

W&B IP Newsletter

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Global Innovation Index 2020 Published: China Again Ranking No.14 on the GII 2020

On September 2 (Beijing Time), the World Intellectual Property Organization (“WIPO”) published the *Global Innovation Index 2020* (hereinafter the “*GII 2020*” or the “*Report*”) in Geneva. Maintaining its stable and sustainable pace of innovation, China again ranks No.14 on the *GII 2020*, while taking the lead in certain indices around the globe.



According to the *Report*, the COVID-19 epidemic has caused great pressure on the increase of long-term accumulation of global innovation. While the epidemic may have caused obstruction to certain innovation activities, it may have been promoting innovation in some other areas, and in particular the sanitation, education, tourism and retail sectors.

According to the *GII 2020*, the Top 10 countries are: Switzerland, Sweden, the United States of America, the United Kingdom, the Netherlands, Denmark, Finland, Singapore, Germany and the Republic of Korea. China, ranking No.14 on the *GII 2020*, is still the only upper middle-income economy among the Top 30 countries.

Global Innovation Index 2020 rankings

| Country/Economy | Score (0-100) | Rank | Income | Rank | Region | Rank | Median 30-94 |
|--------------------------|---------------|------|--------|------|--------|------|--------------|
| Switzerland | 66.08 | 1 | HI | 1 | EUR | 1 | |
| Sweden | 62.47 | 2 | HI | 2 | EUR | 2 | |
| United States of America | 60.56 | 3 | HI | 3 | NAC | 1 | |
| United Kingdom | 59.78 | 4 | HI | 4 | EUR | 3 | |
| Netherlands | 58.76 | 5 | HI | 5 | EUR | 4 | |
| Denmark | 57.53 | 6 | HI | 6 | EUR | 5 | |
| Finland | 57.02 | 7 | HI | 7 | EUR | 6 | |
| Singapore | 56.61 | 8 | HI | 8 | SEAO | 1 | |
| Germany | 56.55 | 9 | HI | 9 | EUR | 7 | |
| Republic of Korea | 56.11 | 10 | HI | 10 | SEAO | 2 | |
| Hong Kong, China | 54.24 | 11 | HI | 11 | SEAO | 3 | |
| France | 53.66 | 12 | HI | 12 | EUR | 8 | |
| Israel | 53.55 | 13 | HI | 13 | NAWA | 1 | |
| China | 53.28 | 14 | UM | 1 | SEAO | 4 | |
| Ireland | 53.05 | 15 | HI | 14 | EUR | 9 | |
| Japan | 52.70 | 16 | HI | 15 | SEAO | 5 | |
| Canada | 52.26 | 17 | HI | 16 | NAC | 2 | |
| Luxembourg | 50.84 | 18 | HI | 17 | EUR | 10 | |
| Austria | 50.13 | 19 | HI | 18 | EUR | 11 | |
| Norway | 49.29 | 20 | HI | 19 | EUR | 12 | |

In terms of innovation inputs and innovation outputs, China’s performance this year is as excellent as last year – with the No.26 position in innovation inputs, China accomplished the No.6 position in innovation outputs. Such accomplishment in innovation presents China’s competitiveness with high-income economies such as the Netherlands, the United Kingdom and the United States.

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Rankings of China (2018–2020)

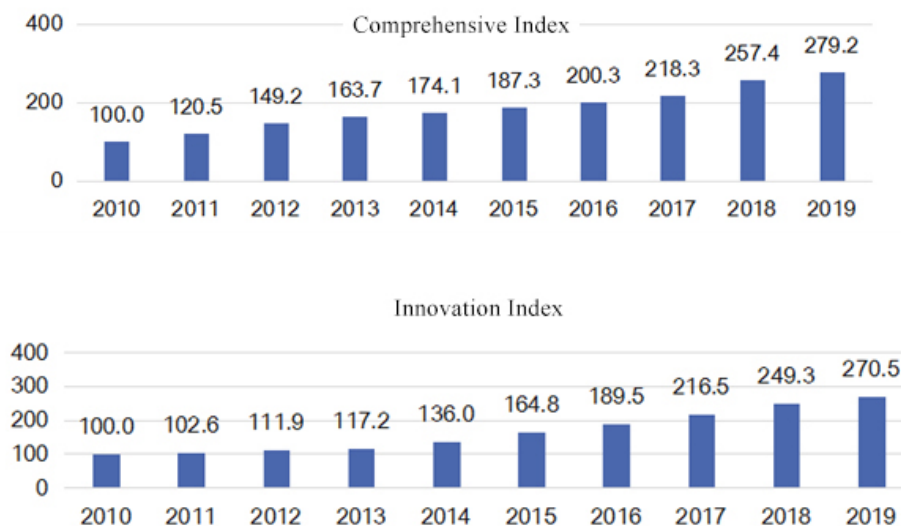
| | GII | Innovation inputs | Innovation outputs |
|------|-----|-------------------|--------------------|
| 2020 | 14 | 26 | 6 |
| 2019 | 14 | 26 | 5 |
| 2018 | 17 | 27 | 10 |

