

Intellectual Property and Development China's National Experiences

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Overview

- China Development's Need for IP Protection
- IP Protection vs China's Economic Growth
- Chinese Govt. Measures in Promoting IP
- Success Stories
- Enforce the Right - China's Efforts against Counterfeiting and Piracy
- Challenges Faced by China
- Strive to Build a More Balanced System in Support of Sustainable Development




China Development's Need for IP Protection

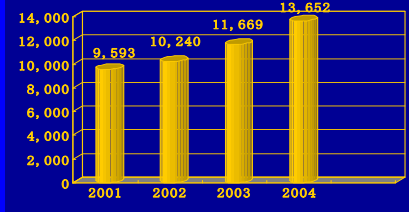
- Promote creation and innovation of science and technology
- Stimulate cultural prosperity
- Attract Foreign Direct Investment


IP Protection vs China's Economic Growth

• **China's Economic Boom**

GDP 2001-2004 in Billion Euros



Year	GDP (Billion Euros)
2001	9,593
2002	10,240
2003	11,669
2004	13,652




IP Protection vs China's Economic Growth

• **Patent Applications Received
2001-2004**



Year	Patent Applications Received
2001	203,573
2002	252,631
2003	308,487
2004	353,807

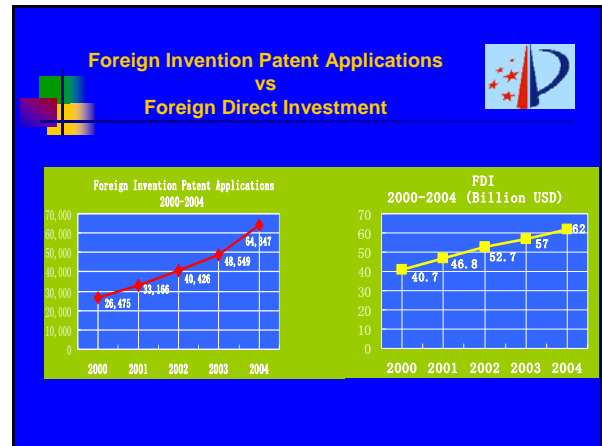
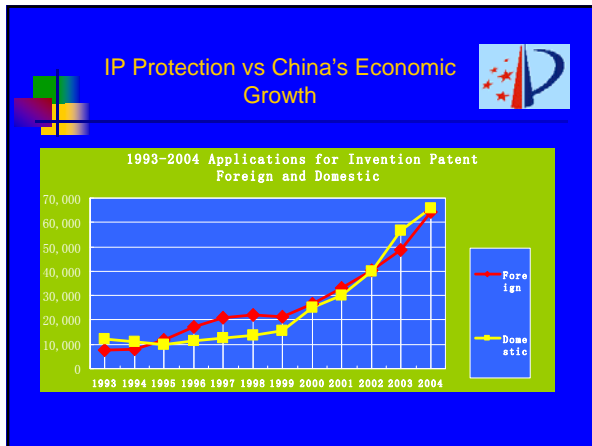



IP Protection vs China's Economic Growth

• **Trademark Applications Received
2001-2004**



Year	Trademark Applications Received
2001	311,589
2002	422,838
2003	496,570
2004	648,261



IP Protection vs Economic Growth

The growth in all the above areas continues in the 1st Quarter of 2005

Economic factors (increase rate in the bracket):
 GDP: 3,135.5 billion Euros (9.5%)
 Import & Export: 295.2 billion USD (23.1%)
 FDI: 35.2 billion USD (4.5%)

Patent factors:
 Patent Applications: 96,351(19%)
 Domestic: 73,657 (13%) Foreign:22,694 (41%)
 Invention Applications: 37,619 (31%)

Chinese Govt. Measures in Promoting IP

Public Awareness Campaign 4.26 World IP Day

- Necessity for large-scale campaign
- Multiple means, TV programs, case studies
- High-level personnel training, 600 series of seminars held, 80,000 people educated
- SIPO's advanced training for officers
- Annual IP Publicity Week

