



State Intellectual Property Office
of the People's Republic of China

Technology Transfer in China:

Chances, Challenges and Successful Cases

Intellectual Property Development And Research
Center of
State Intellectual Property Office of PRC

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of the People's Republic of China

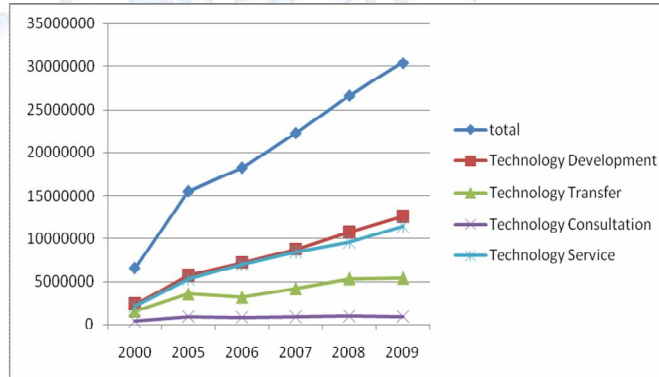
Outline

- 1 Status of Tech-market and Tech-transfer in China
- 2 Chances for Tech-transfer in China
- 3 Challenges for Tech-transfer in China
- 4 Case Study



1. Status of Technology Market and Technology Transfer in China

• 1.1 Contract Price of Technology Market



Source :China statistical yearbook on science and technology (2010)

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1. Status of Technology Market and Technology Transfer in China

• 1.2 Technology Introduced to China

Item	Number of Contracts (item)	Value of Contracts (USD 10000)	for Technology	for Equipment
Total	9964	2157179	1860788	296391
Patented Technology License and Transfer	418	182091	179643	2447
Proprietary Technology License and Transfer	2156	956279	934653	21626
Technology Consultation and Service	6170	660323	506537	153786
Import of Computer Software	736	108805	108490	314
Trade Mark License	75	14226	14223	3
Joint-venture Production and Cooperative Production	153	61865	61291	574
Complete set of Equipment, Key Equipment and Production Line	145	150036	34545	115491

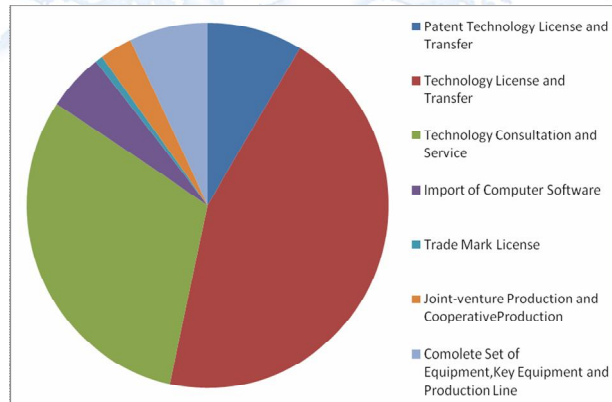
Source :China statistical yearbook on science and technology (2010)

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1. Status of Technology Market and Technology Transfer in China

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2. Chances for Tech-transfer in China

2.1 The Rapid Advance of Globalization of Science and Technology

The pace of globalization of science and technology has been accelerated.

Knowledge creation and innovation speeds up.

China's technology development has its own advantages.

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2. Chances for Tech-transfer in China

2.2 China's Efforts for Economic Development and Building Up an Innovative Country

Actively foster the development of strategic emerging industries.

- Seven industries promoted: new-generation information technology, high-end equipment manufacturing, advanced materials, alternative-fuel cars and energy-saving and environmental protection, alternative energy and biotechnology

Emphasize the development of high-tech services.

- *Guidelines for the Key Fields of High-tech Industries as Current Priorities to Develop (2011)* identifies intellectual property services as one of the 8 key fields to develop.



2. Chances for Tech-transfer in China

2.3 A good market environment with the emphasis of IP protection

Improvement in investment and R&D environment.

Improvement in trade and innovation environment.

Improvement in IP protection environment.



3. Challenges for Tech-transfer in China

3.1 *tech-transfer and trade balances*

Huge deficit in patent license fees.

- From 2006 to 2009, royalties and license fees totaled \$ 1.511 billion for technology export, while the counterpart import expenditures totaled \$ 36.239 billion. The deficit reached \$ 34.728 billion.

Technology transfer fees cover the actual high-tech products trade deficit.

- Main manufacturer: foreign-owned enterprises and joint ventures.
- Main trade form: processing with imported materials and processing and assembling



3. Challenges for Tech-transfer in China

3.2 *Tech-transfer and Indigenous Innovation*

Technology transfer and continuous effort to self-innovation.

Technology transfer strategy and IP policies of transnational corporations.

Joint venture's innovation "dilemma".



3. Challenges for Tech-transfer in China

3.3 institutional mechanisms and policy barriers

Institutions and policies

- Innovation level is low, still to be promoted
- institutional and policy barriers to be removed
- Commercialization to be promoted

Government and the market

- "mismatch" problem of technology and economy to be resolved

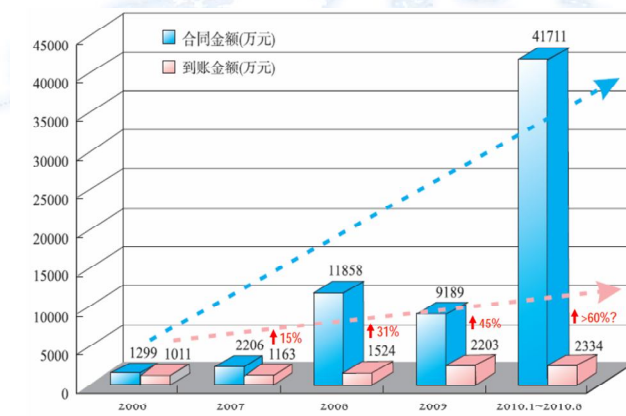
Investment and financing environment for Technology transfer

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4. Case study

Shanghai Institutes for Biological Sciences (SIBS).



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4. Case study

key to success of SIBS

To establish a professional system on IP management and technology transfer.

To allocate the proceeds of tech-transfer according to international practice.

To cultivate professional team of IP management and tech-transfer.

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Thank you!