



## III. Strategy Implementation, Protection and Administration

### **1** Strategy Implementation

#### (1) Organization and Coordination Work Related to the National IP Strategy

The coordination in relation to the implementation of the National IP Strategy has been further strengthened. State Councilor Wang Yong chaired the 2<sup>nd</sup> Plenary Session of the Inter-Ministerial Joint Conference on the Implementation of the National Intellectual Property Strategy under the State Council and made overall deployments with regard to the implementation of the National IP Strategy and the development of an IP Powerhouse. SIPO prepared and published *the Operation Rules for the Inter-Ministerial Joint Conference on the Implementation of the National Intellectual Property Strategy under the State Council*, which specified and enhanced the functions of the General Office of the Inter-Ministerial Joint Conference. SIPO formulated and published *the 2017 Annual Plan for Deepening the Implementation of the National*



*IP Strategy and Accelerating the Development of China into an IP Powerhouse* which provided 103 specific measures in 5 aspects, and organized member ministries and agencies to implement it according to their respective functions. *The Assessment Work Plan for the Implementation of the Outline of the National IP Strategy in the Past Ten Years* was reviewed and approved, which will facilitate the assessment from aspects such as organizational mechanisms, self-check, local assessment, specialized assessment and international consultation.

SIPO improved basic work in relation to the implementation of the National IP Strategy. The Office optimized the National IP Strategy information work mechanism and formulated and published *the Measures for the Management of National IP Strategy Information*. The Office enhanced management over the National IP Strategy Research Base and organized the base to carry out 12 specialized and 6 contingent research projects. SIPO established the policy database for the implementation of the National IP Strategy and the development of an IP Powerhouse and launched it online. It also prepared and published the Report on *the Development of Intellectual Property in China 2016*. SIPO held the Training Seminar on the Implementation of the National IP Strategy and the Training Workshop on National IP Strategy Information and organized relevant promotional activities for the 9<sup>th</sup> anniversary of the implementation of the National IP Strategy.

## (2) Organization and Coordination of IP Strategies for Industrial Sectors

SIPO carried out the work in relation to supporting the development of key industries with IP. It prepared the catalogue for key industries to be supported

and prepared and launched work plans for IP issues in industry such as integrated circuits, new materials and Internet of Things. The Office organized the research on nurturing IP-intensive industries and studied and designed the industrial governance framework and policy support system, and applied economic models to forecast the effect of policies and laid foundation for designing the ways for nurturing the industries and providing them with a policy support system. The Office devised the work plan for the nurturing of IP-intensive industries and proposed relevant measures and made specific arrangements on progress to be made based on the idea of sound institutional design, clear policy need, resources distribution and guidance with pilot programs.

The Office considered and prepared policies on IP evaluation and carried out model projects for IP evaluation in key economic, scientific and technologic activities in Hubei, Shaanxi, Guangdong, Jiangsu, Shandong, Zhejiang, Shanghai Pudong District and Beijing Haidian District. It made active efforts to foster model institutions for IP analysis and evaluation services and has selected a total of 122 candidates for model institutions, of which 15 were recognized as model institutions. It guided the National IP Analysis and Evaluation Alliance to improve service capabilities in relation to IP analysis and evaluation and promoted *the Guidelines for IP Analysis and Evaluation*.



Deputy Commissioner He Hua at the launch ceremony of the "grass-root IP campaign to service economic development" in Hunan.

SIPO continued to push forward the development of the worldip.cn platform. The worldip.cn WeChat service account was launched to provide 1,396 IP laws and regulations (of which 136 with Chinese translation) of 189 countries/regions, IP environment summary for more than 20 key countries/regions, more than 20 issues of IP practice guidelines and information on more than 70 overseas IP service institutions, 284 domestic IP service institutions providing overseas services and more than 30 experts on overseas practical issues.

SIPO continued to organize the “grass-root IP campaign to service economic development” in Hunan, Dalian, Ningbo, Chengdu and other places. It organized the Executive Training Seminar on IP Analysis and Evaluation for Enterprises in Strategically Important Emerging Industries and the Executive Training Workshop-IP Training Camp for Entrepreneurs involving more than 300 trainees. It held the Seminar on “Cross-Border IP Trade” to enhance awareness of companies to tackle international IP risks and make use of global IP resources.

