

W&B IP Newsletter

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Intellectual Property

CNIPA: Subsidies and Incentives during Application and Registration Procedures of Utility Models, Design Patents and Trademarks will be canceled

On March 5, the National Intellectual Property Administration (the “CNIPA”) released the key points for IP-related work in 2020, among which the fifth key point proposes to “continue to enhance the quality and efficiency of examination of IP rights”.

By the end of this year, the examination period for high-value patents will be reduced to less than 16 months, and the average examination period for trademarks will be shortened to less than 4 months. The examination quality for utility models and design patents will be improved to ensure that the user satisfaction index in terms of the quality of patent examination will reach the satisfactory section.

The CNIPA proposes to promote new progress in patent examination and intelligent upgrade of the search system; besides, the models of centralized examination, priority examination, patent prosecution highway and deferred examination will be further improved to meet the diversified demands.

The CNIPA proposes to form a long-term mechanism to crack down on abnormal patent applications and malicious registration and/or hoarding of trademarks.

The CNIPA also promotes local areas to cancel the subsidies and incentives during the application and registration procedures of utility models, design patents and trademarks.

(Source: China National Intellectual Property Administration)

CNIPA: China’s IP Operation System Building Makes Positive Process

In 2019, China’s IP operation system building made remarkable achievements with numerous spotlights. 307,000 operations, including patent assignment, licensing and pledge, were done all across the nation, reaching an annual growth rate of 21.3%. The total amount of patent and trademark pledge reached 151.5 billion RMB, reaching an annual growth rate of 23.8%. The number of key cities in the IP operation system building project rose up to 26. The first pure patent asset securitization product was successfully launched. A batch of IP-operation-related large projects and platforms were launched one after another.

(Source: China National Intellectual Property Administration)

Patents

CNIPA: Explanations on Matters Related to Payment of Late Fee for Patent Annuities during the COVID-19 Epidemic

In order to implement the decision and deployment of the CPC and the State Council and to effectively safeguard the legitimate rights and interests of the parties involved, the CNIPA released its No.350 Announcement,

Patents

in which the remedial procedure is provided for the loss of IP rights due to the influence of the COVID-19 epidemic. Recently, some parties complained that their patent annuities were subject to late fee payment because of the incapability of due-time payment during the epidemic, in which circumstance they would like to ask whether such late fee could be exempted. The CNIPA explained the situation as follows:

Considering that the failure to pay in time is caused by the epidemic rather than any reason attributable to the parties involved, to relieve the burden on the part of these parties influenced by the situation, in the event that the annuities become due and the province, autonomous region, municipality where the parties locate have initiated first-level responses to major public health emergencies, no late fee will be accrued upon the patent annuities.

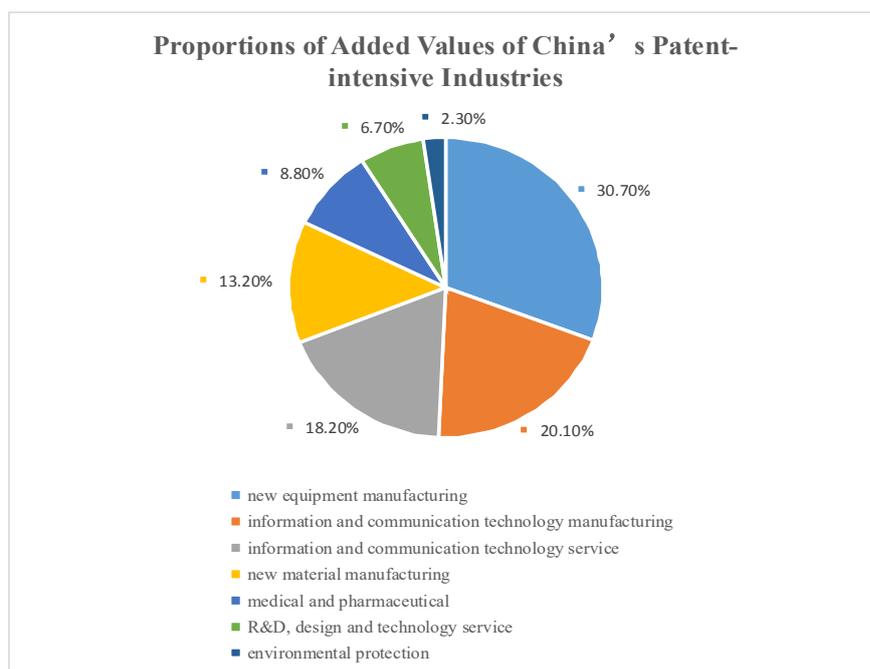
In the event that the payment period indicated in the Notice on Payment involves the period of first-level responses to major public health emergencies, payment of the late fee shall be subject to the explanations given herein.

