3115
(Ningbo)	15653	3156	1134	1434	3873	6056

Table 23 Patents Granted for Foreign Applications, 1985 - 2006

Countries and Region	Accumulated Number	1985-2002	2003	2004	2005	2006
Total	248757	90683	32638	38910	42384	44142
Andorra	1	0	1	0	0	0
United Arab Emirates	7	3	0	1	1	2
Armenia	1	1	0	0	0	0
Netherlands Antilles	96	11	15	14	35	21
Argentina	9	4	3	2	0	0
Austria	1182	622	124	125	170	141
Australia	2143	939	211	251	382	360
Barbados	17	5	1	5	1	5
Belgium	1015	465	125	124	134	167
Bulgaria	21	13	0	2	4	2
Bahrain	1	0	0	1	0	0
Bermuda	53	13	7	11	6	16
Brunei	5	0	1	1	1	2
Brazil	223	92	34	25	35	37
Bahamas	61	18	17	5	9	12
Belarus	6	3	0	1	2	0
Belize	1	0	0	1	0	0
Canada	1666	718	197	244	270	237
Central African Republic	2	0	2	0	0	0
Switzerland	7960	3725	913	1084	1103	1135
Cook Islands	2	0	0	0	1	1
Chile	7	4	0	2	1	0
Colombia	4	0	0	2	0	2
Costa Rica	1	0	0	0	0	1
Czechoslovakia	32	32	—	—	—	—
Serbia and Montenegro	1	0	0	0	0	1
Cuba	28	5	4	4	9	6
Cyprus	27	10	4	5	5	3
Czech Republic	106	2	21	3	12	68
Germany	21393	7825	2977	3379	3709	3503
Denmark	1593	594	217	234	283	265
Dominica	2	1	0	0	0	1
Ecuador	1	1	0	0	0	0
Estonia	4	1	0	0	1	2
Egypt	5	1	0	0	1	3
Spain	827	263	90	91	161	222
Finland	2778	903	525	466	496	388
Falkland Islands	1	1	0	0	0	0
France	10259	4196	1180	1541	1674	1668
Bosnia and Herzegovina	2	0	2	0	0	0
Great Britain	6021	2679	808	787	885	862
Georgia	1	1	0	0	0	0
Gibraltar	7	1	2	1	2	1
Greece	30	13	2	6	6	3
Croatia	33	14	2	7	5	5
Hungary	223	155	17	14	22	15
Indonesia	61	22	8	5	11	15
Ireland	169	37	18	36	48	30
Israel	485	141	86	112	76	70
India	317	83	33	75	67	59
Iceland	18	7	1	3	6	1
Italy	4299	1693	531	506	691	878
Jersey Island	3	3	0	0	0	0
Jordan	4	3	0	0	0	1
Japan	100194	33116	12678	16356	18418	19626
DPRK	3	2	1	0	0	0
Republic of Korea	17591	4886	2693	2865	3273	3874

Continued Table 23

Countries and Region	Accumulated Number	1985-2002	2003	2004	2005	2006
Kuwait	6	3	0	1	1	1
Cayman Islands	116	27	24	12	13	40
Kazakhstan	5	2	0	0	1	2
Lebanon	5	0	0	0	2	3
Liechtenstein	375	144	53	65	68	45
Sri Lanka	27	22	4	0	0	1
Liberia	3	2	1	0	0	0
Lesotho	1	1	0	0	0	0
Lithuania	2	0	0	0	0	2
Luxembourg	248	149	15	21	38	25
Latvia	3	0	0	0	1	2
Morocco	4	1	0	2	0	1
Monaco	42	23	5	4	8	2
Madagascar	2	1	0	1	0	0
Malta	5	0	1	3	0	1
Mauritius	26	0	1	0	5	20
Maldives	1	0	1	0	0	0
Mexico	29	15	1	4	5	4
Malaysia	212	115	20	15	27	35
Nigeria	3	0	0	0	2	1
Netherlands	7800	2994	868	1276	1333	1329
Norway	580	251	80	92	69	88
New Zealand	201	96	20	30	24	31
Panama	94	34	15	12	16	17
Peru	1	1	0	0	0	0
Philippines	22	17	0	2	2	1
Pakistan	4	4	0	0	0	0
Poland	52	27	10	3	4	8
Portugal	22	8	2	2	4	6
Romania	5	2	2	0	1	0
Russian Federation	352	203	29	35	47	38
Saudi Arabia	132	5	3	4	8	112
Seychelles	2	0	0	1	1	0
Sweden	4571	1608	832	841	775	515
Singapore	591	238	66	73	99	115
Slovenia	42	9	5	8	9	11
Slovakia	11	1	0	2	3	5
San Marino	3	0	1	0	0	2
Salvador	1	0	0	0	1	0
Syria	1	0	0	0	0	1
Swaziland	1	1	0	0	0	0
Thailand	237	129	23	54	19	12
Turkey	96	17	9	17	21	32
Trinidad & Tobago	1	0	0	0	0	1
Ukrain	25	9	5	2	3	6
United States	50944	20951	6835	7824	7595	7739
Uruguay	4	0	2	0	1	1
Uzbekistan	3	1	1	1	0	0
St. Vincent & the Grenadines	1	1	0	0	0	0
Venezuela	29	11	4	3	6	5
Virgin Islands	567	134	110	78	114	131
Vietnam	2	1	0	0	0	1
Vanuatu	3	2	0	0	0	1
Samoa	33	17	2	2	4	8
Yugoslavia	19	19	—	—	—	—
South Africa	185	57	37	23	38	30
Zimbabwe	3	3	0	0	0	0