### (3) Organization and Coordination of Regional IP Strategies

SIPO pushed forward the implementation of regional IP strategies. It guided local governments to prepare key areas in their implementation of the National IP Strategy and sorted out and published *the Compilation of Key Areas in the Implementation of National IP Strategy and the Development of an IP Powerhouse by Local Governments in 2017*. The Office assisted local governments to carry out evaluations on the implementation of the National IP Strategy upon its 10<sup>th</sup> anniversary and to establish an evaluation mechanism for the implementation of the National IP Strategy. SIPO organized a seminar on the implementation of the National IP Strategy by local governments to provide reference materials and recommended indicators in relation to local evaluation efforts. It organized the training workshop for the implementation of the National IP Strategy in local areas in 2017.

SIPO pushed forward IP work in key areas. It formulated and published *the Work Plan of the State Intellectual Property Office in Facilitating the “Belt and Road” Initiative*. SIPO provided assistance in the making of the action plan

for coordinated development information technology in the Yangtze River Economic Belt. It worked in collaboration with the National Development and Reform Commission, the Ministry of Science and Technology, the Ministry of Industry and Information Technology, the Ministry of Agriculture, the General Administration of Customs, the State Administration of Industry and Commerce and the National Copyright Office of China to publish *the Opinions on Supporting the Comprehensive Rejuvenation of the Old Industrial Bases in Northeast China and Deepening the Implementation of the National Intellectual Property Strategy in the Northeast Region* and facilitated the organization of the joint conference on IP for the northeast region and carried out patent resources analysis for the old industrial bases in the region. SIPO launched IP-related work in connection with the Xiong'an New Area and established a working group for providing support to the development of the Xiong'an New Area. It explored for the establishment of the IP resources reporting mechanism for national independent innovation model zones and guided local areas to make IP resources analysis frameworks for independent innovation model zones.

SIPO pushed forward regional IP planning. It guide the preparation and publication of theoretical outcomes for regional IP planning – *the Basic Theory and Policy Mechanisms for Regional IP Planning* and *the Research Report on the Regional Distribution of IP in China (2017)*. It carried out the research in relation to *the Regional Orientation of IP Distribution* and prepared a technical plan and a work plan. It enhanced the overall coordination and guidance of pilot programs on regional distribution of IP and organized a field work meeting for nationwide regional distribution of IP. Based on the needs of local regions, it organized 3 training workshops on the regional distribution of IP and prepared quarterly progress reports.

#### (4) Promotion of National Patent Development Strategy

SIPO sturdily organized the implementation of *the Promotion Plan for National Patent Development Strategy 2017*. Concentrating on the three major tasks: “innovation of the patent system” “construction of a guarantee system for operation of the patent system” and “supporting economic and social development with patents”, SIPO pushed forward the implementation of

work and facilitated the further integration of core economic work such as industry, regions, science technology and trade. It organized the inspection on the implementation of innovative projects for promoting the National Patent Development Strategy to reflect the effect of the development of the patent system and the implementation of the National IP Strategy from perspectives such as development of provinces with sound IP strength, the implementation of the Opinions on Stricter Patent Protection, the acceleration of building an IP utilization services system and the improvement of patent quality. It gradually established a mechanism for achieving coordinated development through assignment deployments in the beginning of the year, inspection in the middle of the year and performance evaluation at the end of the year. SIPO published *the Report on China's Patent Strength 2016*. It formulated and implemented *the Plan for Facilitating the Implementation Plan for Patent Quality Improvement Project in 2017* and established quality feedback and detection mechanism for patent applications in key areas.

## **2** Policy Research

The management of research projects was further regulated and macro coordination over research projects was strengthened. The application guidelines for “soft” research projects were unified and the project conclusion procedures and contracts were regulated. Concentrating on the reform on integrated IP administration and accelerated development of an IP Powerhouse, research work was organized and a series of high quality outcomes created. Taking advantage of platforms such as *the China Intellectual Property Annual* and *the Latest Developments in IP Work* to share research outcomes and promote their utilization. SIPO completed *the 9<sup>th</sup> National Outstanding Research Reports/Outcomes on IP (Patents)* and awarded 40 outstanding works. In 2017, 35 “soft” research projects were established and 41 were concluded.

SIPO further strengthened work related to government information. Concentrating on areas such as the implementation of significant decisions and deployments on IP issued by the CPC Central Committee and the State Council, acceleration of the construction of an IP Powerhouse, deepened implementation

of the National IP Strategy, deepened reform in the field of IP and heated domestic and international IP issues, SIPO prepared and submitted relevant information in a timely fashion so that the CPC Central Committee and the State Council could have a clear idea of progress made in connection with relevant work. Throughout the year, 45 issues of *Briefings of IP Offices*, 34 issues of *Information on IP Offices*, 27 issues of *Latest Developments in IP Work* were published, in which 24 articles were quoted by the General Office of the CPC Central Committee and the General Office of the State Council. Relevant CPC central and state leaders reviewed and made remarks on 4 of the articles.