(Source: WIPO's official website)

CNIPA Publishes 2019 Evaluation Report on Development of IP Rights in China

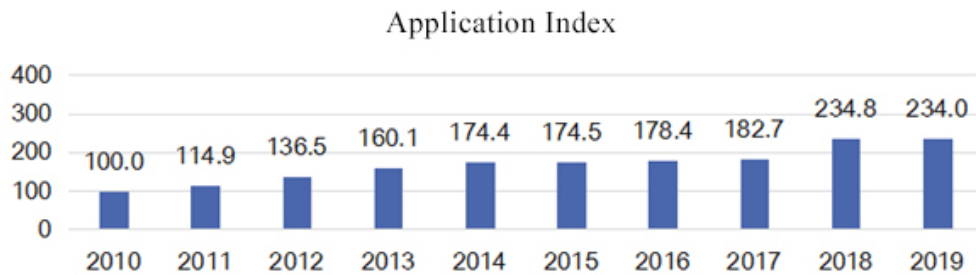
Recently the Development and Research Center of China National Intellectual Property Administration published the *2019 Evaluation Report on Development of IP Rights in China* (hereinafter the “*Report*”). In the *Report*, the National IP Development Indices refer to the year 2010 as the base year – the comprehensive, innovation, application, protection and environment development indices of the year 2010 are set as 100 respectively, on which basis the figures for the following years are measured and calculated.

As shown in the calculation results, from 2010 to 2019, China's national IP comprehensive development index gradually rose up to 279.2. During the said period, China's IP innovation index kept on rising – using the year 2013 as the cut-off point, the average annual growth rate before 2013 was 5.4%, while the average annual growth rate thereafter climbed up to 15.0%; and this innovation index reached 270.5 in 2019, arriving at the average annual growth rate of 11.7% throughout all these years.

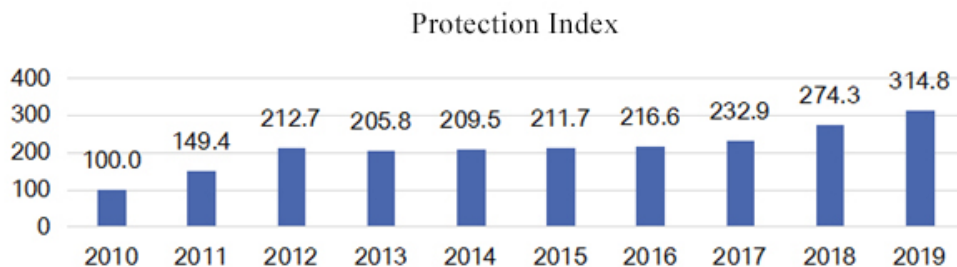


From 2010 to 2019, China's IP application index kept on a steady growth at the average annual growth rate of 9.9%. Among said years, the year 2018 witnessed a significant step forward at the annual growth rate of 28.5%; this index reached 234.0 in 2019, approximately equal to the figure 234.8 in 2018, showcasing a steady and healthy marching pace in this area.

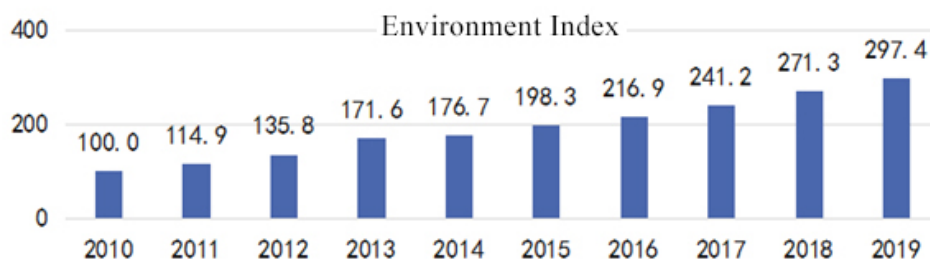
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From 2010 to 2019, China’s IP protection index also presented an escalating trend – it reached 314.8 in 2019 and the average annual growth rate for those years arrived at 13.6%, showing an overall improvement in the area of IP protection.



