

**Annual Report of the Intellectual Property Court
of the Supreme People's Court
2022**

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Preface

2022 marks the successful convening of the 20th National Congress of the Communist Party of China. It is also a landmark year for the Intellectual Property Court of the Supreme People's Court (or SPC-IPC), marked by the successful completion of its three-year pilot program, and its embarkation on a new leg of the development journey. SPC-IPC observed the guidance of *Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era*, followed out *the Xi Jinping Thought on Rule of Law*, and applied the spirits of the 20th Party Congress in all its operations. Having studied General Secretary Xi Jinping's important expositions on topics such as intellectual property protection, technological innovation, and fair competition, SPC-IPC leveraged the role of appeal hearing for technology-related intellectual property disputes and monopoly disputes to actively deepen the reform of the national-level appeal hearing mechanism for intellectual property cases. SPC-IPC is striving to provide solid judicial guarantee for strengthening the rule-of-law environment for intellectual property protection, supporting high-end innovation in science and technology, building a unified national market, and promoting a high-degree opening up. By publishing this Annual Report, SPC-IPC earnestly hopes the report may help the public better understand and supervise SPC-IPC's operations.¹

¹ Note: The English translation of this report is facilitated by Renmin University of China Institute of International Intellectual Property. The English translation of this report shall be interpreted solely and exclusively in accordance with its original version in Chinese. In case of any discrepancy between the two, the Chinese original version shall prevail.

I. Overview of cases

SPC-IPC has fully played its roles and functions through the national-level appeal hearing mechanism for intellectual property (or IP) cases. SPC-IPC focuses on enforcing the law, as it continues to unify adjudication standards and improve adjudication quality and efficiency, so as to effectively facilitate implementation of the country's innovation-based development strategy.

(i) Overall trend

1. General case statistics for 2022

In 2022, SPC-IPC accepted 6,183 technology-related IP appeal cases and monopoly appeal cases (including 4,405 newly accepted cases and 1,778 unclosed existing cases), and closed 3,468 cases. The number of SPC-IPC's newly accepted cases accounted for 86.4% of the second-instance substantive civil disputes and 100% of the second-instance substantive administrative disputes of SPC's whole cases. In terms of the overall numbers of accepted cases and closed cases plus the average number of cases closed per judge and supporting staff, SPC-IPC ranks the first among all SPC's adjudication divisions. Compared with 2021, the number of total accepted cases (consisting of both newly accepted and unclosed existing cases) increased by 18%, of which new cases increased by 1.6% and the number of closed cases increased by 0.2%.²

² The growth rate of newly accepted cases has slowed down compared with the previous three years. This is mainly due to a reduction in two types of cases. First, newly accepted appeals relating to patent grant and invalidation disputes have fallen significantly over a year ago. Second, SPC-IPC stopped hearing appeal cases involving technology-related IP contracts on and after May 1, 2022.

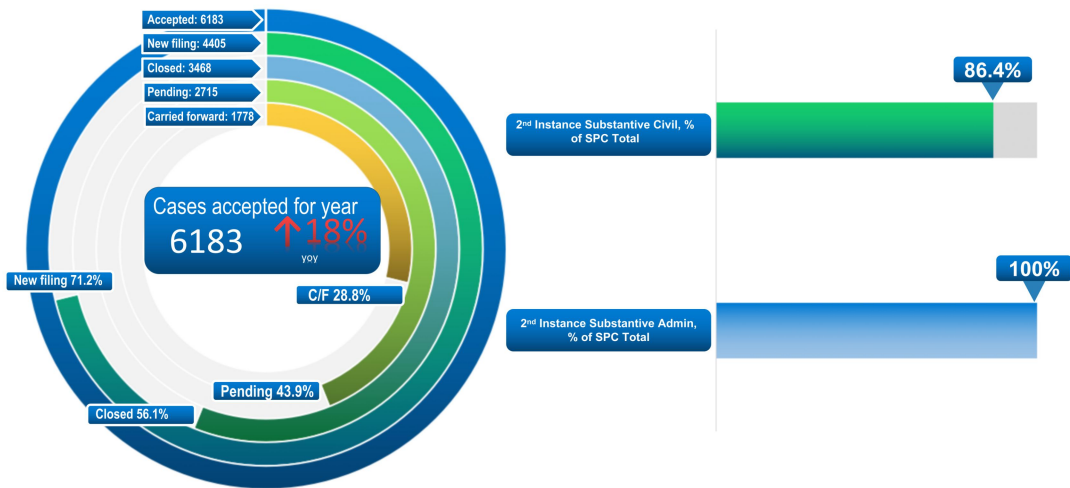


Chart 1 Technology-related IP disputes and monopoly disputes heard by SPC-IPC in 2022

2. General case statistics for 2019 to 2022

Since its establishment on January 1, 2019, SPC-IPC has accepted 13,863 technology-related IP disputes and monopoly disputes, of which 11,148 cases were closed, resulting in an overall clearance rate of 80.4%.

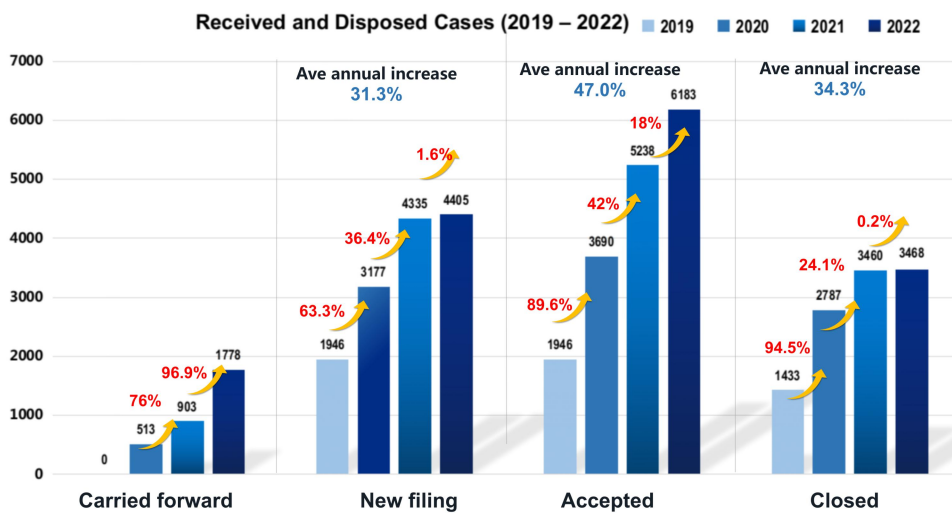


Chart 2 Technology-related IP disputes and monopoly disputes that SPC-IPC received and closed (2019-2022)

Between 2019 and 2022, a total of 8,436 second-instance substantive civil disputes were accepted, of which 6,420 were closed. For administrative disputes, 3,088 second-instance substantive disputes were accepted, of which 2,462 were closed.

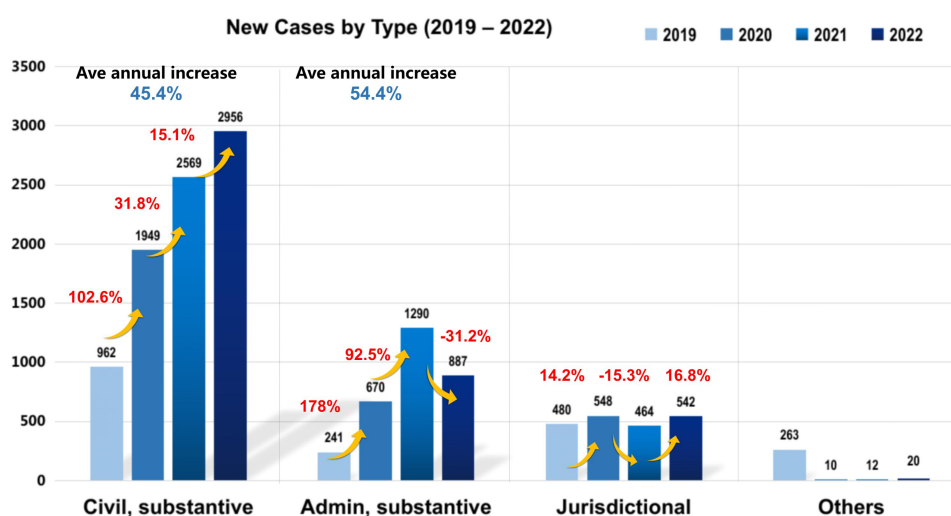


Chart 3 Types of new cases received by SPC-IPC and their trend (2019-2022)

3. Number of cases received per judge and average adjudication period for 2022

In 2022, the average number of cases accepted (including newly accepted and unclosed existing cases) per judge was 142.5. This was an increase of 16 cases from the previous year. Average case closure was 79.9 cases per judge, by 3.6 cases fewer year-on-year. Overall, the average adjudication period was 165.2 calendar days. Adjudication duration for jurisdictional disputes was 28.6 calendar days, for second-instance substantive civil disputes it was 179 calendar days, and for second-instance administrative disputes it was 215 calendar days. Due to the continued increase in average caseload and the serious impact of the Covid-19 pandemic, the average adjudication period has increased year on year.