Chinese Government Measures in Promoting IP

600 series of seminars held, 80,000 people educated

Chinese Government Measures in Promoting IP

Chinese Government Measures in Promoting IP



Encouraging Commercialization of Patented Technologies

- ✦ Select patent projects
- ✦ Local administrations' policies
- ✦ Bank loan policies
- ✦ Encourage use of patent information
- ✦ Organize national patent affair

Success Stories



- ✦ University Flexes its Research Muscles with Patent Supplement
- ✦ Copyright Helps an SME Become a Cartoon Franchise
- ✦ Farmer Shocks Textile Industry

Success Stories



- ✦ University Flexes its Research Muscles with Patent Supplement



上海交通大学
Shanghai Jiao Tong University



Success Stories




Frequently-Seen Conflicts between University Patent and Enterprises-Aspired Technology

- ✦ Patents obtained from basic research hard to be directly used in industry
- ✦ Many of universities' patents are fundamental technologies, which may not settle the systemic problems of industry face



Success Stories



Objective of the university patent

- ✦ Pilot staff's research to economic development
- ✦ Enhance consciousness of IP protection & transfer
- ✦ To cultivate the talent with creation and market idea

University's functions

- Educate student
- Scientific research
- Service for society

✦ Holding patents itself is not the goal

✦ The value of university patent is shown during transfer to industry

Success Stories



- ✦ High performance HISYS series DSP Chip



- Hold patent portfolio with 13 patents
- Technology widely used in voice, video, communication and industrial control fields
- Sale Revenue 38,335,000 Euros from 2001 to 2004

Success Stories



Hold patent portfolio in HDTV

- Hold patent portfolio with 33 patents
- Direct sales revenue 1,488,000 Euros, licensing revenue 3,600,000 Euros
- Enable partner enterprises reaping 337 million Euros




Success Stories



Copyright Helps a SME Become a Cartoon Franchise



- A no-name local SME in Hunan Province
- Follow the Disney mode of cartoon franchising
- Create "3000 questions from the naughty Blue Kitty"---the most successful animation in China

Success Stories



Copyright Helps a SME Become a Cartoon Franchise



- Licensing products cover multiple ranges
- 800 million Euros sale revenue of VCDs and books in one year
- Identified as longest cartoon series in the world



Success Stories



Farmer Shocks Textile Industry



- Li Guanqi, an ordinary Chinese farmer
- Invent Bean Protein Fiber, named eighth man-made fiber by the International Textile Organization
- Obtain patents and win WIPO-SIPO Gold Medal

Success Stories




Farmer Shocks Textile Industry



- Use patent to get 44 million Euros financing
- Establish 6 manufacturing bases in 4 provinces
- Multiple partners using his technology

Enforce the Right-China's Efforts against Counterfeiting and Piracy



- IPR Protection Working Group established in 2004
- SIPO joined other members in conducting operations
- Patent statistics
 - 19,449 enforcement officers dispatched
 - 10,251 business premises checked
 - 2,081,537 goods checked
 - 1,115 cases faking patent identity investigated
 - 153 cases faking other's patent

Enforcement Activities Destroy counterfeiting and pirated goods



Enforcement Activities Customs



Enforce the Right-China's Efforts against Counterfeiting and Piracy



- New rounds of enforcement operations launched by the IPR Protection Working Group (2004.5-2005.8) and will be extended to the end of 2005
- New judicial interpretation on criminal violations
- Activities across the board, patent, trademark, copyright

Enforcement Activities



Challenges Faced by China



- Short period of IP system implementation
- Large population to educate
 - Curriculum established in universities
- Fast development of the economy, number of infringements and disputes also going up
- Chinese government is resolute to take on the challenges

Strive to Build a More Balanced System in Support of Sustainable Development



- China's efforts in drawing up a national strategy to create a more balanced IP system
- Encourage innovation while encouraging information dissemination
- More balanced system would help sustainable growth



Other Information
SIPO Website:
www.sipo.gov.cn
SIPO E-Filing Website:
www.cponline.gov.cn



Thank You

