

This is an ad-hoc newsletter to inform UK stakeholders of recent developments in the Chinese IP environment. The content is collected from publicly available sources, where information is often available in Chinese only. Please feel free to forward this newsletter, and contact [Leo.Zhuang@fcdo.gov.uk](mailto:Leo.Zhuang@fcdo.gov.uk) to be added to/removed from the distribution list. A pdf version is available on the [Embassy's IP webpage](#)



Intellectual  
Property  
Office



British Embassy  
Beijing



Department for  
International Trade

China IP Newsletter (December 2021)

## POLICY & GOVERNMENT

### **China and the UK published official guidance document on how to protect trademarks and IP in the two countries**

At the 25<sup>th</sup> anniversary of the formal establishment of cooperation between the UK Intellectual Property Office (UK IPO) and China National Intellectual Property Administration (CNIPA), the two offices published bilingual guidelines for IP and trade mark protection in the UK and China, with the view of deepening the understanding of the Chinese and British IP systems by enterprises of the two countries, providing better services to innovators. The CNIPA's guidelines focus on the legal protection and enforcement of Chinese trade marks, covering the entire process of registration application, review, opposition, infringement and remedy. The guidelines published by UK IPO give an introduction of IP, how to apply and protect IP in the UK, as well as the changes of UK's IP framework after Brexit. [Read CNIPA's guidelines here](#) and the [UK IPO's guidelines here](#)

### **Chinese copyright authority announced development plan for the next five years**

On 29 December, the National Copyright Administration of China (NCAC) unveiled its 14<sup>th</sup> Five-Year Plan for copyright work, which lays down the strategy and pathway for China's copyright development for 2021-2025. The plan sets the goal of having more than 5 million copyright works registered by 2025, reflecting an annual increase rate of at least 10%. The number of copyright registrations of computer software is set to exceed 3 million by 2025. The value added of copyright industry would take up approximately 7.5% of China's GDP. China will carry out two national copyright enforcement campaigns every year targeting priority sectors and increase cross-agency collaboration to ensure efficient information sharing and case transfer with judicial bodies as well as police departments. The plan stated that copyright protection in sports events, variety shows, live-streaming and e-commerce platforms will all be strengthened. [Read NCAC 14<sup>th</sup> Five-Year Plan in Chinese](#)

### **China revises law to boost sci-tech innovation**

On 24 December, Chinese lawmakers approved the revision to the Law on Progress of Science and Technology, which aims to boost China's sci-tech R&D. In the Law, China encourages enterprises, sci-tech R&D institutions and universities to establish cooperation mechanisms that feature the sharing of technical outcomes and risks. With regards to IP, where sci-tech outcomes are created as part of state funded project, initiatives can be authorised to obtain relevant IP so that it can be commercialised by themselves or third-party partners. The Law also stipulates that if the aforementioned IP matters to national security, national interest or major social public interest, the IP can be implemented by the state free of charge. [Read revision of the Law on Progress of Science and Technology in Chinese](#)

### **CNIPA issues the criteria for judging general trade mark violations**

On 13 December, the CNIPA published the finalised Criteria for Judging General Trade Mark Violations which will be implemented from 1 January 2022. The Criteria summarised good experiences and practices in trade mark management, focusing on the prominent issues that generally exist in the course of law enforcement. It serves as targeted guidelines for trade mark law enforcement authorities, providing more transparency and foreseeability for market entities when putting their trade marks to use. Specifically, the Criteria set forth detailed provisions on nine types of illegal behaviours that disrupt the order of trade mark management as identified in the existing laws and regulations, including using marks that cannot be used as a trade mark and advertising "well-known trade mark" in a commercial activity. [Read the Criteria for Judging General Trade Mark Violations by CNIPA in Chinese](#)

### **China formulates new guidance to help Chinese companies respond to IP disputes overseas**

The CNIPA and China Council for the Promotion of International Trade (CCPIT) jointly issued guidelines on further construction of a mechanism for dealing with overseas IP disputes. According to the Guidelines, by 2025 China will establish an overseas IP dispute settlement mechanism where local governments can collaborate and coordinate with the central government. In addition, China will set up an information tracking and sharing mechanism for overseas IP litigation and trade investigation, thereby providing enterprises with early warning services and guidance on their response strategy. It goes on to outline that China will build an early warning and response mechanism concerning overseas infringement of Chinese enterprises' trade marks, whilst also safeguarding Chinese company's trade mark rights and handling trade mark disputes in key overseas markets will be continuously updated. [Read the guidance by CNIPA and CCPIT in Chinese](#)

