

China fulfills IP protection commitment, says report

China has fulfilled its commitments on intellectual property rights protection, according to a white paper titled "China and the World Trade Organization" released by the State Council Information Office last week.

Strengthening IPR protection is the centerpiece for improving the protection system as a whole, and will provide a great boost to the competitiveness of the Chinese economy. It will not

\$28.6

billion

in intellectual property royalties paid by China to foreign rights holders last year

only serve China's own development needs, but also help to cultivate a business environment that is law-based, internationalized and business-friendly, the report said.

China encourages technological exchanges and cooperation between domestic and foreign enterprises, and protects IPR owned by foreign enterprises in China. "At the same time, we hope foreign governments will also improve protection of Chinese IPR," the report added.

Since acceding to the WTO, China has formulated and improved its laws and regulations on IPR protection, set up working mechanisms with many countries, drawn upon advanced international legislative practices, and built an IPR legal system that conforms to WTO rules and suits specific conditions in China.

The country has continuously strengthened law enforcement of IPR protection. It has enhanced the dominant role of the judiciary in IPR protection to raise the costs for offenders and fully unlock the deterrent effect of relevant laws. The State Intellectual Property Office has been restructured to strengthen law enforcement.

China has set up three IPR courts in Beijing, Shanghai and Guangzhou, and special judicial organs at 15 intermediate courts in Nanjing, Suzhou, Wuhan, Xi'an and other cities to handle cross-regional IPR cases, including those related to patents, according to the white paper.

The country has also strengthened administrative law enforcement of intellectual property protection and launched special campaigns targeting outstanding problems, which increased IPR protection.

Thanks to these efforts, notable results have been achieved. Since 2001, intellectual property royalties paid by China to foreign right holders has registered annual growth of 17 percent, reaching \$28.6 billion in 2017.

Last year, China received 1.38 million invention patent applications, ranking it No 1 in the world for the seventh consecutive year. Nearly 10 percent of the applicants were foreign entities and individuals.

Invention patent applications filed by foreign entities and individuals in China reached 136,000 in 2017, growing considerably over the past few years. In 2001, China filed just 33,000 invention patent applications.

According to the World Intellectual Property Organization, 51,000 patent applications filed from China through the Patent Cooperation Treaty were accepted in 2017, second only to the United States.

XINHUA



Robots perform Peking Opera at an artificial intelligence products expo in Suzhou, Jiangsu province in May.

WANG JIANKANG / FOR CHINA DAILY

Real shield needed as AI industry continues to boom

Better safeguarding of intellectual property urged in competitive market

Experts have called for better protection of intellectual property rights in the artificial intelligence industry, as it becomes increasingly crowded and competitive as a result of explosive growth.

From the perspective of technology, IP in the AI industry is comprised of three tiers, Liu Hanlun, general manager of an AI patent industry innovation center in Beijing, told Science and Technology Daily recently.

The first tier relates to fundamental technologies, such as chips, algorithms and remote sensing. The second tier covers integration of such fundamental technologies, including image recognition. The third tier is concerned with application to specific scenarios, such as automated driving and medical image recognition, Liu said.

AI companies can take various approaches to their IP protection, including patents, copyrights, industrial designs and trademarks, he said.

Lionel Lavenue, a partner at Finnega, a global IP law firm, said in an recent lecture at the China Intellectual Property Training Center in Beijing, that tech companies in the AI sector tend to pay attention to patents yet undervalue industrial designs, the newspaper reported.

Liu noted that another form of protection not commonly used in China is that of trade secrets.

A trade secret is a formula, practice, process, design, instrument, pattern or commercial method not generally known or reasonably ascertainable by others by which a business can obtain an economic advantage.

Trade secrets also require a set of regulations and practices to protect technologies and business information that are



A visitor experiences a human-machine interactive driving system at CES Asia 2018 in Shanghai in June.

LONG WEI / FOR CHINA DAILY

crucial to a company, according to Liu.

Another partner at Finnega, E. Robert Yoches, told Science and Technology Daily that in the United States, it is quite common for AI companies to shield their IP as trade secrets from infringements.

He said he found many tech businesses in China have yet to take advantage of the use of trade secrets and take such actions as signing confidentiality agreements with their research and development staff.

Otherwise they would face huge losses due to the disclosure of technological know-how or trade secrets, he added.

China is the largest AI patent filer in the world, with more than 99,260 applications in the sector, according to a report on innovation in the AI industry, released in May by PatSnap, a patent research and management company founded in Singapore.

The US took second place with 48,870 filings, followed by Japan with 31,160 applications.

Judging from patent filings, the future rivalry for the sector will be mainly between

The Chinese AI industry has undergone explosive growth since 2015, with the number of companies involved in the sector totaling 4,040 as of May this year, Science and Technology Daily reported on Monday.

Beijing has 1,070 AI companies, accounting for 26 percent of the national total, according to a report on the Beijing AI industry's development, released by the Beijing Commission of Economy and Information Technology at the 22nd China International Software Expo on Saturday.

The report said most AI companies in Beijing are in the fields of healthcare, household appliances, urban management, retail and self-driving.

The Beijing companies have developed more than 25,000 patents, the report found.

There are 1,237 AI companies nationwide that have already acquired venture capital investment. Of these, 431 are based in Beijing, accounting for 35 percent, according to the report.

Some 56.9 percent of the AI companies in Beijing have not completed A-round financing, indicating that most are still in the startup stage with potential for further development.

A number of AI products and companies have emerged in Beijing in recent years, making the city an AI innovation hub in China, said You Jing, deputy director of the commission's software office.

"Beijing has formed an AI industrial cluster, thanks to the favorable policies, an innovation and entrepreneurial atmosphere, capital, enhanced software development and patent protection it has benefited from."

