

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



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Beijing



Department for  
International Trade

## China IP Newsletter (July 2022)

### POLICY & GOVERNMENT

#### **China releases draft regulations to address IP-related monopolistic behaviours**

On 27 June, the State Administration for Market Regulation (SAMR) released for comment six draft anti-monopoly guidelines as part of implementing the revised Anti-Monopoly Law. Among them, the Provisions on Prohibiting the Abuse of Intellectual Property Rights to Exclude and Restrict Competition refines and clarifies matters related to abuse of IP rights to exclude or restrict competition, and aims at providing more clarity regarding the coordination between IP and antitrust work in China. Article 7 explicitly prohibits operators with market dominance from refusing to license other operators if their intellectual properties have constituted "essential facilities". This provision suggests that the licensing of non-standard essential patents (non-SEPs) may also be subject to competition review in China, although without an express fair, reasonable and non-discriminatory (FRAND) commitment. [Read full draft of the regulation from SAMR in Chinese](#)

#### **Chinese IP authority releases guidelines for IP protection at exhibitions**

On 22 July, the China National Intellectual Property Administration (CNIPA) published guidelines to improve IP protection at exhibitions and trade fairs. The guidelines allow for setting up a workstation at an exhibition to accept intellectual property infringement complaints, provide judgement opinions, transfer evidence to relevant law enforcement departments, etc. If a respondent does not reply to a complaint within 24 hours of receipt, the complaint of infringement is confirmed via valid legal documents, or the respondent admits to the infringement, the exhibition organiser can take actions including removing the exhibitor's display. These guidelines apply to both online and in-person exhibitions and trade fairs. [Read CNIPA full guidelines for IP protection at exhibitions in Chinese](#)

#### **CNIPA publishes report on China's patent agency industry 2021**

On 8 July, the CNIPA released the Development of the National Patent Agency Industry Report, containing statistics on the growth in patent agents and agencies over the past decade. The report shows that by the end of 2021 the total number of patent agencies reached 3,934, an increase of more than 600 compared to 2020, with an annual growth rate of 20.9%. By the end of 2021 there were 60,369 patent agents (have obtained patent agent qualification certificates) in China and 26,840 practicing patent agents (those that have completed all requirements after receiving certificates). Over 50% of agencies were ordered to make rectifications due to the filing of abnormal or irregular patent applications or other reasons. [Read Development of the National Patent Agency Industry Report from CNIPA in Chinese](#)

### **China launches new patent search system for public use**

On 26 July, the CNIPA announced that the new [smart patent search and analysis system](#) is officially operating at full capacity. The new system includes the patent data of 105 countries and regions, and provides 11 types of search and analysis methods such as regular search, advanced search, applicant analysis and technical field analysis, and 8 types of auxiliary tools such as patent family and citation search. The system, available in 9 languages, aims at providing high-quality patent search, patent analysis, literature browsing and data download services to public users. [Find more about CNIPA smart patent search and analysis system in Chinese](#)

### **Authorities in China jointly ban advertisement of fake military-related products**

On 6 July, the CNIPA, along with five other authorities, issued a notice to ban advertisements that use specific wording and logos related to the military to maintain the military's reputation and protect consumers from being misled by fake promotions. Some companies in recent years have been producing and selling fake alcohol and tobacco, and promoting them as "special for the army". The CNIPA stated that this practice seriously damaged the reputation and image of the Chinese People's Liberation Army (PLA). Online and store sales of military-branded tobacco and liquor products are prohibited. [Read CNIPA notice on banning military branded tobacco and alcohol products in Chinese](#)

## **INDUSTRY**

### **Chinese collective management organisation for sound recording revealed draft royalty rate for use of music recordings in webcasts**

On 8 July, the China Audio-Video Copyright Association (CAVCA), the collective management organisation managing sound and video recordings, released a proposed royalty rate for the use of music recordings in live broadcasts. Guo Kun, deputy director general of CAVCA said that the organisation had launched a consultation in November 2021. The draft proposed that the royalty rate for general non-karaoke use in live broadcast is RMB 100 (~£12) per live room per year (RMB 300 (~£36) for karaoke use) and the rate for music recordings used for e-commerce selling and promotion is RMB 10,000 (~£1,218) per room per year. The music recording producers who participated in the consultation generally believe the proposed rate is low, simple, and easy enough to implement while not putting too much burden on users. However, due to the diverging views from platforms, little progress has been made and further consultation is underway. [Read media reporting of CAVCA's royalty rate for music recordings in live broadcasts in Chinese](#)

