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### China's National Intellectual Property Administration to Cease Issuing Paper Trademark Certificates

China's National Intellectual Property Administration (CNIPA) recently announced that it will cease issuing paper trademark certificates from January 1, 2022.

Electronic certificates will be available to the registrants of e-filings via download at the e-service system, and to the registrants of paper filings via a notification with a access code to get the electronic certificates.

During the transition from October 15, 2021 to December 31, 2021, the CNIPA will issue both paper and electronic registration.

[https://www.cnipa.gov.cn/art/2021/10/12/art\\_74\\_170694.html](https://www.cnipa.gov.cn/art/2021/10/12/art_74_170694.html)

### China Issues 15-year Plan for IPR Protection, with Legislation to Cover Big Data, AI

China issued a plan for 2021-2035 to strengthen buildup and protection of intellectual property rights (IPRs), by accelerating legislation on IPRs in new fields and forms of business, such as big data, artificial intelligence (AI), algorithms and genetic technology.

The country has set targets for 2025 and vowed to be deeply involved in global intellectual property governance.

Analysts said that the blueprint will improve the innovative environment for enterprises

and further improve the legal system for emerging industries in China.

Innovation is the primary driving force for development, and the role of IPRs as a strategic resource for national development and a core element of international competitiveness is becoming more prominent, per the plan.

By 2025, the added value of patent-intensive industries is expected to be equivalent to 13 percent of China's GDP, and that of the copyright industry for 7.5 percent.

The annual trade volume of IPR royalties will reach 350 billion yuan (\$54.1 billion). By 2035, the comprehensive competitiveness of IPRs shall rank among the top in the world, per the 15-year plan.

The country will also formulate and revise laws and regulations on strengthening the protection of business secrets, improve the legal system for regulating the abuse of IPRs, and improve legislation covering monopoly practices and unfair competition related to IPRs.

According to the plan, China will accelerate legislation on IPRs in new technologies, new industries, new forms of business and new models, and it will improve the system for protecting IPRs on the internet and of open source.

Market entities should be guided to give full play to the combined effects of patents, trademarks, copyrights and other types of IPRs, and foster a number of world-class enterprises with strong IP competitiveness.

In terms of biological breeding, China will speed up the cultivation of a number of excellent new plant varieties with IPRs and improve the quality of licensed varieties.

<https://www.globaltimes.cn/page/202109/1234872.shtml>

### **China to Establish Governance Rules for Algorithms**

The Cyberspace Administration of China (CAC) announced a joint plan with eight other departments to set up governance rules and a system for algorithms in the next three years, in order to avoid the risk of abuses such as interference in public opinion, attacks on business rivals and harm to netizens' rights and interests.

"A multi-dimensional regulatory system will be established to monitor algorithm safety risks, archival administration and illegal behavior," said a statement published on the CAC's website.

Meanwhile, algorithm innovation will be encouraged, according to the CAC. "The autonomous and controllable capability of algorithms and intellectual property protection should be promoted," it said.

The latest move came after the CAC solicited public opinion on a new draft of rules for algorithm management in late August, which required algorithm service providers not to use algorithms to block information, manipulate ranking lists or search results, control searches or selection, forge likes and comments, or hijack online traffic.

<https://www.globaltimes.cn/page/202109/1235514.shtml>

### **China to Improve Laws to Support IPR Development**

China will improve laws to promote high-quality development of intellectual property rights (IPR), a senior intellectual property official said on Sept 30.

China will timely amend laws on patents, trademarks and copyright as well as regulations on protecting new varieties of plants, said Shen Changyu, head of the CNIPA, introducing a recently released plan on the country's IPR development for the next 15 years at a press conference.

China will speed up the legislation for special fields such as commercial secrets protection, geographical indications and integrated circuits layout designs and for new industry formats, including big data, artificial intelligence and genetic technology, Shen added.

A total of 549,000 technology contracts with a turnover of 2.8 trillion yuan (\$430 billion) were signed in the national technology market last year, of which 186,000 technology contracts involved intellectual property rights, with the turnover reaching 1.1 trillion yuan, said Huang Shengbiao, an official with the Ministry of Science and Technology, at the press conference.

China will accelerate the building of a national technology transfer system and enhance the service capacity for the transformation of IPR and scientific and technological achievements, Huang added.

The added value of patent-intensive and copyright industries is expected to account for 13 percent and 7.5 percent of the Gross Domestic Product (GDP) by 2025, respectively, according to the relevant plan.

The number of high-value invention patents is expected to reach 12 per 10,000 people by 2025, the plan stated.

<http://english.ipraction.gov.cn/article/ns/202110/357378>

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### **CNIPA Releases Report on the IP Development State 2020 of China**

CNIPA has lately released its annual review of the state of China's intellectual property development in 2020.

The national comprehensive index of intellectual property development increased from 100, the value of the base year of 2010, to 304.7 in 2020, with an average annual growth rate of 11.8%. The development was four-fold.