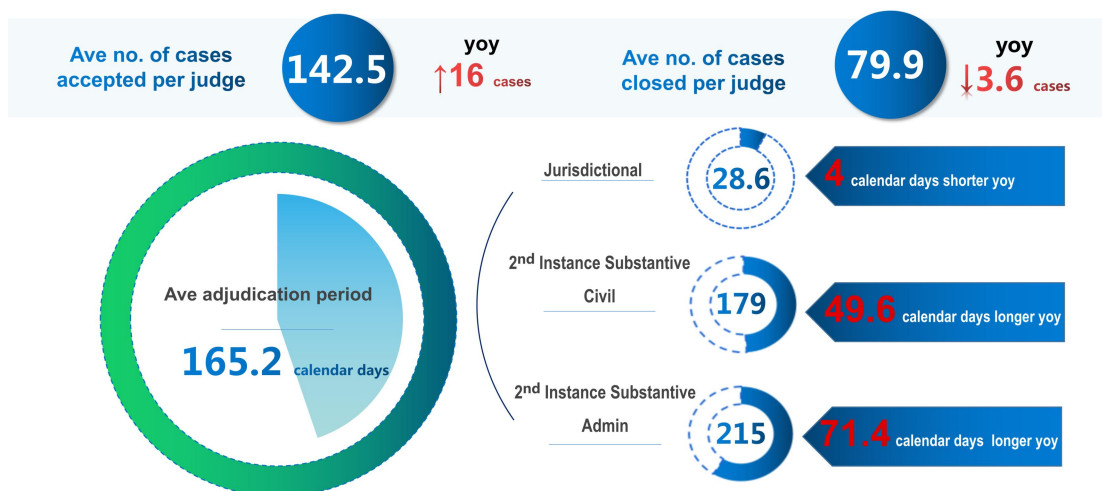


Chart 4 SPC-IPC judges' average accepted and closed case numbers and adjudication period in 2022

4. Types of civil disputes for 2022 and 2019-2022

In 2022, SPC-IPC accepted 2,956 new second-instance substantive civil disputes, of which 615 involved infringement of invention patents, 968 on infringement of utility patents, 312 on patent application rights and patent ownership, 144 on new plant variety, 6 on layout design of integrated circuit, 78 on technological secrets, 648 on computer software, 96 on technology-related IP contracts, 15 on monopoly disputes, and 74 on other disputes. The number of new cases relating to new plant variety and layout design of integrated circuit was significantly higher than that of the previous year.

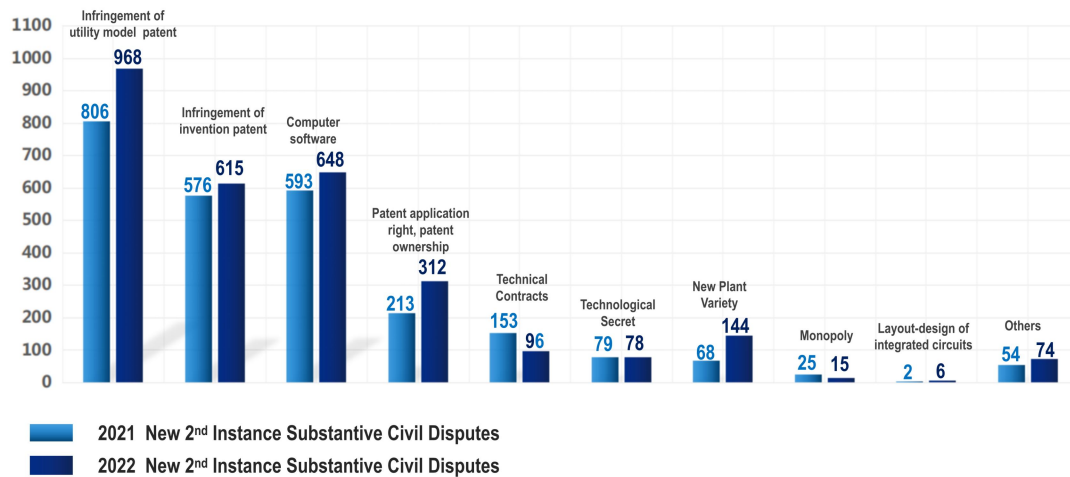


Chart 5 Types of new second-instance substantive civil disputes in 2022 and year-on-year comparison

Between 2019 and 2022, SPC-IPC accepted 8,436 cases involving second-instance substantive civil disputes, of which 1,860 involved infringement of invention patents, 2,982 on infringement of utility models, 697 on patent application rights and patent ownership, 272 on new plant variety, 14 on integrated circuit layout design, 213 on technological secrets, 1,743 on computer software, 342 on technology-related IP contracts, 79 on monopoly, and 234 on other disputes.

2nd Instance Substantive Civil Disputes (2019-2022)

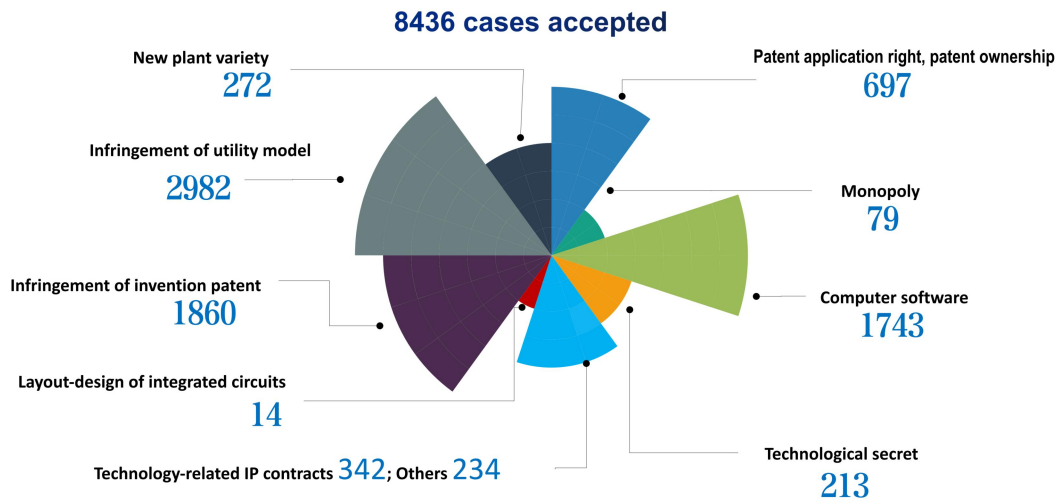


Chart 6 Types of second-instance substantive civil disputes SPC-IPC accepted (2019 – 2022)

5. Types of administrative disputes in 2022 and 2019- 2022

In 2022, 887 new second-instance administrative cases were received, of which 241 administrative disputes involved re-examination of invention patent applications, 234 on invalidation of invention patents, 27 on re-examination of utility model patent applications, 207 on invalidation of utility model patents, zero on re-examination of design patent application, 84 on invalidation of design patents, 3 on new plant variety, 2 on layout design of integrated circuits, 24 on monopoly disputes, and 65 on administrative enforcement. Compared to 2021, the number of new second-instance substantive administrative disputes decreased by 31.2%, whereas monopoly administrative disputes increased significantly, from 2 cases in the previous year to 24 cases. For the first time, SPC-IPC accepted cases relating to administrative disputes over layout design of integrated circuits. There was another monopoly appeal case involving jurisdictional dispute.

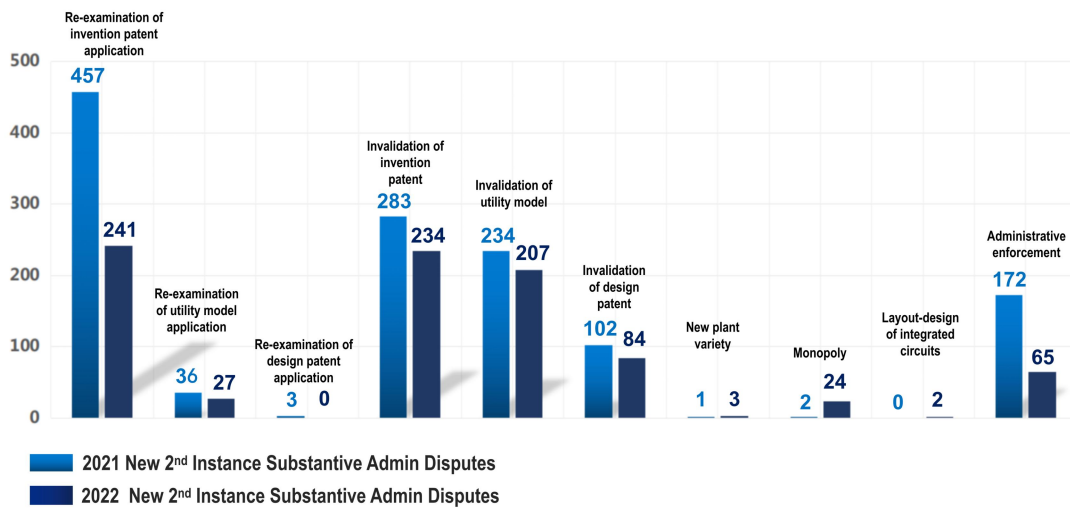


Chart 7 Types of new second-instance substantive administrative disputes in 2022 and year-on-year comparison.

