

# W&B IP Newsletter

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## Watson & Band News

### **Watson & Band honored as an “Outstanding Trademark Agency for the Year 2020” by Shanghai Trademark Association**

Recently Shanghai Trademark Association announced the final winners of its awards “Outstanding Trademark Agencies”, “Outstanding Trademark Agents” and “Outstanding Trademark Cases” for the year 2020.

After candidate submissions, documents review, online voting and expert panel assessment, Watson & Band Intellectual Property Agent Ltd. was honored “Outstanding Trademark Agency of the Year”; our trademark agent, Ms. Hao Ji, was honored “Outstanding Trademark Agent of the Year”. Meanwhile, the “Dottie DOTTIE LH and figure” trademark invalidation case was selected as an “Outstanding Trademark Case of the Year”.

After being honored “Outstanding Trademark Agency for the Year 2020” by China Trademark Association, this is another great success for Watson & Band in the trademark practice area.

### **Watson & Band Case selected as a “Typical Case of Strengthened Judicial Protection for IP Rights heard by Courts in Zhejiang Province”**

On January 19, Zhejiang Higher People’s Court published the “2020 Typical Case of Strengthened Judicial Protection for IP Rights heard by Courts in Zhejiang Province”. The trademark cross-class enforcement action that Watson & Band’s Partner Joe Liu and his team represented for the World Trade Center Association was selected among these cases. Where the trial judgment basically supported our claims, the appellate court Zhejiang Higher People’s Court corrected the application of law and supported our claim for damages in the full amount of 3 million RMB.

For details of the case you may visit:

[http://www.watsonband.com/en/cmsDetail\\_en.htm?item.id=b24afd73ca7d4b419b0b767e3b5a9c43](http://www.watsonband.com/en/cmsDetail_en.htm?item.id=b24afd73ca7d4b419b0b767e3b5a9c43)

## Patent

### **CNIPA Publishes Statistical Data of Patents from January to December 2020**

In 2020, a total of 530,000 invention patents were granted. As of December 2020, the number of invention patents in force in China (excluding Hong Kong and Macau SARs and Taiwan Region) reached 2,213,000. The average number of invention patents owned by every 10,000 people reached 15.8.

In 2020, CNIPA accepted a total of 72,000 PCT applications, of which 67,000 were domestic.

In 2020, a total of 2,377,000 utility models and a total of 732,000 design patents were granted. 48,000 cases of

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patent reexamination were concluded, reaching an annual growth rate of 28.9%; 7,000 cases of patent invalidation were concluded, reaching the annual growth rate of 34.1%.

(Source: National Intellectual Property Administration)

### **Statistics: The success rate of patent invalidation litigation in China in 2020 is about 60%**

On December 30, 2020, the intellectual property trading company RPX statistically analyzed patent invalidation cases in China in the past 10 years and found that the success rate of patent invalidation litigation in China was about 60%.

RPX's statistics cover about 25,000 patent invalidation cases in China from 2010 to 2020. The data shows:

(1) The number of patent invalidation lawsuits in China has increased by about three times, from less than 1,400 in 2010 to more than 3,800 in 2018;

(2) In this type of lawsuits, approximately 60% of the patents were declared invalid. After the patent has been declared invalid, the same argument based on the same evidence may not be raised against the same patent.

(Source: National Intellectual Property Administration)

### **Announcement of the National Intellectual Property Administration and the National Bureau of Statistics on the Added Value of Patent-intensive Industries in China in 2019 (No. 396)**

According to calculations, the added value of patent-intensive industries nationwide in 2019 was 11,463.1 billion RMB, achieving an increase of 7.0% over the previous year (without deducting price factors, the same below), accounting for 11.6% of the gross domestic product (GDP), and keeping approximately equal to the previous year.