From 2010 and on, China’s IP environment index also kept on increasing at the average annual growth rate of 12.9%. This index reached 297.4 in 2019, showcasing obvious advancement in China’s environment construction for IP rights.



(Source: National Intellectual Property Administration)

Supreme People’s Court Promulgates Judicial Interpretations for Protection of Trade Secrets and Trial of Patent Cases

Recently the Supreme People’s Court promulgated the *Regulations on Several Issues Concerning the Application of Law in the Trial of Civil Cases Involving Infringement of Trade Secrets* (hereinafter the “*Regulations*”), and the *Regulations (I) on Several Issues Concerning the Application of Law in the Trial of Administrative Cases Involving Granting and Confirmation of Patent Rights* (hereinafter the “*Regulations (I)*”). Both interpretations came into effect on September 12, 2020.

In response to key issues such as production of evidence, cost for enforcement actions and penalties upon infringement, the *Regulations* stipulate for, among others, preservation of infringing conducts, obligation of

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confidentiality and liability for infringement. Meanwhile, in terms of the controversial issues that frequently occurred in judicial practice, e.g. the definitions for “unknown to the public” and “corresponding confidentiality measures and obligations”, and protection for trade secrets relating to employees or former employees, the *Regulations* also stipulate in detail these issues. Thus, the *Regulations* provide both definite basis for judicial adjudication and guidance for the rights holders in the consolidation of their trade secret protection mechanisms.

(Source: Supreme People’s Court)

Judicial Interpretations (III) of the Supreme People’s Court and the Supreme People’s Procuratorate on Criminal Cases Involving IP Rights: Taking Effect on September 14

On September 13, the Supreme People’s Court and the Supreme People’s Procuratorate jointly promulgated the *Interpretations (III) on Several Issues Concerning the Specific Application of Law in Criminal Cases Involving Infringement of IP Rights* (hereinafter the “*Interpretations*”), which took effect on September 14. It is learned that based on judicial practices and needs, a stricter criterion will be applied under the *Interpretations* for the constitution of the crime of trade secret infringement. More circumstances will be deemed to constitute said crime, for example, the illegal income gained from infringement of trade secrets, the bankruptcy or close-down of the rights holder caused by the infringement of trade secrets, among other factors, will be applied to trigger the crime of trade secret infringement. Also, according to the specific circumstances occurring in judicial practices and taking into account the comments solicitation before the promulgation, the amount triggering said crime was reduced to “300,000 RMB or above”.

(Source: Supreme People’s Court)

CNIPA Publishes Data Concerning Protection for Geographical Indications in Its Reply Letter

Recently the National Intellectual Property Administration issued its reply letter to the No.1915 Proposal submitted at the 3rd Session of the 13th National People’s Congress. According to the reply letter, as of June 2020, an accumulative number of 2385 geographical indication products have been approved; a total of 8811 enterprises have been approved to use special marks for geographical indication products; a total of 5682 geographical indication trademarks and a total of 3090 geographical indications for agricultural products have been registered. Meanwhile, the National Intellectual Property Administration has taken a series of measures to push forward unified recognition of geographical indications and to strengthen protection for geographical indications.

(Source: National Intellectual Property Administration)

State Council: Tax Exemption Amount for Technology Transfer Income within Certain Areas Will be Raised from 5 million RMB to 20 million RMB

Recently the State Council issued a reply that approved in principle the *Work Plan on Deepening New Comprehensive Pilot Projects for Opening-up of Service Industry in Beijing and on Building Comprehensive Demonstration Areas for Opening-up of the National Service Industry* (the “*Work Plan*”). The *Work Plan* proposes to strengthen the protection and application of IP rights. A pilot project granting preferential policies for technology

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transfer income tax within the Zhong Guan Cun National Innovation Demonstration Area will be carried out. During the pilot project period, the tax exemption amount for said income will be raised **from 5 million RMB to 20 million RMB**; besides, the scope and conditions for said technology transfers that are eligible under said preferential policies will be properly loosened. Details will be jointly determined by the Ministry of Finance, the State Administration of Taxation and other related authorities.