CHINA DAILY - XINHUA

Xiamen companies prove innovation can equal profits

By CHEN HONG
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Xiamen Solex High-tech Industries Co, which produces showers and faucets for some of the world's leading bathroom brands including Grohe, Kohler and American Standard, is setting a good example to others with its extensive filing of patents.

Solex has filed more than 1,400 patent applications since 2005, of which 276 were granted worldwide, according to the company's latest figures.

The company ranked second in the city of Xiamen

and fourth in Fujian province among corporations by the number of invention patents dated to May 2018, according to the Xiamen intellectual property office.

"Since its establishment in 2004, our strategy is to win the market with strong design and research," Cao Bin, deputy general manager of Solex's research and development department, told China Daily.

It set up a research institute inside the company, comprised of 400 professionals, and invests nearly 6 percent of its annual earnings in R&D, Cao said. The company also put

together an IP team to handle patent-related issues, he added.

"Original equipment manufacturers struggle to survive with low profit margins, but our input in R&D and emphasis on patent application enables our company to grow fast," he said. "In this way, patents mean money."

Businesses in Xiamen are becoming increasingly aware of IP protection, said Li Yanxiang, president of Xiamen Shouchuang Junhe Patent (Trademark) Agency Co.

The agency handled some 5,600 domestic patent applications in 2017 — rising from

1,500 in 2006 — of which 60 percent were from companies in Xiamen, Li said.

More than 100 international patent applications filed via the Patent Cooperation Treaty are from companies in Xiamen each year, she added.

"The companies, including many Taiwan-funded manufacturers, realize that patents can increase their competitiveness and help them make money," Li said, adding that government promotions and incentives also work to encourage them to take action.

Tianma Microelectronics Group, an electronic display

IP scene

BEIJING System advances Madrid mechanism

The State Intellectual Property Office announced on June 21 the opening of an online system for filing international trademark applications. The China-developed system is a milestone in advancing the Madrid mechanism of international trademark filings, experts said. In the six days since opening, the system received 91 filings. China ranked third on the Madrid chart in 2017, contributing 4,810 international trademark filings.

CHINA INDUSTRY AND COMMERCE NEWS

China, UK discuss copyright issues

The National Copyright Administration and the United Kingdom Intellectual Property Office held round-table discussions about the latest copyright policies and enforcement in late June, exploring solutions to challenges in the digital era. It was the fourth high-level visit and exchange under the framework of a Sino-UK memorandum of understanding on strategic cooperation in copyright signed in 2010. Facing new challenges, both countries need to seek breakthroughs in copyright ideas and systems to build an interests-balanced working mechanism, said Yu Cike, head of the copyright management department of the NCA.

CHINA PRESS AND PUBLISHING JOURNAL

Trade secrets committee set up

The China International Association for Promotion of Science and Technology founded a trade secret protection committee in early June to promote the research, legislation and practices concerning the sector. The committee will leverage management, legal and technological resources to help companies create a full-range protection mechanism, its executive director said. At the inaugural meeting, the committee announced a charity initiative, which will offer 100 companies in 10 sectors free protection services worth 10 million yuan (\$1.5 million) in total. The sectors include artificial intelligence, biopharmaceuticals, e-commerce and internet technologies.

SCIENCE AND TECHNOLOGY DAILY

JIANGSU Trademark filings shoot up in 2017

The province reported an overall rapid rise in trademark filings last year, but with vastly differing figures based on individual areas, according to a report released on June 29. The annual report on Jiangsu's trademark and brands strategy showed that new trademark filings from the province topped 352,730 last year, ranking it No 4 among provinces in China. Suzhou topped the prov-

ince in terms of number of annual filings and new trademarks. International trademark applications filed via the Madrid system across the province surged 86.65 percent to nearly 630 last year.

XINHUA DAILY

Student education program expands

The Experimental Primary School affiliated to Nanjing University of Science and Technology was named a provincial pilot intellectual property education unit in late June. To date, there are six national-level and 40 provincial-level schools in the pilot primary and secondary education initiative in the province. Local authorities founded a leadership group dedicated to promoting IP education in primary and secondary schools in 2015, earmarking 1 million yuan (\$151,000) in funding. Its goal is to increase the number of pilot schools to 100 in 2020.

JSCHINA.COM.CN

CHONGQING Qualified patent agents on the rise

As of May, some 42,000 people had acquired patent agent qualifications across the country. Of them, 17,000 agents are practicing in more than 1,900 agencies, according to a meeting held at the municipality on June 28 and 29. The meeting attracted some 100 government officials and leaders of the All-China Patent Attorneys Association. The IP agencies nationwide generated 26 billion yuan (\$3.9 billion) in total business revenue last year, jumping 71 percent from 2015.

THE STATE INTELLECTUAL PROPERTY OFFICE

GUANGDONG Zhuhai launches service platform

An intellectual property trading system went online in Zhuhai on Monday, designed to promote the commercialization of technological innovations from China and Israel. The online system offers services of transnational IP assets trading and IP-collateralized financing, aimed at creating a comprehensive IP service platform ranging from filings and evaluation to pre-warning, analysis and protection.

ECONOMIC DAILY

TIBET Highest heritage museum to open

Construction of a Tibetan intangible cultural heritage museum has been completed in Lhasa, capital of the Tibet autonomous region. It is expected to open in the second half of this year. At 3.7 kilometers above sea level, the first intangible cultural heritage museum in Tibet is the highest of its kind in the world. The museum is a Shenzhen government-aid project, which cost 150 million yuan (\$22.6 million) and took one and a half years to complete.

TIBET DAILY