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**China's IP Undertakings Achieve Remarkable Results**

According to the China Intellectual Property Development Status Evaluation Report for 2019, the country's IP protection index has gradually increased from 2010 to 2019, with an average annual growth rate of 13.6%. The growth settled for a while between 2012 and 2017, but quickly advanced at speed in the past two years.

At the same time, efficiency and effect of IP utilization has improved, in turn driving economic and social development. In 2018, the added value of China's patent-intensive industries reached 10.7 trillion yuan, accounting for 11.6% of GDP; The added value of the copyright industry accounted for 7.37% of GDP, up 0.8% from 2010.

The report also reveals that in 2019, Guangdong, Shanghai, Jiangsu, Beijing, Zhejiang, and Shandong ranked top six in comprehensive IP development index.

In the section of international comparison of IP development, the report shows that China ranks in the middle and upper portions of the world, jumped from the 20th place in 2014 to the 8th place. The report selects three primary indicators of IP capability, IP performance, and IP environment for evaluation. It shows that in 2018, the three indicators under the General Index of China's IP development were ranked 5th, 3rd and 23rd in the world respectively. Compared with 2017, the rankings of the two indexes of IP capability and performance remained stable, and the environmental index rose by one place.

[http://english.cnipa.gov.cn/art/2020/9/30/art\\_1719\\_152551.html](http://english.cnipa.gov.cn/art/2020/9/30/art_1719_152551.html)

**Business environment of China largely improved in past five years**

According to World Bank's Doing Business report, China advanced to a global ranking of 46 this year regarding business environment, up from 78 last year. It has been included among the top 10 fastest global reformers for two years in a row.

Last year, China received 941.52 billion yuan (\$140.64 billion) in foreign investment, ranking the first among developing countries and the second of the world. The figure stood at 619.78 billion yuan in the first 8 months this year despite of the impacts of COVID-19, growing 2.6 percent from a year ago.

According to the Report on the Latest Development in IPR Protection and Business Environment in China (2019), 59,800 foreign-funded companies were newly established in China in 2019, making the total number to 627,000. Besides, the number of foreign-funded projects with investment of at least \$100 million reached 834. Statistics from China's Ministry of Commerce (MOFCOM) also indicated that 22,602 foreign-funded firms started operation in China during the January-August period this year.

According to statistics, China had 87.05 million market entities as of the end of 2016, and the figure reached 123 million last year. By the end of July, the number of registered market entities in China had hit 132 million, with 64,000 being newly added each day in the first seven months this year.

<http://english.ipraction.gov.cn/article/ns/202010/325192.html>

### **China Accounts for Half of Global Blockchain Patent Applications**

China has applied for 4,435 blockchain patents so far, accounting for about half of the world's total, according to an industry report released in late September.

The 2020 Blockchain Industry Development Report jointly compiled by Tsinghua University, Peking University and China Institute of Communications was issued at the 2020 China International Blockchain Technology and Application Conference in Nanchang, capital of East China's Jiangxi province.

<http://english.ipraction.gov.cn/article/ns/202009/324491.html>

### **China Has More Than 7,000 Laser Display Patents in The First Half of 2020**

Laser display is the best technology carrier for 8K ULTRA HD display and is recognized as the next generation of display technology in the industry. Data published at the Second Global Conference on Laser Display Technology and Industrial Development showed that China has mastered vital core technologies and led the world in industrial development in this emerging industry.

Particularly in the field of laser display, no matter the product innovation or the number of the patent portfolio, China has taken the lead in the world. Compared with the traditional liquid crystal display technology, the optical transmittance and power consumption performance of laser display are improved by nearly 50%, and the raw materials and manufacturing process are more environmentally friendly.

With the advent of the 5G network era, tasks such as the Ultra HD Video Industry Development Action Plan has also reached a critical period of the comprehensive promotion, and relevant national departments are also making intensive efforts to promote the formulation of related standards.