(Source: China National Intellectual Property Administration)

CNIPA and NBS: Added Value of Patent-intensive Industries in 2018 Accounts for 11.6% of China's GDP

On March 13, the National Intellectual Property Administration and the National Bureau of Statistics issued a joint communiqué, according to which the added value of China's patent-intensive industries in 2018 reached 10.709 trillion RMB, accounting for 11.6% of China's GDP of the same year. This is the first time that China officially published the added value data of its patent-intensive industries, which indicates that China's accounting and publication system for the added value of its patent-intensive industries has been officially established.

China's patent-intensive industries, based on the nature of their economic activities, can be classified into seven categories, the respective added value proportions of which are shown in the diagram below:



(Source: China National Intellectual Property Administration)

Patents

CNIPA Publishes the 2019 China Patent Survey Report: Patent Exploitation Remains Stable

On March 9, the National Intellectual Property Administration published the 2019 China Patent Survey Report (the “Report”) on its official website. According to the Report, China’s patent exploitation kept a stable status in 2019; the overall awareness of patent portfolio was good; the universities and research institutions still saw great space of improvement in patent exploitation; information asymmetry became the overriding factor that restricted effective exploitation of patents.

1. Stable improvements were witnessed in patent exploitation.

According to the survey, the rate of effective patent exploitation in 2019 was 55.4%, and the rate of industrialization was 38.6%, followed by the rate of licensing at 6.1% and the rate of assignment at 3.5%, reaching the annual growth rates at 2.8%, 2.3%, 0.6% and 0.4% respectively. All these figures reflected general improvements in China’s patent exploitation.

2. Remarkable benefits were achieved from patent exploitation.

According to the survey, patentees’ expected benefits from their patents were mainly below 500,000 RMB. Among those numerical segments, the segment “100,000 – 500,000 RMB” accounted for 25.5%.

Judging from the patent exploitation conditions, benefits of exploited patents of more than 500,000 RMB were 11.9% higher than the patentees’ expected benefits from the same patents. Remarkable benefits from the patent exploitation were thus achieved.

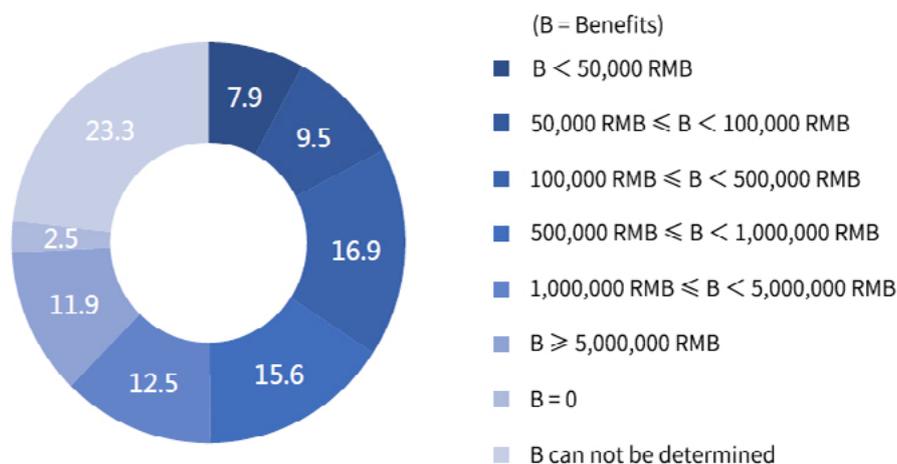


Fig.70 Proportions of Expected Profits of Exploited Patents (%)

3. The rates of patent exploitation and industrialization of enterprises embracing increases in their primary businesses were higher.