Between 2019 and 2022, 3,088 second-instance substantive administrative disputes were accepted, of which 995 involved re-examination of invention patent applications, 772 on invalidation of invention patents, 90 on re-examination of utility model applications, 647 on invalidation of utility models, 5 on re-examination of design patent applications, 251 on invalidation of design patents, and 4 on new plant variety, 2 on layout design of integrated circuits, 26 on monopoly, and 296 on administrative enforcement. There was another monopoly appeal case involving jurisdictional dispute.

2nd Instance Substantive Administrative Disputes (2019-2022)
3088 cases accepted

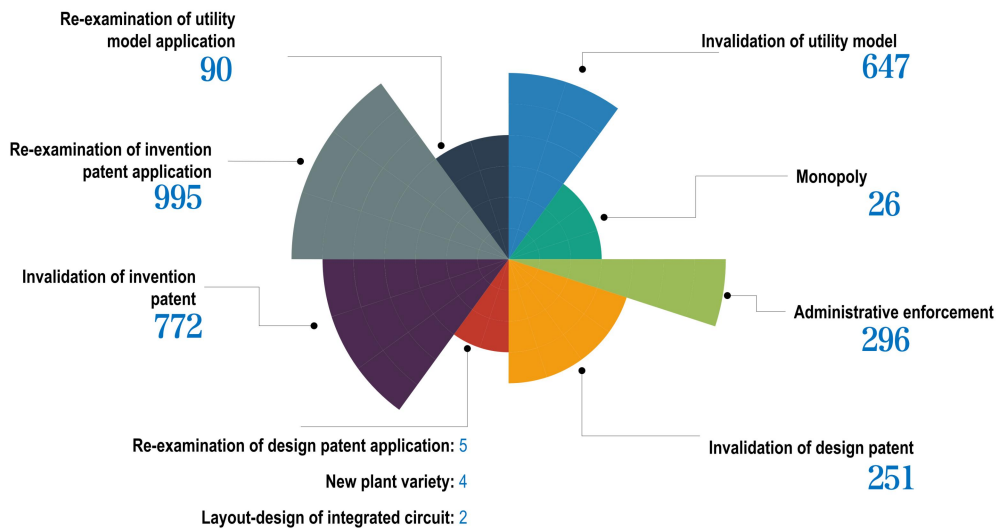


Chart 8 Types of second-instance administrative disputes in 2019-2022

6. Ways of case closure in 2022 and 2019 - 2022

In 2022, 3,468 cases were closed, of which, original judgments were upheld in 2,040 cases or 58.8%; 626 or 18.1% were withdrawn cases (including withdrawal of appeal and accusation; applies to all withdrawal cases below); 268 cases or 7.7% were settled by mediation (through issuance of a court-approved civil conciliation statement which is enforceable in case of breach by either party; applies to all mediation settlements below). The overall mediation and withdrawal rate was 25.8%. 17 cases or 0.5% were remanded, and the judgments for 451 cases or 13% were reversed. The overall rate of remand and reversal was 13.5%. Another 66 cases or 1.9% were closed by other means.

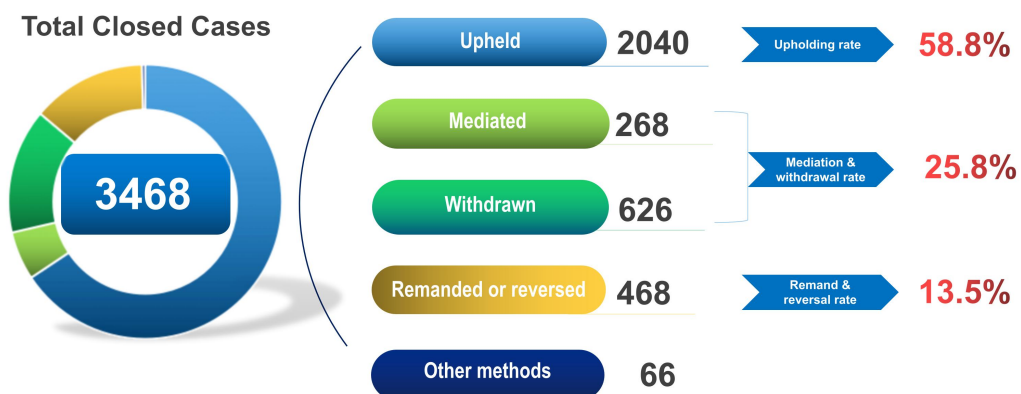


Chart 9 SPC-IPC's case closure results in 2022

A total of 11,148 cases were closed between 2019 and 2022, of which 112 cases or 1% were remanded, and 1,321 cases or 11.8% were reversed. The overall remand and reversal rate was 12.9%.

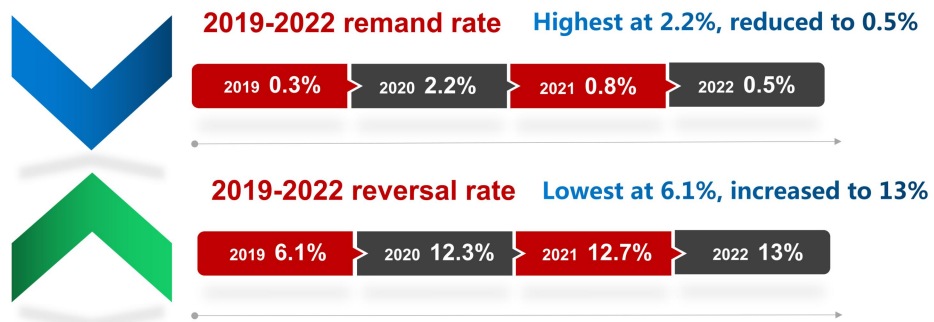


Chart 10 SPC-IPC's remand and reversal trend in 2019-2022

In 2022, 2,069 second-instance substantive civil disputes were closed. Of these cases, original judgments were upheld in 855 cases or 41.3%; 540 cases or 26.1% were withdrawn; 268 cases or 13.0% were settled by mediation. The overall mediation and withdrawal rate was 39.1%. 14 cases or 0.7% were remanded, and 375 cases or 18.1% were reversed. Overall rate of remand and reversal was 18.8%. Another 17 cases were closed by other means.

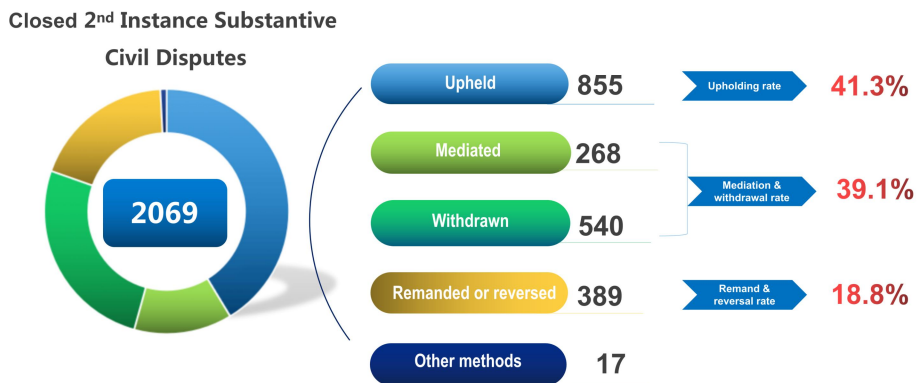


Chart 11 SPC-IPC's case closure results for second- instance civil disputes in 2022

6,420 second-instance substantive civil disputes were closed in 2019-2022, of which 107 cases or 1.7% were remanded and 1,068 cases or 16.6% were reversed. The overall remand and reversal rate was 18.3%.

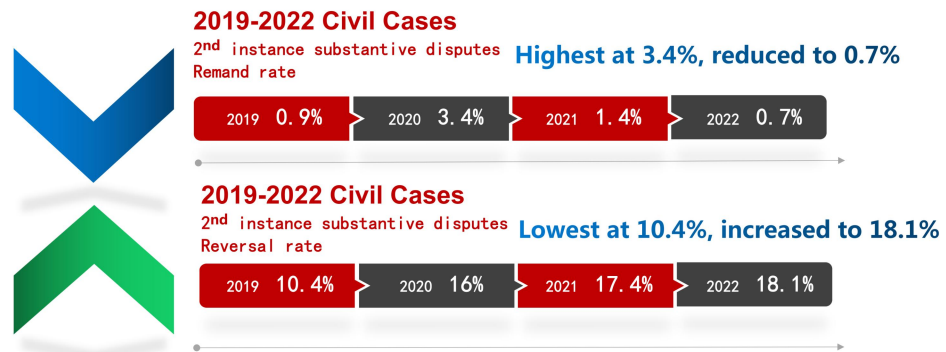


Chart 12 SPC-IPC's remand & reversal trend for closed substantive civil disputes (2019-2022)

855 second-instance substantive administrative disputes were closed in 2022, of which, the judgments of 745 cases or 87.1% were upheld, 55 cases or 6.4% were withdrawn, 3 cases or 0.4% were remanded, and 50 cases or 5.8% were reversed. The overall rate of remand and reversal was 6.2%. 2 cases were closed via other methods.