From the perspective of internal structure, manufacturing-related industries in patent-intensive industries have a large scale, accounting for 72.9% of their added value. Among them, the added value of the new equipment manufacturing industry was 3,400.4 billion RMB, accounting for the highest proportion of patent-intensive industries at 29.7%; followed by the information and communication technology manufacturing industry, with an added value of 2,302.1 billion RMB, accounting for 20.1%. The proportions of new material manufacturing industry, pharmaceutical and medical industry, and environmental protection industry were 12.2%, 8.7% and 2.3%, respectively.

In terms of growth rate, service-related industries in patent-intensive industries have developed rapidly. The information and communication technology service industry grew by 17.2%, and the R&D, design and technical service industry grew by 14.0%, which were significantly higher than that of the manufacturing industry.

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### Added value of patent-intensive industries in 2019

Category Name	Value Added (100 million RMB)	Growth Rate (%)	Proportion (%)
patent-intensive Industries	114630.7	7.0	100.0
information and communication technology manufacturing industry	23020.5	6.8	20.1
new equipment manufacturing industry	34004.1	3.6	29.7
new material manufacturing industry	13983.4	-1.0	12.2
pharmaceutical and medical industry	9974.3	5.4	8.7
environmental protection industry	2599.6	7.2	2.3
information and communication technology service industry	22822.9	17.2	19.9
R&D, design and technical service industry	8225.9	14.0	7.2

Note: 1. The growth rate is the current price growth rate without deducting price factors.

2. If the data sub-item total is not equal to the total, it is due to data rounding errors.

(Source: National Intellectual Property Administration)

## Trademark

### CNIPA Publishes Statistical Data of Trademarks from January to December 2020

In 2020, a total of 5,671,000 trademarks were registered in China. CNIPA received 7,553 Madrid international applications filed by Chinese applicants.

In 2020, a total of 149,000 trademark opposition reviews were completed, reaching an annual growth rate of 64.7%. CNIPA also concluded 358,000 various types of applications for trademark review and adjudication, reaching the annual growth rate of 7.8%.

(Source: National Intellectual Property Administration)

### 8,784,000 Trademark Registration Examinations Completed in China in 2020; Average Examination Period Shortened to 4 Months

On the morning of January 11, 2021, CNIPA Trademark Office hosted a video conference for trademark review work conclusion and deployment.

According to the conference, in 2020 the Trademark Office worked shoulder to shoulder with local trademark

## Trademark

examination collaboration centers and overcame a great many difficulties, and finally made significant accomplishments on the two “battlefields” combatting the COVID-19 epidemic and enhancing the trademark examination efficiency. A total of 8,784,000 trademark registration examinations were completed, reaching an annual growth rate of 6.43%. The average trademark registration examination period in China was shorted to 4 months as scheduled earlier; and the trademark registration period was shortened to 7 to 8 months.

(Source: National Intellectual Property Administration)

## Copyright

### Review of Copyright Work during the "13<sup>th</sup> Five-Year Plan" Period (Abstract)

During the "13<sup>th</sup> Five-Year Plan" (2016~2020), the copyright work in China has centered on the core, served the overall situation, and closely adhered to the theme of strengthening copyright creation, protection and utilization, and has contributed its due force to the implementation of the innovation-driven development strategy and the comprehensive construction of a well-off society. There should be strength.

- 1.The copyright legal system is gradually improved
  - a.Complete the third revision of the Copyright Law

The *Amendment to the Copyright Law of the People's Republic of China (Draft)* was formed with the cooperation of relevant departments and submitted to the Standing Committee of the National People's Congress for deliberation in 2020. On November 11, 2020, the 23<sup>rd</sup> meeting of the 13<sup>th</sup> National People's Congress deliberated and approved the Decision of the Standing Committee of the National People's Congress on *Amending the Copyright Law of the People's Republic of China*, which shall come into effect from 1 June 2021.

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- 2.The copyright enforcement and supervision system continues to improve

During 2016 to 2020, the copyright administrative law enforcement agencies nationwide investigated and handled more than 13,000 infringement and piracy cases, and confiscated more than 40 million infringement and pirated products.

