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The Service of Electronic Transmission of Priority Documents between EPO and CNIPA Is Migrated from Bilateral Exchange Platform to WIPO DAS System

In December 2021, China Intellectual Property Administration (CNIPA) issued Announcement No. 464, announcing that the service of electronic priority document exchange between European Patent Office (EPO) and CNIPA via direct bilateral exchange platform is to be terminated from January 1, 2022.

This service was launched on September 3, 2012 and has greatly benefited the applicants of Chinese and European applications. The termination of this service is because EPO has decided to use WIPO DAS as the sole tool for exchanging priority documents electronically.

To continue to provide electronic priority documents for applicants of Chinese and European applications, CNIPA and EPO have agreed to use the WIPO DAS, instead of direct bilateral exchange platform, for electronic transmission of priority documents. That is to say, for applications filed on or after January 1, 2022, if applicants wish to obtain electronic priority documents issued by CNIPA or EPO, they should go through the formalities for depositing and retrieving the priority documents in accordance with the requirements of the WIPO DAS system. For

guidance on the WIPO DAS system, please refer to the website:

<http://www.wipo.int/das/en/>.

https://www.cnipa.gov.cn/art/2021/12/10/art_74_172043.html

CNIPA issues Notice Implementing Nice Agreement Classification Changes

The Trademark Office of the CNIPA issues a notice to incorporate classification changes adopted by the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (Nice Agreement). These changes are listed in the International Classification of Goods and Services for the Purposes of the Registration of Marks (Nice Classification), which is published by the World Intellectual Property Organization (WIPO), and will become effective on January 1, 2022.

The CNIPA has revised the Similar Goods and Services Classification Table in Chinese to incorporate classification changes and modifications, as listed in the Nice Classification (11th edition, version 2022), published by WIPO, that will become effective on January 1, 2022.

The countries party to the Nice Agreement constitute a Special Union within the framework of the Paris Union for the Protection of Industrial Property. They have

adopted and apply the Nice Classification for the purposes of the registration of marks.

Each of the countries party to the Nice Agreement is obliged to apply the Nice Classification in connection with the registration of marks, either as the principal classification or as a subsidiary classification, and has to include in the official documents and publications relating to its registrations of marks the numbers of the classes of the Classification to which the goods or services for which the marks are registered belong.

<http://www.chinaipmagazine.com/en/news-show.asp?id=12352>

China Authorizes around 700,000 Invention Patents in 2021: Report

A total of 696,000 invention patents were authorized in 2021, the CNIPA said at a recent conference.

Shen Changyu, head of the CNIPA, shared a work report with the conference detailing advances in the field of intellectual property rights (IPR), which is of great value in boosting innovation and high-quality development.

In 2021, the number of international patent applications filed in China via the Patent Cooperation Treaty (PCT) hit 73,000, said Shen. The PCT is a widely used metric for measuring innovative activity.

China also received 5,928 international trademark applications using the Madrid System and registered 13,000 integrated circuit layout designs last year. The examination time of high-value invention patents and the average examination cycle of invention patents have both been shortened, said Shen.

In terms of IPR protection, the number of administrative rulings on patent infringement disputes saw a year-on-year increase of 17.4 percent in 2021. The establishment of 25 new protection centers and rapid rights protection

centers was approved, and the public's satisfaction with IPR protection grew to 80.61 points, according to the report.

The added value of China's patent-intensive industries hit 12.13 trillion yuan (about 1.9 trillion U.S. dollars) in 2020, accounting for 11.97 percent of GDP, an increase of 0.35 percentage points over the previous year.

Shen also noted that China has carried out 37 high-level bilateral and multilateral cloud conferences, with 244 China-EU geographical indications being mutually recognized and protected.

<http://english.ipraction.gov.cn/article/ns/202201/369676.html>

China Sees Growth in Number of IP Service Agencies, Practitioners

China's intellectual property (IP) industry has seen a year-on-year increase in its number of service agencies and practitioners, the country's top IP regulator said on Dec 22.

By the end of 2020, China had 73,000 IP service agencies, up 9.3 percent from the previous year, and 865,000 IP practitioners, up 5.6 percent year-on-year, according to a report issued by the CNIPA.

