

W&B IP Newsletter



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Website: www.watsonband.com

E-mail: mailip@watsonband.com | mail@watsonband.com

Watson & Band Ranked in Chambers for 13th Consecutive Year: Dual Recognition in IP Practice, Three Experts Achieve Rankings



On January 15, Chambers and Partners, the internationally renowned legal ranking agency, released the 2026 Chambers Greater China Region Guide. Watson & Band has been recognized for the 13th consecutive year.

Practice Area Rankings: Dual Recognition in Intellectual Property

In this year's rankings, Watson & Band achieved recognition in both "Intellectual Property: Litigation" and "Intellectual Property: Non-contentious," demonstrating the firm's comprehensive capabilities in IP dispute resolution and non-contentious services.



Individual Rankings: Three Experts Recognized

Multiple experts from Watson & Band's intellectual property team were recognized, demonstrating significant achievements in team development:

- **Liu Yizhou (Secretary General of Management Board, Watson & Band Law Offices):** First-time recognition in "Intellectual Property: Litigation"



- **Tang Guohua (Deputy General Manager, Watson & Band Intellectual Property Agency Ltd):** Ranked for the fourth consecutive year in "Intellectual Property: Non-contentious," with further advancement in placement



- **Zhang Liming (Deputy General Manager, Watson & Band Intellectual Property Agency Ltd):** First-time recognition in "Intellectual Property: Non-contentious"

These multi-faceted achievements across both firm-wide and individual rankings reflect Watson & Band's sustained excellence and deep expertise in complex IP dispute resolution and high-end non-contentious services.

Intellectual Property

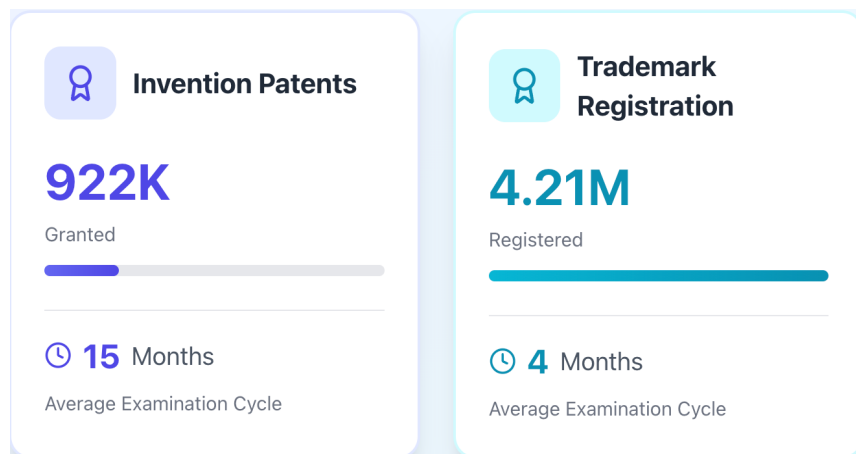
CNIPA Releases 2025 Data: Examination Efficiency Improves as Data Assets Gain Traction

At its recent 2026 Commissioner's Meeting, the China National Intellectual Property Administration (CNIPA) released key intellectual property data for 2025 and the "14th Five-Year Plan" period. The report highlights a dual trend: a marked reduction in examination pendency and a surge in IP commercialization. These metrics signal robust institutional support for innovators and a shifting focus toward asset utilization.

I. Prosecution Efficiency: Optimization of Scale and Speed

Volume & Grants

In 2025, CNIPA granted 922,000 invention patents and registered 4.206 million trademarks, maintaining a high volume of rights creation.



II. Commercialization & Utilization: Surge in Transactional Activity

Technology Transfer Ecosystem

At its recent 2026 Commissioner's Meeting, the China National Intellectual Property Administration (CNIPA) released key intellectual property data for 2025 and the "14th Five-Year Plan" period. The report highlights a dual trend: a marked reduction in examination pendency and a surge in IP commercialization. These metrics signal robust institutional support for innovators and a shifting focus toward asset utilization.

I. Prosecution Efficiency: Optimization of Scale and Speed

Volume & Grants

In 2025, CNIPA granted 922,000 invention patents and registered 4.206 million trademarks, maintaining a high volume of rights creation.

Pendency & Timeliness

Examination efficiency has improved significantly, providing critical speed for enterprises building robust IP portfolios:

Intellectual Property

- * Invention Patents: Average examination pendency has been reduced to 15 months.
- * Trademarks: Registration cycles have stabilized at 4 months.