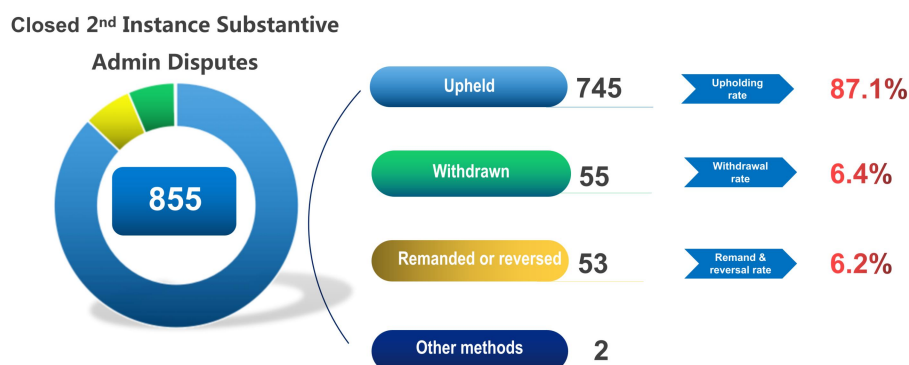


Chart 13 SPC-IPC's case closure results for second-instance substantive administrative disputes in

2022

In 2019-2022, 2,462 second-instance substantive administrative disputes were closed, of which 5 cases or 0.2% were remanded, and 156 cases or 6.3% were reversed. The overall rate of remand and reversal was 6.5%.

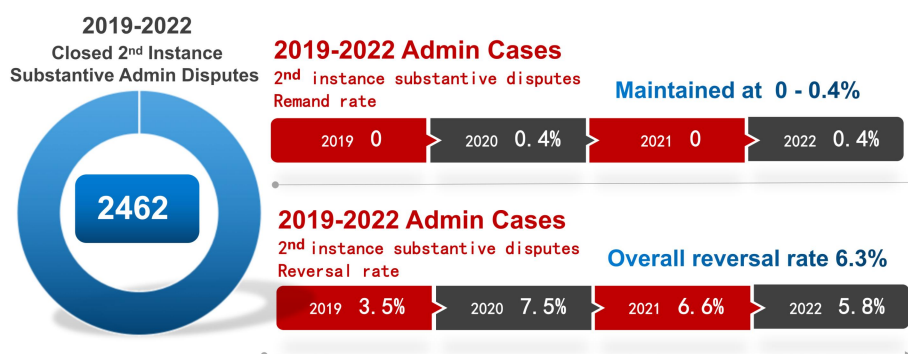


Chart 14 SPC-IPC’s remand and reversal trend for closed substantive administrative disputes (2019-2022)

7. Overview of cases involving foreign or Hong Kong, Macao & Taiwan parties

In 2022, 457 new cases involving foreign parties, or Hong Kong, Macao, and Taiwan parties were received, accounting for 10.4% of the new cases, representing a year-on-year increase of 4.6%. Of these new cases, 396 cases or 9% involved foreign parties, and 61 cases or 1.4% involved Hong Kong, Macao, and Taiwan parties. There were 274 civil and 183 administrative disputes of second instance. In total, 372 cases involving foreign or Hong Kong, Macao & Taiwan parties were closed, representing a year-on-year 32.9% increase, accounting for 10.7% of the total case numbers.



Chart 15 New cases involving foreign or HK, Macao & Taiwan parties received by SPC-IPC in 2022

Between 2019 and 2022, SPC-IPC accepted 1,444 cases involving foreign or Hong Kong, Macao and Taiwan parties, accounting for 10.4% of the total cases accepted by SPC-IPC. Of these cases, 1,257 were cases involving foreign parties, representing 9.1% of the new cases while 187 involved Hong Kong, Macao, and Taiwan parties, representing 1.3% of the total cases accepted by SPC-IPC. Among these cases, there were 800 civil and 644 administrative cases of second instance. Altogether, 1,031 cases involving foreign or Hong Kong, Macao and Taiwan parties were closed, representing 9.2% of all the closed cases.



Chart 16 Cases involving foreign or HK, Macao & Taiwan parties accepted by SPC-IPC in 2019-2022

(ii) Basic case attributes

In 2022, the types of cases that SPC-IPC has adjudicated are of four basic characteristics as follows:

1. Increasing numbers of infringement cases

In 2022, SPC-IPC received 2,956 second-instance substantive civil disputes,

representing a 15.1% year-on-year increase. The number of the cases has continued to grow for four consecutive years. There were 1,583 invention and utility model patent infringement cases, accounting for 53.5% of substantive civil disputes, which is 14.5% higher than in 2021. The 73 cases involving technological secret misappropriation represented an increase of 2.8% over 2021. There were 134 new plant variety disputes, representing an increase of 112.7% from 2021.

2. Decreasing numbers of administrative cases

In 2022, SPC-IPC received 887 new second-instance administrative cases. This was a decrease of 403 cases compared to the previous year, and the first decline that SPC-IPC experienced. Of these cases, 793 were related to patent grant and invalidation, accounting for 89.4% of the total second-instance administrative cases. Of the patent grant and invalidation cases, 241 involved the re-examination of rejected invention patent applications, which was 47.3% lower year on year, and 234 involved the invalidation of invention patents, which was 17.3% lower year on year.

3. Higher proportion of disputes involving strategic emerging industries

In 2022, SPC-IPC newly accepted 1,338 cases involving strategic emerging industries, which represented 30.4% of the new cases. This was 3.5 percentage points higher than that in 2021. Disputes relating to new industries and new fields such as new generation information technology, biomedicine, high-end equipment manufacturing, standard essential patents, drug patent linkage, layout design of integrated circuits, and new plant variety have increased significantly.

4. Better functions served by courts of both first instance and second instance

The remand rate has declined for three consecutive years, falling from its highest of 2.2% in 2020 to 0.5% in 2022, of which, second-instance substantive civil disputes have fallen from their highest point of 3.4% in 2020 to 0.7% in 2022. At

the same time, the reversal rate for second-instance substantive civil disputes has risen for four consecutive years, from 10.4% in 2019 to 18.1% in 2022. Such statistics reflect a stronger sense of accountability in the second instance.

II. Strengthening legal protection of intellectual property and fair competition

SPC-IPC believes that protecting IP rights is to protect innovation itself, and that IP rights must be rigorously protected, while fair market competition must be maintained according to law. It has served the function on role of IP-case adjudication to encourage scientific and technological innovation and to enable the development of a unified national market. Also, through the fair and lawful adjudication of cases involving foreign parties and active participation in exchanges and cooperation with foreign or international institutions in the field of IP protection, SPC-IPC has fulfilled the obligations under international treaties, fostering a market-oriented, law-based, and internationalized first-class business environment.

(i) Strengthening protection of intellectual property

SPC-IPC studied and implemented the instructions indicated in the report of the 20th National Congress of the Communist Party of China to “strengthen legal protection of intellectual property rights, in order to establish a foundational system for all-around innovation”. It has also further clarified and applied itself to entrenching the concepts of judicial protection of technological IP rights in the new era. By adjudicating and deciding IP disputes, SPC-IPC has demonstrated how judicial protection of IP rights has indeed been strengthened.

1. Sticking to pro-IP protection

SPC-IPC upholds the judicial ideal of strengthening IP protection. By providing protection that facilitates the exercising of IP rights, and by considering factors

that encourage investment in innovation, protect innovation activities, and enable transformation of innovation outcomes to utilization, SPC-IPC endeavors at cultivating a "pro-innovation" legal environment.

In a dispute involving infringement of a new plant variety of hybrid maize named "Caitiannuo 6"³, given the absence of industry standards, and considering the conventional methods of breeding maize, the burden of proof was shifted in a timely manner, and the parentage between the hybrid maize variety and parental varieties was determined by actual presumption, based on which SPC-IPC overturned the first instance decision, found infringement, and ordered compensation.

In China's first pharmaceutical patent linkage lawsuit, SPC-IPC had to determine if the generic drug falls within the scope of protection of relevant claims of the patent of "Eldercalcitol Soft Capsule"⁴. SPC-IPC found that the generic drug company failed to make its statement on the basis of the patent claim with the largest protection scope, and that it also failed to notify the patentee of its statement and the basis thereof in time. SPC-IPC also set forth the adjudication standard for any litigation involving pharmaceutical patent linkage, clarifying that in principle, technical comparison and evaluation should be based on the information provided by the generic drug company as of the date when it submitted its application for marketing authorization. SPC-IPC's efforts may encourage new drug research and development, and promote the development of quality generic drugs.

2. Sticking to strong protection

SPC-IPC adopts the judicial ideal of awarding greater compensation for IP infringement. SPC-IPC is fully aware of the uncertainty and insufficiency in damages calculation, and given the intangible nature of intellectual property and the hidden features of IP infringement. Therefore, it computes damages based on market value and applies reasonably evidentiary rules and economic analysis, and makes punitive damages a feasible pleading option for the IP owners, to

³ (2022) SPC IP Civil Final 13.

⁴ (2022) SPC IP Civil Final 905.

ensure that rights-holders are fully and adequately compensated.

In two connected cases involving infringement of a "melamine" invention patent and technological secret⁵, SPC-IPC determined that the co-infringers should bear all joint and several liabilities to external parties, and the original decision was overturned to support all the claims of the rights-holder. SPC-IPC also ordered that the total economic losses of CNY 218 million incurred should be jointly and severally paid by the defendants in the two cases. Of all the IP infringement cases, this was the highest amount of compensation awarded by people's court for an individual engineering project. The award effectively reflects the judicial policy of awarding compensation with increased intensity within the legal framework.

