

News from PR China

Editor's note: Due to the diligent efforts of Editorial Advisory Board member, Professor Yang Zhiping, the following contributions have been provided. Michael Blackman.

1. Sustainable Development of China's patent filings

1.1. According to the information released by the World Intellectual Property Organization (WIPO) on August 10, 2007

The 2007 edition of the Patent Report of WIPO, which is based on 2005 figures, shows that patent filings by Chinese residents reached 93,000 in 2005 with a 42.1% increase over 2004. This is the highest growth rate among all countries throughout the world. Not only applying to the patent office of China, Chinese residents also applied to the foreign patent offices. Their patent filings increased by more than eightfold between 1995 and 2005.

With regard to the patent offices of all countries, the largest recipients of patent filings are the patent offices of Japan, USA, PR China, South Korea and the European Patent Office (EPO). These five offices account for 77% of all patents filed in 2005 (a 2% increase over 2004), representing 74% of all patents granted. With an increase of almost 33% over 2004 (growth rate for resident (+42.1%) and non-resident (+23.6%) filings), the patent office of China became the third largest recipient of patent filings in 2005.

Globally speaking, worldwide filings of patent applications were 1,660,000 with a 7% increase over 2004 and the average annual rate was 4.7%. The highest growth rates were experienced in North East Asian countries, particularly South Korea and China.

1.2. According to the Chinese Information Technology Patent Trend released by Ministry of Information Industry of the PR China on August 27, 2007

Ministry of Information Industry of the PR China released the 2007 edition of the Analysis Report of National Information Technology Patent Trend. This report tells us that in all patent filings received by the patent office of China, patent filings by Chinese residents in the field of information technology have been increasing at sharp speed since 2000 with an average annual growth rate of 23.67%, which is much higher (18.11%) than the average annual growth rate of all patent filings.

By statistically analyzing patent filings, integrated circuit Layout Designs and software copyright registrations, this report elucidates China's information technology patent trend in recent years and indicates that information technology patent filings account 32.24% of the total number of Chinese invention filings and utility model patent filings. Among them, information technology invention filings represent over 42% of all Chinese invention filings. The rapid development trend of information technology patent filings reflects technique innovation activity and technique strength increase in the field of information industry, making clear the increasing significance of the incentive effect of patent mechanism on technique innovation, industrial structure transformation and healthy development of information industry.

1.3. According to the information on Chinese non-service invention creation released by State Intellectual Property Office of PR China recently

State Intellectual Property Office (SIPO) of PR China released for the first time the Analysis Report of National Non-service invention creation. This report systematically analyzes the general development and changes of non-service invention creation by Chinese residents, and provides pertinent suggestions.

It points out that Chinese non-service invention patent filings have been playing a very significant role during the past over 20-year development of China's patent enterprise. Up to the end of June 2007, non-service patent filings by Chinese residents and non-residents received by SIPO have accumulated to 1,837,071 and 98.5% of all these are by Chinese residents. Among them, most invention patent filings by Chinese residents are service patent filings. All patent filings by non-residents gave priority to service patent filings.

It also indicates that during the past over 20 years, non-service patent filings by Chinese residents have been going up year by year as a whole and its development can be divided into three phrases, that is, preliminary rising phrase from 1985 to 1991, steady development phrase from 1992 to 1999 and rapid growth phrase from 2000 to 2006.

Granted patents by Chinese residents steadily increased during the past over 20 years. Among them, non-service granted inventions account 1/3 of all granted inventions, while non-service granted utility model patents 2/3 of all

granted utility model patents, and non-service granted design patents 1/2 of all granted design patents.

http://www.wipo.int/pressroom/en/articles/2007/article_0050.html

http://www.cnpatent.com/list_news_zlxw.asp?id=701

http://www.cnpatent.com/list_news_zlxw.asp?id=697

http://www.cnpatent.com/list_news_zlxw.asp?id=707

http://www.cnpatent.com/list_news_zlxw.asp?id=710

Wang Chun

2. The Number of High-tech Invention Patents will Highly Increase During the “11th Five-Year Plan” Period (2006-2010) in the PR China

The 11th Five-Year Plan of High-tech Industrial Development was released by National Development and Reform Commission with approval from State Council of the PR China on July 6, 2007. This plan will play a significant role in fostering the rapid and healthy development of China's high-tech industries, promoting the optimization of the industrial structures and the transformation of the economic growth methods, and speeding up the foundation of an innovation-oriented country and the fulfillment of the Scientific Development Concepts.

According to the plan, during the 11th Five-Year Plan period, the number of invention patents owned by high-tech enterprises in the PR China should double, the rate of increase value of the independently developed high-tech manufacturing industry should reach more than 50%, and the proportion of high-tech exports with independent IPR and independent brands to all high-tech exports should rise up to around 15%. Implementation of nine specialized projects in high-tech industries should be organized during this period. They are the integrated circuit and software industry specialized project, the new generation mobile telecommunication specialized project, the next-generation Internet specialized project, the digital audio and video industry specialized project, the advanced computer specialized project, the bio-medicine industry specialized project, the civil aviation industry specialized project, the satellite industry specialized project and the new materials industry specialized project. A person in charge of the National Development and Reform Commission of the PR China revealed that through the implementation of these specialized projects, China would make every effort to conquer a set of critical common techniques which played overall and driving effects, and develop a set of high-tech industry groups with independent IPR, and finally largely upgrade the core competition power of high-tech industries.

