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**China Joins the Hague System**

China has joined the Hague System bringing the total number of countries covered to 94. The Government of China deposited its instrument of accession to the 1999 Geneva Act of the Hague Agreement on February 5, 2022. China is the 68th contracting party to the 1999 Act and 77th member of the Hague Union.

With China’s accession, the Hague System will now cover nine out of ten of the world’s top economic markets (World Bank rankings).

As a non-resident, from May 5, 2022 you will be able to secure international design protection in China, facilitating expansion of your business into one of the world’s largest and most dynamic markets. In parallel, companies and designers in China will be able to quickly and easily seek international protection of their designs in as many of the 94 countries covered by the Hague System as desired, helping them expand into international markets.

[https://www.wipo.int/hague/en/news/2022/news\\_0005.html](https://www.wipo.int/hague/en/news/2022/news_0005.html)

**CNIPA is Ready for the Entry into Force of RCEP Agreement**

On November 15, 2020, China, Japan, South Korea, Australia, New Zealand and ten ASEAN countries signed the Regional

Comprehensive Economic Partnership Agreement (RCEP). The RCEP Agreement consists of a preamble, 20 Chapters, and 4 Annexes to the market access commitments table. The intellectual property chapter is Chapter 11 and contains 83 Articles and 2 Annexes on transitional arrangements and technical assistance, which is the most extensive and longest chapter of the RCEP Agreement and the most comprehensive intellectual property chapter incorporated in the FTAs signed by China to date. In 2021, 10 countries, including China, have formally submitted their approvals and the RCEP Agreement has reached the threshold for entry into force and will enter into force from January 1, 2022.

The CPC Central Committee and the State Council attached great importance to and comprehensively deployed the implementation of the entry into force of the RCEP Agreement, and established a list of obligations under the RCEP Agreement, including a total of 60 binding obligations and 25 encouraging obligations involving the functions of the China National Intellectual Property Administration (CNIPA), including patents, appearance designs, trademarks, geographical indications, genetic resources, traditional knowledge and folklore.

At present, CNIPA has systematically sorted out the relevant obligations, formed a plan for the internal division of labour for the list of obligations under the RCEP Agreement, identified the responsible departments for

each obligation, clarified the implementation measures, the form of results and the time schedule, and made preparations for the implementation of the obligations involving its functions.. After the entry into force of RCEP Agreement, CNIPA will make good efforts to implement the work with high quality in line with the unified arrangement of the CPC Central Committee and the State Council.

<http://english.ipraction.gov.cn/article/ns/202201/370171.html>

### **CNIPA Releases Measures for Quick Examination of Trademark Applications (for Trial Implementation)**

On January 18, 2022, the CNIPA released the Measures for Quick Examination of Trademark Applications (for Trial Implementation).

With immediate effect, for any trademark application that meets one of the following conditions, quick examination may be requested:

- 1) It involves the names of major national or provincial projects, programs, scientific and technological infrastructure, events, exhibitions, etc., and the protection of the trademark is urgent;
- 2) During the period of public emergencies such as especially major natural disasters, especially major accident disasters, especially major public health incidents, and especially major social security incidents, it is directly related to the response to such public emergencies;
- 3) It is indeed necessary in order to serve the high-quality economic and social development and to promote the implementation of the outline for building a powerful intellectual property country;
- 4) Others of great practical significance for safeguarding national interests, social public interests or major regional development strategies.

For trademark applications for which the CNIPA approves quick examination,

the examination will be completed within 20 working days, except in special circumstances where the quick examination procedure needs to be terminated.

For details, please refer to the following link:

[https://www.cnipa.gov.cn/art/2022/1/18/art\\_570\\_172818.html](https://www.cnipa.gov.cn/art/2022/1/18/art_570_172818.html)

### **Filing Trademarks and Patents to Get Easier**

The examination cycle for China's invention patents is expected to be reduced from an average of 20 months to 15 months, according to a five-year plan for patent and trademark examination issued by the CNIPA on Jan 20.