### 1. Patent Laws and Regulations

In 2006, the Office carried out the preparatory work for the third amendment of the Patent Law. The amendment aims at safeguarding the interests of the patentee and the public and maintaining legal stability and enhancing law adaptability based on international development trend and national reality. By this means, the patent system may play a better role in China's self-dependent innovation, economic and social development, and thus providing a strong systematic support for the establishment of an innovative country. With the collection, conclusion and analysis of 40 study reports on specific topics from the research groups for the third amendment of the Patent Law, the Office finished the Revised Draft of the Patent Law of the People's Republic of China (for comment) and its explanation. On the basis of soliciting public opinions and comments and consideration of ideas and suggestions from various parties through forums and government portal, the Office completed the Revised Draft of the Patent Law of the People's Republic of China (for review) and submitted it to the State Council in December 2006.

In 2006, the Office completed the amendment of Guidelines for Examinations. For the convenience of different sectors of society, the Office provided a comparative version of the amended Guidelines for Examinations as well as its Word and PDF format on the government portal. The Office also compiled the Guide to Amendment of Guidelines for Examinations and published the English version of new Guidelines.

In January 2006, the Office, the Ministry of Commerce, the State Administration for Industry and Commerce and the National Copyright Administration of P. R. China jointly issued the Measures for the Protection of Intellectual Property Rights during Exhibitions, prescribing practical rules for protection of intellectual property rights during the exhibition.

In order to enhance the effectiveness of administrative enforcement of patent rights, improve patent rights protection and safeguard market economic order, the Office

launched investigation, research, drafting and formulation of Measures for Trans-regional Joint Enforcement of Patent Cases. Based on comments and suggestions of IP offices in provinces, autonomous regions and municipalities, Measures for Trans-regional Joint Enforcement of Patent Cases (first draft) was finished.

In 2006, the Office strengthened its guidance on improvement of local rules and regulations. At present, 22 provinces, autonomous regions and municipalities have issued local rules and regulations, such as Regulation on Patent Protection. Chongqing Municipality had included Patent Protection Regulation into its local legislative plan. Zhejiang and Henan amended and improved their patent protection regulations and other provinces and cities also issued related regulations and policies to provide further bases for law enforcement.

### 2. Administrative Reconsideration

In 2006, the Office received a total of 117 cases for administrative reconsideration. 30 administrative litigations were brought in 2006 against the Office's administrative reconsideration decisions.

# 3

## Macro Administration

### 1. Patent Administration

#### 1.1 IP Pilot and Demonstration Work as well as Local IP Work Experienced Stable Advancement and A Sound Mechanism for Innovation Promotion and Protection Have Been Formed Gradually

In 2006, 10 IP pilot cities and 1 demonstration city were newly added. In addition, 4 pilot parks and 1 demonstration park were approved, and 125 pilot companies and organizations were established. In August, the work of nominating and selecting demonstration companies was initiated. By December 2006, there had been altogether 55 pilot cities, 10 demonstration cities, 14 pilot parks, 1 demonstration park and 265 pilot companies and organizations around the country.

#### 1.2 Active Implementation of Patent Industrialization Project

The Office actively implemented the National Patent Industrialization Project, or “Three Constructions”, which refers to construction of the promotion mechanism, platform and projects for patent industrialization. By 2006, trial bases for implementing Patent Industrialization Project had been enlarged to eleven spots. With the successful implementation of the Project, these trial bases had cultivated a batch of enterprises with independent IPRs, thereby facilitating adjustment of local economic and technological structure and upgrading industries in related provinces and cities, and fostering new economic growth points.



Intellectual Property Piloting Working Conference for the Third Batch of Enterprises and Institutions



■ On November 3, Construction Conference on National Patent Market & Patent Technology Exhibition and Transaction Platform was held in Wuhan



■ On November 23, National Patent Utilization and Industrialization Conference held in Sichuan

### 1.3 Closer Cooperation with other Central Governmental Authorities and Better Coordination in Macro Administration of IP

The Office has so far become member unit of various mechanisms related to IP work under the State Council or at inter-departmental level. These include the leading group of National Rectification and Standardization of Market Economic Order, the National Working Group on IP protection, the Joint Working Mechanism of Revitalizing Trade through Science and Technology, the Joint Framework on State Certification and Accreditation, the Regular Communication and Coordination Mechanism with Foreign-invested Enterprises, the Beijing Organizing Committee of the XXIX Olympiad, the Regular Meetings on Pharmaceutical Protection, the Inter-ministerial Joint Framework for National Protection of Biological Species and Resources, and the Organizing Committee of 2010 Shanghai Expo.