### **3** Protection and Administration

#### (1) Organization and Coordination of IP Protection Nationwide

SIPO vigorously pushed forward IP protection in circulation. It organized the 2<sup>nd</sup> batch of national-level marketplaces with regulated IP protection and recognized 32 marketplaces, including the Chongqing Yunhuan Cultural Industry (Group) Company Limited. SIPO continued with the application and selection of marketplaces with regulated IP protection and confirmed to foster 33 market-places, including the Silk Market Beijing, as candidates for the 4<sup>th</sup> batch of market-places with regulated IP protection and guided the marketplaces to design their own development plans and schemes.

SIPO completed the IP protection satisfaction survey for the 3<sup>rd</sup> batch of marketplaces with regulated IP protection on 34 market platforms including physical markets and E-commerce platforms. The Office promoted the construction of the IP Protection Information Management System for Specialized Markets and compiled the Operation Manual for IP Protection Information Management in Specialized Marketplaces.

SIPO explored ways to improve the diverse dispute resolution mechanism. It completed the check and acceptance of the 2<sup>nd</sup> batch of organizations participating in the pilot programs in 4 regions including Beijing. During the

period when the pilot program was carried out, it facilitated the establishment of 15 people's mediation organizations for resolving IP dispute with over 320 full-time and part-time mediators, which successfully resolved nearly 2,300 dispute cases. It organized the 1<sup>st</sup> batch of pilot programs on arbitration of IP disputes and selected 9 regions, including Hebei, to be pilot regions. A total of 850 cases were mediated and a total of 500 arbitration cases were received. In 2017, SIPO worked together with the Ministry of Justice to explore for the way of cooperation and next steps and discussed with the China International Economic and Trade Arbitration Commission to discuss future cooperation in the arbitration field.

SIPO continued to carry out the social satisfaction survey on IP protection and produced *the Social Satisfaction Survey Report on IP Protection in 2016* and *the Social Satisfaction Survey Report on Patent Protection in 2016* after detailed analysis of data collected from 31 provinces (autonomous regions and municipalities). It enhanced the contents of the survey and included topical issues such as the evaluations on the implementation of the National IP Strategy upon its 10<sup>th</sup> anniversary, the amendment to the Patent Law and the enactment of the Service Invention Regulations.

SIPO carried out the pilot program on the IP Protection social inspectors. It completed the check and acceptance of the 1<sup>st</sup> pilot organization, the Beijing Intellectual Property Protection Complaints and Service Center. The center has retained a group of 115 inspectors who have provided 1,524 leads to various infringements and counterfeiting conduct, of which 79 were referred to enforcement agencies. SIPO entrusted the Guangdong IPR Assertion and Aiding Center to be the 2<sup>nd</sup> pilot organization to establish a team of 192 inspectors and guided their inspection work. Those inspectors have so far provided more than 800 leads on various infringement and counterfeiting conduct.

SIPO enhanced the research and formulation of IPR protection policies. It has prepared *the Action Plan of SIPO to Enhance IP Protection (2018-2020)*, draft for discussion. The Office accelerated the study on compulsory licensing and formulated *the Feasible Operational Rules for Compulsory Licensing of Patents*



*in the Event of National Emergency and Extraordinary Circumstances and the Feasible Operational Rules for Compulsory Licensing of Patents for the Purpose of Public Interests (Draft)*. SIPO completed the compilation of *the White Paper on Intellectual Property Protection of China in 2016 (Chinese and English versions)* and took the lead to complete the inspection on software legalization and the implementation of legalization of other software in the Tibet Autonomous Region.

## (2) IP Law Enforcement

In 2017, the total number of cases handled through patent administrative enforcement reached 66,649, representing a year-on-year increase of 36.3%. Among these cases, the number of patent disputes was 28,157 (including 27,305 cases on patent infringement disputes), up by 35% year-on-year. 38,492 patent counterfeiting cases were handled, up by 37.2% year-on-year.

SIPO formulated and published the division of assignments and progress schedule for *the Opinions on Stricter Patent Protection* and sorted out 76 specific assignments concentrating on 29 measures and guided local governments to make detailed implementation plans. The Office continued to detail enforcement standard and studied on the formulation of a series of policy documents on enhancing administrative reconsideration and proceedings. Enforcement efforts were further regulated and coordinated.