The plan, which specifies development goals and indicators to be reached by 2025, states that a rational increase in the number of applications is one of the administration's major goals.

Efforts will be made to ensure that the number of applications better tallies with national economic development targets, the increase of market entities and the demand for commercial activities, it said.

Meanwhile, malicious patent applications and trademark registrations will be effectively stemmed.

<http://english.ipraction.gov.cn/article/ns/202201/371411.html>

### **China to End Patent Subsidies by 2025**

China plans to stop all patent subsidies by 2025 to help shift its intellectual property (IP) focus from quantity to quality.

All types of financial aid for patent licensing should be reduced by at least 25 percentage points every year until they are canceled by

2025, according to a notice issued by the National Intellectual Property Administration.

The patent policy is part of China's continuous efforts to eliminate the incidence of Chinese patent applications that cannot protect innovation, sources within the administration said on Jan 27.

China has led globally in its number of patent applications for many years. But it has recently taken more measures to pursue high-quality IP development to boost the country's innovation drive.

<http://english.ipraction.gov.cn/article/ns/202201/371691.html>

### **Equal Protection Offered to Parties from Home, Abroad**

The Beijing Intellectual Property Court is becoming one of the world's preferred destinations for IP-related lawsuits because it provides equal protection for litigants from home and abroad and makes high-quality rulings, a court official said.

Du Changhui, vice-president of the court, said that "foreign litigants coming to us to solve disputes is a recognition of our justice system and also means our judicial credibility is being improved worldwide".

Since the court was established in 2014, it has even handled several cases between foreign parties, including a dispute between two technology giants from the United States—Qualcomm and Apple—over an invention patent, and a lawsuit between Apple and Nagra, a manufacturer of audio-recording devices based in Switzerland, Du said.

"These foreign litigants chose to settle their IP disputes in our court because of the equal protection that we have always ensured in the process of our handling of cases," he said.

"In other words, our implementation of equal protection to litigants, no matter where they are from, and our previous rulings have made

foreign entities believe they will see justice in China."

He said the Beijing court has paid a lot of attention to resolving such cases, regarding them as opportunities to form international rules in the IP field.

He added that the formation of such rules will help China's judicial voice get increasingly heard by the international community.

The court has also increased international exchanges in recent years, including participating in global IP-related seminars and organizing judges to conduct more research on foreign-related IP legal documents, he said. "We'll further improve the quality and professionalism of our case hearings, as it's not only essential for the country to become more powerful in terms of IP protection and related industrial development, but also important for us to take part in global governance," Du added.

<http://english.ipraction.gov.cn/article/ns/202201/371682.html>

### **Registered Patents of Overseas Applicants in China Grow 23% in 2021: CNIPA**

The number of patents registered by overseas applicants in China surged by 23 percent in 2021, while the number of registered trademarks also rose, a government official from the CNIPA said, mirroring the improvement of China's intellectual property rights (IPR) system, as well as the expansion of overseas enterprises now operating in China.

In 2021, overseas applicants were licensed 110,000 patents for their inventions in China, up 23 percent on a yearly basis. They also registered 194,000 trademarks, up 5.2 percent year-on-year, Hu Wenhui, a spokesperson for the CNIPA, said at a press conference on Wednesday.

In particular, the number of licensed patents and registered trademarks held by US

nationals increased by 32.1 percent and 17.3 percent, respectively, on a yearly basis in China, Hu said.

He attributed the phenomenon to the "firm confidence" that overseas companies have in China's IPR protection and the business environment.

Data revealed a rising trend in China's IPR applications in line with the country's economic growth. At the end of 2021, domestic companies held 1.98 million valid invention patents, up 22.6 percent on a yearly basis. Of those patents, about 1.2 million were held by high-tech companies.

