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Our Clients Won Multiple Prizes at the 2014 China Patent Awards

The State Intellectual Property Office (SIPO) of China announced recipients of the nation's top awards for patents at the ceremony on Dec 12, 2014.

Three of our clients are awarded this year with five patents that were drafted and prosecuted by AFD, including one Golden Prize for invention patent (No. ZL201010133008.7), two Excellent Awards for invention patent in electronics (No.ZL200910224715.4 and No.ZL200810009496), one Excellent Award for invention patent in mechanical engineering (No.ZL200910085832.7), and one for utility model (No.ZL201220519004.7).

First launched in 1989 by SIPO and the World Intellectual Property Organization, the awards campaign has helped in the development of China's patent and design efforts, and promoted the nation's economic restructuring.


A Useful Tool: Shanghai Intellectual Property Public Service Platform

Shanghai Intellectual Property Public Service Platform is one of five major comprehensive public service platforms established by the Shanghai Municipal Government in order to attract and promote innovation and business startup.

The platform provides comprehensive functions, such as patent information retrieval, analysis, assessment, management and service. It also has the online patent information analysis system of the SIPO.

At present, the platform owns more than 60 million pieces of various patent abstract data, nearly 20 million pieces of appended drawings data and nearly 10 million pieces of patent full-text data.

By the end of 2013, this platform had a total of more than 13.7 million visits, and 6,548 registered users, including 2/3 users in Shanghai and 1/3 of the users from districts, cities and provinces within the Chinese mainland as well as in Taiwan, Hong Kong and Macao. Enterprises have used the platform to establish 977 independent online patent databases. 


At the same time, the quality of Chinese patents "depends on the technology sector considered, and the nature of the organizations conducting that innovation," said the report. For example, China has almost 80 percent of global patents for alkaloid/plant exacts, but most of the patents in those fields are held by individuals rather than corporations or universities.

From the enforcement aspect, the increased litigation reflects China's increasing technical sophistication; the desire by companies to protect their valuable intellectual property; and the belief that the Chinese courts will properly enforce their patent rights against infringers. 


China Continues to be the World's Patent Leader

The Thomson Reuters report Chinese Corporate Trends and Globalization for Intellectual Properties, said China is "the global leader in patent application volume".

China has been the world's largest invention-patent filer since 2011. In 2013, China published more than 620,000 invention-patent applications in 2013, over 200,000 more than the United States and around twice as many as Japan.

Thomson Reuters estimates China will have over 900,000 invention patent applications by the year 2018, more than double the US.

The Thomson Reuters report shows that invention-patent filers are increasingly from domestic companies, from slightly more than 50 percent in 2007, to around 80 percent in 2013.

China Seized 112,700 IP Cases in the First 3 Quarters of 2014

From January to September, China's relevant authorities investigated 112,700 IPR infringement cases of counterfeiting goods and selling shoddy goods, destroyed 1,938 dens of counterfeiting or shoddy goods. The police tracked down 16,100 criminal cases, and arrested nearly 20,000 suspects. The procuratorates prosecuted 12,200 cases involved 20,000 suspects. The courts have concluded 11,600 cases with effective judgments involving 15,700 criminals.

In 2013, China's total administrative law enforcement cases on patents reached to more than 16,000, with a yearly increase of
79.8%. In addition, SIPO also actively launched special operations in the field of e-commerce patent rights enforcement, and especially, local IP offices directly assigned to the local e-commerce platform to explore the establishment of long-term mechanism for patent protection in the field of e-commerce. [1]

**Government to Strengthen IPR Infringement Fight in New Areas**

It has been a major trend in recent years that incidents of IPR infringement and counterfeiting are shifting to the rural-urban fringe areas and to e-commerce platforms. Therefore, intellectual property rights (IPR) protection in the field of cross border e-commerce will be a major focus for the authorities for the next years.

Authorities nationwide investigated more than 112,700 cases of IPR infringements and counterfeiting in the first nine months of this year. The police also nabbed more than 20,000 suspects related to the cases during that period, among them 15,700 have been indicted.

The authority is also set to launch another special campaign against the counterfeiting of products from December to June 2015, focusing to crack down on the counterfeiting of products in the rural and rural-urban fringe areas. [2]

**China's Report on Internet Innovation Reflects a Raising IP Awareness**

Recently, an innovation development report on China’s Internet industry (2014) was jointly released by Internet Law Center, Peking University Law School and China Law Association on Science and Technology.

The report selected 7 Internet areas including real-time communications, online payment, online game, social network, search engine, network security and cloud computing as analysis objects.

In real-time communication areas, as of November 20, 2014, the report retrieved 4,140 Chinese patents. Tencent ranked the top with 501 patents, followed by Microsoft, Huawei, Shanghai Liangming Technology.

Among the 3,721 patents in online payment area, 189 and 129 of which were obtained by Huawei and ZTE. In terms of online game area, Tencent, Huawei and Konami ranked the first three places in patent holding.

In general picture, the number of patent obtained by Chinese Internet companies in real-time communications, online payment and other areas has on a par with or exceed such foreign companies in Chinese market. Also, Chinese Internet companies will play a more important role in global innovation map in the future. [3]
China Further Improves Copyright Protection Environment

Two Chinese subtitles websites announced its closure recently, which is considered mainly because of copyright issues.

For instance, the Chinese Fansub Group is a not-for-profit voluntary team, and its translation activity failed to obtain a permit from original copyright holder.

Sources from a press conference held by the Information Office of the State Council said that, in recent years, in a bid to crack down infringement and counterfeiting goods, the relevant departments have been facilitating to establish a long-term mechanism. "Since 2005, China's Internet copyright protection environment has been improved when the National Copyright Administration (NCA) has joining hands with other departments to wage a campaign against online infringement and piracy in network literature, music, video, game, cartoon and software." said the Director of Copyright Management Department of NAC.


Ericsson Lawsuit Bars Chinese Phone Maker Xiaomi from India

Chinese electronics company Xiaomi has been temporarily barred from selling goods in India’s smart phone market following a patent dispute with telecoms business Ericsson.

The Delhi High Court halted any sales of Xiaomi smart phones in India until February next year, following a complaint by Swedish company Ericsson, which claimed Xiaomi infringed eight of its patents.

Ericsson had asked Xiaomi to obtain a licence to the patents after claiming the Chinese company’s products infringed patents it owns for the Adaptive Multi Rate, 3G and EDGE technologies.

The Swedish company reportedly wanted a licence before Xiaomi attempted to break into India's smart phone market, but Xiaomi launched its products in the country in July this year.

At issue are standard-essential patents, which have to be licensed on fair, reasonable and non-discriminatory (FRAND) terms.

The order will be in effect until a hearing begins in February, following the Delhi High Court’s decision on December 8.

From selling its first smart phone in 2011, Xiaomi has become the world’s third largest smart phone manufacturer according to research firms Strategy Analytics and IDC.

In a statement, Ericsson said: “Xiaomi continues to refuse to respond in any way regarding a fair licence to Ericsson’s IP on FRAND terms. Ericsson, as a last resort, had to take legal action.”