II. Commercialization & Utilization: Surge in Transactional Activity

Technology Transfer Ecosystem

The volume of national patent assignments and licenses reached 134,900 in 2025—a 48% year-on-year increase. This sharp rise indicates enhanced liquidity in the technology transfer market and a growing emphasis on monetizing R&D outputs.

IP-Backed Financing

IP pledge financing continued its rapid growth, with the total value of registered pledges reaching RMB 969 billion, nearing the trillion-yuan milestone. This mechanism has successfully broadened access to capital for "asset-light, technology-heavy" enterprises.



III. Emerging Sectors & Global Strategy: New Strategic Opportunities

The Rise of Data IP

Data assets are emerging as a distinct IP category. A cumulative total of 828,100 Data Intellectual Property Registration Certificates have been issued nationwide. These certificates are becoming essential instruments for establishing ownership and facilitating the trading of corporate data assets.

Intellectual Property

Expansion of International Networks

China's Patent Prosecution Highway (PPH) network has expanded to cover 86 countries and regions. This broader network offers applicants an expedited pathway to secure patent rights in key target markets, reinforcing global filing strategies.

(Source: CNIPA)

Patent

Nine Ministries Overhaul Evaluation System: Patent Subsidies Abolished in Shift Toward Commercial Value

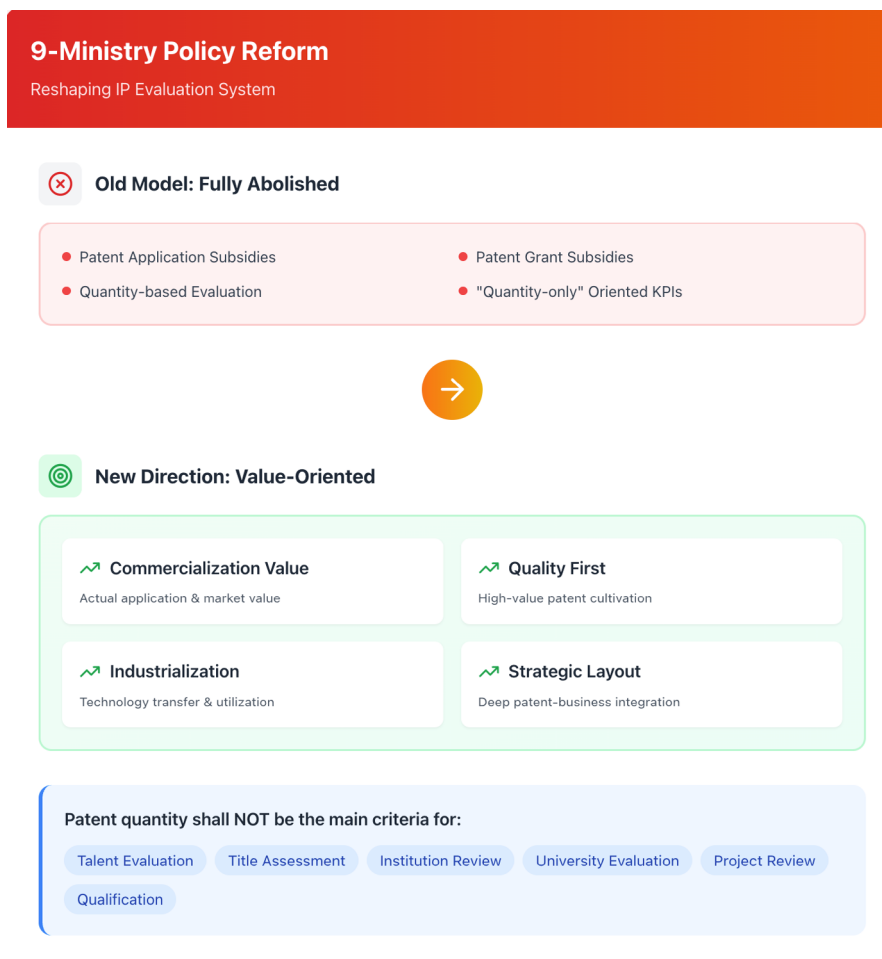
The China National Intellectual Property Administration (CNIPA) confirmed in a recent report that all fiscal subsidies for patent filings and grants have been eliminated across all regions and departments. This decisive move addresses the historic imbalance of "prioritizing quantity over quality" and marks a new era in Chinese IP policy.