Information technology management, computer technology and medical technology are three areas where China's patents have grown the fastest, Hu said.

He also noted that the number of China's high-value patents is rising, as by 2021, there were 7.5 high-value patents for every 10,000 people, up 1.2 compared with the previous year.

Zhao noted that the rising proportion of high-value patents shows that China has become a global patent power, as companies no longer just seek large numbers of patents, but are also attaching more importance to the quality of their patents.

<http://english.ipraction.gov.cn/article/ns/202201/371570.html>

### **New Evidence Emerges in Red Bull Trademark Dispute**

An article with the Tripartite Agreement on the Assignment of the "Bullfighting" Trademark Owned by Two Jinhua-Based Companies being presented on January 10 was posted on China.com. This newly emerged piece of evidence is bringing great uncertainty to the case Red Bull Vitamin Drink Co., Ltd. v. T.C. Pharmaceutical Industries. The trademark dispute between the two parties has lasted into the eighth year.

In December 2020, China's Supreme People's Court (SPC) ruled against Red Bull Vitamin Drink Co., Ltd. (RBVC), the China-based joint venture between Thailand-based T.C. Pharmaceutical Industries (TCP) and Chinese investment company Reignwood Group, over the ownership of the Red Bull trademark.

In the China.com post, the agreement was shown to be entered into by the Jinhua Bullfighting Amusement Center, the Jinhua Dairy Industry Co., Ltd., and the Shenzhen Zhonghao (Group) Co., Ltd. in January 1996.

Shenzhen Zhonghao, a Chinese state-owned company, was engaged by Reignwood Group to become a shareholder of the joint venture RBVC, when TCP initially failed to register the bullfighting trademark in China.

Jinhua Bullfighting registered the bullfighting trademark, similar to the Red Bull trademark owned by TCP in graphic design, before the Thai company in China in 1994 as a Chinese state-owned company to host the annual bullfighting festival particular to Jinhua city, Zhejiang province. It assigned the right of the use of the trademark in relation to goods and products such as milk, tea, and juice classified under Class 32 to Jinhua Dairy. Shenzhen Zhonghao approached the two Jinhua-based companies and signed the tripartite agreement on the assignment of the bullfighting trademark with them. With the sought-after trademark obtained for the Red Bull energy drink, Shenzhen Zhonghao withdrew from the joint venture.

The agreement seems to be able to function as new evidence to aid in determining the ultimate ownership of the Red Bull trademark in China. It's unclear whether any further legal action will be taken by RBVC.

<http://www.chinaipmagazine.com/en/news-show.asp?id=12365>

## SUPPLEMENTARY ISSUE

### **In February 2022, AFD China Continued to Fund Rehabilitation of Children with Cerebral Palsy Through the Phoenix Public Welfare Program**

With the effect of continuous COVID-19 prevention and control measures and increasing Covid-19 vaccination rate, 2021 is like a year of "rebirth after the disaster". People's life gradually returned to normal, and various recreational activities also recovered vibrantly. In this year, GUO Haozhe (Zhuangzhuang), the child we funded, also did not stop his training.

It was learned from the dean of the rehabilitation center that Zhuangzhuang, now 11 years old, has basically returned to normal after several years of rehabilitation training and is about to enter an ordinary school. Such news is exciting and encouraging. Taking this opportunity, we would like to thank everyone who has been providing support and help over the past few years. With joint efforts, we have helped 2 children recover their health! This also strengthens our determination to continue this charity work.

This year, we received a request for help from another child, Jing Yong. Jing Yong is from an orphanage in Fujian and is very smart and clever. He is eager to learn to walk and cherishes the opportunity to train and live in the rehabilitation center. He is adaptable and a little naughty, has various strange ideas and seems to have unlimited curiosity.