### 1.4 Local IP Work

In 2006, local IP offices have developed into major functional departments of local governments in macro administration, external coordination, joint enforcement and strategy formulation. Various IP coordination mechanisms at local level continued to function well. The institutional construction of IP administrations at municipal level was further enhanced, enabling the setting up of some county-level IP institutions. Local governments, on the basis of their



■ On November 5, Deputy Commissioner Mr. Xing Shengcai (3rd from right, front row) visited China Yangling Agricultural High-tech Fair

practical conditions, promulgated a series of IP-related policies and adopted various measures to further strengthen IP administration and coordination.

In 2006, two local receiving offices for patent applications were set up respectively in Urumchi and Nanchang. By far, there are altogether 23 such receiving offices across the country.

### 1.5 Chinese Patent Awards Selection

In the spirit of openness and fairness, the Office successfully organized the nomination and selection of winners for the Ninth Chinese Patent Award. As a result, among all the awards, 15 Chinese Patent Gold Medals were granted.

## 2. Administrative Enforcement

### 2.1 All-around Deployment and Orderly Promotion of Enforcement

As a member of the National Working Group for IP Protection, the Office participated in research

and formulation of China's Action Plan on IPR Protection 2006, and earnestly carried out the Action Outline for IPR Protection (2006-2007) promulgated by the General Office of the State Council. Special IP enforcement campaigns were launched during the period of March 15 and April 26, focusing on circulation sector by means of patent enforcement inspection and combating illegal patent behaviors in the field of food and pharmaceutical. With energetic support from the public security organs and other governmental departments, remarkable progress was



■ Handling site of complaints on IP disputes at the 100th China Import and Export Fair

made in combating patent fraud. Besides, the Office also played an active role in organizing China Achievements Exhibition for IP Protection. The Office provided effective guidance to local IP Offices in launching special campaigns on IP protection at exhibitions and fairs, which resulted in positive effect in events like Canton Fair.

## 2.2 Cooperation with the NPC Standing Committee to Carry Out Inspection of Patent Law enforcement

On May 16, the Patent Law Enforcement Inspection Teams of the Standing Committee of the National People's Congress (NPC) held its 1st plenary meeting, during which SIPO Commissioner Mr. Tian Lipu made the "Report on the Situation of Patent Law Enforcement". Later after the meeting, heads of the Office accompanied the Patent Law Enforcement Inspection Teams of the NPC Standing Committee to inspect local enforcement of the patent law respectively in Shanghai, Jiangsu, Guangdong, Sichuan, Beijing and Liaoning. On 28 June, 2006, the 22nd Session of the 10th National People's Congress Standing Committee held its 3rd plenary meeting to hear the mission report of the Inspection Teams on Patent Law Implementation, at which Mr. Wu Bangguo, member of the Standing Committee of the Political Bureau of the Central Committee of the Chinese Communist Party and Chairman of the NPC Standing Committee was present and

Mr. Lu Yongxiang, Vice Chairman of the NPC Standing Committee made the report. Commissioner Mr. Tian Lipu and Deputy Commissioner Mr. Zhang Qin attended the plenary session and panel discussions respectively. After the meeting, the Office submitted correspondence to relevant departments of the State Council for coordinating the implementation of follow-up work. The Office also promulgated and distributed to local IP offices nationwide the "Notification on Implementing Follow-Up Work for Patent Law Enforcement Inspection". On September 27, Deputy Commissioner Mr. He Hua, on behalf of the Office, made the "Report on Implementing Follow-Up Work for Patent Law Enforcement" to the Education, Science, Culture and Health Committee under NPC Standing Committee. In December, the Office drafted the "Report on Implementing the Opinions and Proposals on Patent Law Enforcement by the Inspection Teams of the Standing Committee of the National People's Congress", and submitted it to the General Office of the Standing Committee of the NPC and the General Office of the State Council. To meet the needs of intensifying law enforcement, the Office drafted "Several Opinions on Strengthening Intellectual Property Enforcement and Protection (First Draft)", in order to urge and supervise implementation of the opinions and proposals made by the Inspection Teams and to improve local capacity of law enforcement.



■ Vice Chairman of the NPC Standing Committee Mr. Lu Yongxiang (5th from right, front row) inspected Patent Law enforcement in Shanghai

### **2.3 Proper Allocation of Resources for Improving the Law Enforcement Coordination Mechanism**

The joint framework on law enforcement coordination mechanism was further improved owing to joint efforts made by the Office, Ministry of Public Security, State Administration for Industry and Commerce, National Copyright Administration, Supreme People's Court and Supreme People's Procuratorate. These agencies regularly held coordination meetings and kept enhancing their efforts towards coordination in law enforcement. In the meantime, the Office provided guidance to local IP offices on construction of similar coordination mechanism, and adopted measures to improve law enforcement coordination between local IP Offices in different regions, and thereby established preliminarily responsibility mechanism for patent enforcement coordination nationwide. Furthermore, the Office actively carried out special enforcement campaigns, and made various

preparations for IP enforcement in the Beijing Olympic Games and the Shanghai Expo by providing guidance to the Municipal IP Offices in Beijing and Shanghai on research and formulation of IP-related policies and action plans.

