

# Law of the People's Republic of China on Progress of Science and Technology

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Hu Jintao

President of the People's Republic of China

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# **Law of the People's Republic of China on Progress of Science and Technology**

(Adopted at the 2nd Meeting of the Standing Committee of the Eighth National People's Congress on July 2, 1993 and amended at the 31st Meeting of the Standing Committee of the Tenth National People's Congress on December 29, 2007)

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## Chapter I

### General Provisions

**Article 1** This Law is enacted in accordance with the Constitution with a view to promoting the progress of science and technology, bringing into play the role of science and technology as the primary productive forces, and promoting the transformation of scientific and technologic advances into practical productive forces, in order that science and technology shall render service to economic and social development.

**Article 2** The State upholds the scientific outlook on development, implements the strategy of invigorating the country through science and education, and applies to scientific and technological work the guidelines of encouraging independent innovation, making giant strides in major fields, supporting development and taking the lead in future fields, in order to establish a national innovation system and build an innovation-oriented country.

**Article 3** The State guarantees the freedom of scientific research and technological development, encourages scientific exploration and technological innovation and protects the legitimate rights and interests of scientists and technicians.

The whole society shall respect labor, knowledge, talent and creation.

Schools and other institutions of education shall adhere to the principle of integration of theory with practice, pay attention to helping the educated develop the ability to think independently, to practice and innovate, and implant in them the scientific spirit of pursuing truth, advocating innovation and seeking truth from facts.

Article 4 Economic and social development shall rely on science and technology, and scientific and technological progress shall serve economic and social development.

The State encourages scientific research and technological development, promotes the application of science and technology to transformation of traditional industries and development of high and new technology industries and social undertakings.

Article 5 The State develops undertakings for popularization of science and technology, in order to disseminate scientific and technological knowledge and raise the scientific and cultural qualifications of all citizens.

The State encourages government departments, enterprises, institutions, public organizations and citizens to participate in and support activities for progress of science and technology.

Article 6 The State encourages the combination of scientific research and technological development with higher education and industrial development, and encourages the crossed merging and mutual promotion of natural science with the humanities of social sciences.

The State strengthens the scientific and technological cooperation between different regions, trades and domains, and assists and supports the ethnic autonomous regions, and outlying or poverty-stricken areas in their efforts to make progress in science and technology.

The State strengthens the connection and coordination of military and civilian scientific and technological plans, promotes the mutual exchange and two-way transfer of military and civilian scientific and technological resources and of demands for technological development, in order to develop the technologies for use by both the military and civilian.

Article 7 The State shall draw up and carry out the strategy for intellectual property rights, establish and improve the system of intellectual property rights, create the social environment in which intellectual property rights are respected, and protect intellectual property rights according to law, in order to stimulate independent innovation.

Enterprises, and institutions, and scientists and technicians shall enhance their awareness of the importance of intellectual property rights, increase their ability to innovate independently, and enlarge their capability to exercise, protect and manage intellectual property rights.

Article 8 The State establishes and improves an appraisal system for science and technology conducive to independent innovation.

The appraisal system for science and technology shall be applied through classified appraisal on the basis of the characteristics of different scientific and technological activities and in adherence to the principles of fairness, impartiality and openness.

Article 9 The State shall increase its input of government funds, and formulate, among other policies, industrial, taxation, financial and governmental procurement policies to encourage and give guidance to the input of social funds, and push forward sustained and stable increase of funds for scientific research and technological development by all sectors of society.

Article 10 The State Council shall lead the nationwide work for progress of science and technology, formulate plans for scientific and technological development and determine the major scientific and technological projects of the country and other major projects closely related to science and technology, in order to guarantee balance between scientific and technological progress and economic and social development.

Local people's governments at various levels shall adopt effective measures to promote progress of science and technology.

Article 11 The administration department for science and technology under the State Council shall be responsible for the macro-management and overall coordination of the work for scientific and technological progress nationwide; and the relevant departments under the State Council shall, within the scope of their respective duties, be responsible for the work related to scientific and technological progress.

The administration departments for science and technology under the local people's governments at or above the county level shall be responsible for the work for scientific and technological progress within their respective administrative areas; and the relevant departments under the said people's governments shall, within the scope of their respective duties, be responsible for the work related to scientific and technological progress.

Article 12 The State shall set up a coordinate mechanism for scientific and technological progress, which shall serve the study of major issues in the work for scientific and technological progress, coordinate the establishment of and mutual connection between the national scientific and technological fund and the planned national scientific and technological projects, and coordinate such important matters as the allocation of scientific and technological resources for military and civilian use, the integration of the scientific research and technological development institutions, as well as the combination of scientific research and technological development with higher education and industrial development.

Article 13 The State shall improve the rules and procedures for policy-making with respect to science and technology, set up standardized consultation and policy-making mechanisms, in order that the policy-making process is more scientific and democratic.