In order to adapt to the characteristics of Jing Yong and better guide him, the teacher changed the way of training and made him become more cooperative in training by playing with him. Slowly, Jing Yong also understood the importance of rehabilitation training and kept on practicing. Jing Yong is now 7 years old, and this year he has learned to stand and managed to stand independently for 1-3 minutes! It required a lot of sweat, tears and efforts for him to make this progress. Keeping on rehabilitation training, Jing Yong will definitely get better and better, and we believe that one day he will definitely be able to walk independently!

In order to help this orphaned child continue his rehabilitation training and fit into normal social life as soon as possible, we launched a fundraising campaign within our firm, and 84 of our colleagues showed their care and love through donations, which may cover Jing Yong's rehabilitation, nursing, accommodation and other expenses in 2022.

If the essence of human beings is nothingness, it might be a good choice to find some meaning in our life by showing kindness to other others and learning to be grateful in the process of helping others. There are too many things in this world that we are sensible about, but there are also many times when we cannot control our feelings, such as love, friendship, etc. Sense might make us live a more smooth life, but sensibility can make us have more "quality" of life. Helping those in need without expecting any favor in return is a manifestation of self-worth and also can create empathy in others. Therefore, let us not forget to look back at those who have been "left" and "forgotten", so that we can face the unknown of the future hand in hand.

Kindness is a choice, a more character, and also a social virtue. When each of us shows kindness to others, the whole society will be changed into a big warm family. If each of us is willing to stand up in times of crisis and lend a helping hand when needed, there will be no insuperable obstacles for our society. Kindness sounds like a lot of great things, but in fact, it can be expressed by small acts, such as offering your seat to others on a bus, getting a fallen elder up off the floor, sponsoring the education of an underprivileged child, etc. As long as there is kindness in your heart and in your acts, then you are a kind person.

Here, we would like to express our sincere gratitude to our loving colleagues who have been caring about and supporting the Phoenix Public Welfare Program. It is because of your care and love that these children have the opportunities to get rehabilitation and the possibilities to chase their dreams. We believe that when they grow up, they will definitely do their best to help those in need.

### **IP Undertakings of China Reviewed in 2021**

"Further improvement of the innovative vitality of domestic businesses, the scale of patent and trademark pledge financing, patent reserves in digital economy and medical fields, foreign enterprises' boosted confidence in China's IPR protection are the four qualities suggested by IPR data in 2021, China's IP undertakings have saw a growth in both quality and quantity," said Hu Wenhui, Deputy Commissioner of the CNIPA, and Director General of CNIPA's General Affairs Office, Spokesman for CNIPA at a press conference held by the State Council Information Office on January 12.

#### **Four qualities suggested by IPR data in 2021**

As of the end of 2021, the number of valid invention patents in China reached 3.597 million and that of high-value invention patents owned by 10,000 heads reached 7.5, up 1.2 over the previous year; 37.24 million valid registered trademarks were housed; There were 2,490 products awarded GI protection and 6,562 GI trademarks registered as collective and certified trademarks; A total of 52,000 layout designs of integrated circuits were certified. Also in 2021, China National Intellectual Property Administration (CNIPA) received 73,000 PCT patent applications and 5,928 Madrid international trademark applications filed by Chinese applicants.

Innovative and creative capabilities of China's businesses were more in the groove in 2021. As of the end of 2021, the number of valid invention patents owned by Chinese enterprises was 1.908 million, up 22.6% and 5.0% higher than the average rate nationwide. High-tech enterprises owned 1.213 million valid invention patents, accounting for 63.6% of the total.

The conference also mentioned that as of the end of 2021, the three fastest-growing fields out of the 35 fields by the classification standard of the World Intellectual Property Organization (WIPO) regarding numbers of valid invention patents were information technology management method, computer technology and medical technology, up 100.3%, 32.7% and 28.7% respectively.

In the meantime, grooming patent-intensive industry of size is a crucial measure for China to integrate the IPRs with innovative development and promote high-quality economic development. In 2020, added-value of China's patent-intensive industry exceeded 12 trillion yuan, contributing to 24.6% of the GDP.