### **2.4 Efficient Handling of Patent Disputes and Effective Protection of Patent Right**

In 2006, local IP Offices nationwide received a total of 1,227 patent disputes over infringement and 43 other types of patent disputes. They investigated and handled 33 cases of counterfeiting patents and 933 cases of passing off others' patents. In law enforcement actions, 20,475 officers/times were dispatched to inspect and investigate 7,780 commercial premises and 2,968,249 pieces of goods. 44 cases were transferred to other departments for handling, while received 35 cases transferred from other departments. 469 joint law enforcement actions were organized and 161 cross-region actions were launched.



# Publicity, Training and Academic Activities

## 1. Training

In 2006, with the purpose of meeting the country's goals on economic and social development, IP offices nationwide provided in-depth and extensive training courses on various IP topics, inter alia, the formulating of a national IP strategy, the strengthening of the institutional construction of IP system, and the enhancement of independent innovation capacity.

### 1.1 Progresses Achieved in IP Training

In 2006, the Office organized 8 IP training courses on different themes and some 630 person times from government officials at all levels and professionals attended the training. The courses include the Second Training Course for Municipal Leaders on Independent Innovation and IP, as part of the Training Program of the Organization Department of the CPC Central Committee, with attendance of over 40 municipal leaders in charge of IP work; the Eighth Training Course for Director Generals of IP Offices Nationwide, attended by around 100 leaders from all provincial and municipal IP offices and some city level IP offices, with the purpose to improve their management capacity and professional skills; the Third Training Course for IP Trainers from Colleges and Universities, in cooperation with the Ministry of Education, to promote IP training in higher education institutions and enhance the team building of trainers; the Fifth Training Course for National IP Trainers, to enhance the national IP training; the National Advanced Training Course on Intellectual Property Laws and the National Advanced Training Course on Intellectual Property Management, in cooperation with the Tsinghua University, to meet the goals and tasks set forth in the Eleventh Five-Year Plan on IP Talent and strengthen the training for senior IP professionals; the Training Course for High-tech Talents on IP, in cooperation with the China Postdoctoral Science Foundation, to further expand training channels for senior talents and innovate training methods; and the Advanced Training Course for Industries on IP, with the private enterprises as the target group, to strengthen IP

work in enterprises.

Based on different local situation, the local IP offices hosted more than 60 training courses entrusted by the Office, targeting at government officials, IP managers of various industries, and intermediate service providers on IP. Around 10,000 participants attended these courses, with an increase of 20% over 2005. At the same time, local IP offices also organized 1,925 courses for 320,524 participants, which played a significant role in improving the capacities to use IP system and fostering a culture environment encouraging independent innovation and obtaining of independent IPRs.

### 1.2 Internal Education and Training Have Become More Scientific, Systematic and Standardized

Facing with new developments and challenges in the field of IP, the Office intensified training for its cadres. 16 officials at the Director General level attended the full-time training offered by the Central Party School and the National School of Administration. 2 training courses were organized by the SIPO Party School for 60 officials at Division Director level. In cooperation with the National School of Administration, the Office organized one Career Training for officials at the Director General level and one for officials at the Division Director level for over 70 participants. Moreover, in cooperation with the School of Government of Beijing University, the Office organized one MPA Advanced Course for Government Officials, which was attended by 40 officials at Director General or Division Director level.

As the Civil Servant Law of the People's Republic of China was implemented in 2006, the Office offered trainings on the law to all its staffs, in order to enhance the ability of administration and action by law.

Training Guidelines for Patent Professionals (trial) and a Implementation Act of Senior Talents Cultivation 2006 -2010 (trial) were formulated in 2006. The integration of training resources, improvement of training quality and trainer team building were strengthened in patent examiners' training. The intensive trainings provided by China IP Training Center to new examiners were further improved.

One new-recruit training and one examination business training were offered to 564 new examiners. Meanwhile, professional trainings on different themes were organized, e.g. PCT International Search and International Preliminary Examination, Computer Searching, Public Administration and Financial Management.

In order to strengthen professional cultivation and improve quality and capability of talents in various aspects, the Office further intensified the language training for its elites and professionals. 20 employees attended full-time English courses offered by the Beijing Language and Culture University. Over 700 staffs joined 31 after-hours language courses to improve their foreign languages capability, such as English, Japanese, German, French and Korean. The Office continued its overseas talent training, dispatching 24 staffs to study law, economics and administration in the United States, the United Kingdom, Italy, Japan and South Korea. The Intellectual Resources Introduction Office of SIPO organized study visits on technological innovation and IP protection to France and Macao. Some 50 staffs obtained their master degree (diploma) by attending various on-the-job courses. In addition, nearly 160 staffs attended Post-Graduate Courses on Civil and Commercial Law, jointly held by the Office and the China University of Political Science and Law.

### 1.3 Enhanced Role of China Intellectual Property Training Center (CIPTC) in Training

In 2006, CIPTC completed various training tasks entrusted by the Office. It held 50 training courses of different themes with nearly 11,500 participants. 45 of these courses were routine ones with 5,200 trainees (including 6 international courses for 220 participants); 4 were distance learning and 1 were classroom type with 6,248 trainees (including 2 sessions of DL101 offered by the WIPO Worldwide Academy for 1,007 participants).

