



A writer autographs on her books for readers during a forum on online literature in Beijing in 2017. PROVIDED TO CHINA DAILY

China comes of age as protector of online literature

Report finds industry losses from piracy are shrinking by the year due to enforcement

By YUAN SHENGGAO

China is becoming an increasingly friendly environment for the protection of online literature copy, according to a recent authoritative report on the subject.

The report on the country's copyright protection in the so-called "pan-entertainment" sector, released by market research firm iResearch, focuses on the online literature, videos and music sectors and analyzes their progress in fighting infringements.

Due to piracy, the online literature industry in China reported combined losses of roughly 7.44 billion yuan (\$1.1 billion) in 2017, the lowest over the past four years. The amount was 7.98 billion yuan in 2016, according to the report.

Given the breathtaking growth of the sector in recent years, the fall shows that piracy has lost its momentum in online literature in China, Xiong Hui, an analyst at iResearch, told China Intellectual Property News.

The change took place, because the Chinese government highly values creating an IP-friendly environment and enforcement officers have increased their efforts in fighting counterfeits and piracy, industry insiders said.

In its infancy, the online literature sector saw rampant piracy due to weak copyright awareness. Yet in 2010, the sector turned around, with increasing crackdowns on infringements and improved legal framework in service, the Beijing-based newspaper reported.

The IP-friendly environment, in turn, spurs further expansion of the online literature market and promotes the industry's sustainable growth, industry observers added.

In 2017, the estimated size of the market jumped by 32.1 percent year-on-year to 12.76 billion yuan and total online subscription revenues in the country topped 10 billion yuan, the report found.

Both visits to related apps

32.1
percent rise
in the online literature market in China in 2017 from a year earlier

10+
billion yuan
in online subscription revenues in China last year

by consumers and their time spent on online reading were on a steady rise on a monthly basis, according to the report.

As the authorities continue cracking down on apps that offer piracy services, the losses to online literature on mobile devices will be checked further, Xiong said.

Another force behind the fight against online piracy is the growing copyright awareness and profession-

al ethics of online players. They are campaigning for copyright protection and exploring a new path to fighting infringements.

Zhu Ruilong, a senior legal counsel at China Literature, a dotcom specializing in operating online reading portals, told the China Intellectual Property News that his company had developed a series of copyright management regulations, with popular platforms and creations under priority supervision, to increase the efficiency of rights protection.

The company monitors more than 10 literature portals. In 2016 and 2017, it identified and investigated about 800,000 links suspected of piracy a year.

Increasing protection awareness of both industrial peers and ordinary readers is another approach to improving the copyright environment.

In line with that approach, China Literature has publicized major cases it was involved in. It also joined an online literature copyright protection alliance in Sep-

tember 2016, as one of 33 founding members.

The industry's self-discipline is key to improving the copyright environment, China Intellectual Property News quoted Suo Laijun, deputy director of the Copyright Protection Center of China, as saying.

Analyst Xiong Hui said: "We found that losses due to piracy accounted for 58.3 percent of the online literature market, far higher than 5.9 percent in the digital music market and 14.3 percent in the online video sector."

Piracy in text is much easier and thus more serious than that in music and videos, experts said.

The piracy damage to the online literature industry is potentially devastating, Xiong said.

The report suggested the government increase crackdowns on infringers and roll out a blacklist of internet service providers involved in offering pirated novels and a "white list" of online literature works under key supervision.

IP scene

TIANJIN

Top baozi brand protected by raid

Local enforcement officers raided seven unauthorized sellers at popular tourist destinations, including a food street and a cultural market, after being notified by Goubuli, a time-honored *baozi* (steamed buns with fillings) brand. The sellers used the Goubuli trademark to promote their products without authorization. One of them failed to provide a business license. The officials said the infringers would face fines for their illegal activities and officials added they would pay more attention to protecting time-honored brands.

TIANJIN DAILY



The 2018 FIFA World Cup Russia mascot toys are to be packed at an authorized plant in Yiwu, Zhejiang province.

LYU BIN / FOR CHINA DAILY

match ball for the World Cup, pictures of World Cup trophies and labels reading "Russia 2018".

XINHUA

GUANGDONG

Experts discuss big data era

Top intellectual property experts and specialists from China and Japan discussed how to protect IP in the era of big data at a forum in Shenzhen on Saturday. More than 150 academics, government officials, diplomats and business representatives from both countries attended the event. The attendees also visited local innovative companies, including internet giant Tencent.

SHENZHEN EVENING NEWS

National center unveiled in Foshan

A new national intellectual property center was unveiled in Foshan on Tuesday. The facility is the first of its kind in the province and the fifth in the country. Focusing on the intelligent machinery manufacturing and construction materials industries, the center will offer various IP services to help upgrade the local economy, government officials said. Foshan is an advanced machinery manufacturing hub, with industrial output close to 755.68 billion yuan last year. The city is also home to more than 1,000 construction materials manufacturers, ranking it among the world's largest production centers in the industry worldwide.

