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AFD China Won China IP Awards 2022

Recently, the reputable intellectual property magazine Asia IP released its China IP Awards 2022, announcing the winning Chinese law firms in each practice area.

AFD China, by virtue of its outstanding IP expertise in the fields of pharma, biotech and life sciences as well as its timely, high-quality and targeted services offered to the clients, was once again honored by Asia IP as “Pharma, Biotech & Life Sciences Firms of the Year”.

The China IP Awards are designed to honor outstanding law firms with presence in China for their high-standard services in trademark, patent and copyright work. To determine the winning firms, Asia IP’s editorial team will evaluate each firm’ performance in the preceding 12 months in IP-related fields, especially their most important cases, and analyze their influence in and contribution to the IP industry, in conjunction with feedback and recommendations received from IP professionals from around the world.

We can never win this award without our clients’ trust and support or our colleagues’ strict implementation of our firm’s working regulations. We will continue to put clients’ interests in the first place, take clients’ satisfaction as the starting point and final goal of our work, and strive to safeguard clients’ intangible IP assets with professional service and sincere attitude.

Temporary Adjustment to the Deadline for Paying Chinese Patent Annuities

On June 10, 2022, the China Intellectual Property Administration (CNIPA) issued Announcement No. 486, in which it is notified that:

For patents whose annuity fees (excluding the first annuity after grant) fall due between June 15, 2022 and December 31, 2022, and which are entitled to China’s patent fee reduction policy, the deadline for paying the annuity fees is automatically extended to June 15, 2023, without incurring surcharge during the period. Where the relevant formalities are not completed and the annuity fees are not paid in accordance with the provisions of Rule 98 of the Implementing Regulations of the Patent Law by the extended deadline, the patents shall be terminated from the dates on which the annuity fees fall due in 2022.

https://www.cnipa.gov.cn/art/2022/6/10/art_74_175994.html

CNIPA Issues Instructions on Patent Open License to Local Authorities

The CNIPA recently released the Trial Program on Patent Open License – mainly instructions for provincial authorities - in an effort to follow the instructions of the Outline of Construction of an IP Powerhouse Country (2021-2035) and the 14th Five-Year National Plan for IP Protection and Application, ensure smooth execution and efficient operation of

the patent open license system, and propel IP commercialization.

Referencing the basic concepts, system design and relevant links of the implementation of the statutory open license system, the Program defines measures for provincial IP authorities to facilitate commercialization of patent licenses, organize the subordinate local authorities, companies/entities and service platforms to start trial projects, materialize rapid licensing with intents and conditions cleared by patentees and published by provincial IP authorities. Multiple effects including spurring supply and demand, reserving worthy projects, exploring experiences and finetuning policies are pursued, which would line up the aspects of policy, regime, platform and project for full implementation of the open license system.

The Program sets out three basic principles in following the market trend, strengthening service innovation, enhancing integrated working of different policies, clarifies trial tasks in four aspects in establishing declaration publication platforms, promoting connections between supply and demand, offering supporting services, improving incentive and regulation measures. The trial projects will help test experiences and modes worth promoting to wider areas, warm up for full implementation of the system, cull and reserve high-value patents fit for open license and eventually materialize a raft of patent communalization results.

CNIPA has always been heeding attention to the implementation of patent open license. Commissioner Shen Changyu and Deputy Commissioner Lu Pengqi organized a meeting recently, dishing out tasks on implementation of open license work and claiming the trial work as one of the key tasks. In the future, CNIPA will strengthen instructions to local authorities, promote typical experiences and steadily implement the trial work.

<http://english.ipraction.gov.cn/article/ns/202206/377849.html>

China Takes Global Lead in Number of Declared 5G Patents

China owns nearly 40 percent of the standard essential patents for 5G technology, staying at the top of the world rankings, according to a new report by the CNIAP.

More than 210,000 standard-essential patents for 5G are declared worldwide at present, involving almost 47,000 patent families. China has declared 18,728 patent families, accounting for 39.9 percent of the world's total, followed by the United States at 34.6 percent and the Republic of Korea at 9.2 percent, the report said.

A patent family is a collection of patent applications covering the same or similar technical content.

Chinese tech company Huawei declared 6,583 patent families, accounting for 14 percent and taking the lead among the global applicants.

The report also highlighted that among the top 15 patent applicants in the world, seven are Chinese companies, with two each from the United States, Japan, Europe, and the Republic of Korea.

<http://english.ipraction.gov.cn/article/ns/202206/378253.html>

China, France Deepen Cooperation in GI Trade

In the first quarter after the turn of the year, trade between China and Europe skyrocketed in tea (up 54%), beer (21%), apples (69%) and cheese (56%). Over 60 French GIs (geographical indications) are under protection in China. The numbers, evidently profited from the execution of a China-EU GI agreement and another one specifically between China and France, enhance the two countries' faith to further cooperation in GI trade.