According to the survey, enterprises with different changes in their primary businesses in 2018 presented obvious differences in their patent exploitation and industrialization rates. Those embracing increases in their primary businesses accomplished a patent exploitation rate 3.9% higher than the general rate for all enterprises, and an industrialization rate 3.7% higher than the corresponding general rate. Among those patents involved, the exploitation and industrialization rates of invention patents and design patents reflected more outstanding differences with respect to the corresponding rates for all enterprises.

(Source: China National Intellectual Property Administration)

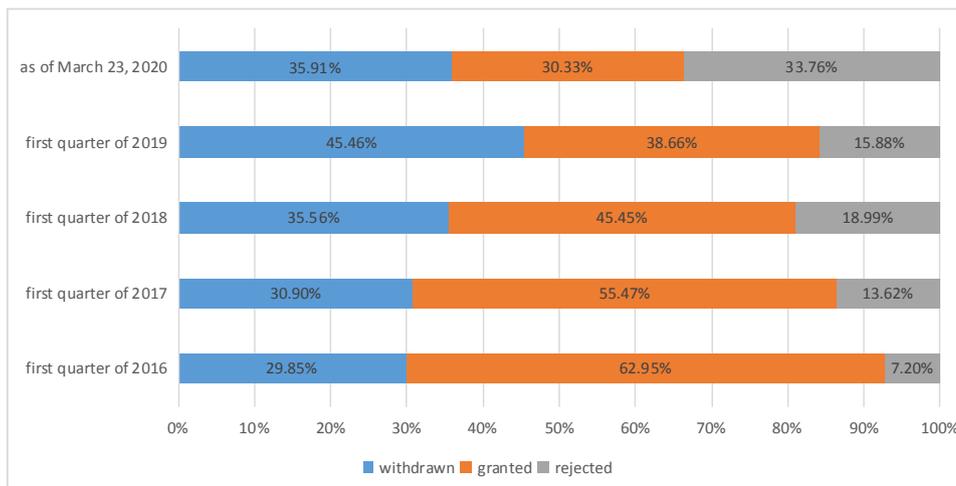
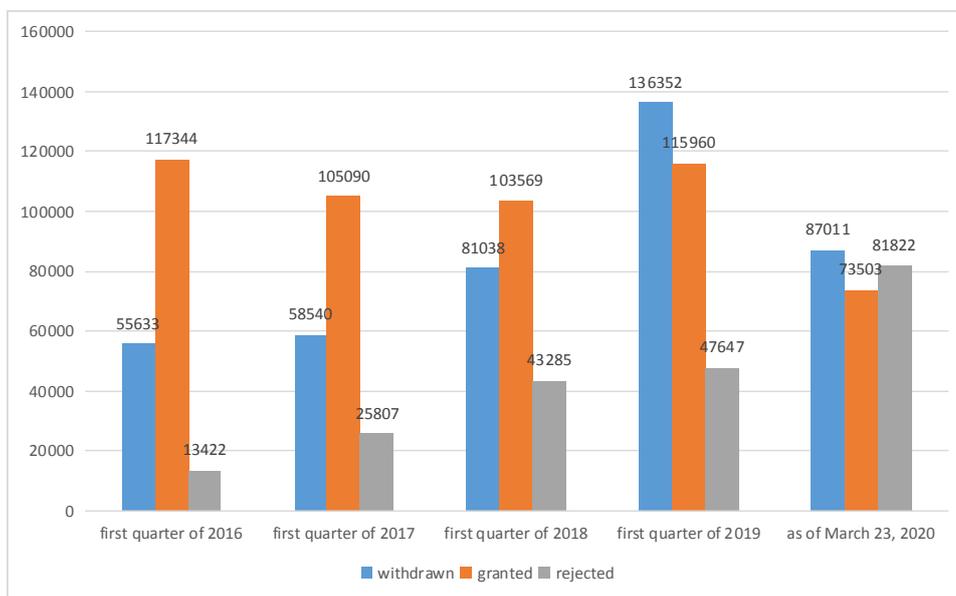
Patents