- a.Strengthen the special rectification of infringement and piracy

Copyright enforcement agencies at all levels investigated and dealt with 2,775 online infringement and piracy cases, closed 7,763 infringement and piracy websites (APP) in accordance with the law, and deleted more than 6.9 million infringement and piracy links. The high incidence of online infringement and piracy was effectively curbed.

- b.Strengthen online copyright supervision

Since the announcement of the "13th Five-Year Plan", NCAC has published a total of 42 batches of key film and television work warning lists together with 678 key works, has given special protection to the network communication of CCTV Spring Festival Gala and excellent domestic movies, and has made more than 1 million pirated links offline.

## Copyright

### 3. Continue to promote software legalization

In 2019, the number of software copyright registrations in China reached 1,484,400 and software business revenue reached 7.21 trillion RMB. From 2016 to 2019, the number of software copyright registrations increased by 51.26% annually, and the software business revenue increased by 14.4% annually.

### 4. The copyright social service system is increasingly improving

In 2016, the industry added value of the copyright industry in China was 5.45 trillion RMB, accounting for 7.33% of GDP; in 2019, it increased to 7.32 trillion RMB, accounting for 7.39% of GDP.

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(Source: National Copyright Administration)

## Intellectual Property

### CNIPA Publishes Statistical Data of Other IP Rights from January to December 2020

#### Geographical Indications

In 2020, CNIPA approved a total of 1052 enterprises to use exclusive marks for products with geographical indications, and approved 765 registered geographical indication trademarks. By December 2020, an accumulative number of 2,391 products with geographical indications have been approved and a total of 9,479 enterprises have been approved to use said exclusive marks; also, an accumulative number of 6,085 geographical indication trademarks have been registered.

#### Layout Designs of Integrated Circuits

In 2020, 14,375 applications for registration of layout designs of integrated circuits were filed, reaching an annual growth rate of 72.8%. 11,727 registration certificates for layout designs were issued, reaching the annual growth rate of 77.3%.

(Source: National Intellectual Property Administration)

### WIPO Published IP Facts and Figures 2020: The IP office of China received 96.9% of all utility model applications filed worldwide in 2019

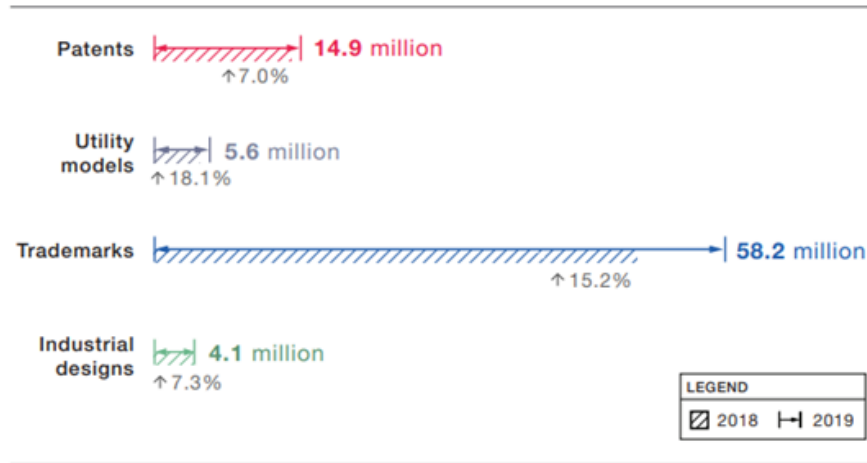
WIPO recently published the latest IP rights statistical results for the year 2020.

An estimated 14.9 million patents were in force worldwide in 2019. The highest numbers were in the United States of America (U.S.) (3.1 million), China (2.7 million) and Japan (2.1 million).

Of the 58.2 million trademark registrations active worldwide, the greatest number in force were in China (25.2 million), followed by the U.S. (2.8 million), India (2 million) and Japan (1.9 million).