PEARL RIVER TIMES

HAINAN

AI sector gets a boost

The Hainan provincial intellectual property office and IPR, a tech service provider focusing on managing IP assets, signed an agreement on Monday to build an IP operation and financial innovation center in the province. The planned center will focus on the artificial intelligence sector and explore new paths to build a friendly environment for cooperation in technological innovation in the AI industry, local officials said.

GMW.CN

BEIJING

PizzaHut outlet makes city list

PizzaHut, Qianjude — famed for its roast ducks — and other restaurants have made the list of this year's top 10 catering businesses in Beijing. The list was released at a recent food and beverage brands fair in the city. The selection began in February. Public votes and experts' opinions were both taken into consideration. The city's catering businesses generated more than 102.88 billion yuan (\$15.59 billion) in revenue last year, up 7.7 percent from 2016.

CHINA INTELLECTUAL PROPERTY NEWS

HUBEI

New facility set to kick off in Wuhan

A new copyright registration hall at the Copyright Protection Center of China, which is designed to serve the country's central provinces, is set to be inaugurated in Wuhan, Hubei province on Thursday. The new facility is the center's fourth nationwide, after openings in Shanghai, Shenzhen in Guangdong province and Chengdu in Sichuan province. The local cultural industry is projected to contribute more than 5 percent of Wuhan's GDP in 2020, according to the city's development plan.

CHINA NEWS SERVICE

ZHEJIANG

Customs seizes fake soccer goods

Customs officials announced on Monday that they had seized 1,800 counterfeit soccer uniforms with FIFA labels, as well as more than 14,800 pairs of sneakers with the labels of FIFA's commercial sponsors, Adidas and Nike. Also in Zhejiang province, Yiwu customs seized 288 counterfeit soccer balls. The balls didn't have a brand, but were printed with patterns resembling the official

Intellectual property key to business development in Xiamen

By CHEN HONG

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Intellectual property has become a strong engine to empower the business development of and regional cooperation in Xiamen, one of China's special economic zones in East China's Fujian province.

"The city's development mode is transitioning from the efficiency-driven to the innovation-driven, which needs a complete system of IP strategy to ensure its competitiveness now and in the future," said Lu Linbing, director of the Xiamen Intellectual Property Office.

According to the city's three-year plan that focuses on the development of the IP industry from 2017 to 2019, Xiamen will build a new IP-themed town inside the city that will have a world IP-themed park, a specific area for the IP service industry and industrial parks for pilot IP projects.



Xiamen, a coastal city in Fujian province, is in close proximity to Taiwan across the Straits.

LIN ZHIJIE / FOR CHINA DAILY

The system, which includes an exchange center, investment companies, think tanks, IP banks and IP service institutes, will accelerate the innovation and the transforma-

tion of IP to products, ultimately serving the emerging new industries, Lu said.

Given its special location near Taiwan and its historic status as a crucial node on the

ancient marine Silk Road, Xiamen was chosen last year by the central government to run the nation's only pilot project regarding the business operations of IP rights along the Tai-

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Lu Linbing, director of the Xiamen Intellectual Property Office

wan Straits and the Belt and Road countries and regions.

As a result, the city government set up a Belt and Road IP operation and investment fund, with a startup fund of 80 million yuan (\$12.1 million), to lead the domestic investment to potential IP

projects in countries and regions taking part in the initiative.

When it is officially launched in 2020, the scale of the fund is expected to reach 6 billion yuan, which might then join the Silk Road Fund, a strategic development fund that targets investment opportunities arising from China's Belt and Road Initiative, according to Lu.

The city also launched a series of innovative measures to ease loan problems faced by medium-to-small innovative enterprises.

The banks can provide mortgages to those startups with patents, rather than any real estate or fixed assets.

The official figures indicate that banks have provided an aggregate credit of 910 million yuan to 36 companies with patent mortgages over the past five years, of which 400 million had been used.

Xiamen's goal is "to become a world-leading city in terms of IP innovation, operation,

protection, service and talent nurturing," Lu noted.

Patent applications and authorizations in Xiamen have both grown by more than 20 percent over the past few years.

The number of patent filings in Xiamen reached 25,000 and authorizations stood at 15,000 last year, bringing the total amount to 134,000 and 91,000, respectively.

Lin Xiuqin, director of the IP Research Institute of Xiamen University, said the exchanges between IP professionals across the Straits are becoming more frequent.

"The rising awareness of IP protection and the capability of IP innovation have reinforced the investment confidence of the Taiwan companies," she said.

Since the university launched an IP doctorate program in 2014, it has attracted dozens of Taiwan students, including some famous businesspeople and celebrities, Lin noted.