Core Policy Changes

A joint directive issued by nine ministries has systematically reformed IP evaluation standards to align with this new direction. The regulations explicitly prohibit the use of raw patent application and grant numbers as the primary criteria for:

- **Talent & HR Assessments:** Professional title promotions and talent evaluations.
- **Institutional Rankings:** University appraisals and institutional reviews.
- **Grant Funding:** Project evaluations and qualification certifications.

This policy aims to dismantle the entrenched practice of "filing for promotion" and curbing the pursuit of volume solely to meet administrative targets.



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Practical Implications

This regulatory shift necessitates a strategic pivot for enterprises and research institutions.

- From Volume to Value:** The assessment model must transition from counting filings to measuring actual **patent commercialization** and **market value**.

- Strategic Recommendations:** Enterprises are advised to audit their existing portfolios to prune low-value assets. Future strategy should focus on cultivating high-quality patents, integrating IP metrics with business performance, and incorporating commercialization success into internal performance reviews.

Policy Signal

The abolition of subsidies signals a deeper strategic transformation in China's IP policy—from "quantity-driven" to "value-oriented." Moving forward, the competitiveness of innovators will be measured not by filing volume, but by their capacity to cultivate **high-value patents** and achieve successful market utilization.

(Source: China News WeChat Video Channel)

Special Feature

Interpretation of the 2025 Amendments to the *Guidelines for Patent Examination* (Part II)

Artificial Intelligence — Building an Integrated "Technology + Ethics + Law" Framework

1. Rationale and Legal Foundation

The 2025 amendments mark a paradigm shift in China's AI patent examination regime, moving from a purely technical evaluation to a tripartite "Technology + Ethics + Law" assessment framework. This represents not merely an incremental refinement, but a systemic restructuring of AI patent examination standards. Crucially, the amendments elevate Article 5(1) of the Patent Law—which prohibits inventions that violate laws or social morality, or harm public interests—from a rarely used exclusionary clause into a threshold gatekeeping requirement. This effectively transforms the policy of "technology for good" from an aspirational goal into a concrete condition for patentability.

This overhaul targets two systemic vulnerabilities exposed by the explosive growth of generative AI and Large Language Models (LLMs): (1) foundational defects in rights arising from data misuse, and (2) sufficiency of disclosure disputes triggered by algorithmic "black boxes."

2. Evolution of Core Examination Standards

Establishing a Compliance-Based Gatekeeping Mechanism (Patent Law Article 5(1))

The new Guidelines explicitly bring data collection, labeling protocols, rule configuration, and recommendation decision-making within the scope of Article 5(1) review, establishing two strict boundaries:

The Legal Boundary:

Any biometric information collected in public spaces without individual consent, where such collection is not strictly necessary for public safety, violates the Personal Information Protection Law (PIPL).

* Example 1 — Mattress Sales Assistance System:

A retail system captured customers' facial features without their knowledge to facilitate targeted marketing. Because this data collection was non-consensual and unnecessary for public safety, the CNIPA deemed the invention in violation of applicable law. This determination creates a clear precedent: image collection for commercial marketing—as distinct from public security—is excluded from patentable subject matter under the new compliance standard.

The Ethical Boundary:

Using gender, age, or other sensitive characteristics as criteria for algorithmic decision-making constitutes a violation of social morality. The Guidelines posit that such practices entrench social biases and contravene fundamental principles of human equality.

* Example 2 — Autonomous Vehicle Emergency Decision Model:

A system designed to prioritize pedestrian avoidance based on gender or age classifications violates core social values regarding the sanctity of life and human equality. By embedding discriminatory logic, the invention fails the Article 5(1) morality test.

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Interpretation of the 2025 Amendments to the *Guidelines for Patent Examination* (Part II)

This development establishes perhaps the most explicit ethical review standard among major global patent offices, effectively embedding algorithmic value judgments directly into patentability determinations.

Clarifying Inventive Step Criteria: Distinguishing "Scenario Transplantation" from "Technical Adaptation"

The newly added Examples 18 and 19 establish a comparative framework to adjudicate a critical issue in AI patenting: distinguishing between the mere application of an existing model to a new field and a genuine technical improvement.

Non-Inventive: Mere Scenario Transplantation

Merely transposing a known algorithm to a new application scenario without making targeted adjustments to the model architecture or training process fails the inventive step requirement.