SIPO continued to strengthen enforcement efforts and organized special operation code named “Convoy” and “Thunder”, deepened cross region enforcement coordination mechanism and continued to expand inter-departmental enforcement coordination mechanism. While intensifying the enforcement in relation to exhibitions, the Office carried out patent protection work in the import and export process, continued to improve the patent enforcement mechanism in the E-commerce sector and the coordination between online and offline enforcement. SIPO made efforts to improve the quality of enforcement and strengthened supervision on major cases. *The Measures for Evaluating Patent Administrative Enforcement Files* were published to continuously improve the quality of enforcement.

The development of fast-track examination, rights affirmation and assertion was accelerated. As of the end of 2017, SIPO has approved the establishment of 14 IP protection centers and the centers in Changsha, Yantai and Changzhou became operational. 17 IP Protection Centers have been established throughout the country, which has effectively promoted the integration of IP protection with industrial innovation and development and provided valuable experience for the stricter, comprehensive, fast and unbiased protection. The Office continued to deepen the aid and complaint mechanism and established more than 400 branch centers and work stations on the basis of the existing 76 rights assertion and aiding centers, covering most part of the country.

### (3) IP Administration and Management

Reform on integrated IP administration. In accordance with *the Notification of the State Council on Publishing the General Scheme for Experimental Reform on Integrated Intellectual Property Administration*, SIPO made active efforts to promote the experimental reform on integrated IP administration and decided that pilot programs will be carried out in Xiamen, Fujian Province, Qingdao, Shandong Province, Shenzhen, Guangdong Province, Changsha, Hunan Province, Suzhou, Jiangsu Province and Xuhui District, Shanghai Municipality. Changsha published *the Implementation Scheme of the Reform on Integrated IP Administration in Changsha City* and established a county-level IP office which applied unified and effective administration and enforcement of patents, trademarks and copyrights. Shenzhen reviewed and adopted *the Scheme of the Pilot Reform on Integrated IP Administration in Shenzhen* and brought forth the idea to establish an integrated IP administration system compatible with the need of innovation-driven development and in line with international practice and decided to establish a unified and centralized IP administration system covering patents, trademarks and copyrights. Other regions participating in the experimental reform have also made efforts to draft plans and submit them for consideration. Progress has been made in relation to the reform in Pudong District, Shanghai and the Pidu District, Chengdu. SIPO continued to strengthen its coordination with the National Development and Reform Commission (NDRC), the Ministry of Commerce and the Ministry of Science

and Technology to facilitate IP reform in regions such as the Beijing-Tianjin-Hebei region, the pilot zones for comprehensive innovation reform, pilot zones for independent innovation and pilot free trade zones. It worked together with the NDRC to promote the enhancement of IP protection in the pilot zones for comprehensive innovation reform and actively pushed forward experiments in relation to IP in the integration of military and civilian technological efforts and facilitated the utilization of IP in that process.

Work related to the IP Powerhouse construction at provincial/city level and cooperation consultation between SIPO and provincial governments. SIPO pushed forward the development of IP Powerhouse at provincial and city levels and guided the provinces to make annual plans and implement the assignments in that regard. SIPO established cooperation consultation mechanisms with Shaanxi, Sichuan, Guangdong, Shandong, Zhejiang and Shenzhen. It completed the evaluation on the 1<sup>st</sup> batch of city-level candidates for IP Powerhouse building. 14 cities including Guangzhou, Wuhan, Qingdao, Chengdu, Xiamen, Nanjing, Xi'an, Changsha, Suzhou, Yantai, Zhengzhou, Dongying, Weifang and Zhenjiang became candidate cities. The Office carried out the assessment and rating in relation to the support provided by patent navigation to the innovation-driven development of cities and guided the candidate cities to complete relevant assignments.



The IP Cooperation Consultation Meeting between SIPO and Zhejiang Provincial Government was held in Hangzhou.



The National IP Operating Public Service Platform-Finance Innovation (HengQin) Pilot Platform began to run online.

Corporate IP strength construction. SIPO enhanced efforts to nurture model enterprises and recognized 182 enterprises as national IP model enterprises and 816 IP competitive enterprises. Up to now, there are 463 national IP model enterprises and 2,325 national IP competitive enterprises (2,788 in total). SIPO worked in collaboration with the Ministry of Industry and Information Technology to implement the IP strategies for SMEs and carried out pilot programs in 35 SMEs in 20 cities (districts) undertaking the pilot programs. The Office newly approved 35 IP model industrial parks. The total number of IP model industrial parks reached 125.