The revenue of these IP service agencies exceeded 225 billion yuan (about \$35.3 billion) in 2020, an increase of 4.5 percent year-on-year.

The report also highlighted that more than 60 percent of China's IP service agencies were located in the Beijing-Tianjin-Hebei region, the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area.

The application of new technologies, such as artificial intelligence and big data, boosted the efficiency of IP services, the report said.

<http://english.ipraction.gov.cn/article/ns/202112/366517.html>

**China (Dalian), (Taizhou), (Luoyang)
Intellectual Property Protection Centers
Approved to be Established**

Recently, the CNIPA agreed to build China (Dalian), China (Taizhou), China (Luoyang) Intellectual Property Protection Centers (hereinafter referred to as "Dalian IPPC", "Taizhou IPPC", "Luoyang IPPC"). The total number of intellectual property protection centers under construction and in operation in China adds up to 57.

Dalian IPPC, the 3rd protection center in Liaoning Province and the 6th in the Northeast China, engaged in the rapid collaborative protection work for new energy and high-end equipment manufacturing industries. It will further support the implementation of Northeast Revitalization Strategy and serve the high quality development of local traditional advantage industries.

Taizhou IPPC, the 8th protection center in Jiangsu Province, engaged in rapid collaborative protection work for advanced equipment manufacturing and pharmaceutical industries. For the time being, Jiangsu Province boasts the largest number of protection centers in China. Rapid collaborative protection work of intellectual property will effectively help the local governments to build an intellectual property protection system that supports a world-class business environment.

Luoyang IPPC, the 2nd protection center in Henan Province, engaged in rapid collaborative protection work for advanced equipment manufacturing and new material industries. Luoyang IPPC will support old industrial bases to accelerate the gathering of core scientific research resources, which will be of great importance in stimulating the vitality of industrial innovation and helping the local governments to enhance economic competitiveness.

<http://english.ipraction.gov.cn/article/ns/202112/366300.html>

**China NPC Passes 2nd AMD of Law of
Scientific and Technological Progress**

The second amendment of the Law of the People's Republic of China on Scientific and Technological Progress on December 24 was passed by the Standing Committee of the 13th National People's Congress at its 32th Meeting.

The Law was introduced and took effect in 1993 and its first amendment was passed in 2007.

As is expected, in the second amendment, unprecedented significance has been attached to the enforcement of intellectual property rights to encourage innovation and the leading role the government will play in planning, managing, and propelling the country's scientific and technological progress. And frontier technologies like artificial intelligence and semiconductors have been defined as crucial areas of development in the amendment.

<http://www.chinaipmagazine.com/en/news-show.asp?id=12353>

**China Working to Make IPR Public
Services More Convenient, Smarter**

China will endeavor to provide more convenient and smarter public services in the field of intellectual property rights (IPR) during the 14th Five-Year Plan period (2021-2025), according to a plan issued by the CNIPA.

By 2025, China is expected to create a more convenient public services system, build more smart information infrastructure, and provide diversified public services for IPR work, per the CNIPA plan.

IPR public services institutions will reach all provincial-level regions by 2025, according to the plan. The country will then have approximately 200 technology and innovation support centers, 150 college-based national

IPR information services centers, and 200 national IPR public services stations nationwide.

Intellectual property authorities are committed to supporting the construction of an IPR information platform, the further opening-up of basic IPR data, and the construction of high-level and specialized IPR databases, the NIPA said.

<http://english.ipraction.gov.cn/article/ns/202201/369945.html>

China Releases Added Value Data of Patent-intensive Industries

The added value of China's patent-intensive industries in 2020 reached about 12.13 trillion yuan (about \$1.9 trillion), an increase of 5.8 percent over the previous year.

These industries contributed 11.97 percent of the country's gross domestic product, said a joint statement by the CNIPA and the National Bureau of Statistics on Dec 30.

The new equipment manufacturing industry registered over 3.41 trillion yuan in added value, or 28.2 percent of that of all patent-intensive sectors, accounting for the highest proportion.

It was followed by the industry of information and communication technology for services, which saw the highest increase among all sectors at 15.7 percent.

Driven by the strong demand for epidemic prevention products, the growth of the medical industry accelerated to 10.1 percent, up 4.7 percentage points from 2019.