### **iQIYI and Douyin reached a content licensing cooperation to use authorised long videos for short video creation**

On 19 July, Chinese video streaming service iQiyi has agreed to license some of its content to short video platform Douyin to allow Douyin users to use iQiyi content to make their short videos in secondary creation. According to the cooperation, iQIYI will authorise Douyin Group long video content with information network dissemination rights and sublicenses in its content assets. The two parties have made specific agreements on short video creation forms such as commentary, mixed cutting, and stripping, and will jointly promote the standardised use of long video IP. The partnership can improve its profitability and lock in some of its copyright revenue in advance and resolve the issue around copyright infringement. On March 17 this year, Douyin announced joint cooperation with Sohu.com, obtaining Sohu's authorisation to use nearly all of its own film and television works and variety shows. [Read media reporting of iQiyi and Douyin licensing deal in Chinese](#)

## **CASE**

### **British luxury shoemaker Manolo Blahnik wins 22-year trade mark battle in China**

On 19 June, the British shoe brand Manolo Blahnik announced that the Supreme People's Court of China had issued a judgement that cancelled a trade mark for footwear incorporating the Manolo Blahnik name, owned by the Chinese businessman Fang. The trade mark 'Manolo & Blahnik' was filed by Fang in 1999 for use in the sale of footwear and was granted by the China Trade Mark Office (CTMO) in 2000. Manolo Blahnik, the British brand filed an opposition to the CTMO and embarked on an

expensive and difficult legal dispute. The company had several appeals dismissed because it could not prove it had a reputation in China before 2000. However, with the prior mark cancelled, Manolo Blahnik can now use its name and sell its footwear offerings to customers across mainland China. [Read media coverage of the case from Guardian in English](#)

## **STATISTICS**

### **China has 40.4 million effective registered trade marks**

On 12 July, the CNIPA revealed IP statistics for the first half of 2022 at the State Council press conference. The number of invention patent grants reached 393,000 (up 16% from 2021 H1), 1.47 million utility model patents were granted (up 10.9%), and 383,000 design patents were granted (down 2.5%). CNIPA accepted 33,000 PCT international patent applications. Chinese applicants submitted 353 international design applications through the Hague Agreement on the International Registration of Industrial Designs. The office concluded 31,000 patent re-examination cases and 5,000 invalidation cases. 3.67 million trade marks were registered in the first half of 2022, bringing the total number of valid registered trade marks to 40.4 million – a 20.9% increase from last year. [Check more IP statistics released by CNIPA in Chinese](#)

### **Over 40,000 patent license deals were registered with CNIPA in the past five years**

On 27 July, the CNIPA published data of patent license contracts registered with the office during the period 2017-2021, which will serve as reference for future pricing and calculation of damages in patent infringement. Key information such as license fee calculation method, value of transaction, and commission rate specified in the contracts were collected. During 2017-2022, a total of 13,495 contracts were recorded at CNIPA, involving 40,212 patents. About half of them were invention patents. In terms of the license fee payment and calculation method, there were 8,528 license contracts paid by fixed amount, accounting for 63.2%. 1,250 contracts were paid by commission i.e. ongoing payment based on sales or profits (9.3%) and the rest of the license contracts were free-of-charge deal (27.5%). The average value of a single contract was RMB 3.447 million (~£420,000), and the average license term was 4.4 years. [Read CNIPA data of patent license contracts 2017-2021 in Chinese](#)

### **The number of criminals prosecuted for IP crimes increased 59.3% in 2021 compared to 2013**

On 18 July, at the State Council press conference, the Supreme People's Procuratorate gave a briefing on procuratorial work over the past 10 years. This is part of the series of such press conferences that the Central Publicity Department has arranged to talk about the past decade. In 2021, 14,000 people were prosecuted for intellectual property infringement crimes, an increase of 59.3% from 2013. From 2013 to date, procuratorial organs across the country prosecuted 110,000 people for producing and selling food that did not meet safety standards and for manufacturing and selling counterfeits and illicit drugs. [Read media reporting of the SPP briefing in Chinese](#)

### **Patent grants and commercialisation by higher education institutions saw significant rise over the past decade**

On 19 July, the Ministry of Education reported that it has continuously strengthened the professional construction of institutions for the transfer and commercialisation of scientific and technological achievements in colleges and universities. The number of patent grants in colleges and universities increased from 69,000 in 2012 to 308,000 in 2021, an increase of 346.4%, with the grant rate increasing from 65.1% to 83.9%. The number of patent transfer and licensing contracts increased from over 2,000 to 15,000. The value of patent commercialisation increased from RMB 820 million (~£99.8m) to 8.89 billion (~£1.08b), an increase of nearly tenfold. [Read media reporting of the Ministry of Education press conference in Chinese](#)

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)).