*** Example 18 — Vessel Quantity Recognition:**

In this case, the applicant shifted the recognition target from fruit to shipping vessels but made no adjustments to the deep learning methodology, model structure, or training protocols. The CNIPA determined that a person skilled in the art would recognize that the steps required for counting different object types—such as information labeling, dataset partitioning, and model training—are substantially identical. Consequently, the invention lacks an inventive step.

Inventive: Technical Adaptation and Optimization

Making non-obvious, substantive improvements to model architecture to resolve scenario-specific technical challenges constitutes an inventive step.

*** Example 19 — Scrap Steel Grade Classification Model:**

To identify the grade of irregularly stacked scrap steel, the system extracts color, edge, and texture features. This specific application necessitated structural adjustments to the number and hierarchical configuration of the convolutional and pooling layers. Because this scenario-specific adaptation solves a distinct technical problem with verifiable benefits, the invention satisfies the inventive step requirement.

The Core Standard: "Functional Interlocking"

The Guidelines clarify that patentability hinges on whether a "functional interlocking and synergistic interaction" exists between the algorithmic features and the technical features. When an algorithm and the hardware/system features mutually support one another to produce a combined technical effect, that contribution must be weighed in the inventive step determination.

Heightened Sufficiency of Disclosure Standards

The amendments mandate strict compliance regarding disclosure, effectively closing the door on vague "black box" claims. The Guidelines impose the following requirements:

- For Model Construction or Training:** The specification must clearly disclose the model's essential modules,

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hierarchical structure, connectivity relationships, and the specific steps and parameters necessary for training.

•**For Specific Applications:** The specification must explicitly detail how the model integrates with the specific technical field and demonstrate the inherent correlational relationships between the input data and the algorithmic output.

Applications that rely on generic boilerplate—such as "employing deep learning" or "integrating multi-source data"—without substantiating the concrete technical pathway will be rejected for insufficiency of disclosure (enablement failure).

* **Example 20 (Compliant) — Facial Feature Generation Method:**

Although the specification did not pinpoint the exact location of the spatial transformer network within the convolutional neural network (CNN), the Office found that a person skilled in the art would understand that the transformer could be inserted as a modular unit at various positions without impairing image feature identification. Thus, the sufficiency requirement was met.

* **Example 21 (Non-Compliant) — Cancer Prediction via Biological Information:**

The applicant claimed to predict cancer risks by combining "routine blood tests + blood biochemistry + facial imaging." However, the application failed to disclose which specific blood indicators or facial features correlated with malignant tumor diagnosis. As a person skilled in the art could not ascertain how to reproduce the invention based on such vague assertions, the application was rejected for insufficient disclosure.

3. Strategic Implications and Practical Responses

For Examiners:

•The amendments necessitate a cross-disciplinary skillset. Beyond evaluating technical merits, examiners are now required to actively scrutinize compliance with the Personal Information Protection Law (PIPL) and the Algorithmic Recommendation Management Regulations. Furthermore, examiners must remain vigilant against "form over substance" applications—specifically those that merely graft industry keywords onto generic AI models without genuine innovation.

For Applicants and Patent Attorneys:

1. Embed Compliance into the R&D Lifecycle

Legal and ethical assessments must be integrated at the genesis of algorithm development. Applicants should maintain robust, auditable records regarding data authorization and bias testing. Crucially, specifications should explicitly recite compliance declarations (e.g., confirming that data collection received user authorization in accordance with applicable law) to preemptively address potential Article 5(1) objections.

2. Emphasize the "Technical Nexus" in Drafting

Drafters must move beyond simply identifying the model employed. Instead, the focus must shift to specifying the non-obvious modifications made to model components to resolve specific technical bottlenecks.

Applications should rigorously detail the technical necessity of architectural

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Applications should rigorously detail the technical necessity of architectural adjustments—such as weight configurations, layer counts, and loss functions—and clearly articulate the resulting technical effects.

3. Leverage Disclosure as a Strategic Defense

Detailed technical descriptions should be embedded in the specification to anchor arguments for both inventive step and sufficiency of disclosure. Essential disclosures include critical model architecture, training protocols, and parameter settings. Crucially, the text must demonstrate the intrinsic logic linking the algorithm to the specific technical problem, moving beyond rote formalistic compliance.

Conclusion

These amendments mark a milestone in the maturation of China's patent system and a watershed moment for innovators. Moving forward, entities can only secure robust rights in this new era of "precision IP management" by fully integrating patent portfolio development with R&D governance and broader business strategy.

(Source: CNIPA)