

W&B IP Newsletter

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Intellectual Property

The Evaluation Report on China's Intellectual Property Development in 2020 released

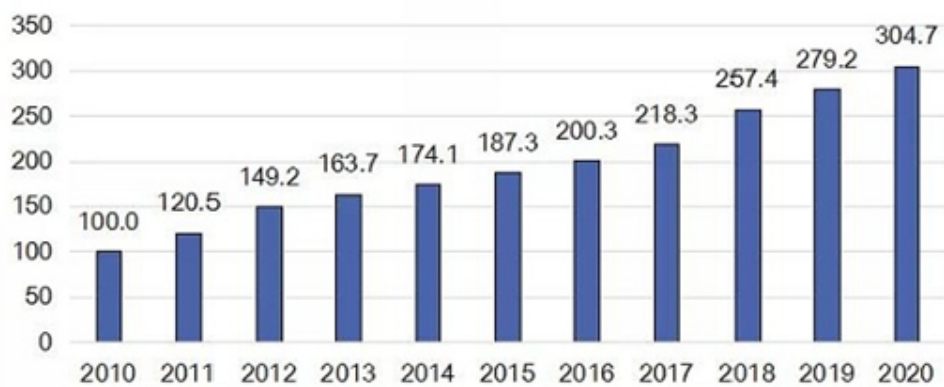
Recently the Intellectual Property Development and Research Center of CNIPA released *the Evaluation Report on China's Intellectual Property Development in 2020* (hereinafter referred to as "the Report"), introducing the booming intellectual property in China since the implementation of the national intellectual property strategy, which has laid a solid foundation for China's rising as an intellectual property power. Compared with the index of 100 in the base year of 2010, the national comprehensive index of intellectual property development almost tripled to 304.7 in 2020, with an average annual growth rate of 11.8%.

Part of the abstract and statistic figures in the Report is shown as follows:

Evaluation on national intellectual property development in 2020

I. The comprehensive index of IP development increased further.

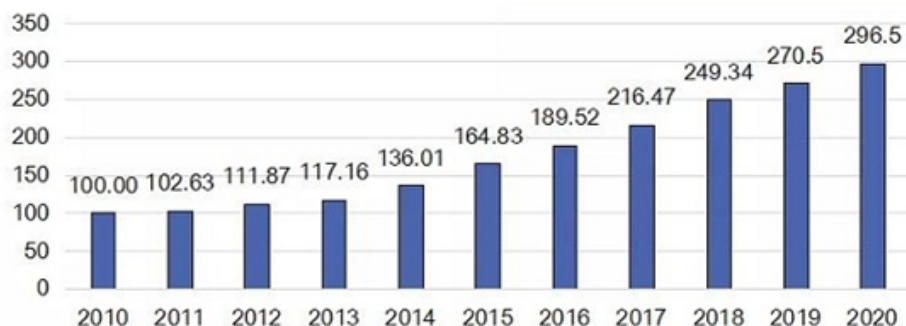
The comprehensive index of IP development



In 2020, the national comprehensive index of intellectual property development increased to 304.7 by 9.2%, compared with last year.

II. The index of IP creation increased steadily.

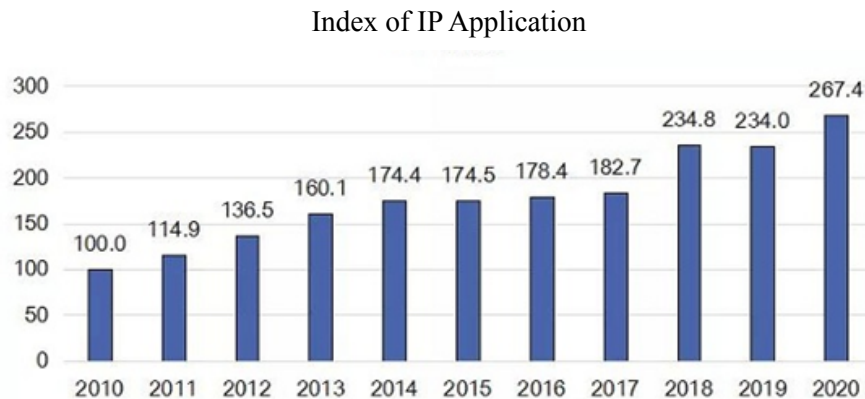
Index of IP Creation



The national index of intellectual property creation increased by 9.6% in 2020 compared with last year to 296.5. Compared with the double-digit growth from 2013 to 2018, the index of IP creation has risen steadily and moderately for two consecutive years with the annual growth rates below 10%.