Great progresses achieved in routine training. Pre-examination training for patent agents was held; training for government leaders at city and county level was continued; Advanced Workshop on IP Judicial Protection was

jointly held with the Beijing First Intermediate People's Court; 2 officials were dispatched as speakers to Mexico and South Korea to increase international and inter-regional cooperation on training; 8 trainers were invited from countries including the United States and Singapore; and cooperation with the Korean International Intellectual Property Training Institute was further explored.

Significant achievements fulfilled in IP distant learning. 5 distant learning courses have been initiated on Intellectual Property Legal Basis, Patent Documentation Information and Search, Copyright, Unfair Competition and Patent Agent Practice. IP Legal Basis was set for the first time as a compulsory course in the Beijing University of Aeronautics and Astronautics, with on-line attendance of 271 school students. Intellectual Property Rights and Intellectual Property System, the first video course, was opened in October, with the attendance of 518 students. 1,000 CDs on IP Study for Government Officials were distributed for free to officials at city level.

The Office joined the 653 Knowledge Updating Project for Scientists and Technicians launched by Ministry of Personnel, and would disseminate IP knowledge through distant learning for over 3 million scientists and technicians in five different technological fields.

## 2. Publicity

In 2006, to better serve the goal of building an innovative country, the Office carried out extensive publicity activities



“China’s IPR Protection 2005” press conference





■ Nearly 300 Chinese and foreign guests visited SIPO on “Open Day”



■ Deputy Commissioner Mr. He Hua answered questions at online interview on “April 26 Open Day”

on IP, creating a sound and positive social environment for IP. An IP Publicity Platform consisting of SIPO official portal, China Intellectual Property News, Wealth of Knowledge (TV program) and China Inventions and Patents Magazine, has been established and will play an important role in guiding public opinion and disseminating IP service information.

The Office, with focus on its major tasks, organized a series of events for providing accurate guidance to

public opinions and promoting the development of IP work. In the early 2006, Tian Lipu, Commissioner of SIPO, took an on-line interview by the www.gov.cn, answering questions about the operation and function of SIPO. The Office continued to convene CCTV Innovation Gala, together with CCTV. A Chinese Patent Information Dissemination Platform was established together with CCTV and other medias in 2006, providing patent transfer information and advice on how to protect IPRs to inventors free of charge. The Platform would establish long-term connection with National Patent Technology Exhibition Center set up in 18 cities to form a permanent exhibition trade center.

Cooperation with related authorities was strengthened to facilitate IP publicity. SIPO, the State Council Information Office, National Trademark Office and National Copyright Administration jointly held the press conference on China’s IPRs Protection 2005.

IP publicity was carried out in popular and easy understanding forms to promote the fostering of an IP culture. April 26, 2006, the World IP Day was the Open Day of the Office, attracting nearly 300 visitors, including diplomats of over 20 embassies in China,

representatives from international organizations and domestic visitors. On June 27th when the total volume of patent application in China exceeded 3,000,000, the Office held a press conference, which was reported by various central-level presses. In cooperation with the Beijing Intellectual Property Office, it launched a Competition on Intellectual Property Rights for Undergraduates of Beijing. The Office participated in the National Youth Innovation Competition held by the China Education Association and organized Female Inventors Roving Team



■ Venue of Beijing report of New Century Female Inventor

to make 4 reports in Beijing, Wuxi, Yichang and Dalian. A series of on-line interviews name “Focus on Enterprises’ Future” was initiated in several websites, in particular the official portal of SIPO. This was well welcomed by the government officials, enterprises and the public. In order to promote the fostering of an IP culture, IP themed songs collection and selection was carried out around the country to publicize intellectual property culture.

After the official website of SIPO was upgraded to a national portal on Intellectual Property (referred to IP government portal), the yearly hits of the site reached 2.18 billion, 130.28% increase over 940 million in 2005. The daily hits of the website were 8 million. The daily patent search hits were 810,000 while over 4 million pages of patent descriptions were downloaded. The intellectual property portal had more than 300 columns.

### 3. Academic Activities

In 2006, the Office actively conducted IP academic activities, enhancing China’s IP research climate.

The Secretariat Office of the Leading Group on the National Intellectual Property Strategy Formulation carried out academic exchanges not only with experts and scholars in all related fields from the mainland and Taiwan, but also with government officials, experts and scholars and entrepreneurs from the United States, the United Kingdom, Japan, Norway, Australia, the Czech Republic, Thailand, South Korea, Malaysia, Bangladesh, Mongolia, the World Trade Organization (WTO) and the European Commission (EC). Significant achievements were gained in the drafting of the National IP Strategy. As a result of a Call for Contributions for the Suggestion on the Drafting of the National IP Strategy, 133 articles were received, of which 131 were from domestic contributors and 2 from the United States. Two first awards, five second awards, nine third awards and nine consultation awards were granted.

For the third amendment of the Chinese Patent Law, the Office organized social consultations and distributed a Research Report on Third Amendment of the Patent Law and its Implementation Regulation giving a comprehensive exploration on the legal and technical aspects of the disclosure of origin of genetic resources used in patent applications.

After verification and acceptance of 49 academic research subjects of the previous year, the Office concluded 49 research reports with a total of two million words. The theme selection and mid-term communications for 33 topic researches of the 2006 Academic Committee were made. Some results have played an active role in the actual work. Several technical explanatory meetings and examination standard seminars have been held in succession.