<http://english.ipraction.gov.cn/article/ns/202009/323680.html>

### **EPO-CNIPA Partnership Enables Chinese PCT Applicants to Choose EPO as the ISA**

A two-year pilot between the European Patent Office (EPO) and the China National Intellectual Property Administration (CNIPA) will enable nationals and residents of China to select the EPO as their International Searching Authority (ISA) for applications filed in English under the Patent Cooperation Treaty (PCT).

The pilot, which starts on 1 December 2020, will be open to applicants filing with either the CNIPA or the World Intellectual Property Organization's International Bureau (IB) as receiving Office and limited to a total of 2 500 applications in the first 12 months and 3 000 applications in the second 12 months.

During a transitional phase, applicants filing their international application with the CNIPA as receiving Office and choosing the EPO as ISA will be required to pay the international search fee directly to the EPO in euros (EUR). It is planned to soon enable applicants participating in the pilot to pay this fee to the CNIPA in CN Yuan) on filing their application.

PCT applicants who are nationals or residents of China and whose international search was performed by the EPO as ISA will also be able to file a request for international preliminary examination with the EPO. They should pay the corresponding fee directly to the EPO, pursuant to PCT Chapter II.

<https://www.epo.org/news-events/news/2020/20201020.html>

## SUPPLEMENTARY ISSUE

### **Maliciously trademark infringement after the end of the management contract, IHG won the first instance**

Recently, Six Continents Hotel Group, owned by the famous hotel management group Intercontinental Hotels Group sued Dujiangyan Yunchang Hotel Management Co., Ltd. for infringement of trademark rights. The case was concluded in the Chengdu Intermediate People's Court of the first instance. Six Continents Hotel Group won the first trial and was compensated for the economic loss of 1.2 million yuan (including reasonable expenses). In this case, the popularity and significance of the trademark involved, the nature of the behavior after the authorization is terminated, the applicability of the suspension of the trial, the remedy to eliminate the adverse effects, the confirmation of the subject of infringement and the high amount of compensation awarded in the first instance are worthy of attention.

IHG's Six Continents Hotel Group, INC., is a company established according to American laws. Its headquarters is located at no. 3, Ravenia Avenue, Atlanta, Georgia, USA. Six continents hotels group (in the name of the company and company structure state), founded in 1777, is one of the world's largest professional hotel management group. The business distributes in nearly 100 countries, owns "CROWNE PLAZA" and "CROWNE PLAZA", "crown", "HOLIDAY INN" and "HOLIDAY INN", and other well-known international hotel brands.

With more than 60 years of international hotel management experience, Six Continents Hotel Group operates hotels in 25 Chinese provinces, autonomous regions and municipalities, including Sichuan Province, where the defendant is located. The Dujiangyan Central Holiday Inn operated by the defendant, formerly known as The Dujiangyan Central Holiday Inn, authorized by The Six Continents Hotel Group.

On June 12, 2018, Six Continents Hotel Group sent a letter to the former operator of the hotel, Dujiangyan Linglan Hotel Management Co., Ltd., stating that the contract would be terminated on July 12, 2018. Six Continents Hotel Group request the other party to stop using all trademarks or logos to which they are entitled.

Subsequently, the hotel was renamed as Dujiangyan Central Holiday Inn, and the management company was changed to Dujiangyan Yunchang Hotel Management Co., Ltd.

On October 12, 2018, Six Continents Hotel Group sent a lawyer's letter to the defendant, requesting the defendant to stop the infringement, but the defendant refused to cooperate for various reasons. Regarding the Six Continents Hotel Group's commerce complaint, the Industrial and Commercial Bureau identified that it does not constitute the same trademark, will not cause consumer confusion, hence does not infringe.

On March 7, 2019, The Six Continents Hotel Group filed a trademark infringement lawsuit to the Intellectual Property Court of Chengdu Intermediate People's Court, claiming three million yuan for compensation and simultaneously applying for property preservation of three million yuan.

<http://english.ipraction.gov.cn/article/tc/202009/323286.html>