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In 2014, China’s agencies in charge of managing intellectual property rights (IPR) issues are focusing their attention on a range of areas, including fighting counterfeiting in industries such as agriculture, oil and gas, auto parts, household appliances, and health products; tackling key modes of IPR infringement like online counterfeiting, network piracy, and trade secret theft; improving criminal and civil protection of IPR; and building a credibility system for enterprises to better incentivize—or shame—companies for their IP-related activities. Many of these high-level priorities have been laid out by interagency working groups such as the State Council Leading Group on Combating IPR Infringement and Sales of Counterfeit Goods and the National Working Group for Implementation of China’s National IPR Strategy.

Links to 2014 Work Plans and Priorities (Chinese)

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<td>SIPO: National Patent Strategy</td>
<td>State Administration of Industry and Commerce (SAIC)</td>
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Key Themes from Central Government Work Plans

**Increasing targeted anti-counterfeiting efforts in key sectors** The National IPR Leading Group—and many of its member ministries and agencies—is focusing on enforcement in several key, consumer-facing sectors, including agricultural products, pharmaceuticals, oil and gas, auto parts, electronic products, toys and children’s clothing, and building materials. The work plans extend several existing anti-counterfeiting campaigns, such as SAIC’s “Red Shield” campaign against agricultural IPR theft and the Ministry of Public Security’s anti-counterfeiting “Sharp Sword” campaign.

**Boosting online IPR enforcement** China should increase efforts against online counterfeiting by extending operations like the “Sword Net” campaign against Internet piracy, according to the various work plans. They also call for cracking down on Internet platforms that advertise and sell IP-infringing products and services. The Leading Group’s work plan emphasizes IP infringement that occurs via mobile Internet devices, set-top boxes, and “streaming sticks” that permit viewers to watch Internet-streamed media. It also calls for improved management of Internet access servers, domain name registrars, and Internet service providers. The Leading Group, SIPO, and SAIC all prioritized online infringement in their respective plans, particularly large-scale e-commerce sites that may host patent- and trademark-infringing goods.

**Expanding protection of trade secrets** Chinese government agencies are also seeking to boost trade secrets protection. They have called for revisions to core trade secrets regulations like the Anti-Unfair Competition Law and for drafting further measures to handle cases of trade secret misappropriation. Language in various plans hints at efforts to address problems flagged by US companies in China, including a high burden of

Comparison to 2013 work plans

The plans also call for the release of trade secrets model cases as guidance for enforcement authorities.

Improving judicial enforcement and transparency In the work plans, relevant agencies are tasked with strengthening criminal investigations into large-scale counterfeiting networks, especially those involving food, drugs, and other goods that affect public safety. Authorities who handle administrative, civil, and criminal enforcement are also charged to communicate and cooperate more closely. Courts should directly broadcast important cases to the public, and administrative bodies should fully implement regulations designed to provide enforcement information broadly to the public.

Increasing efforts to reward and blacklist enterprises for IP behavior The Leading Group’s annual plan calls for the creation over the next three years of a new rating system for companies that would evaluate their IP credibility based on past activity. The plan says that China should consider implementing a “blacklist” system for IP violators, but did not include information on how such a list would function. On a related front, the Leading Group tasked SIPO, SAIC, and other agencies with better regulating patent and trademark agents and standardizing business behavior.

Improving quality of patent applications Patent quality is highlighted as a key issue in all four plans, with calls to provide assistance to high-quality patent development activities, more carefully control low-quality patents, increase the evaluation, tracking, and internal reporting of patent quality issues, and fully implement the Certain Opinions on Further Upgrading Patent Application Quality.

Boosting capability of IP enforcement personnel The plans call for better training and capacity-building for government officials involved in IP enforcement. This includes not only implementing existing training plans and projects, but also starting new ones that expand service training for enforcement officials, provide better enforcement incentives, and coordinate with outside stakeholders to increase the pool of potential candidates.

Advancing IP legal infrastructure The Leading Group plan calls for the revision of several IP-related laws and regulations, including the Patent, Copyright, and Anti-Unfair Competition Laws, and the Customs IPR Protection Measures. It also calls for the revision of other laws and regulations that may impact IP issues, such as the Seed Law, the Drug Management Law, and the Consumer Protection Law. Trademarks are a particular focus of the plan, given the pending May 1 implementation of the new Trademark Law and its Implementing Regulations and the Well-Known Trademark Measures out for public comment.

Encouraging IP efforts in Shanghai Free Trade Zone and other local pilots Several plans call for more attention to IP protection and promotion in the Shanghai Free Trade Zone (FTZ), though no details are provided. The Leading Group’s annual plan explicitly calls for the creation of new pilot projects to promote IP reform and enforcement, such as IPR court pilots already underway in Guangdong. Several of the IP-related work plans released at the central level have also spurred local equivalents that focus on local priorities, such as counterfeiting in Shandong and promoting patents in Zhejiang.

Extending and expanding international cooperation Increased international cooperation will be a broad focus in 2014, focusing on existing US-China commercial dialogues (like the Strategic & Economic Dialogue and the Joint Commission on Commerce and Trade) and bilateral arrangements such as the Sino-US IPR Cooperation Framework Agreement. China has also targeted a number of other regions and countries for cooperation, including the European Union, Central Asia, and Africa, as well as the so-called BRIC countries of Russia, India, and Brazil. The plans also call for China to increase its participation in international IP treaties and organizations.

Comparison to 2013 work plans

New areas of emphasis for 2014 include:

- Call for creation of an enterprise credibility system within three years
• Launch of work to revise trade secrets laws such as the Anti-Unfair Competition Law
• Call for a system to manage seized counterfeit goods
• Stronger focus of trademark enforcement efforts for well-known and foreign trademarks

Recurring issues from previous plans include:

• Targeting of sectors such as agriculture, auto parts, and pharmaceuticals
• Emphasis on online counterfeiting and piracy
• Stronger links between administrative, civil, and criminal enforcement authorities
• Support for establishment of an IP service industry