Patent Data: Rejections of Applications for Invention Patents Surged in the First Quarter of 2020

The influences of the COVID-19 epidemic on the patent industry may gradually appear. Judging from recent data statistics, the most direct influence appears to be the surge in the number of rejected applications for invention patents.

As revealed by the data retrieved from a commercial database, during the period from January 1 to March 23, 2020, a total of 81,822 applications for Chinese invention patents were rejected, almost doubling the number 47,647 in the first quarter of 2019.

In terms of the percentage, the 33.76% for rejections in the aforesaid period is also approaching double of 15.88% for the first quarter of 2019. This is also the highest percentage in the recent five years.



Note:

The data above is sourced from a commercial database. There may be some deviation due to the influence of the publication period or the data processing.

The figures above represent Chinese invention patents as of the search date – March 23, 2020.

The data above is acquired through incomplete statistics and has not taken into account special circumstances. The data herein is in no way related to any index and is subject to the data published by the official authority.

Impressive Copyright Enforcement Actions in China in 2019

Prominent Achievement in Crack-down on Piracy of Theatrical Films

The HD versions of pirate theatrical films during the 2019 Spring Festival aroused great attention from the public. As a countermeasure, the National Copyright Administration, jointly with other related departments, formulated and implemented the Special Work Plan for Strengthening Copyright Protection for Theatrical Films, and released five alert lists of 33 theatrical films requiring copyright protection. Working with the National Internet Information Office, the Ministry of Industry and Information Technology, the China Film Administration and the telecom operators, the National Copyright Administration established the joint control mechanism by using the APP for monitoring piracy activities, and promoted to establish the Film Copyright Protection Alliance. Cooperating with the Ministry of Public Security, the National Copyright Administration investigated and dealt with over 30 big cases involving piracy of films, arresting over 200 criminal suspects, shutting down over 360 websites and 57 APPs involving piracy activities, inspected and confiscated 7 streaming servers used for producing HD pirate films and around 14,000 devices for the same purpose. The total value involved in those cases reached 230,000,000 RMB. The enforcement actions against piracy of theatrical films have thus accomplished prominent effects and forcefully safeguarded the order on the film market.

Remarkable Effects of the 15th “Sword Net” Special Action

From May to November 2019, the National Copyright Administration, the National Internet Information Office, the Ministry of Industry and Information Technology and the Ministry of Public Security jointly carried out the “2019 Sword Net” action against online piracy and infringement. This was the fifteenth time that the National Copyright Administration, together with the other authorities, carried out this special annual enforcement action against online piracy. There is no doubt that the “Sword Net” has become an effective approach and a well-known brand for copyright protection on the Internet and for cyberspace cleaning-up. The “2019 Sword Net” action focused on key fields such as media convergence development, theatrical films, streaming media, pictures and short videos, carried out special inspection and rectification and strengthened copyright governance on platforms. The action deleted 1,100,000 infringing pirate URLs, confiscated 10,750,000 infringing pirate products, investigated and dealt with 450 cases involving online piracy (of which 160 were criminal cases) and the total value involved in those cases reached 524,000,000 RMB. This special action has realized remarkable effects and laid a healthy network copyright environment for the celebration of China’s 70th anniversary in October 2019.

(Source: National Copyright Administration)