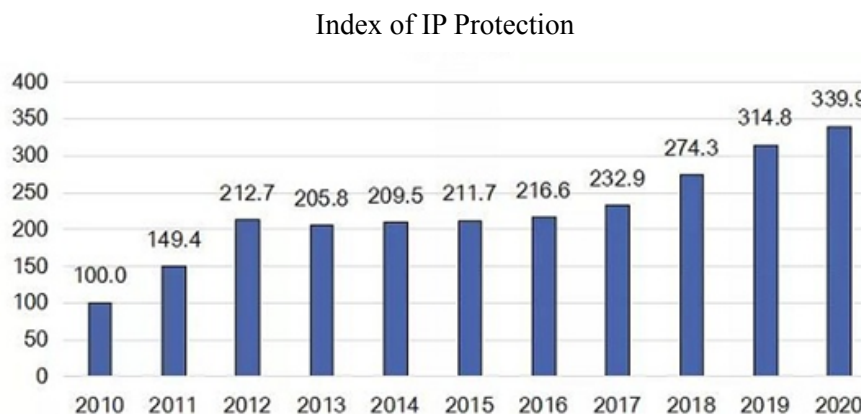
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III. A remarkable increase was observed in index of IP application.



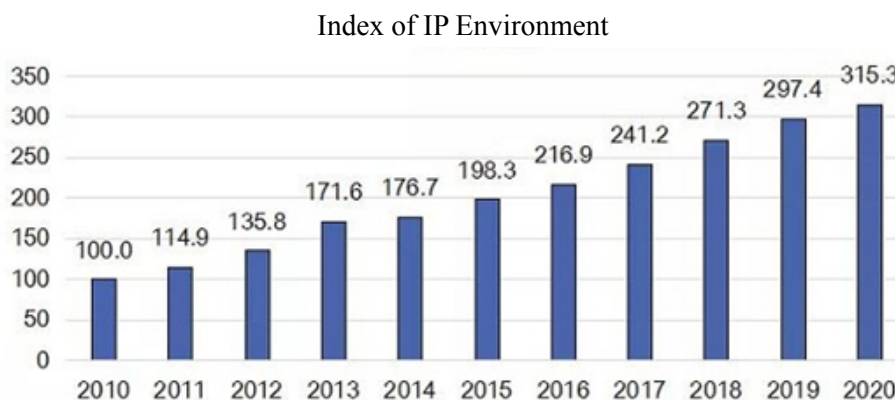
2020 witnessed a remarkable rise in the national index of intellectual property application, which increased by 14.3% compared with last year and reached 267.4. Such growth indicated a dynamic and prospering national IP application market.

IV. The index of IP protection continued to grow.



The national index of intellectual property protection in 2020 increased by 8.0% to 339.9 compared with last year, showing a sustained momentum of growth.

V. The index of IP environment kept on rising.



2020 saw a continuous growth in the national index of intellectual property environment, which ascended to 315.3 by 6.0% compared with last year.

(Source: CNIPA)

Intellectual Property

China becomes the World's 5th Largest Intellectual Property Trading Economy

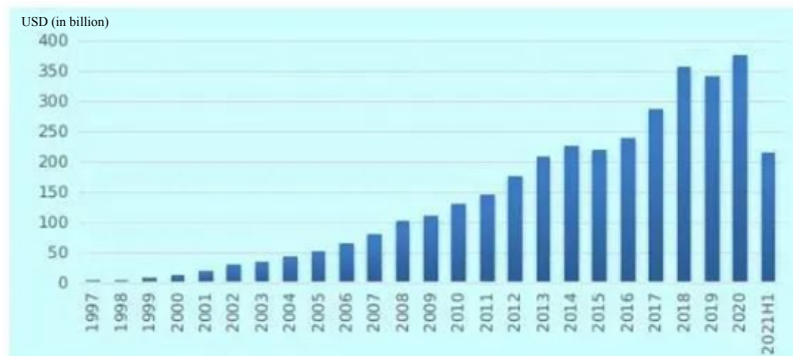
I. China becomes the world's 5th largest intellectual property trading economy.