First, the creation of intellectual property was improved. The national index of the creation of intellectual property increased from 100, the value of the base year of 2010, to 296.5 in 2020, with an average annual growth rate of 11.5%.

Second, the application of intellectual property was improved. The national index of the application of intellectual property increased 100, the value of the base year of 2010, to 267.4 in 2020, with an average annual growth rate of 10.3%.

Third, the protection of intellectual property was improved. The national index of the protection of intellectual property increased from 100, the value of the base year of 2010, to 339.9.5 in 2020, with an average annual growth rate of 13.0%.

Fourth, the institutional environment for intellectual property was improved. The national index of the institutional environment for intellectual property increased from 100, the value of the base year of 2010, to 315.3 in 2020, with an average annual growth rate of 12.2%.

The above figures indicate that the goal for China's state by 2020 set forth in the Guidelines for the National Intellectual Property Strategic Outlines released in 2008 has been achieved.

On the international front, China moved from the 17th ranking in 2015 to the 8th ranking in 2019, with the comprehensive index of intellectual property development increasing from 67.08 in 2018 to 69.15 in 2019. In 2019, China ranked 5th, 5th, and 23rd on the indices of the capacity, performance results, and environment of intellectual property respectively. China's ranking on the index of the environment of intellectual property

improved faster than on the other two indices. It indicates that China is becoming even more business-friendly with its strengthened intellectual property enforcement.

<http://english.ipraction.gov.cn/article/ns/202110/358488>

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### **China to Expedite High-quality IPR Transfer Process**

China's Ministry of Science and Technology has said it will spend more effort to foster the transfer of high-quality intellectual properties into market-end products.

The ministry will improve the management of key intellectual property rights (IPRs) transfer processes, take contract volume as a main appraisal indicator, foster market-orientated transformation and tap IPR trading centers and networks to expedite the high-quality fruition of IPR.

China recently issued a plan for the 2021-35 period to strengthen build-up and protection of IPRs, by accelerating legislation on IPRs in new fields and forms of business, such as big data, artificial intelligence (AI), algorithms and genetic technology.

Per the plan, the added value of patent-intensive industries is expected to be equivalent to 13 percent of China's GDP by 2025, and 7.5 percent of the copyright industry.

According to a September report released by the World Intellectual Property Organization, China ranks 12th in the Global Innovation Index of 2021, up two places compared with 2020. The report showed that China's ranking has risen annually since 2013, showing a strong upward momentum.

<http://english.ipraction.gov.cn/article/ns/202110/357374>

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## SUPPLEMENTARY ISSUE

### **China Reviews Draft Amendment to Anti-Monopoly Law**

China's Standing Committee of the National People's Congress (NPCSC) reviewed on October 19 the Draft Amendment to the Anti-Monopoly Law for the first time. The Draft Amendment was drafted by the State Administration for Market Supervision (SAMR). This will be the first update since the law was promulgated in 2007.

1. The draft amendment clarifies the basic status of competition policy and the legal status of the fair competition review system.
2. The draft amendment summarizes China's anti-monopoly law enforcement practices and clarifies law enforcement rules.

According to the amendment, business operators on the market must not abuse data and algorithms, technology, capital advantages, and platform rules to exclude or restrict competition.

Major business operators shall not form monopoly or provide substantive assistance between each other.

Operators with dominant market positions shall not use data, algorithms, technology, and platform rules to set up obstacles to impose unreasonable restrictions on other operators.

The enforcement agency of Anti-monopoly Law the State Council shall strengthen the census of operators in the fields related to living conditions, finance, technology, and media.

3. Learn from international experience and improve relevant anti-monopoly regulations.

The amendment proposes the establishment of a "safe harbor" system, where operators will not be punished if they prove that their market share in the relevant market is lower than the standards set by the enforcement agency of the Anti-Monopoly Law of the State Council when reaching monopoly.

The amendment proposes the establishment of a "stop clock" system for the review period for the concentration of undertakings, which stipulates that the review work cannot be carried out due to the failure to submit documents or materials in accordance with the regulations, and new situations and new facts that have a significant impact on the review of concentration of undertakings need to be verified. Under such circumstances, the Anti-monopoly Law Enforcement Agency of the State Council may decide to suspend the calculation of the review period for the concentration of undertakings.

4. The amendment further strengthens the protection of anti-monopoly law enforcement.

The amendment stipulates the cooperation obligations of relevant entities or individuals when the enforcement agency of the Anti-Monopoly Law investigates the abuse of administrative power to exclude or restrict competition in accordance with the law. For organizations with business functions, the enforcement agency of the Anti-Monopoly Law may conduct interviews with their legal representatives or persons in charge and request them to take measures for rectification.

5. The amendment clarifies legal responsibilities and increases penalties. The amendment increases monetary penalties on the practices of most occurrence. The amendment substantially increases the penalties for monopolistic businesses' legal representatives, top management, and personnel of direct interest. Credit downgrade is among the punitive measures.

<http://www.chinaipmagazine.com/en/news-show.asp?id=12257>