

## Commissioner's Message



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

In 2017, the CPC Central Committee and the State Council laid great emphasis on IP and made a series of important arrangements in respect of IP. The Report of 19<sup>th</sup> National Congress of the CPC said that China should foster a culture of innovation and enhance the creation, protection and utilization of intellectual property rights. When chairing the 16<sup>th</sup> Meeting of the Central Leading Group for Financial and Economic Affairs, General Secretary Xi Jinping pointed out that the protection of property rights, especially intellectual property rights, was an important aspect in creating a favorable business environment. Thus China needs to improve relevant laws and regulations on IP protection, raise the quality and efficiency of examination in relation to IP rights and expedite the development of a protection system for IP in emerging sectors and new business models, apply severe punishment against IP infringement, and motivate and incentivize natural and corporate persons in possession of IP rights. *The Work Report of the Government* also said that the government would carry out the experimental reform on the integrated administration of IP and further develop the IP creation, protection and utilization systems.

Throughout the year, under the able leadership and support of the CPC Central Committee and the State Council, nationwide IP administrations earnestly and systematically studied and executed the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and earnestly implemented the decisions



and deployments of the CPC Central Committee and the State Council and maintained stability while sought for progress. While concentrating on the development of China into an IP Powerhouse and the implementation of the National IP Strategy, the Office aimed to make breakthrough in deepening reform in the IP field and strengthened the protection and utilization of IP and made efforts to push forward stricter party governance. New progresses were made in all aspects of IP-related efforts.

**Comprehensive progress in the development of an IP Powerhouse.** SIPO issued *the Annual Work Plan for Deepening the Implementation of the National IP Strategy and Accelerating the Development of an IP Powerhouse*, and *the Division of Key Assignments in the Intellectual Property Protection and Utilization Plan under the 13<sup>th</sup> Five-Year Plan* to accelerate the implementation of works. The Office launched an assessment on the implementation of *the National IP Strategy* in the past 10 years. It coordinated the progresses made in relation to the development of provinces, cities and businesses with sound IP strength. 13 provinces carried out pilot programs on developing sound IP strength, and 14 cities launched the building of strong IP strength. Corporate IP strength development plans were also formulated. SIPO worked in collaboration with 9 ministries and commissions under the State Council to publish IP policy measures in support of the rejuvenation of the old industrial bases in Northeast China.

**Deepened reform in the IP field.** Experimental reform programs on integrated IP administration was carried out in 6 cities and regions including Xiamen, Qingdao, Shenzhen, Changsha, Suzhou and Xuhui District, Shanghai. The experimental reforms in Pudong District, Shanghai and Piddu District, Chengdu, continued to achieve positive results. The new model integrating one-stop service of fast-track examination, rights affirmation and assertion and patent pledge financing was included in the State Council's list of innovative and reforming moves for national promotion. The Office deepened the reform on "easing administrative constraints, improving management and optimizing services" and reduced patent-related fees in the amount of 5.8 billion yuan and decreased 2.698 million pieces of required documents. SIPO published and implemented the

Measures on Prioritized Examination of Patent Applications to support the development of key industries. Patent agency reform pilot programs were carried out in 12 provinces.

**Revision of IP-related laws and regulations.** *The Amendment to the Patent Law (Draft)* was reported to the Executive Meeting of the State Council for consideration. The Office actively explored ways to improve the service invention system. It amended a number of departmental rules including *the Guidelines for Patent Examination* and *the Rules on Regulating Patent Application Conduct*. SIPO also carried out a study on the IP legal system in the context of the civil code and deepened research on IP protection of innovation outcomes in new business models and new areas.

**Comprehensively improve patent quality.** SIPO deepened the implementation of the patent quality improvement campaign to foster high-value core patents. A number of core technologies with independent IP rights were developed in fields such as telecommunication, aviation and aerospace, high-speed railway and nuclear energy. The Office maintained a quality-oriented approach and adjusted and optimized patent-related policies in 26 provincial-level regions. It carried out patent examination in strict compliance with the law and achieved continued growth in the social satisfaction survey. In 2017, the number of invention patent filing was 1,382,000, representing a year-on-year growth of 14.2%; the number of examined and concluded applications was 744,000 and the average pendency period steadied to 22 months. The number of valid patents divided by every ten thousand population reached 9.8. PCT filing volume was 51,000, up by 12.5% year on year. The number of utility model and industrial design applications was 1,688,000 and 629,000, respectively. SIPO examined 4,565 patent invalidation cases, up by 15% year-on-year. 4,216 invalidation cases were concluded.