In cooperation with the China Intellectual Property Society and its patent committee, the Office invited experts evaluating the contributions received in the 2006 National Intellectual Property Article Solicitation, which greatly promoted the study on IP laws and regulations, and the

guidance of practice on the protection of IPRs.

China Intellectual Property Society, Law Division of American Chemical Society and other departments jointly held a "Beijing Summit Forum on Intellectual Property Right in the Field of International Pharmaceutical & Chemical". It also cooperated with German Vossius & Partner to organize an "IP Law and Practice in Europe and Germany, Strategic Viewpoints" in Shanghai and Hangzhou. In addition, the Society received visit of the Far East Delegation of American Intellectual Property Laws Association (AIPLA) and the Taiwan Chinese Intellectual Property Protection Association. All these activities promoted the academic exchanges on IPRs.



# 5

## Patent Documentation and Information Technology

### 1. Documentation Collection and Resources Management

In 2006, the Office collected 46 types of patent gazettes, 56 types of full-text patent specifications in image and 3 types of full-text patent specifications in paper form from 30 countries and international organizations. The Office also introduced 14 non-patent literature databases, which makes available over 40 searchable databases for non-patent literature.

In 2006, a more scientific and standardized management of the documentation resource was achieved in the Office. Based upon the previous effort in the documentation collection, the Office developed new relationships with 9 patent institutions in the documentation exchange in the year. The Office enhanced its efforts to make further use of automated tools for collection, management and exploitation of documentation. The construction of the Patent Information Resource Storage System was initiated and further standardized so as to provide the data support of good quality for various application systems. The first stage construction of the said system can be foreseen to be completed by the first half of 2007. The Full-Text Inquiry System, based on intranet, passed the final acceptance test. Through the System, examiners can access the full-text patent specifications in image whenever necessary for their examination. The Office also started the project for preliminary and deep processing of Chinese patent documentation, especially of three types— invention patent, utility model and industrial design, in order to have an excellent and standardized integration of the data of Chinese patent documentation. The Office started translating the Chinese patent documentation (1985-2005) into English, which included the bibliographic data and abstracts of invention patents, utility models and designs with priority right. It will be completed by the first half of 2008.

### 2. Further Effort in the Construction of Respective Information Centers with Local Governments

According to the State Council's unified deployment, the Office, in cooperation with the Ministry of Science and Technology and other departments, formulated policies and adopted measures to promote the construction of a service platform for intellectual property information nationwide. The Office also strengthened communication and coordination with local IP offices so as to accelerate the pace of building up specialized information centers and patent databases. In 2006, a total of 17 Patent Information Centers were set up, while 14 full patent documentation databases and 3 specialized databases were set up for local IP offices in Guangdong, Tianjin, Hebei and Shanxi, etc.

### 3. Research on IPC Classification

In 2006, the Chinese version of the 8th edition of the IPC was published, along with the prompt update of the amendments to the IPC. The corresponding content related to classification in the "Guidelines for Examination" and the China Patent Management System (CIII) were also revised accordingly. Moreover, the training was organized for examiners on the application of the 8th edition of the IPC. The proposal put forward by the Office on sub-classification of plant pesticide (A01N65/00) in the 8th edition of IPC was approved at the 15th Session of the IPC Revision Working Group of WIPO.

## International Cooperation and Exchange

In 2006, the scale of international cooperation on intellectual property was further expanded, with a constant elevation of the level of cooperation and diversification of cooperative forms.

### 1. Activities Involved in WIPO and UPOV

On the basis of strengthening communication and coordination with relevant departments, the Office has organized and participated extensively in a series of activities of the World Intellectual Property Organization (WIPO) and the International Union for the Protection of New Varieties of Plants (UPOV). At relevant discussions and consultations, the Office appropriately expressed its

stance and views.

The Office has conducted a series of cooperation and exchange activities with the WIPO, including WIPO National Roving Seminars on PCT in Beijing, Harbin, Nanjing, Qingdao, Chengdu and other places and the Seminar on the Hague System for the International Registration of Industrial Designs in Shenzhen. A High-Level Seminar on Intellectual Property for Central and Northeast China were held in Hunan Province, China and in Geneva, Switzerland. The WIPO Inter-regional Seminar on Traditional Knowledge, Traditional Cultural Expressions and Genetic Resources was held successfully in Henan. WIPO High-level Roundtable on Intellectual Property Enforcement was held in Beijing.



■ The Opening Ceremony of the WIPO Interregional Seminar on Traditional Knowledge, Traditional Cultural Expressions and Genetics Resources

## 2. Cooperation with European Countries and Organizations

To further consolidate and develop relations with intellectual property institutions of major European countries, the European Patent Office and EU, the Office has established a new cooperative relationship with the Danish Patent and Trademark Office, Eurasian Patent Office and the Office of Harmonization for the Internal Market of the European Community (OHIM).

Tian Lipu, Commissioner of the Office, accompanying Premier Wen Jiabao in a visit to Germany, attended the Symposium on the 25th Anniversary of Cooperation between SIPO and GPTO. He and Dr. Jürgen Schade, President of the German Patent and Trademark Office, signed a bilateral cooperation summary in 2007. Commissioner Tian Lipu and President Alain Pompidou of the European Patent Office, hosted the 17th Joint Committee Meeting of the two offices in Munich. The cooperation of the two offices has been further strengthened. The Office also held ministerial talks with Denmark, the United Kingdom, France, Russia, Austria and other countries and signed summaries of the talks and

cooperation plans.