#### **Continuous optimization of IP protection environment**

A solid business environment is an important guarantee for innovative development. China has built altogether 57 IP protection centers and 30 IP rapid enforcement centers, established the national overseas IP dispute and guidance center and its 22 local branches. In 2021, CNIPA notified 4 groups of 815,000 irregular patent applications to local authorities, and revoked 97% of the applications of the first three groups; sanctioned 482,000 malicious trademark registration applications.

In 2021, CNIPA organized a special campaign to crack down on irregular patent applications and further tightened supervision of the patent professionals. In addition, CNIPA quickly rejected

1,111 malicious squatting of trademarks including "The Battle at Lake Changjin" and "Quan Hongchan", declared invalidation of 1,635 registered trademarks and turned over 1,062 clues of suspected cases with adverse effects and malicious trademark registrations, which helped to maintain a high-pressure posture to severely crack down on malicious squatting.

**Multiple modes of support for SME development**

Last year, China's patent and trademark pledge financing exceeded 300 billion yuan for the first time, indicating easier loan access for those usually underserved. Patent and trademark pledge financing amounted to 309.8 billion yuan, nearly up 42% and benefiting 15,000 enterprises. Among them, inclusive loans of less than 10 million yuan benefited 11,000 enterprises, accounting for 71.8% of the total, which fully demonstrated the inclusive features of IPR pledge financing services targeting at small businesses.

How can SMEs, as the crucial hubs to invigorate economic development, grow rapidly under the support of IP policies?

In 2021, CNIPA with China Banking and Insurance Regulatory Commission and National Development and Reform Commission jointly issued a 3-year action for conducting pledge financing at industrial parks to benefit enterprises, striving to expand the coverage of IP pledge financing services to SMEs and ensure IP pledge financing benefiting hundreds of parks and ten thousand enterprises.

It is worth mentioning that the newly revised patent law stipulates an open licensing system. "Currently, CNIPA has taken a series of actions to release license fee statistics and develop evaluation standards, which lays a solid foundation for the system's effective operations," said Hu. In the next step, CNIPA will enhance the facilitation level of license declaration submission, information disclosure and filing; improve supporting services including royalty pricing and license docking; strengthen guidance, monitoring and supervision, deal with dispute mediation based on duties and deepen actions combined with the special plan for patent commercialization, which helps to encourage more people to make good use of the system and revitalize patents, according to Hu.

<http://english.ipraction.gov.cn/article/ns/202201/370749.html>

**Holiday Notice 2022**

Please kindly be informed of the Chinese public holidays in 2022 as well as the working-day adjustment as follows:

<b>Holiday/ Working-day Adjustment</b>	<b>Date</b>	<b>Office status</b>
<b>New Year Day Holiday</b>	Jan 1 - Jan 3	closed
<b>Chinese New Year Holiday (Spring Festival Holiday)</b>	Jan 31 - Feb 6	closed
Adjusted Working days	Jan 29 (Saturday) Jan 30 (Sunday)	<i>open</i>
<b>Qingming Festival Holiday (Tomb Sweeping Day)</b>	Apr 3 - Apr 5	closed

Adjusted Working day	Apr 2 (Saturday)	<i>open</i>
<b>Labor Day Holiday</b>	Apr 30 - May 4	closed
Adjusted Working days	Apr 24 (Sunday) May 7 (Saturday)	<i>open</i>
<b>Dragon Boat Festival Holiday</b>	Jun 3 - Jun 5	closed
<b>Mid-Autumn Festival Holiday</b>	Sep 10 - Sep 12	closed
<b>Chinese National Day Holiday</b>	Oct 1 - Oct 7	closed
Adjusted Working days	Oct 8 (Saturday) Oct 9 (Sunday)	<i>open</i>

The CNIPA and our firm will close during the holidays and you may check if any important deadlines in 2022 are falling in the holidays.