In the two cases involving the infringement of a new maize variety "YA8201"⁶, on basis of the punitive damages decided at the first instance, SPC-IPC found during the second-instance that since the infringer had refused to provide its financial accounts books, and in so doing, obstructed evidence discovery. On these grounds, SPC-IPC used the profit figures as claimed by the plant variety owner based on its calculation, which significantly increased the amount of punitive damages.

3. Sticking to effective protection

SPC-IPC adheres to the judicial ideal of providing effective protection by using adjudication to promptly stop infringement. It has actively explored the specific ways and scope of stopping infringement, improved the conventional way of writing judgment, and effectively enhanced the effectiveness of remedies and protection.

In the afore-mentioned cases involving "melamine" patent infringement and technological secret misappropriation, SPC-IPC ordered the defendants to destroy their massive production line using patented methods and technological secrets within a specific time limit, including but not limited to dismantling. The decision reflects an effective way of stopping IP infringement and protecting IP.

⁵ (2020) SPC IP Civil Final 1559 and (2022) SPC IP Civil Final 541.

⁶ (2022) SPC IP Civil Final 783 and (2022) SPC IP Civil Final 789.

In an infringement dispute relating to "Yang's Jinhong No. 1" kiwifruit new plant variety⁷, SPC-IPC granted the request for licensing fee instead of ordering cessation of infringement. This has not only provided a quick resolution by compensating the rights-holder's loss, but also avoided wasting resources and balanced the interests of both parties.

4. Sticking to efficient protection

SPC-IPC upholds the judicial ideal of efficient protection. By speeding up the dispute settlement process, it has focused on addressing inadequacies in institutional mechanisms by examining and solving the problem of prolonged litigation for IP disputes. Given the increased caseload vis-a-vis insufficient manpower, and the volatility of the Covid-19 pandemic, SPC-IPC expedited hearing of cases, and aligned the adjudication of civil infringement disputes with the IP grant and invalidation procedures to ensure coordinated decision-making for the relevant cases during the appeal stage. As SPC-IPC consolidates the process of electronic servicing of court documents, it has also preliminarily implemented electronic transferring of appeal case files, which has significantly shortened the time for transferring case files between different levels of courts.

In a "dynamic password USB connector" utility model patent infringement dispute⁸, SPC-IPC guided the relevant parties, on their own will, to commit to future interests compensation, due to the uncertainty of the patent invalidation outcome. This has not only sped up the proceedings, but also ensured substantive fairness.

In the patent infringement case involving a "recycling material selection equipment" utility model patent⁹, while the parties' litigation rights were protected and technical fact finding was well completed, the duration from case filing to judgment rendering was merely 34 days, which well demonstrated SPC-IPC's efforts in stabilizing market order in a prompt and efficient manner.

⁷ (2022) SPC IP Civil Final 211.

⁸ (2022) SPC IP Civil Final 124.

⁹ (2022) SPC IP Civil Final 642.

5. Sticking to prioritized protection

SPC-IPC pursues the judicial ideal of focusing on IP protection in key and critical areas. SPC-IPC pays more attention on strengthening protection for frontier technologies in sectors such as the seed industry, medicine, chips and telecommunications, and facilitating technological progress and industrial upgrading.

In an infringement dispute involving technological secrets of parental line "W68" for a new maize plant variety¹⁰, SPC's first case involving infringement of the technological secret of breeding material, SPC-IPC clarified that the inbred parental line of a maize plant may be protected as trade secret, and explored using multiple IP protection methods such as new plant variety, patent, and trade secret to protect achievements in seed breeding. In doing so, SPC-IPC has continued to send a strong signal of its intent to better protect the IP in seed industry.

In a case involving infringement of standard essential patent for WAPI telecommunication¹¹, SPC-IPC fully considered the balance of interests between the patent user and patent owner. It thus clarified the criteria for determining the infringement of a process patent implemented by multiple players concerning multiple physical components, and the factors to be considered when issuing injunctions in cases of infringement on standard essential patents.

6. Sticking to equal protection

SPC-IPC pursues the judicial ideal of treating and protecting all parties equally. By hearing, strictly according to law, IP disputes involving foreign parties and disputes relating to property rights as well as rights and interests of entrepreneurs, SPC-IPC has served and coordinated domestic and international interests, standing by the motto to "unswervingly consolidate and develop the public sectors", and to "unswervingly encourage, support, and guide the development of the non-public sectors".

¹⁰ (2022) SPC IP Civil Final 147.

¹¹ (2022) SPC IP Civil Final 817.

In an administrative case involving the invalidity of the "antenna device" invention patent¹², SPC-IPC found that the foreign party's patent was valid under the law. In a copyright infringement dispute relating to Tekla Structures computer software¹³, it found merit in and thus supported the foreign party's claim according to law. These cases well demonstrated SPC-IPC's equal protection to the rights of Chinese rights-holders and foreign ones.

In the afore-mentioned dispute on "melamine" patent infringement and technological secret misappropriation, the rights-holders were Sino-foreign joint ventures and high-tech private enterprises. One of the infringers is a listed state-owned company. SPC-IPC overturned the original judgments, accepting all the claims of the rights-holders, and ordered the infringers to be jointly and severally liable for paying the aggrieved party CNY 218 million in damages. This case not only demonstrates that China's courts have strengthened IP protection, and but also exemplifies the judicial ideal of providing equal protection for all different types of enterprises.

7. Sticking to good-faith protection

SPC-IPC embraces the judicial philosophy of good faith in IP protection. To ensure that no one can benefit from illegal activity, and with the aim of encouraging innovation and competition, SPC-IPC endeavors to draw clear legal boundaries between strengthening IP protection and preventing abuse of rights, supporting exercise of IP rights and prohibiting abuse of market dominance. SPC-IPC has also intensified its fight against false and malicious litigation in the IP field, appropriately handled disputes relating to commercialized exercise of right, and promoted good faith in litigation.

In three cases relating to a "touch sensing system" for PCT application ownership and compensatory damages¹⁴, SPC-IPC found that the loss of right upon PCT application was caused by the obvious fault and lack of good faith on the accused infringer, and that the infringer must be held liable for damages. SPC-IPC's

¹² (2021) SPC IP Admin Final 987.

¹³ (2022) SPC IP Civil Final 609.

¹⁴ (2021) SPC IP Civil Final 966, (2021) SPC IP Civil Final 967, and (2021) SPC IP Civil Final 1177.

advocacy of honesty and credibility has effectively protected the genuine rights-holder.

In a horizontal monopoly agreement dispute relating to a "settlement agreement on no-excitation switch patent infringement"¹⁵, SPC-IPC clarified the analysis and adjudication criteria relating to the exercise of patent rights in a horizontal monopoly agreement cases. In a dispute involving abuse of market dominance through exclusive licensing of photos from the Chinese Super League¹⁶, it also clarified the criteria for reviewing anti-monopoly practice relating to exclusive licensing of commercial rights for sports events, so as to provide a clear and specific guidance on transaction conduct for market players.

SPC-IPC found that in the judicial sanction of Hujia Company¹⁷, the company's provision of fake evidence on purpose constituted obstruction of civil litigation, and consequently Hujia Company was ordered to pay a fine as prescribed by law.

8. Sticking to coordinated protection

SPC-IPC upholds the judicial ideal of coordinated protection, recognizing that IP protection must be strengthened throughout the entire value chain. To this end, SPC-IPC actively participates in the development of the IP protection system, accepting adjudication and procuratorial supervision, increasing communication with administrative authorities, and improving coordination between administrative and judicial IP protection. It also advocates for the unification of administrative law enforcement and judicial standards relating to IP disputes to foster protection synergies. Additionally, SPC-IPC encourages and facilitates alternative dispute resolution for IP disputes, supporting the resolution of disputes through administrative adjudication, arbitration, and mediation.

In patent right and patent application right disputes relating to "suture device and suture needle kit"¹⁸, through SPC-IPC's facilitation, the two parties reached a settlement package. The party even presented SPC-IPC with banners

¹⁵ (2021) SPC IP Civil Final 1298.

¹⁶ (2021) SPC IP Civil Final 1790.

¹⁷ (2022) SPC IP Judicial Penalty 2, and (2023) SPC IP Judicial Penalty Review 1.

¹⁸ (2022) SPC IP Civil Final 1330, and (2022) SPC IP Civil Final 2365.

commending its judicial work, stating "The Supreme Court's credibility, the most people-friendly and heart-warming gesture", and "Four levels of court, nine cases filed, three days of devotion, full reconciliation and settlement".

In the relevant cases, SPC-IPC transferred to administrative authorities the clues of illegality relating to suspected counterfeit patent, violation of variety approvals, *etc.* For example, in a patent infringement case involving counterfeiting of a "self-squeezing flat mop" utility model¹⁹, SPC-IPC transferred to the market supervision authorities clues pointing to the suspected use of counterfeit patent number. In the afore-mentioned case on infringement of a hybrid maize new plant variety "Caitiannuo 6", clues concerning the suspected unlawful activity of unauthorized promotion of maize seeds were transferred to the agricultural administrative authorities, to ensure coordination between administrative enforcement and judicial authorities.