<http://english.ipraction.gov.cn/article/ns/202201/369330.html>

Beijing Intellectual Property Court Targets Malicious Trademark Registration

The Beijing Intellectual Property Court said it will promote the protection and quality of

intellectual property rights by exposing individuals and agents who register trademarks with malicious intent.

The identities of those who disrupt the order of trademark registration will also be disclosed, the court added in its work plan on providing better IPR-related legal services to aid the development of the capital's "two zones", which was issued on Thursday.

The "two zones" are a pilot free trade zone and a national comprehensive demonstration zone for expanding opening-up in the services sector, which are both being developed across Beijing.

Song Yushui, vice-president of the court, said it will monitor IPR disputes involving the two zones, and conduct related research and case analysis in a timely manner.

She added the court will also step up efforts to handle IPR cases involving technologies, trademarks, unfair competition and the cultural industry.

It will also conduct more research on IPR cases in new forms of business, such as the digital economy, as well as disputes caused by the combination of big data and old industries such as catering and tourism.

The work plan also called for further IPR studies focused on new industries such as online education, online healthcare and working from home.

The court, which specializes in dealing with IPR disputes. was established in Beijing in November 2014. Over the past seven years, it has filed more than 120,000 IPR cases, of which some 110,000 have been concluded.

<http://english.ipraction.gov.cn/article/ns/202112/367829.html>

SUPPLEMENTARY ISSUE

AFD China Once Again Recommended as a Leading Firm in Non-Contentions Intellectual Property (Tier 3) by The Legal 500

On January 13, 2022, The Legal 500, a world-renowned guide to law firms, released its Asia Pacific 2022 edition, in which AFD China was once again ranked as a leading firm in Tier 3 for its outstanding performance in non-contentions intellectual property. Xia Zheng, the founder of AFD China, and Hong Long, the domestic patent officer of AFD China, were also specially recognized for their rich experiences and achievements in the field of patent prosecution.

The Legal 500, a worldwide legal publication that assesses the strengths of law firms across the world, has been paying close attention to the changes in the global legal market and analyzing the trends of legal industry, so as to offer its users reliable, up-to-date and authoritative information on law firms. Its assessment of law firms in the practice area of intellectual property is based on a series of criteria, including the firms' sizes, practice experience, professionalism, case quality, influential clients, client feedback, etc., thereby fully demonstrating the comprehensive strength of each firm.

We are glad to be recognized once again by The Legal 500, as this is a great recognition of our dedication to continuous improvement of our services. When advising clients, we always try to find an optimal solution based on their actual needs in combination with legislative intention, which is also highly appreciated by our clients. In the client satisfaction surveys launched by our firm, our clients respond that our proposals are always highly relevant and facilitate their decision-making.

Taking this opportunity, we would like to express our sincere gratitude to our clients who have been encouraging and trusting us. Our gratitude also goes to our colleagues who have been forging ahead together with AFD China. We will continue to provide focused and reliable services based on the principle of faith to safeguard your intellectual property rights.

China Trademark and Brand Development Index 2021: Which are China's Top Provinces?

The China Trademark Association (CTA) on December 24 released the 2021 edition of the China Trademark and Brand Development Index (CTBDI) to evaluate China's development status of trademarks and brands by province in 2020. Guangdong province ranks first with 89.31 score points, followed by Zhejiang province (88.87), Beijing municipality (87.68), Jiangsu province (86.41), and Shanghai municipality (85.66).

The 2021 edition of the CTBDI is the second annual version released by the CTA drawing on 5 tier-1 indicators including domestic and global application, quality improvement, potential development, social environment optimization, and profit making, 11 tier-2 indicators, and 26 tier-3 indicators.

The evaluation results show that overall speaking, trademarks and brands developed well in China in 2020, despite the salient differences in the performance between provinces/municipalities in east China and in middle and west China, and between provinces/municipalities in south China and north China.

In terms of domestic and global application of trademarks and brands, the top provinces/municipalities are Guangdong province (99.15), Zhejiang province (95.72), and Beijing

municipality (93.63). The results reflect the positive effects trademarks and brands have on economic development.

In terms of quality improvement of trademarks and brands, the top three provinces/municipalities are Zhejiang province (93.30), Shandong province (91.29), and Guangdong province (89.58). The results reflect the positive effects trademarks and brands have on value transfer.