### **Chinese copyright collective society to reduce and exempt royalty fee for karaoke operators affected by COVID pandemic**

As part of the effort to help Chinese karaoke (KTV) operators cope with the ongoing restrictions caused by COVID-19 and quickly recover from the pandemic, two collective management organizations (CMOs) in China – the China Audio-Video Copyright Association (CAVCA) and Music Copyright Society of China (MCSC) – announced plans to reduce and exempt the licensing fees of karaoke songs to alleviate royalty burden. The preferential policy will apply to KTV operators, as well as video-on-demand service providers and manufacturers, who have been explicitly requested by government departments to suspend business in response to COVID-19 this year. Eligible KTV operators can apply to have the royalty fee halved for two months from the date of resumption of work, whereas the licensing fees to be paid by video-on-demand service providers and manufacturers can be fully exempted for two months from the date of resumption of service. [Read CAVCA's official announcement in Chinese](#)

### **New regulations unveiled for the protection of IP in Hainan Free Trade Port**

A set of measures to strengthen protection and development of intellectual property rights in Hainan Free Trade Port was unveiled on 3 December, as a move to help the country's southernmost island province attract more investors and promote technological innovation. The regulations, set to come into force from 1 January 2022, highlights the administrative protection of IP rights, requiring administrative departments to crack down on infringement using new technical means, such as online real-time monitoring, evidence fixation, source tracing technologies enabled by AI, cloud computing and block chain. It calls for a more coordinated mechanism for judicial protection and encourages OEM products (goods with registered trade marks abroad that are produced solely for export) to be manufactured in the Free Trade Port. [Read Regulation on the Protection of IP in Hainan Free Trade Port in Chinese](#)

## **CASE**

### **Founder of piracy and subtitling site YYeTs sentenced to 3.5 years in prison**

According to the first-instance judgment made by Shanghai No. 3 Intermediate People's Court, Liang Yongping, the founder of video sharing platform Renren Yingshi, or YYeTs.com, was sentenced to 3.5 years in prison for copyright infringement and faced a fine of RMB 1.5 million (~£175,000). The judge

decided that Liang's illegal gains shall be recovered and the property which had been used for committing the crime will be confiscated. After an audit and appraisal, the court finds that there are 32,824 unauthorized films and TV series on YYeTs' website and related applications. Paid members total about RMB 6.83 million (~£790,000). From January 2018 until the sentence, the illegal business revenues totalled more than RMB 12 million (~£1.4 mil). Earlier in February, police in Shanghai detained 14 people related to the case. Others involved in the case will be investigated in separate trials. [Read news coverage of the YYeTs case in Chinese](#)

## **STATISTICS**

### **Key IP statistics made available on CNIPA website**

To facilitate users' access to public IP statistics, on 23 December the CNIPA released a guide on searching and finding statistical data on its portal website. Each month, the CNIPA will reveal the number of applications and grants of invention, utility model, design, PCT as well as the number of applications, registrations, oppositions and review cases of trade marks. In addition to an aggregation of the above data, the CNIPA's annual report encompasses the data of filings and registrations by foreign applicants which are country specific. For instance, there are 3,649 patents filed by UK applicants in 2020, making UK the 7<sup>th</sup> largest foreign source of patent application. As for trade marks, UK applicants filed 23,105 applications at CNIPA in 2020, ranking 3<sup>rd</sup> after the US (50,833) and Japan (29,515). [Read the search guide on CNIPA website in Chinese](#)

### **CNIPA received over 815,000 abnormal patent applications in 2021**

According to the fourth quarterly press conference held by the CNIPA on 8 December, a total of 4 batches totalling 815,000 abnormal patent applications have been identified so far in 2021. The current withdrawal rate of the first 3 batches has reached 93.1%. In 2021, the Chinese Trade Mark Office identified and dismissed 376,000 bad-faith trade mark applications. [Read transcript of CNIPA press conference in Chinese](#)

### **Over 865,000 people are working for IP service industry in China**

In a research report published by CNIPA, there are more than 73,000 IP service providers in China as of December 2020, including 3,253 patent agencies, 55,572 trade mark agencies, over 10,000 IP law firms and about 9,400 IP information/commercialisation service companies. Over 865,000 people are employed by IP service industry. [Read more on the research report in Chinese](#)

*From all of us in the IP team, we wish you a peaceful, joyful and prosperous 2022!*

If you would like any further information on any of the above matters or to discuss Embassy support for your company in China please contact Leo Zhuang ([Leo.Zhuang@fcdo.gov.uk](mailto:Leo.Zhuang@fcdo.gov.uk)).