France is a country China has the most extensive GI cooperation program with and gives protection to the largest number of GIs. Quality and exotic GI products from the two countries could enter into each other's households in a more secure and reliable way. The unique GI feast, where "Chinese flavor" meets "French flavor", provides more options for both people to pursue a better life and injects confidence in the mutual economic growth against the COVID-19 pandemic.

http://english.cnipa.gov.cn/art/2022/5/18/art_2829_175639.html

China to Promote Cross-border Exchange of Accessible-format Publication Copies: Official

China will promote the cross-border exchange of accessible-format publication copies through cooperation with international organizations such as the World Intellectual Property Organization, an official has said.

Accessible-format publication copies, including Braille books, large-print books and audiobooks, are the most effective ways for people with visual impairments or print disabilities to acquire culture and receive education.

But they have high costs in copyright licensing, said Zhao Xiuling, deputy head of the copyright management division under the Publicity Department of the Communist Party of China Central Committee, at a press conference.

The Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled, which entered into force on May 5 in China, mandates that accessible-format copies should be made without seeking permission from rightsholders.

Statistics show that China has approximately 17.3 million people with visual impairments, and its number of residents with print disabilities is even higher. Of the millions of

books published worldwide every year, less than 10 percent are available in accessible formats.

The treaty facilitates the cross-border exchange and import of accessible-format publication copies and solves the problem of their scarcity, Zhao said.

After its enforcement in China, the resources of works available to readers with print disabilities in the country will be further enriched, and costs will also be further reduced, Zhao added.

<http://english.ipraction.gov.cn/article/ns/202205/377349.html>

China to Boost IP Pledge Financing to Support Enterprises

China will strengthen the use of intellectual property (IP) as a financing tool to support micro, small and medium-sized enterprises (MSMEs) affected by the COVID-19 epidemic, the National Intellectual Property Administration has announced.

Due to the impact of COVID-19, many MSMEs are confronted with problems such as short supply of raw materials, reduced market orders and increased financial pressure.

In a statement, the administration noted that a series of measures to facilitate IP pledge financing should be carried out to enable more MSMEs to pledge their IP rights in return for funding, so as to tackle their financial issues.

For special industries that are heavily affected by the epidemic, such as catering and tourism, the notice also emphasized giving full play to trademark pledge financing, to investigate the financing needs of such industries and to accelerate the lending process.

<http://english.ipraction.gov.cn/article/ns/202206/378473.html>

SUPPLEMENTARY ISSUE

Agreement will Help Boost IP protection

Joining the Hague Agreement, which governs the international registration of industrial designs, will help Chinese enterprises further integrate into the global design system, develop product layout and promote industrial design innovation, an official and an expert said.

In February, China submitted its instrument of accession to the Hague Agreement Concerning the International Registration of Industrial Designs, which covers 94 countries. The agreement took effect in China on May 5.

Under the Hague Agreement, applicants only need to submit one international application in one language and pay in one currency to apply for design protection in multiple contracting countries, which significantly reduces the cost of design registration for enterprises in the process of globalizing their products and greatly improves the efficiency of registration.

In addition, the applicants only need to submit one request to the International Bureau of the World Intellectual Property Organization for any future change of rights or renewal of the protection period. This can then take effect in all designated contracting countries, greatly facilitating the centralized management of design rights.

Applicants in China may submit their applications directly to the WIPO International Bureau or indirectly through the CNIPA.

As of May 13, 141 international applications for industrial designs had been submitted so far from China, according to the administration.

Wei Baozhi, head of the administration's patent office examination management department, said that the increasing number of applications from China indicates that Chinese companies are actively using the Hague system for global product market layout. This reflects the importance that innovation entities attach to intellectual property rights protection and highlights the vitality of Chinese innovation and creativity, Wei said.

Joining the Hague system also facilitates overseas enterprises' entry to China's dynamic and vast market, which is conducive to creating a favorable business environment and promoting the development of innovative design in China's industrial sector, Wei added.

Ma Yide, an IP professor at the University of Chinese Academy of Sciences, said, "China has attached importance to its role in international organizations in recent years and is transforming itself from a passive recipient of international rules on intellectual property to a participant and builder of global IPR governance."

Working with the international community, China is addressing intellectual property protection and governance challenges, Ma said.

In addition, under the Hague Agreement, protection of IPR should be further intensified and the protection of industrial designs will be extended, which will benefit IPR owners and will help China's IPR protection further align with international standards, he said.

The Hague Agreement requires the contracting parties to protect industrial designs for at least 15 years.

According to the China National Intellectual Property Administration, the quality as well as the quantity of Chinese intellectual property continued to increase last year, when 696,000 invention patents were authorized. The number of international patent applications submitted by Chinese

applicants through the Patent Cooperation Treaty reached 69,500, ranking first in the world for the third consecutive year.