# Intellectual Property

### 3. IP rights in force, 2019



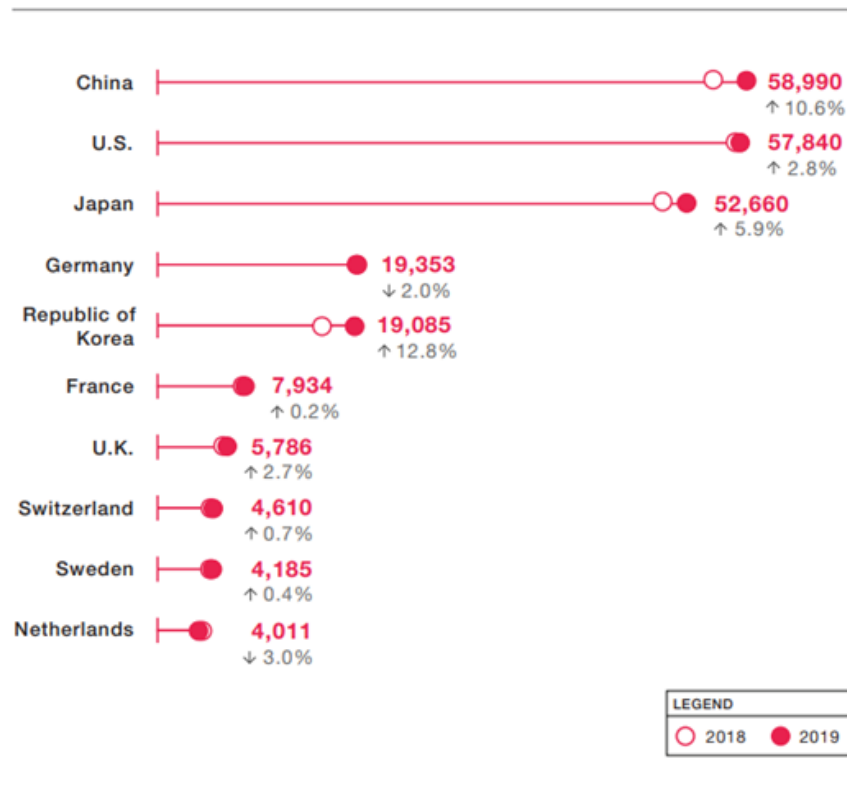
Source: WIPO Statistics Database, September 2020.

Likewise, China had the most industrial design registrations in force, accounting for 44% of the world total. In addition, China accounted for 94.2% of all utility models in force.

Below is a summary of contents in this report with respect to WIPO’s World Intellectual Property Indicators 2020.

China in 2019 surpassed the U.S. to become the top filer of international patent applications.

### 9. PCT international applications for the top 10 origins, 2019



Source: WIPO Statistics Database, September 2020.