(ii) Effectively facilitating high-tech innovation

Adopting the principle of high-quality development, SPC-IPC implemented the new development concept fully, accurately, and comprehensively, providing competent adjudication of disputes relating to the seed industry, medicine, chips, telecommunications, and other high-tech and digital industries. By stepping up protection, SPC-IPC has effectively encouraged the pursuit of outstanding scientific and technological innovation.

1. Strengthening IP protection for the seed industry

Given that revitalization of the seed industry has gained momentum in recent years, disputes involving new plant variety has continued to rise. There is a significant increase in the number of disputes involving economic and ornamental crop breeders' rights, with variety owners turning to various channels to assert their rights, and complex types of infringer. Thus, the current litigation landscape has posed increasing difficulty when balancing interests.

¹⁹ (2021) SPC IP Civil Final 2380.

Another new *status quo* is the covertness of both the liable subjects and the acts of infringement.

Especially in 2022, new plant variety infringement disputes received by SPC-IPC increased by 112.7% year on year. This shows that comprehensive measures such as amending *the Seed Law*, developing *the Action Plan for Revitalizing the Seed Industry*, issuing new judicial interpretations relating to new plant variety, and continued efforts to release typical cases have significantly enhanced the industry players' awareness and confidence in defending their rights.

In March 2022, SPC-IPC published its second *Ten Typical Cases on the IP Judicial Protection of the Seed Industry by the People's Courts*. Six cases adjudicated by SPC-IPC were included in the *Top Ten Typical Cases on Protection of New Agricultural Plant Varieties in 2021* published by the Ministry of Agriculture and Rural Affairs. An infringement dispute involving the "Jinjing 818" rice variety, also heard by SPC-IPC, was selected into the *2021 Top Ten Cases Promoting the Rule of Law in the New Era*. By hearing cases and rendering judgments, SPC-IPC continuously strengthened protection of the lawful rights and interests of seed breeding innovators.

Protecting variety rights according to law. In the afore-mentioned infringement dispute involving technological secrets of parental line "W68" for a new maize plant variety, the parental line was determined as subject of protection as technological secret under the law. In the afore-mentioned new maize variety "YA8201" infringement dispute, SPC-IPC awarded a huge amount of punitive damages according to law. In an infringement dispute that involved the "Huamei 105" pepper new plant variety²⁰, the burden of proof was shifted in a timely manner to address the difficult challenge of protecting breeders' rights.

Clamping down on the source of infringement. In a plant variety infringement dispute relating to the "Yangfu Mai 4" new wheat variety²¹, the infringers who made use of the corporate system to evade debts were ordered by SPC-IPC to take civil liabilities according to law. SPC-IPC regulated the behavior of large

²⁰ (2021) SPC IP Civil Final 1469.

²¹ (2021) SPC IP Civil Final 884.

growers in the "Wannuo 2000" maize plant new variety infringement case²², finding that the large grower failed to observe the duty of care in their commissioned production, thus constituting gross negligence, and was ordered to pay compensatory damages according to law.

Giving reasonable consideration to farmers' interests. In the afore-mentioned "Yang's Jinhong No. 1" kiwifruit new plant variety infringement case, SPC-IPC regulated the business activities of new-type agricultural operators to guide professional farmers' cooperatives to play their part in rejuvenating rural areas according to law.

Providing detailed guidance on the application of law. SPC-IPC clarified various issues in breeding practice through its judgments. These issues include ascertaining the infringement nature of planting authorized asexually reproduced varieties, determining the scope of protection for authorized asexually reproduced varieties without preserving standard samples, determining the infringement-cessation liability of producers who repeatedly use authorized varieties of reproduction materials to produce other varieties of reproduction material, and regulating the duty of confidentiality of farmers commissioned to produce seeds of inbred parental lines, *etc.* SPC-IPC also organized research on the legal protection of crop germplasm resources to facilitate the development of a comprehensive system for the legal protection of the seed industry.

2. Strengthening IP protection in pharmaceuticals

Deepening understanding of promoting the preservation, innovation, and development of traditional Chinese medicine (or TCM) in the new era. To achieve this, SPC drafted and released *the Opinions of the Supreme People's Court on Strengthening Judicial Protection of Intellectual Property Rights of Traditional Chinese Medicine*. SPC-IPC's adjudication has helped improve the quality of TCM patents, and facilitated the effective alignment between protecting traditional of knowledge relating to TCM and the modern IP system. For example, in an

²² (2021) SPC IP Civil Final 2110.

administrative dispute over the re-examination of patent application for the invention of “preparation method of medicinal magnetic plaster for treating tumors”²³, the non-obviousness of the patent application was assessed on the basis of the TCM characteristics.

Promoting the functionality of drug patent linkage system at the judicial level. SPC-IPC concluded China’s first drug patent linkage lawsuit in a timely manner, which attracted commendation and wide attention from the media both home and abroad as well as the pharmaceutical industry, and the case was also selected into the *2022 Nominated Top Ten Cases Promoting the Rule of Law in the New Era*. In 2022, a total of 7 drug patent linkage cases were closed, and the average adjudication period for these second-instance cases was 63 days.

Clarifying standards for grant and invalidation of pharmaceutical patents and the rules for adjudicating infringement. This aimed to strengthen protection of the IP in pharmaceutical industry. Two cases involving the invalidation of the "Levo-ornidazole" invention patent²⁴, one of the only two indigenous innovative drugs approved during China’s "11th Five-Year Plan" period, were analyzed, whereby several heatedly discussed issues on medical patent were examined, and high-value pharmaceutical patents were protected according to law.

In two cases concerning administrative decision on disputes over the patent infringement of "Rivaroxaban troches"²⁵, SPC-IPC clarified that offering for sale does not fall within the scope of exception for administrative examination and approval of drugs and medical devices under the *Patent Law*. The clarification has provided a reasonable balance between the interests of innovative drug manufacturers and those of generic drug manufacturers.

3. Strengthening IP protection for chips and telecommunication

The recent years have seen an increasing number of IP disputes involving integrated circuits (*i.e.* chips) and telecommunication technologies, prompting SPC-IPC to better protect IP rights in these fields, which has encouraged

²³ (2021) SPC IP Admin Final 158.

²⁴ (2020) SPC IP Admin Final 475 and (2020) SPC IP Admin Final 476.

²⁵ (2021) SPC IP Admin Final 451 and (2021) SPC IP Admin Final 702.

industries to pursue innovation and enabled their development.

In a case involving invalidation of an invention patent of “card metaphor for activities in a computing device”²⁶, which focused on the competition between Apple and Qualcomm in smart-phone key technologies, SPC-IPC contemplated the research and development characteristics and innovation patterns of smart-phone interactive technology, and pointed out the adjudication error of looking at technical features in isolation and describing technical solutions in a fragmented way, thereby underestimating the degree of innovation because of hindsight. This demonstrates strengthened judicial IP protection in key scientific and technological sectors by the people’s courts, and its purpose and judicial capacity to facilitate the development of a market-oriented, law-based, and internationalized first-class business environment.

In the afore-mentioned case involving infringement of standard essential patents for WAPI telecommunication, SPC-IPC actively explored the licensing order of standard essential patents, so as to promote operational integrity, fair competition, and healthy development of the industry.

4. Vigorously serving digital economy development

The world has swiftly entered the era of digital economy, which is currently an important engine to drive the strong economic growth. Adopting the principle of regulating for development and developing with regulation, SPC-IPC hears and settles disputes involving data-related transactions and data markets to serve the digital economy’s aspiration of achieving high-quality development.

Regulating and guiding the orderly development of the Internet industry. SPC-IPC regulated the software download platform for disseminating free software in the “Driver Genius V9.2” computer software infringement dispute.²⁷

Strengthening protection of data rights and interests. In an infringement dispute involving the technology secret of “data information on craw-lab platform”²⁸,

²⁶ (2021) SPC IP Admin Final 1.

²⁷ (2020) SPC IP Civil Final 1567.

²⁸ (2021) SPC IP Civil Final 1687.

SPC-IPC clarified that platform data can be protected as technology secret. This finding has strengthened protection of data rights engendered by competitive advantages and competitive value created by platform operators through lawful operations.

SPC-IPC has also actively researched on the topic of judicial protection of fair competition and IP rights in the era of digital economy, to provide the relevant authorities with references for decision-making.

(iii) Resolutely safeguarding fair market competition

SPC-IPC has implemented the newly amended *Anti-monopoly Law* and *Anti-unfair Competition Law* to improve adjudication of anti-monopoly disputes and to continue strengthening judicial protection of technological secrets, so as to effectively maintain the market order for fair competition.

1. Intensifying anti-monopoly judicial law enforcement

As a key participant in amending the *Anti-Monopoly Law* and in formulating the relevant regulations and rules, SPC-IPC has submitted four sets of opinions and suggestions to the State Administration of Market Supervision and the legislature. The newly added article, *i.e.* Article 11 in the amended *Anti-Monopoly Law* has provided legislative support for people's courts to strengthen judicial action against monopolistic practices, hear monopoly cases fairly and efficiently according to law, and improve mechanisms linking administrative law enforcement with judicial action.