The Global Innovation Index Report 2021 released by the WIPO showed that China ranked 12th in global innovation, up two places from 2020.

China has continued to intensify the protection of IPR in recent years. Since 2019, the nation's top legislature has revised the Trademark Law, Patent Law and Copyright Law, and established a punitive damages system with the highest international standards.

Last year, the central government released the Outline of Building an IPR Powerhouse (2021-35) and the National Plan for Protection and Application of Intellectual Property Rights During the 14th Five-Year Plan (2021-25) Period.

<http://english.ipraction.gov.cn/article/ns/202205/377347.html>

China Speeds up Smooth Execution of Patent Open License System

How to find potential licensees, how to be more efficient in licensing, how to identify relevant royalties-these lingering problems will be gone after the landing of the patent open license system. In an effort to ensure the smooth and fast execution of the system, the CNIPA recently released the Trial Program on Patent Open License, a national document drafted based on the experience of local forerunners.

Since being added to the newly-revised Chinese Patent Law (Note: effective from June 1, 2021), the patent open license system has been in the spotlight. Patentees may publish a declaration to license their patents on CNIPA gazettes. Anyone willing to accord with the asking prices and terms may quickly acquire the relevant patent license. Different from the traditional mode in one v. one, the open license system adapts an impartial, easy and fast mode in one v. many, which bridges supply and demand, improves efficiency of negotiations and curbs systematic transaction cost.

Expand technology supply for SMEs

Zhejiang is one of the first provinces in trying their hand at the patent open license system. In October 2021, Zhejiang published information on 379 patents owned by the province's 24 universities and research institutes, inviting all companies in the province to acquire open licenses without paying a dime. Through an accurate matching system, Zhejiang IP Office pushed the information to a first batch of 6,365 companies, right now resulting in 306 patent license documents recorded.

"Our company's machines could only weave surface textiles with thickness between 2mm and 3mm. Though we had been trying to develop better machines for years, success was still elusive," says Ni Zhiqi, Vice General Manager of Huzhou Hyundai Textile Machinery Company. "Thanks to the pushed information, we found Professor Wu Zhenyu of Zhejiang Sci-Tech University, the first inventor of a patent titled 'A thread carrier and its feedback system for controlling 3D weaving and tying threads'. The patent, which we are licensed to use free of charge, could solve our technical problem effectively and is expected to generate 30% more in revenues for us."

"Chinese universities own a massive amount of quality patents. With the gap on the information of technologies, products and market demand not bridged, these patents are usually not commercialized in time," says Cao Xinming, Director of IP Research Center, Zhongnan University

of Economics and Law. "The patent open license system accelerates patent commercialization, graduating rights to profits. SMEs have a broader technology supply channel, acquire new technologies at lower costs, which definitely could propel their quality development."

Based on the 'trial and error' attempted by some local authorities, the system is expected to arrive nationwide this year. Under the terms of the Program, by the end of 2022, over 100 universities, research institutes, state-owned enterprises will join the trial. More than 1,000 patent license agreements are expected to conclude.

Improve licensing efficiency of supplying and demanding parties

"The Program sets out the basic principles in following the market trend, strengthening service innovation, enhancing integrated working of different policies, which means respecting market rules, encouraging governments' assumption of leader role, stressing respective parties fully playing to their strength, coordinating moves with each other," says a principal of CNIPA's IP Use and Promotion Department. "To work with the implementation of the patent open license system, CNIPA, for the first time ever, released statistics on patent royalties of various sectors of the national economy last year, offering an important reference for reasonably identifying royalties. Currently, a pricing guideline specifically for open license scenarios is being drafted based on research findings on patent evaluation."

The Program has specific measures to ensure all details covered. For example, regarding bridging supply and demand, it encourages universities and research institutes to select only patented technologies with market potential, extensive range of use, practical, ideal for universal use geographically. In addition, the Program provides that participating local authorities shall define formats of patent licensing information, check to-be-published information and publish licensing information; be responsible for guiding pricing tactics, offer support for transactions, help seek better profits for licenses in a reasonable and effective fashion; improve incentive and regulating measures, mediate disputes by law.

The patent open license system is certainly welcomed by patentees right now. As we have learned, besides universities, a number of large companies have filed their declaration of patent open license. "This is a common practice in the international market. Large companies may use the open license system to improve negotiation efficiency as well as expand their reach in supply chain," says Cao.

The 14th Five-Year National Plan for IP Protection and Application requires the establishment and improvement of patent open license system and its operating mechanism. Currently the system is in an important transitional period before full operation as well as in a critical period for 'trial and error'. Local trial work will gather more practical experiences for the eventual operation.

http://english.cnipa.gov.cn/art/2022/6/8/art_2829_175929.html