In terms of potential development of trademarks and brands, the top three provinces/municipalities are Jiangsu province (92.58), Shanghai municipality (89.67), and Guangdong province (88.61), followed by Chongqing province (74.88) and Jiangxi province (73.68), as two representatives of middle and west China, making significant progress.

In terms of social environment optimization, the top three provinces/municipalities are Guangxi province (84.06), Anhui province (83.26), and Shanghai municipality (82.94). The results show that provinces/municipalities in south China enjoy a more policy-friendly social environment than those in north China.

In terms of profit making ability, the top three provinces/municipalities are Beijing municipality (99.38), Shanghai municipality (89.35), and Guangdong province (85.31). The results show trademarks and brands contribute more to the economic development in developed provinces/municipalities than in less developed ones.

<http://www.chinaipmagazine.com/en/news-show.asp?id=12351>

The "Vanillin" Technical Secret Infringement Case is Selected Into 2021 Top Ten Cases of People's Courts

The "Vanillin" Technical Secret Infringement Case is Selected Into 2021 Top Ten Cases of People's Courts

On January 5, 2022, the 2021 top ten cases of people's courts selected by the Editorial Department of the People's Court Daily were released. The "vanillin" technical secret infringement case heard by the Intellectual Property Tribunal of the Supreme People's Court (SPC) was selected as one of the ten cases. The ten cases include both criminal cases and civil cases and all have major influence, are widely concerned by society, or have an important exemplary and leading role in public order and good customs.

Case Brief:

Jiaying Zhonghua Chemical Co., Ltd. and Shanghai Xinchun New Technology Co., Ltd. (collectively referred to "plaintiffs") jointly developed a new technical process for producing vanillin and protected it as a trade secret. After obtaining the trade secret by illegal means, Wang Long Group Co. and Wang Long Technology Co. started to produce vanillin from June, 2011, which caused the global market share of Jiaying Zhonghua Chemical Co., Ltd. to decline from 60% to 50%.

The Zhejiang Higher People's Court ruled in the first instance that Wang Long Group Co. and other defendants had infringed part of the technical secret and ordered them to stop the infringement and compensate for the plaintiffs' losses. Despite this ruling, the defendants did not actually stop using the concerned technical secret. The SPC determined in the second instance that the defendants had infringed all of the technical secret, and ruled to revoke the first-instance judgment and order the defendants to jointly compensate CNY 159 million to the plaintiffs.

Professor LONG Weiqiu of the Law School of Beijing University of Aeronautics and Astronautics commented that,

“In the “vanillin” trade secret case heard by the SPC, a highest ever amount of damages in China's judicial history was awarded, which shows China's determination to enhance the protection of trade secrets. The second-instance judgement brings forth important rules for resolving the judicial protection of trade secrets and is also an exemplary work of strengthening the judicial protection of trade secrets and thus has a strong guiding significance for judicial practice.

Trade secrets, as the most important and competitive intangible asset of enterprises, are also strategic resources for enterprise innovation and market competition and have attracted more and more attention. Statistics show that about 60% of the innovations of technology companies are initially in the form of technical secrets. However, with the rapid development of information technology such as internet, big data, and artificial intelligence, the means of infringing trade secrets are more diverse and the related costs are also lower. Furthermore, as many enterprises in China have a low level of awareness of trade secret protection, there are more and more disputes over trade secret infringement, which has become an important problem that restricts small and medium-sized enterprises from becoming bigger and stronger.

The intersection of civil issues and criminal issues and the convergence of civil law and criminal law in the protection of trade secrets, as well as the intersection of anti-unfair competition and intellectual property protection, are all difficult problems that have long plagued judicial practice. Currently, China's Civil Code, Anti-Unfair Competition Law, and Criminal Law, etc. have made relevant provisions on the protection of trade secrets. China's State Administration for Market Regulation is studying and formulating the Regulations on the Protection of Trade Secrets, which would clarify the connotation and extension of trade secrets through the method of "definition + enumeration" and specify the acts constituting infringement of trade secrets. In the future, it is still necessary to specifically raise the legislation level of trade secrets at the national level, increase the intensity of trade secret law enforcement, and build a trade secret protection system that meets China's national situations.”

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