

# W&B IP Newsletter

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## Contents

### Intellectual Property

|   |   |
|---|---|
| China's IPR Import Royalties See Rapid Growth ..... | 2 |
|---|---|

### Trademarks

|  |   |
|--|---|
| WIPI 2018 Report Puts China on Top of the Global Trademark Application List with Largest Number of Applications in Multiple Fields ..... | 2 |
| Monthly Report on TRAB Case Adjudications (November 2018) .....  | 2 |

### Patents

|  |   |
|--|---|
| State Council Executive Meeting Adopts Draft Amendment to PRC Patent Law ..... | 3 |
|--|---|

### Copyrights

|   |   |
|---|---|
| Chinese Market Shows Great Potential: Global Royalty Income Rises to EUR 9.6 Billion in 2017..... | 4 |
|---|---|



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## Intellectual Property Rights

### China's IPR Import Royalties See Rapid Growth

China's total amount of service imports and exports hit a new high, surpassing RMB 4.3 trillion between January and October of 2018. With a gain of 11.1% during the first ten months of 2018, China is poised to maintain an overall growth rate of about 10%.

In particular, service exports increased by 14.3% per year, with rapid growth in the high-end producer services sector, and imports have achieved an annual growth rate of 9.6% due to burgeoning imports of high value-added services. China's IPR import royalties during the first ten months of 2018 surged to RMB 194.86 billion, close to 2017's 12-month total, for an annual growth rate of 22.5%.

(Source: National Intellectual Property Administration)

## Trademarks

### WIPI 2018 Report Puts China on Top of the Global Trademark Application List with Largest Number of Applications in Multiple Fields

The World Intellectual Property Indicators 2018 ("WIPI 2018") report released by the World Intellectual Property Organization ("WIPO") on December 3, 2018 shows a total of 12.39 million trademark applications submitted by countries across the globe, with China occupying the top spot.

| Number of Global Trademark Applications in 2017 | China     | United States | Japan   | European Union Intellectual Property Office ("EUIPO") | Islamic Republic of Iran |
|---|-----------|---------------|---------|---|--------------------------|
|   | 5,700,000 | 613,921       | 560,269 | 371,508   | 358,353                  |

(Source: World Intellectual Property Organization)

### Monthly Report on TRAB Case Adjudications (November 2018)

The average completion time for reviews of rejected trademark applications has fallen below seven months for five consecutive months now. The following tables provide further details:

#### I. Case Acceptance

November 1 to November 30, 2018

|  |   |
|--|---|
| Accepted 37,357 petitions of various types for trademark review and adjudication | Growth of 30.82% (comparing to the same period of 2017) |
|  | Growth of 22.39% (comparing to the preceding month)     |

January to November 2018

|   |  |   |
|---|--|---|
| Accepted 284,208 petitions of various types for trademark review and adjudication | 246,651 petitions for review of rejected applications                            | Growth of 53.53% (comparing to the same period of 2017) |
|   | 37,557 petitions for adjudication of complex cases involving adversarial parties | Growth of 33.85% (comparing to the same period of 2017) |
| Growth of 42.06% if calculated by workload (comparing to the same period of 2017) |  |   |

## Trademarks

### II. Case Review and Adjudication

November 1 to November 30, 2018

|  |   |
|--|---|
| Reviewed and adjudicated 23,484 cases of various types                       | Growth of 28.55% (comparing to the same period of 2017) |
|  | Decrease of 3.81% (comparing to the preceding month)    |
| Growth of 4.12% if calculated by workload (comparing to the preceding month) |   |

From January to November, 2018

|  |  |
|--|--|
| Reviewed and adjudicated 232,214 cases of various types, approximately equal to the figure of 2017 | Growth of 49.76%<br>(comparing to the same period of 2017) |
| Growth of 33.27% if calculated by workload (comparing to the same period of 2017)                  |  |

(Source: National Intellectual Property Administration)

## Patents

### State Council Executive Meeting Adopts Draft Amendment to PRC Patent Law

The Draft Amendment to the Patent Law of the People's Republic of China (the "Draft") was adopted by the State Council on December 5, 2018.

The Draft expressly states that an accused infringer bears the burden of proof and is therefore obligated to cooperate in the provision of relevant documents. The Draft also provides that an Internet Service Provider must be held jointly liable for infringement if it fails to prevent infringement in a timely manner. Furthermore, it establishes an incentive mechanism under which inventors or designers will be entitled to a reasonable share of yields from their service inventions and creations. The Draft also includes provisions designed to optimize the patent authorization system.

The Draft was submitted to the Standing Committee of the National People's Congress (the "NPC") for deliberation.

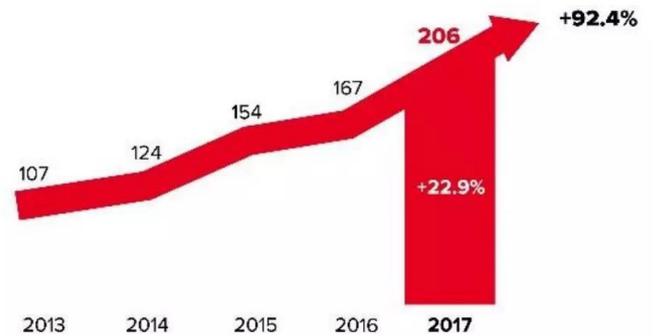
(Source: State Council of the People's Republic of China)

## Chinese Market Shows Great Potential: Global Royalty Income Rises to EUR 9.6 Billion in 2017

The Global Royalty Report 2018 was released by the International Confederation of Societies of Authors and Composers (the “CISAC”). The report shows that global royalties of creators of music, audiovisual works, visual art, dramas and works of literature rose to EUR 9.6 billion in 2017, an increase of 6.2% over the previous year. Royalties for works from digital channels surged 24% in 2017, surpassing EUR 1 billion for the first time and achieving 166% growth over the past five years.

The royalty income of global creators rose every year for the five-year period ending in 2017, which is also the first year when royalties of all types of works saw an increase. The following chart illustrates royalty increases in China over the five-year period beginning in 2013.

Five year growth in Chinese Collections (CNY million)



(Source: CISAC China Royalty Report)