(Source: www.gov.cn)

Intellectual Property Tribunal of the Supreme People's Court Releases the "Jurisdiction Map"

Recently the Supreme People's Court released the "Jurisdiction Map". Entering the main interface of the public WeChat account of the Intellectual Property Tribunal of the Supreme People's Court, a click on the button "Jurisdiction Map" under the "Litigation Services" column will access users to courts/tribunals with jurisdiction over first instance civil cases involving invention patents and utility model patents.

| Checklist of Courts/Tribunals with Jurisdiction over First Instance Civil Cases Involving Invention Patents and Utility Model Patents | | |
|--|--|--|
| Intellectual Property Tribunal of Supreme People's Court | | |
| Beijing | Beijing Higher People's Court | Beijing Intellectual Property Court |
| Tianjin | Tianjin Higher People's Court | Tianjin Intellectual Property Tribunal* |
| Hebei | Hebei Province Higher People's Court | Shijiazhuang Intermediate People's Court |
| Shanxi | Shanxi Province Higher People's Court | Taiyuan Intermediate People's Court |
| Inner Mongolia | Inner Mongolia Autonomous Region Higher People's Court | Hohhot Intermediate People's Court Baotou Intermediate People's Court |
| Liaoning | Liaoning Province Higher People's Court | Shenyang Intermediate People's Court Dalian Intermediate People's Court |
| Jilin | Jilin Province Higher People's Court | Changchun Intellectual Property Tribunal* |
| Heilongjiang | Heilongjiang Province Higher People's Court | Harbin Intermediate People's Court Tsitsihar Intermediate People's Court |
| Shanghai | Shanghai Higher People's Court | Shanghai Intellectual Property Court |
| Jiangsu | Jiangsu Province Higher People's Court | Nanjing Intellectual Property Tribunal Suzhou Intellectual Property Tribunal |
| Zhejiang | Zhejiang Province Higher People's Court | Hangzhou Intellectual Property Tribunal* Ningbo Intellectual Property Tribunal* |
| Anhui | Anhui Province Higher People's Court | Hefei Intellectual Property Tribunal* |
| Fujian | Fujian Province Higher People's Court | Fuzhou Intellectual Property Tribunal* Xiamen Intellectual Property Tribunal* |

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| | | |
|--|--|---|
| Jiangxi | Jiangxi Province Higher People's Court | Nanchang Intellectual Property Tribunal* |
| Shandong | Shandong Province Higher People's Court | Jinan Intellectual Property Tribunal* Qingdao Intellectual Property Tribunal* |
| Henan | Henan Province Higher People's Court | Zhengzhou Intellectual Property Tribunal* |
| Hubei | Hubei Province Higher People's Court | Wuhan Intellectual Property Tribunal* |
| Hunan | Hunan Province Higher People's Court | Changsha Intellectual Property Tribunal* |
| Guangdong | Guangdong Province Higher People's Court | Guangzhou Intellectual Property Court Shenzhen Intellectual Property Tribunal* |
| Guangxi | Guangxi Province Higher People's Court | Nanning Intermediate People's Court Liuzhou Intermediate People's Court |
| Hainan | Hainan Province Higher People's Court | Haikou Intellectual Property Tribunal* |
| Chongqing | Chongqing Higher People's Court | Chongqing No.1 Intermediate People's Court Chongqing No.5 Intermediate People's Court |
| Sichuan | Sichuan Province Higher People's Court | Chengdu Intellectual Property Tribunal* |
| Guizhou | Guizhou Province Higher People's Court | Guiyang Intermediate People's Court Zunyi Intermediate People's Court |
| Yunnan | Yunnan Province Higher People's Court | Kunming Intermediate People's Court |
| Tibet | Tibet Autonomous Region Higher People's Court | Lhasa Intermediate People's Court |
| Shaanxi | Shaanxi Province Higher People's Court | Xi'an Intellectual Property Tribunal* |
| Gansu | Gansu Province Higher People's Court | Lanzhou Intellectual Property Tribunal* |
| Qinghai | Qinghai Province Higher People's Court | Xining Intermediate People's Court |
| Ningxia | Ningxia Hui Autonomous Region Higher People's Court | Yinchuan Intermediate People's Court |
| Xinjiang | Xinjiang Uygur Autonomous Region Higher People's Court | Urumchi Intellectual Property Tribunal* |
| | Production and Construction Corps Branch Court of Xinjiang Uygur Autonomous Region Higher People's Court | Xinjiang Production and Construction Corps No.8 Intermediate People's Court Xinjiang Production and Construction Corps No.12 Intermediate People's Court |
| <p>Note: Intellectual Property Tribunals marked with “*” are internal institutions of the relevant Intermediate People's Courts; they have cross-administrative region jurisdiction over technical cases such as patent cases.</p> | | |

(Source: Intellectual Property Tribunal of Supreme People's Court)