PCT international applications for the top 10 origins, 2019

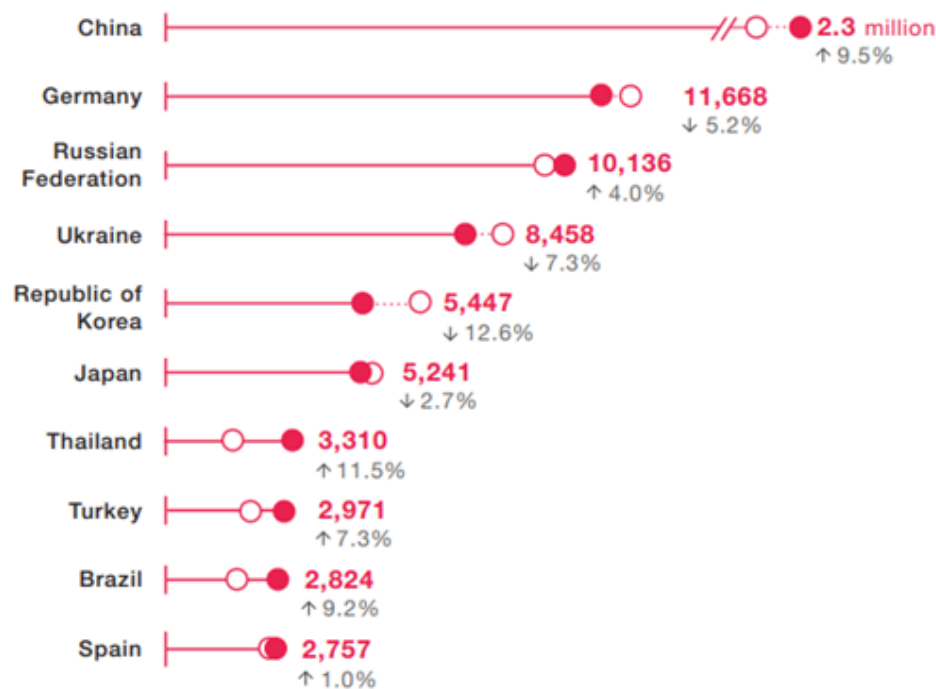
## Intellectual Property

The Patent Cooperation Treaty (PCT) System simplifies the process of multiple national patent filings by reducing the requirement to file a separate application in each jurisdiction where protection is sought. International patent applications filed via the PCT grew by 5.2% (265,800 applications) in 2019, representing a tenth consecutive year of growth.

Applicants residing in China (58,990) filed the greatest number of PCT patent applications, followed closely by applicants from the U.S. (57,840) and Japan (52,660). Germany and the Republic of Korea ranked fourth and fifth, in 2019, with 19,353 and 19,085 applications, respectively.

### The IP office of China received 96.9% of all utility model applications filed worldwide in 2019.

11. Utility model applications for the top 10 offices, 2019



LEGEND	
○	2018
●	2019

Source: WIPO Statistics Database, September 2020.

### Utility model applications for the top 10 offices

A utility model is a special form of patent right. It has less stringent requirements than a patent, but gives a shorter term of protection. Utility models are not available in all jurisdictions.

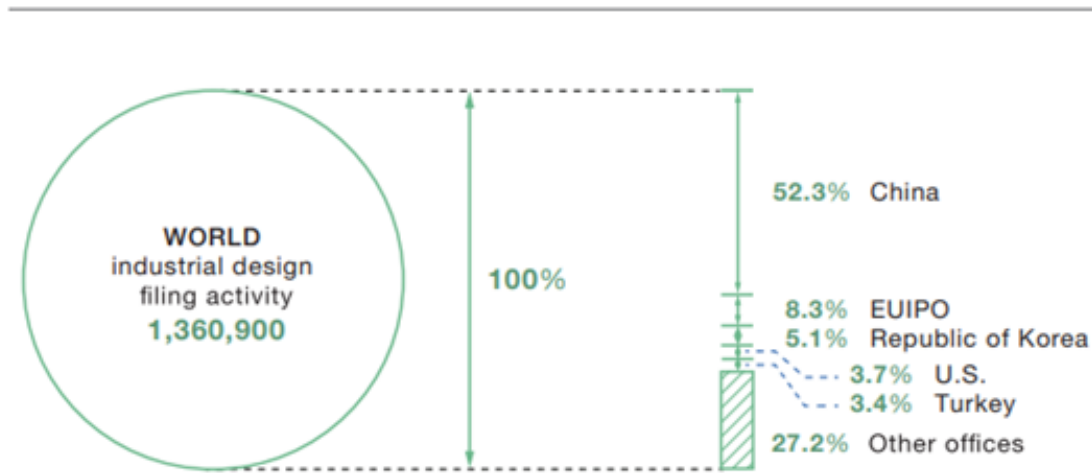
Of the 2.3 million applications filed globally in 2019, the IP office of China received 96.9% of the world total – the other 79 offices together receiving just 3.1%. Applications at the offices of Germany, Japan and the Republic of Korea declined substantially between 2009 and 2019. In contrast, China saw enormous growth over the same period.



## Intellectual Property

The office of China accounted for more than half of all industrial design filing activity worldwide.