In 2006, Ron Marchant, Chief Executive of the United Kingdom Patent Office; Dr. Jürgen Schade, President of the German Patent and Trademark Office, Dr. Boris Simonov, Director General of the Russian Federal Service for Intellectual Property, Patent and Trademarks (ROSPATENT), Dr. Friedrich Rödler, President of the Austrian Patent Office, Mr. Jesper Kongstad, Director General of the Danish Patent and Trademark Office, and Mr. Wubbo de Boer, President of the Office of Harmonization for the Internal Market of the European Community (OHIM), visited the Office and attended the bi-lateral joint meetings or held cooperation talks. Peter Mandelson, EU Commissioner for Trade, Charlie McCreevy, EU Commissioner for Internal Market and Service, Martin Tlapa, Vice Minister of the Czech Ministry of Industry and Trade, and Mr. Alfonso Gianni, State Secretary to the Italian Ministry for Economic Development visited the Office successively to discuss intellectual property issues of common concern.

In addition, the Office has also held 4 international seminars with the European Patent Office, the Italian Patent and Trademark Office and French National Institute of Industrial Property.



On January 11, Deputy Commissioner Dr. Li Yuguang met with Mr. Jesper Kongstad, Director General of the Danish Patent and Trademark Office, and his delegation for a bilateral cooperative discussion



■ On March 29, Commissioner Mr. Tian Lipu met with United States Secretary of Commerce Mr. Carlos Gutierrez to exchange views on intellectual property strategy formulation

### 3. Cooperation with Americas, Oceania and Organizations in Those Regions

In 2006, the Office deepened development with the United States, Brazil, Canada, Australia, New Zealand and other countries in the field of intellectual property. In February, Commissioner Tian Lipu and the Director of the United States Patent and Trademark Office held the first formal talk in Washington and signed the Work Plan for Strategic Cooperation, which established a formal mechanism for regular meetings between the two offices. In April, Commissioner Tian accompanied the Chinese government delegation led by Vice Premier Wu Yi and took part in the 17th China-U.S. Joint Commission on Commerce and Trade held in the United States. Deputy Commissioners Zhang Qin and Xing Shengcai respectively led delegations to the United States and Brazil to learn the IP strategy formulation as well as the status of cooperation with U.S. colleges and universities.

In 2006, many delegations from the United States government and the private sector visited the Office, including United States Secretary of Commerce Carlos Gutierrez, Assistant Secretary of Justice Thomas Barnett, United States Patent and Trademark Office Director Jon

W. Dudas, and Deputy Director Stephen M. Pinkos, United States Chamber of Commerce, the China American Chamber of Commerce, the Business Software Alliance, the Intellectual Property Owners Association, the Lawyer Association, the International Intellectual Property Alliance, Pfizer, IBM, DuPont, Ebay, and Johnson & Johnson.

In September, David Tobin, Commissioner of the Canadian Intellectual Property Office visited the Office. The two Commissioners held talks and signed a memorandum on cooperation, which represented the start of full-scale cooperation between the two offices. The director-generals of IP Australia and New Zealand Intellectual Property Office and Commissioner Tian of the Office held talks in Geneva. IP Australia also sent senior examiners to the Office to conduct an in-depth exchange of examination practice. A delegation of utility model of was dispatched by the Office to Australia and New Zealand to carry out exchanges in the relevant field.

### 4. Cooperation with Asian Countries

In the multilateral cooperation with Asian countries, the Office strengthened exchange and cooperation with the Japanese Patent Office (JPO) and the Korean Intellectual

Property Office (KIPO). It also expanded cooperation with the Cooperation Council for the Arab States of the Gulf, promoting regional cooperation in Asia. On December 4th, the Sixth Trilateral Policy Dialogue Meetings among the Commissioners of SIPO, JPO and KIPO was held in the Office. Commissioner Tian chaired the meeting, and Commissioners of JPO and KIPO, Mr. Nakajima Makoto and Mr. Jun Sang Woo headed their delegations to attend the meeting. The meeting set the mid-term objectives of the blueprint for the trilateral cooperation and signed a Record of Discussion. On December 20th, the Memorandum of Understanding between the State Intellectual Property Office (SIPO) and the Patent Office of the Cooperation Council for the Arab States of the Gulf came into effect. The two sides will strengthen cooperation in staff training, and search and examination of the PCT applications. In April, the Asian Regional Seminar on Patent Examination Practice was held for the first time in Beijing successfully, with 22 participants from 14 Asian countries.