Drafting of new judicial interpretations relating to anti-monopoly civil litigation. To do so, SPC-IPC organized frequent discussions and solicitation of opinions. In November 2022, SPC-IPC launched a public consultation process for the drafted judicial interpretations, soliciting opinions from the public.

Adjudicating monopoly cases fairly and efficiently. During the year, SPC-IPC accepted 83 monopoly cases, including 47 new second-instance cases (15 civil disputes over substantive issues and 7 over jurisdictional issues; 24

administrative disputes over substantive issues and 1 over jurisdictional issues), and 57 were closed. Many cases were significant in their typicality and social impact.

Apart from the afore-mentioned dispute on abuse of market dominance through exclusive licensing of photographs from the Chinese Super League, and the horizontal monopoly agreement dispute relating to a "settlement agreement on no-excitation switch patent infringement", SPC-IPC found in the case relating to the abuse of market dominant position dispute involving a public utility enterprise of water supply and drainage²⁹, for the first time, that implicit restriction on which operators with whom a counter-party in a transaction is allowed to transact constituted abuse of market dominance. Its finding provides an active response to social concerns about market competitive behavior relating to livelihoods, and guidance on the conduct of operators enjoying market monopoly status, especially public enterprises.

In two cases involving anti-monopoly administrative penalty, one regarding "horizontal monopoly agreement concerning acting in concert by Maoming concrete enterprises"³⁰ and another regarding "horizontal monopoly agreement of Hainan fire inspection enterprises"³¹, SPC-IPC clarified respectively, the general interpretation of "previous year" and "sales revenue" used as the base amount for calculating anti-monopoly administrative penalty and reasonably distributed the burden of proof, which demonstrated SPC-IPC's efforts in supervising and supporting the anti-monopoly administrative law enforcement according to law.

Improving alignment of anti-monopoly administrative law enforcement and judicial action. SPC-IPC provided clear legal guidance on law enforcement relating to substantive law enforcement standards and procedural due process, and facilitated coordination and unification of administrative law enforcement and judicial standards. In a subsequent action involving General Motors' vertical

²⁹ (2022) SPC IP Civil Final 395.

³⁰ (2022) SPC IP Admin Final 29.

³¹ (2021) SPC IP Admin Final 880.

monopoly agreement on minimum resale price restriction³², SPC-IPC clarified the burden of proof for subsequent actions relating to civil compensation arising from anti-monopoly administrative penalty, resulting in the reduction of the plaintiff's burden of proof. The civil judicial relief was therefore more effective. It was also demonstrative of the judicial concept of coordinated protection.

Extensive publicity on anti-monopoly law enforcement. During the first "China Fair Competition Policy Publicity Week", SPC-IPC jointly organized a press conference on "Strengthening Judicial Action Against Anti-monopoly and Anti-Unfair Competition Practices by the People's Courts". It also released 10 typical cases on anti-monopoly and 10 on anti-unfair competition, of which 8 anti-monopoly disputes were second-instance cases closed by SPC-IPC.

2. Strengthening protection of technological secrets

By focusing on the weaker areas in technological secret protection, SPC-IPC has effectively curbed infringement and strengthened protection of technological secrets by shifting the burden of proof to effectively reduce the rights-holders' burden of producing evidence and increasing punitive damages to effectively crack down technological secrets misappropriation. During the year, SPC-IPC accepted 126 second-instance technological secret misappropriation disputes on substantive issues (including 73 new cases), and has closed a series of typical cases. This has strengthened protection of technological secrets and provided clear judicial direction.

Apart from the afore-mentioned two connected cases involving "melamine" patent infringement and technological secret misappropriation, and the technological secret misappropriation case on "data information on craw-lab platform", SPC-IPC clarified in another technological secret misappropriation case on "microbial oil and gas exploration"³³ that where the infringer was clearly at fault, and that the infringement directly determines whether the infringer would gain a business opportunity or the rights-holder would lose a business opportunity, all the profits obtained by the infringer could in principle be

³² (2020) SPC IP Civil Final 1137.

³³ (2021) SPC IP Civil Final 1363.

included as profit gained from infringement.

In a case involving infringement of the "Youkeduo (literally meaning many guests) applet source code" technology secret³⁴, SPC-IPC expounded that the commercial value of technological secret may be determined by comprehensively considering factors such as the associated research and development costs, earnings derived from implementing the technological secret, prospective benefits, and duration of competitive advantage, based on which the amount of compensation could be determined.

In two cases on technological secret misappropriation and unfair competition relating to Beijing Sankuai Online Technology Co., Ltd.'s "little white box"³⁵, upon determining the merits of the case, SPC-IPC facilitated the two parties to reach a settlement, which also served the purpose that the relevant competitive behaviors are conducted within the legal framework.

(iv) Supervising and supporting administrative decisions according to law

SPC-IPC has strengthened judicial review of IP-related and anti-monopoly administrative actions, facilitated unification of administrative and judicial adjudication standards, and supervised and supported the administrative authorities, so as to serve the development of rule-of-law governance.

1. Traits of the relevant administrative disputes

SPC-IPC received 887 new second-instance administrative cases in the year, representing a year-on-year decrease of 31.2%. Most of the cases were patent grant and invalidation disputes. Overall, patent administrative cases displayed the following characteristics: the proportion of invention patent disputes and administrative patent disputes involving foreign elements continued to remain high; remand and reversal rate generally unchanged compared to the previous year; rising number cases involving re-examination of utility model patent

³⁴ (2021) SPC IP Civil Final 2298.

³⁵ (2020) SPC IP Civil Final 673 and (2021) SPC IP Civil Final 837.

applications; rising number of patent disputes involving technologies of social focus; increasing number of cross-over cases relating to civil litigation of patent infringement and administrative procedures involving patent invalidation; and the rising number of administrative rulings on patent disputes.

2. Efforts in improving administrative case trial quality

Strengthening judicial review of the substantive elements relating to patent grant and invalidation. In the afore-mentioned case on the invalidation of "card metaphor of activities in computing devices" invention patent, SPC-IPC specified that mutually synergistic and dependent technical features should be compared in entirety with the prior art. In the afore-mentioned two cases involving invalidation of the "levo-ornidazole" invention patent, SPC-IPC also clarified that when determining the inventiveness of pharmaceutical patents for new use, one should consider whether the prior art has given clear and specific guidance. In its reply to a case on re-examination of a patent application for "high pressure self-tightening flange"³⁶, SPC-IPC further clarified the criteria for determining "implied disclosure" and "modification beyond the scope".

Building specialized adjudication panels for administrative cases. SPC-IPC made effective use of existing human resources and expertise to allocate the responsibilities of judging panels expediently and judiciously, having established five specialized panels for hearing administrative patent disputes; at the same time, civil and administrative proceedings for crossover cases were generally handled by the same panel.

Strengthening in-depth review and finding of specialized technical facts. SPC-IPC's use of in-court technical investigators and technical consultation has increased by 160% year on year.

³⁶ (2021) SPC IP Admin Final 440.

(v) Facilitating a high-degree opening-up

SPC-IPC has dedicated itself to rule-of-law development at home and abroad by equally protecting Chinese parties and their foreign counter-parties according to law, and served the policy of high degree of opening-up by intensifying foreign cooperation and exchanges, and actively participating in the reform and development of the global system of governance.

1. Equally protecting Chinese IP rights-holders and foreign ones

Of all the new cases that SPC-IPC accepted last year, 9% involved foreign parties. The number of the cases in which all parties are foreign entities has also been increasing, accounting for about 4% of all SPC-IPC cases involving foreign parties. China has progressively become one of the preferred venues for international IP litigation. By fairly adjudicating foreign-party-involving cases according to law, SPC-IPC has fulfilled China's relevant obligations under international treaties, having provided equal protection for the lawful rights and interests of both Chinese rights-holders and foreign ones according to law, as it strives to create a first-class business environment.

In the afore-mentioned administrative dispute involving the invalidation of an "antenna device" invention patent and the copyright infringement dispute relating to Tekla Structures computer software, other than upholding the foreign party's claim according to law, SPC-IPC gave full consideration to Covid-19 in an invention patent invalidation dispute involving a "soluble bead toy"³⁷, allowing the foreign party to complete supplementary notarization and certification procedures, so as to effectively safeguard the party's ability to exercise its right to sue.

2. Deepening foreign cooperation and exchange

As an active player in judicial exchanges with international institutions including the World Intellectual Property Organization (WIPO) and the relevant countries

³⁷ (2021) SPC IP Admin Final 1189.

and regions, SPC-IPC has increased the publicity of its typical cases to provide effective narratives of how China protects IP and promotes the rule of law.

SPC-IPC participated in the *WIPO International Patent Case Management Judicial Guide: China*, and participated in the teaching of WIPO's "Patent" course, an online education project. SPC-IPC judges also frequently participated in international conferences such as the "2022 Intellectual Property Judges Forum" and "Online Judges Forum", the University of London's International Conference on Telecommunication, *etc.*

SPC-IPC has also actively tracked and studied the legislative dynamics and judicial experience of other countries and regions. SPC-IPC's judgments for four drug patent disputes were selected for inclusion in the Intellectual Property and Public Health Case Database of the South Center and UNCTAD, which was selected into *the Ten Classic Cases of International Communication for the Rule of Law in China* in 2022.