National standard for IP management by business enterprises, universities and research institutions. In 2017, approximately 26,000 enterprises participated in works related to the standard, of which more than 10,000 were hi-tech companies and businesses with a considerable scale. Throughout the year, 7,500 enterprises received accreditation certificate. SIPO newly issued a national standard on IP management in the process of innovation management and carried out work in relation to the formulation of *the Innovation Process-Guidelines for IP Management*. SIPO worked together with the Certification and Accreditation Administration to enhance the administration of certification and accreditation in the field of IP.

Patent utilization and industrialization. The IP utilization network has been established. The characteristic pilot platforms in Zhuhai and Xi'an have been put into operation. SIPO guided the national platform to carry out a second phase development and integrated 17 million pieces of Chinese patent data, 250 million pieces of examination process data, 33 million pieces of announcement data and 90 million pieces of data on fees. The national platform have attracted 452 enterprises. The Xi'an and Zhuhai pilot platforms, on which nearly 20,000 patents have been listed, have served more than 1 thousand businesses. SIPO approved the 1<sup>st</sup> batch of 3 National Patent Navigation Research and Promotion Centers and supported the construction of industrial IP alliances. The number of registered industrial IP alliances reached 100.

SIPO made efforts to secure central government funds in the amount of RMB 1.2 billion to support the development of IP utilization systems in 8 cities including Suzhou and Ningbo. The 8 cities have published their plans for development in that regard. The planned financing amount was RMB 8.1 billion for the 20 batches of key industry IP utilization funds, and the actual amount of financing was RMB 4.2 billion. 11 of the funds have been established and reserved 230 projects, which has a financing demand of over RMB 2.6 billion. 10 of the projects have been funded with a total investment of over RMB 180 million.

IP investment and financing. SIPO issued *the Notification on Introducing Guarantee and Insurance Mechanisms for Patent Pledge Financing and Improving Risk Compensation Mechanism for Patent Pledge Financing*, *the Official Letter on Issues Concerning the Implementation of Patent Pledge Financing in 2017* and *the Notification on Timely Implementation of Work Related to Patent Pledge Financing*. The models for patent pledge financing were innovated. In 2017, the total amount of patent pledge financing was RMB 72 billion. This represents a year-on-year growth of 65%. The total amount of patent pledge financing projects was 4,177, showing a year-on-year growth of 60%.

SIPO completed the assessment of the 19<sup>th</sup> WIPO-SIPO Award for Chinese Outstanding Patented Invention and Industrial Design and identified 20 gold awards for invention patents and 5 for industrial designs, 802 outstanding awards for invention patents and 68 for industrial designs. 17 provinces also set up provincial-level awards for patents.

## **4** IP Services

### (1) Construction of IP Service Industry Agglomeration Areas

SIPO approved the national IP service industry agglomeration model zones in Futian District, Shenzhen and Zhengzhou, Henan Province and the national IP service industry agglomeration pilot zones in Guangzhou Development Zone, Guangdong Province and Jiangning District, Nanjing and completed the check and acceptance of the IP service industry agglomeration pilot zones in Foshan, Guangdong and Chengdu Hi-Tech Zone, Sichuan, after three years of operation. As of the end of 2017, SIPO approved a total of 14 IP service industry agglomeration pilot zones and 5 model zones.

### (2) Nurturing Branded IP Service Institutions

SIPO organized a series of events in Chongqing, Hebei, Jiangxi and Anhui to link the national branded IP service institutions with regional economic development. It organized more than 80 representatives from the branded institutions to carry out road show and consultations and attracted 600 enterprises and public institutions from the 4 regions. SIPO organized national branded IP service institutions to support the development of Sangzhi and established a long-effect mechanism to guide the institutions to provide services and information in relation to patented agricultural technologies, patent database, trademark and new plant varieties to the local enterprises, public institutions and farmers.

### (3) Statistical Survey on IP Service Industry

SIPO became the 1<sup>st</sup> batch of central government agencies participating in the sharing and joint development of the Statistical Directory of the National Bureau of Statistics, and got 100 thousand pieces of IP service companies information. IP service industry was included in the “three new” statistical survey. SIPO organized the annual statistical survey on IP service industry and prepared a statistical report covering the entire nation and sent the financial position of IP service enterprises in 2016. According to statistics, the annual growth in the number of IP service institutions exceeded 35% and the annual income growth exceeded 40%.