Intellectual property is not only the core component of international competitiveness, but also an important global trading resource in an epoch of economic globalization. The international trade in intellectual property has boomed since 21st century, which expanded from US \$ 150 billion a decade ago to nearly US \$ 1,000 billion in 2020, accounting for 9% of the total volume of global service trade in the same period. At present, U.S. ranks first in the trade volume of intellectual property, followed by Netherlands, Japan, Germany and China.

China has now played an important role in the global intellectual property trade, with a strong effort to promote international cooperation and competition in intellectual property. Back to China in 1997, the scale of intellectual property import and export was less than US \$ 1 million, while it soared up to US \$ 46.3 billion in 2020 and accounted for 8% of the total volume of the international service trade in the same period, equivalent to the global level.

II. China has achieved mutual benefit and a win-win result through importing intellectual property.

China is an important intellectual property importer of the world. Before 2000, China's intellectual property import scale was relatively small, which situation has changed since China's joining WTO. Since then, China has been deeply engaged in economic globalization, and speeded up its intellectual property import. Between 2002 and 2020, China's import volume of intellectual property increased at an average annual rate of 15%, wherein the average annual growth rate from 2002 to 2008 was 22%. The import volume in 2020 reached US\$37.8 billion, accounting for 10% of the total volume of service trade import for the same period.



Cross-border payment of intellectual property royalties of China from 1997 to the first half of 2021

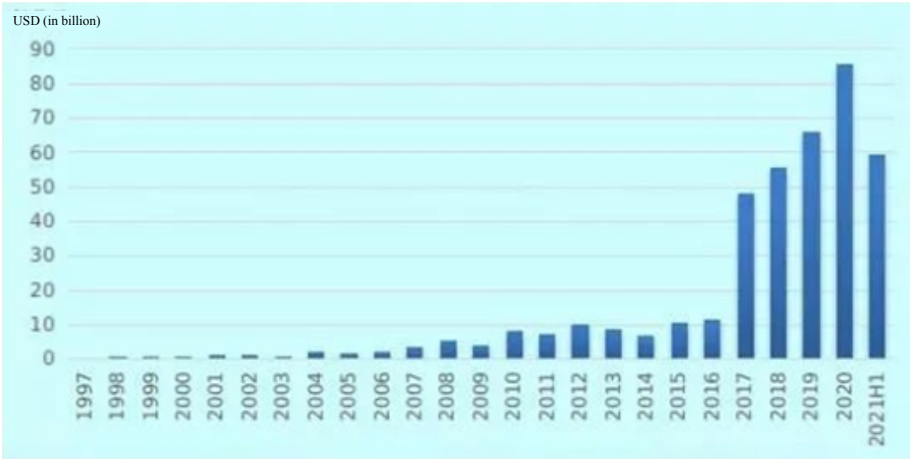
Source of data: State Administration of Foreign Exchange

III. China is in transition to an IP creation power.

A “full chain” of IP creation, protection, application, etc. has been greatly and comprehensively developed in China. According to *the Global Innovation Index 2020* released by WIPO in 2020, China has ranked TOP 15 in terms of innovation capability for two consecutive years among 131 economies around the globe, thus becoming the only middle-income economy among the TOP 30.

China has changed its role in the global intellectual property market from an import-oriented country to the country with growth in both import and export. Before 2015, China's export volume of intellectual property had never reached US \$ 1 billion; while since 2015, the IP export volume has experienced a remarkable increase, with an average annual growth rate of 51% from 2015 to 2020. In 2020, China's total export volume reached US \$ 8.6 billion and the ratio of IP export to IP import rose from 5% in 2004 to 23% in 2020.

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Cross-border revenue of intellectual property royalties of China from 1997 to the first half of 2021

Source of data: State Administration of Foreign Exchange

(Source: State Administration of Foreign Exchange)