To further expand the areas of bilateral cooperation, Commissioner Tian Lipu of the Office and Mr. Omorov Roman Omorovch, Director of State Agency on Intellectual Property of the Government of Kyrgyz Republic, signed in Beijing the Intellectual Property Cooperation Agreement between the Government of the People's Republic of China and the Government of Kyrgyz Republic. Joint Council for Bilateral Cooperation between China and Singapore (JCBC) held its third meeting in Beijing. The cooperation

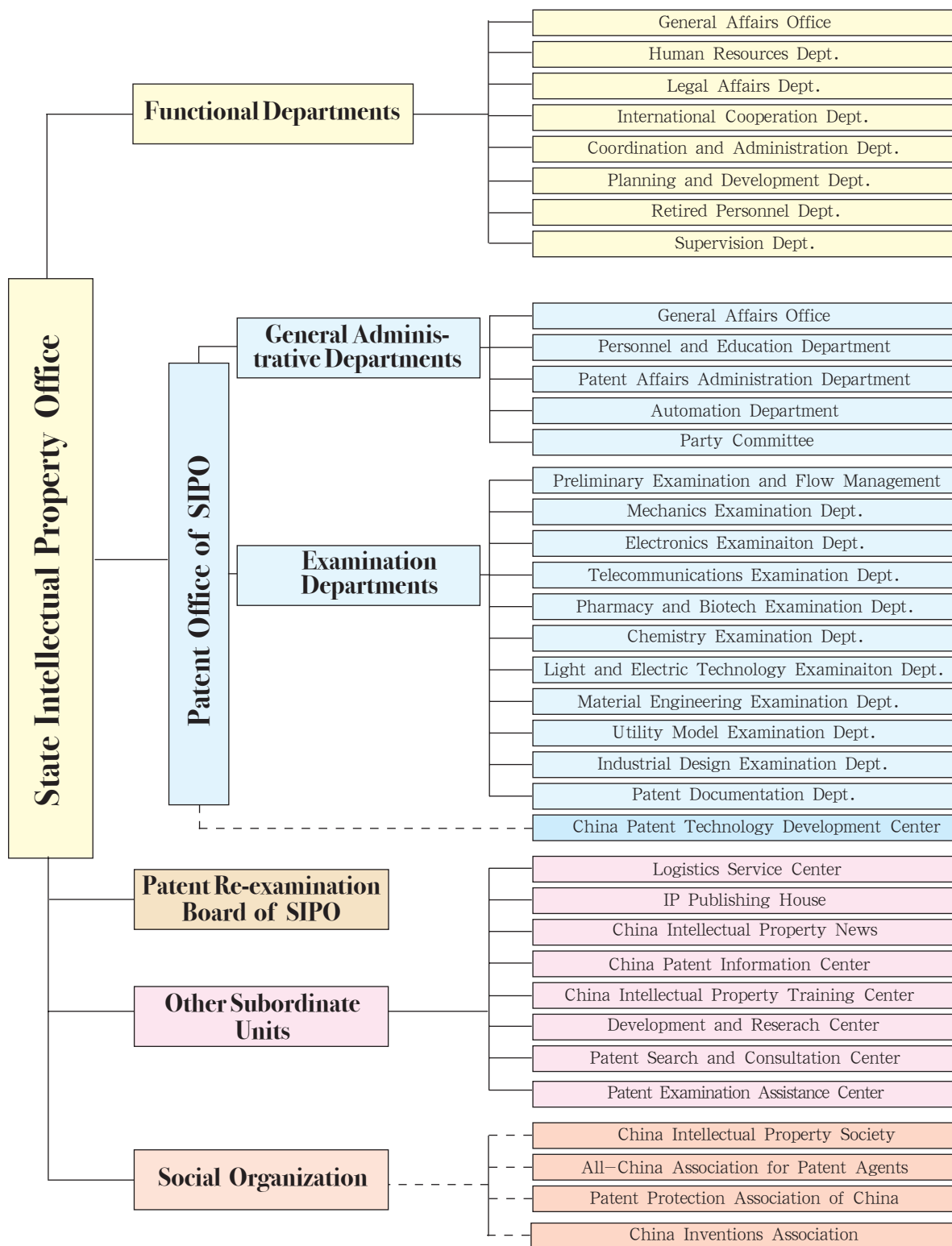
of China and Singapore in the field of intellectual property was galvanized in the framework of cooperation between the two governments. Commissioner Tian led a delegation to Vietnam and signed an Agreement of Cooperation on Intellectual Property between the State Intellectual Property Office of the People's Republic of China and the National Office of Intellectual Property of Vietnam, unveiling Sino-Vietnamese cooperation in intellectual property. The offices in China and Mongolian co-hosted China-Mongolia Seminar on IP Legal System for the first time in Beijing. The Patent Law of two the countries will be translated into Chinese and Mongolian for publication. Deputy Commissioners Dr. Li Yuguang and He Hua respectively led delegations to the intellectual property institutions of Indonesia, Brunei, the Philippines, the Laos and the ASEAN Secretariat. Those visits established new bilateral cooperation relations in intellectual property. In addition, the Office actively conducted cooperation with Singapore, Thailand and other countries.

The Office received numerous delegations of enterprises and trade associations from Japan, South Korea, and other countries to dispel their confusion and explain China's stance, views and relevant measures. At the same time the Office cooperated with Korean and Japanese enterprises to organize meetings for technical briefings, which facilitated the Chinese examiners' understanding of the latest development in technologies.



Commissioner of SIPO, Japanese Patent Office (JPO) and Korean Intellectual Property Office (KIPO) took a group photo with working staffs of policy dialogue meeting





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