**Stricter IP protection.** SIPO pushed forward the harmonious operation of fast-track examination, rights affirmation and assertion. The number of nationwide IP protection centers and fast-track rights assertion centers reached to 31. The Office implemented *the Opinions on Stricter Patent Protection* and carried out special operations code named “Convoy” and “Thunder”



to tackle infringements. The function of China E-Commerce Patent Enforcement and Rights Assertion Coordination (Zhejiang) Center was fully carried out to enhance IP protection in the E-commerce field. Cross-regional enforcement coordination in the Beijing-Tianjin-Hebei Region, Yangtze River Economic Belt and Guangdong-Hong Kong-Macau Bay Area was promoted. The IP complaint and aid service network has spread out to cover the entire country. The number of patent administrative enforcement cases was 67,000, showing a year-on-year growth of 36.3%. The social satisfaction rate on IP protection increased to 76.69.

**Promote IP commercialization and utilization.** SIPO continued to deepen reform in the benefit distribution in relation to IP rights, and a number of universities and research institutions have achieved high value-added patent transfer and commercialization. A network of IP utilization platforms have been established and put into operation. The Office initiated the construction of IP utilization service systems in 8 cities and carried out patent navigation pilot programs in 13 sectors, 17 industrial parks and 115 companies. More than 100 industrial IP alliances were put on official record for establishment, such as Beidou Navigation and Modern Mining. The volume of patent pledge financing reached 72 billion yuan. Royalty import/export volume exceeded 30 billion yuan.

**Improve IP service capabilities.** SIPO carried out regulatory operations on patent agency to regulate market order and improve the level of service. The number of patent agencies throughout the country reached 1,824, and that of licensed patent agents reached 16,367. SIPO put efforts to foster branded institutions for IP service and accelerated the development of model zones for conglomerated development of IP service industry. A series of events such as the “promoting IP in grassroots organizations and IP services in support of economic development” and the event to connect branded IP service institutions with economic development. SIPO continued to build the overseas IP information platform (worldip.cn) to provide services to enterprises “going global”. The Office made available 29 types of domestic and foreign patent basic data to the public free of charge. The types of patent documentation resources reached 539 and the volume 11,300,000. There has been

more than 130 national-level patent information dissemination and utilization bases and patent documentation service outlets, providing more than 1.4 million (times) of IP public consultative services.

**Enhanced international cooperation in the field of IP.** The signature of the intergovernmental cooperation agreement between China and Tajikistan in the field of IP and the MOU between SIPO and the Swiss Federal Institute of Intellectual Property was witnessed by President Xi Jinping, and the signature of cooperation agreements between SIPO and IP authorities of Australia, New Zealand and the Philippines were witnessed by Premier Li Keqiang. SIPO, on behalf of the Chinese Government, signed an agreement with the World Intellectual Property Organization for strengthening cooperation in relation to the “Belt and Road”, and the two parties also signed a MOU to recruit WIPO staff members by establishing a trust fund. SIPO actively participated in cooperation activities within the IP5 (the United States Patent and Trademark Office (USPTO), the European Patent Office (EPO), the Japan Patent Office (JPO) and the Korean Intellectual Property Office (KIPO)), the China-Mongolia-Russia IP cooperation and the SIPO-JPO-KIPO cooperation frameworks. The Office made efforts to include IP cooperation in the overall cooperation framework of BRICS countries. It successfully organized the Meeting of China-ASEAN Heads of Intellectual Property Offices, the China-Africa High-Level Seminar on IP Systems and Policies, the China-Visegrad Group Joint Seminar on Intellectual Property and Boao Forum for Asia IP Symposia. SIPO established a comprehensive strategic partnership with EPO. Cambodia became the first country in the world to recognize the granting results of Chinese patents. The Office signed Patent Prosecution Highway (PPH) cooperation with 23 countries.

**Creating an enabling IP environment.** SIPO successfully organized several major events such as the April 26 World IP Day, the National Intellectual Property Publicity Week, the China Patent Annual Conference and the High-Level Forum



on China IP Protection. The Office pushed forward the development of IP think tanks, established IP academies/faculties in more than 100 universities throughout the country, and carried out the IP education pilot programs in middle schools and primary schools. SIPO implemented *the Compendium on the Development of a Rule of Law Government* and undertook annual assignments in accordance with the plan. The scale of national IP professionals and talents has been further expanded.

2018 is the beginning year for implementing the spirit of the 19<sup>th</sup> National Congress of the CPC. It is the 40<sup>th</sup> anniversary of the Reform and Opening Up and a vital year for securing a decisive victory in building a moderately prosperous society in all respects and for linking past progress and future moves in relation to the implementation of the 13<sup>th</sup> Five-Year Plan. SIPO and nationwide intellectual property administrations will comprehensively implement the spirit of the 19<sup>th</sup> National People's Congress of the CPC and enhance the Party's leadership over the IP work under the guidance of the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. Bearing in mind the principle that progress should be made while maintaining stability and the requirements on high quality development, we will earnestly execute the decisions and deployments of the CPC Central Committee and the State Council, stick to the new development ideology, deepen the implementation of the National IP Strategy and the reform in the IP field, advocate innovation culture and enhance the creation, protection and utilization of IP. We will accelerate the construction of an IP Powerhouse and exert utmost efforts in opening a new page for the reform and development of IP-related work in the new era.

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