20. Percentage shares of total design filing activity by the top five offices, 2019



EUIPO is the European Union Intellectual Property Office.

Source: WIPO Statistics Database, September 2020.

In 2019, just over one million industrial design applications were filed worldwide.

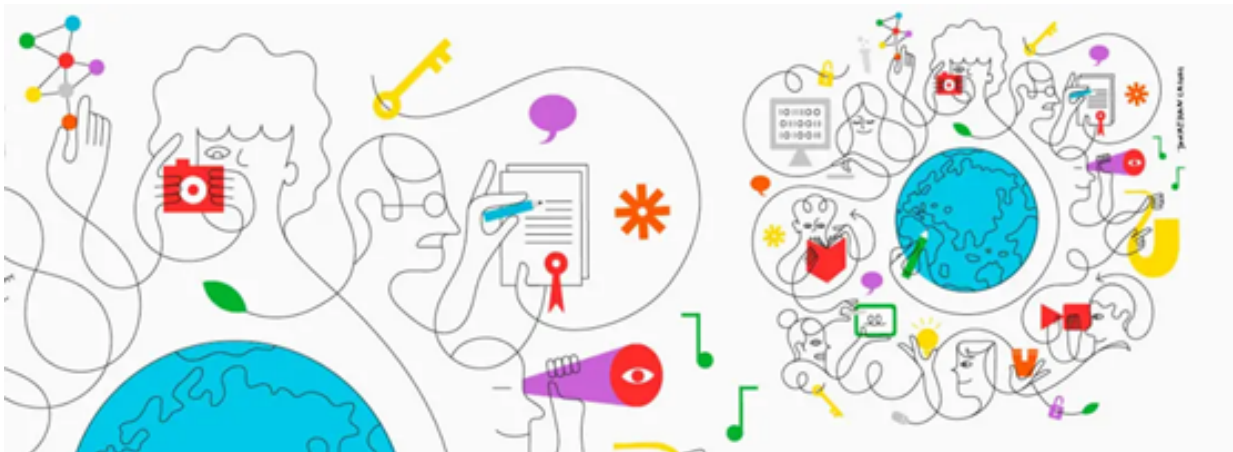
Almost 73% of global industrial design filing activity – as measured by design counts – took place at the top five offices in 2019, with the office of China alone receiving 52.3% the world total. The EUIPO (8.3%) and the Republic of Korea (5.1%) received the second and third largest shares of total filing activity, respectively.

(Source: WIPO)

### World Intellectual Property Day 2021

#### IP & SMEs: Taking your ideas to market

It is learned from WIPO China on January 19 that the theme for World Intellectual Property Day 2021 has been published – IP & SMEs: Taking your ideas to market.



## Intellectual Property

Every April 26, we celebrate World Intellectual Property (IP) Day and this year's theme is centered on IP & SMEs: Taking your ideas to market. WIPO will organize a series of events to introduce the role that IP rights play in encouraging innovation and creativity.

According to WIPO, each of these business ventures has taken an idea and married it with ingenuity to create a product or a service that consumers want. And each of them can use IP rights to safeguard and create value from their business assets. Studies show that when businesses are IP savvy, and when they acquire and manage IP rights, they do better. SMEs are the backbone of national economies. They make up around 90 percent of the world's businesses, employ around 50 percent of the global workforce and generate up to 40 percent of national income in many emerging economies.

WIPO also expresses that at a time when the imperative of economic recovery is high, World Intellectual Property Day 2021 will

- (i) introduce how the tools of the IP system – trademarks, design rights, copyright, patents, trade secrets, geographical indications, and more – can help people take their ideas to market;
- (ii) shine a light on the critical role of SMEs in the economy and how they can use IP rights to build stronger, more competitive and resilient businesses; and
- (iii) highlight the central role that WIPO and national and regional IP offices around the world play in creating favorable conditions for SMEs to drive innovation and creativity, power economic recovery and create employment.

(Source: WIPO China)