III. Further deepening reforms in institutions and mechanisms

SPC-IPC adopts a reform mindset when dealing with challenges, finding creative ways to protect innovation. It effectively improves the capacity and level of judicial IP protection by improving systems, strengthening adjudication management, fostering cooperation between the judiciary and law enforcement authorities, and focusing on leveraging technology to empower judicial work.

(i) Completing three-year pilot program successfully

The Supreme People's Court conducted an end-of-program evaluation of SPC-IPC at the end of SPC-IPC's three-year pilot. It also worked with the China Association for Science and Technology and the China Law Society to complete a third-party evaluation. On February 27, 2022, the Standing Committee of the National People's Congress (or NPC) heard and reviewed a special report of the Supreme People's Court, on the operational progress of the national-level appeal hearing mechanism for IP cases.

Both the evaluations and the NPC Standing Committee's review opinions agreed that SPC-IPC's three-year pilot has achieved the goal of the Four Further Improvements, as proposed in the decision to establish SPC-IPC. They also agreed that the effect of the national-level appeal hearing mechanism for IP cases is evident, and the reform direction is on the right path, given the encouraging outcomes the pilot has engendered; in addition, such mechanism should remain, and further reforms should focus on two aspects, *i.e.* optimizing the functional allocation of adjudication resources, and strengthening the fundamental guarantees for SPC-IPC's sound operation.

SPC-IPC has followed through with the review opinions of the NPC Standing Committee and the evaluation suggestions, and has worked closely with the relevant central departments to study proposals for deepening reform of the national-level appeal hearing mechanism for IP cases.

(ii) Explorative efforts in optimizing adjudication mechanism

Optimizing the scope of jurisdiction. The Supreme People's Court issued a notice in April clarifying that when determining jurisdiction on appeal cases, appeals on disputes involving technology-related IP contracts shall be deemed as ordinary IP disputes. That is, all technology-related IP contract cases shall no longer be appealed to SPC-IPC since and after May 1, 2022.

Improving procedural alignment of related cases. Having coordinated the expediting of patent grant and invalidation proceedings of the China National Intellectual Property Administration (or CNIPA) and the Beijing Intellectual Property Court, SPC-IPC facilitated the contemporaneous receipt, coordinated hearing, and simultaneous decision for the mutually-related civil cases and administrative cases at the appeal stage, as an effort to shorten the dispute resolution cycle and ensure the unified interpretation of patent claims.

Improving the technical fact-finding mechanism and strengthening development of the technical fact-finding team. SPC-IPC entered into a technical advisory cooperation agreement with the CNIPA's Patent Examination Cooperation Beijing

Center, and selected the first cohort of 76 technical experts for inclusion in the National Court Technical Investigation Talent Pool, currently with more than 500 experts engaged. Through the talent pool, an on-demand deployment and talent-sharing mechanism keeps growing.

Explored court-referred mediation before and after docketing. A court-referred mediation mechanism for technology-related IP disputes was established with the China Council for the Promotion of International Trade (CCPIT) Mediation Center and the Beijing Intellectual Property Protection Center.

(iii) Strengthening adjudication management and guidance

Ensuring quality and efficiency in case operations. SPC-IPC optimized the rules of the Judges' Meeting, and held 45 such meetings during the year and discussed 291 cases. This has effectively ensured unification of SPC-IPC's adjudication standard. SPC-IPC also focused on improving the writing quality of judicial documents, having compiled *Adjudication Tips* and *Tips on Case Operations*. It also updated the style and format of judicial documents, enforced checking and verification of judgment documents by the judging panel before rendering judgments, and implemented random inspection and review of the judgments after closure. Retired senior IP judges were invited to conduct intensive evaluation for SPC-IPC's judicial documents, and external experts have unanimously affirmed the remarkable improvement in the overall writing quality of SPC-IPC judgments.

Strengthening guidance on lower courts. During the year, SPC-IPC published its Annual Report and *Judgment Digest*, released a comprehensive analysis of SPC-IPC's remanded and reversed cases in 2021, and held 15 special lectures for the IP judges from all level of courts. SPC-IPC also selected exemplary judgments from nation-wide technology-related IP cases and anti-monopoly cases in 2021, and organized the publication of 30 typical cases relating to the seed industry, anti-monopoly and anti-unfair competition adjudicated by the people's courts. It also tries to have a weekly release of a new case heard by SPC-IPC by publishing it in the New Case Express column through SPC-IPC's WeChat official account.

SPC-IPC has also deployed nearly all personnel to participate in writing of the book *Applying the Chinese Civil Code: Intellectual Property and Competition Volume*, with more than 1.1 million words. It also published the *Analysis of Typical Cases by the Intellectual Property Court of the Supreme People's Court* and *Adjudication Guidance and Reference by the Intellectual Property Court of the Supreme People's Court (Part II)*.

(iv) Fostering synergetic protection mechanisms

SPC-IPC participated extensively in developing the IP protection system, and has developed strong lines of communication and coordination with administrative authorities such as those from the public security, judicial administration, IP, market supervision and anti-monopoly, and those of science and technology, agriculture and forestry, cyberspace administration and medicinal arenas. To facilitate the establishment and improvement of work mechanisms, activities such as regular consultation, personnel exchange and joint publicity were carried out with the different authorities. These activities have helped to advance administrative and judicial IP protection, enabled close alignment between anti-monopoly administrative law enforcement and judicial action, and promoted unification of administrative and judicial standards.

During the High-Level Forum on China IP Protection 2022, the leadership of the Supreme People's Court and the chief leader of CNIPA convened a special meeting and reached a consensus on further strengthening operational alignment and personnel exchange. The leadership of the Supreme People's Procuratorate also paid a visit to SPC-IPC, and discussed the establishment of a regular liaison mechanism to strengthen the collaborative IP protection.

Other than the Supreme People's Court's leadership attendance at the 2022 China Seed Conference and Nanfan Agricultural Silicon Valley Forum, SPC-IPC also organized the different levels of the relevant courts to participate in a national video conference on the IP protection in seed industry and on fighting infringement relating to fake and inferior products and counterfeit branding, so as to jointly promote the IP protection in seed industry.

SPC-IPC also facilitated the development of an information-sharing mechanism with the relevant authorities such as the CNIPA in its endeavor to work collaboratively by sharing information and resources, and to promote the integrated development of online and offline IP protection.

(v) Efforts in promoting smart-court development

Capitalizing on major opportunities engendered by China's aspiration to develop a cyber powerhouse and a digital China, SPC-IPC incorporates technological innovation outcomes in the administration of justice by constantly increasing the level of informatization and smart applications in court operations.

Promoting awareness and use of the Zhiji (which literally means Know-Yourself) adjudication rules database. A smart court module was added to the database, which created an entry-level database on fundamental rules, and linked the database's online version with the Haisi Central Legal Affairs Zone Cloud Platform of Xiamen.

Improving technical support for online litigation. SPC-IPC provides online litigation services, including online hearing, cross-examination, inquiry, mediation, and intensive servicing of court papers. Since the Covid-19 epidemic, more than 5,500 cases have been heard online.

Deeply advancing intensive servicing of litigation documents. Service of litigation documents were conducted through intensive servicing, a total of 32,738 times for 4,045 cases in the year, with a successful service rate of 98%, and an average service time of 0.8 day. Of all the services, 32,103 times were served electronically, of which 30,815 times or 96% were successful, and the average service time was as short as half a day.

Implementing electronic transfer of first-instance case files for appeal. This is an initiative that has been formally launched nationwide in 2022 by SPC-IPC. 40 courts of first instance have successfully implemented electronic transfer of appeal cases. In the year, 2,928 cases were transferred electronically, accounting for 66.5% of the new cases received by SPC-IPC.

Conclusion

SPC-IPC has operated successfully for four years. As a national-level mechanism for hearing appeals on designated IP disputes, SPC-IPC has demonstrated its efficacy, and effectively portrayed China's new image of strengthening IP protection, and has enriched and improved China's judicial system for IP protection.

Looking to the future, SPC-IPC will always observe the guidance of the *Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era*, practice the *Xi Jinping Thought on Rule of Law*, and will dedicate itself to "strengthening legal protection of intellectual property rights" and to "intensifying action against monopolistic and unfair practices" as set forth at the 20th Party Congress. SPC-IPC will foster a stronger sense of responsibility and mission in hearing technology-related IP disputes and anti-monopoly disputes of the new era. SPC-IPC will also provide stronger protection for scientific and technological innovation achievements, and introduce more substantive measures to maintain fair competition and market order. SPC-IPC will assume a more active role as it participates in the international governance of IP rights, proceed with a surer footing as it deepens reform of IP-case adjudication, and take on a longer-term perspective as it continues to build a professional team of IP-case adjudicators. With a promise of drive and diligence, SPC-IPC will provide effective judicial services to advance China's modernization, and lend greater judicial vigor to building a modern socialist country and fully advancing the great rejuvenation of the Chinese nation.

(Special note: except for the adjudicative documents in a few trade-secret cases that need to be further processed due to confidentiality concern as raised by the relevant parties, the other adjudicative documents of the cases as mentioned in this report are all publicized on the website of China Judgements Online, i.e. <https://wenshu.court.gov.cn>)