The plan, for the first time, clarified 8 high-tech industries which should be focally developed during this period. They are electronics and information industry, biologic industry, aeronautics and astronautics industry, new materials industry, high-tech service industry, new energy indus-

try, ocean industry, as well as renovation and upgrading of traditional industries by using high-new techniques.

Three major tasks in the evolution of high-tech industrial regions were also proposed in the plan for the first time. That is, taking the lead in developing the high-tech industrial regions in Yangtze River Delta, Pearl River Delta area and Circum-Bohai-Sea Region and making them the innovation bases for strengthening the core competition power of the PR China's high-tech industries and the important components in the layout of global high-tech industries, so as to motivate the conversion of China's processing-assembly industries to independent R&D industries.

Five policy measures were also provided, in order to guarantee the successful implementation of the plan. The five measures are as follows:

- (i) To perfect investing and financing system, construct multilevel capital market system and support high-tech enterprises;
- (ii) To use finance-taxation policy efficiently and strengthen the support to independent innovation and industrialization;
- (iii) To speed up the implementation of three strategies concerning human resources, patent and standards; and successfully realize the independent development of industries;
- (iv) To implement the strategy of promoting trade development through science and technology, guide industries to improve the level of utilizing foreign capital and foster the internationalized management of high-tech enterprises;
- (v) To strengthen government's role in macro-coordination and guidance, push forward the combination and cooperation of sci-tech with economy, the combination and cooperation of military techniques with civil techniques, and the system revolution of monopoly industry; and additionally, bring the guiding effect of industrial policy into play.

http://www.sdpc.gov.cn/xwfb/t20070706_146652.htm

http://www.cnpatent.com/list_news_zlxw.asp?id=674

Zheng Ying

3. Average Cycle of Patent Examination in PR China is the Shortest throughout the World

Conference on Patent Examination Work by SIPO of the PR China was convened in Beijing in August 2007. According to the address of vice president of SIPO, He Hua, SIPO has become the patent examination agency with the shortest average cycle of patent application examination throughout the world.

All invention patent filings, utility model patent filings and design patent filings received by SIPO reached 268,926 in the first half of 2007, with a 7.3% increase compared to the same period last year. Of all these, invention patent filings are 104,341, an increasing of 6.9%. In addi-

tion, PCT filings reached from 1,524 during the same period in 2006 to 2,045 (an increase of 33.8%).

The average cycle of patent application examination by SIPO has been shorter than that of the patent office of USA since 2005 and become the shortest in the world. It has also been the third largest patent office in the world, following United States Patent and Trademark Office and European Patent Office, measured on human resources.

<http://news.sohu.com/20070809/n251508696.shtml>

Tian Yajuan

4. State Intellectual Property Office (SIPO) of PR China will Set Up 73 Patent Work Exchange Stations in Chinese Enterprises

Over the past 20 years, the PR China has made a lot of progress in intellectual property, but the intellectual property system has not yet been widely established in the enterprises. The innovation capability of the enterprises is weak, and the number of the enterprises with independent IPR is still less. Now in the PR China, only three over ten-thousandth of enterprises have their own independent IPR, and only 1.1% of all enterprises own granted patents, of which only 0.17% own granted invention patents. Most Chinese enterprises are not aware of the market value, economic value as well as competitive value of intellectual property.

In 2007, State Intellectual Property Office (SIPO) of the PR China established the patent work exchange stations in selected 73 Chinese enterprises so as to ameliorate this poor situation and promote the development of IPR in enterprises. In April, Interim Measures on Enterprises' Patent Work Exchange and Interim Measures on Patent Work Exchange Stations in Enterprises were released by SIPO. Stations will play an important role on promoting the deep expansion of IPR work in enterprises, coordinating the formulation and implementation of national IPR strategy, providing services for enterprises on their formulating IPR strategy and establishing modernized IPR manage-

ment mechanism, so as to elevate enterprises' technique innovation and IPR management capabilities.

The activities in these work stations will be carried out in accordance with the uniform requirements regulated by SIPO. The local IPR bureaus are in charge of the fulfillment of the patent exchange program, and the orderly organization of the patent exchange between enterprises. SIPO will establish expert committee and expert consultation mechanism aiming at enterprises' IPR management. Meanwhile, SIPO will organize professionals to supply IPR services for these work stations. These professionals are patent examiners, patent agents, patent lawyers and other related professionals. The cycle of the patent work stations is two years.

After the patent exchange activities finish, enterprises or patent exchange work stations that organize and implement the specific activities should evaluate the exchange activities and submit the evaluation results to SIPO in time.

It is learned that a number of patent exchange work stations will be set up every year, and the report for establishing work stations should be completed by the end of March each year.

http://news.xinhuanet.com/newscenter/2007-09/03/content_6656844.htm

http://news.xinhuanet.com/newscenter/2007-09/03/content_6656878.htm

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