In the process of formulating development plans and major policies for science and technology and determining major scientific and technological projects and major projects closely related to science

and technology, the opinions expressed by scientists and technicians shall be heeded fully, in order to make scientific policy-decisions.

Article 14 The Government of the People's Republic of China shall promote scientific and technological cooperation and exchange with the governments of other countries and international organizations, and encourage scientific research and technological development institutions, institutions of higher education, scientists and technicians, scientific and technological public organizations as well as enterprises and institutions to carry out international scientific and technological cooperation and exchange according to law.

Article 15 The State shall establish a system of rewards in the fields of science and technology. Rewards shall be provided to organizations and individuals that have made important contributions in promoting scientific and technological progress. The specific measures shall be formulated by the State Council.

The State shall encourage organizations and individuals inside or outside of China to establish rewards for scientific and technological projects and give such rewards for progress made in science and technology.

## Chapter II

### Scientific Research, Technological Development and Application of Science and Technology

Article 16 The State shall establish a natural science fund to finance basic research and frontier science exploration and help people become scientists and technicians through training.

The State shall establish an innovation fund for the small and medium-sized science- and technology-oriented enterprises to finance small and medium-sized enterprises in technological innovation.

The State may, when necessary, establish other funds to finance activities for scientific and technological progress.

Article 17 An entity that is engaged in the following activities shall enjoy preferential tax policies in accordance with the relevant regulations of the State:

- (1) engaging in technological development and transfer, and providing technological advice and services;
- (2) importing devices for scientific research or technological development, which cannot be produced at home or devices that can be produced at home but the properties of which fail to satisfy the requirements;
- (3) importing key equipment, raw and semi-finished materials or components and parts, which cannot be produced at home, for the launching of the major special scientific and technological projects of the State or major projects covered by national scientific and technological plans; or

(4) engaging in other activities for scientific research and technological development, or application of scientific and technological advances as provided for in laws and relevant State regulations.

Article 18 The State shall encourage financial institutions to carry out the business of hypothecation of intellectual property rights, encourage and give guidance to such institutions in supporting the application of scientific and technological advances and the development of high and new technology industries by granting loans, etc., and encourage insurance agencies to introduce insurance products in light of the need for development of high and new technology industries.

Policy-oriented financial institutions shall, within the scope of their business, give priority to the application of scientific and technological advances and the development of high and new technology industries in offering financial services.

Article 19 The State shall abide by the principle of combining service rendered by scientific and technological activities to national goals with encouragement of free explorations, make far-sighted arrangements, and develop basic research, research of frontier technologies and technological research for public welfare and support sustained and stable development of the same.

Scientific research and technological development institutions, institutions of higher education, enterprises and other institutions as well as citizens shall, in accordance with law, have the right to independently select subjects for basic research, research of frontier technologies and technological research for public welfare.

Article 20 Patents of invention obtained in projects covered by the scientific and technological fund established with government funds or by scientific and technological plans, copyrights of computer software, patent rights of wiring design of integrated circuits and rights of new plant strains shall, except where national security and interests and vital public interests are involved, be granted to the authorized undertakers of projects according to law.

Project undertakers shall, according to law, exercise the intellectual property rights provided for in the preceding paragraph and, at the same time, take protective measures, and shall submit annual reports on such exercise and protection to project administration authorities; if they fail to exercise their rights within the reasonable time limit, the State may do it without compensation, or may permit another person to do it with or without compensation.

For the benefit of national security and interests or vital public interests, the intellectual property rights, provided for in the first paragraph of this Article, granted to project undertakers according to law may be exercised by the State without compensation, or the State may permit another person to do it with or without compensation.

The benefits arising from the exercise of the intellectual property rights, provided for in the first paragraph of this Article, shall be distributed among the project undertakers in accordance with the provisions of relevant laws and administrative regulations; and where such provisions are lacking in laws, or administrative regulations, the benefits shall be distributed as agreed upon.

Article 21 The State shall encourage the exercise of the intellectual property rights obtained in projects covered by the scientific and technological fund established with government funds, or by scientific and technological plans, within the territory in the first place.

Where the intellectual property rights provided for in the preceding paragraph are to be transferred to overseas organizations or individuals, or to be permitted to be exclusively exercised by such organizations or individuals, the matter shall be subject to approval by the project administration authorities; and where there are other provisions on such authorities in laws or administrative regulations, the provisions there shall prevail.

Article 22 The State shall encourage the introduction of advanced technologies and equipment from other countries in accordance with the industrial and technological policies of the State.

Key technologies and equipment introduced with government funds or State-owned capital shall be digested, absorbed and recreated.

Article 23 The State shall encourage and support basic and application research of agricultural science and technology, disseminate and popularize knowledge of agricultural science and technology, speed up the transformation of scientific and technological achievements in agriculture and their application in production, and promote progress of agricultural science and technology.

People's governments at or above the county level shall take measures to support agricultural scientific research and technological development institutions for public welfare and institutions for popularization of agricultural technology to conduct research, development and application of new agricultural strains and technologies.

Local people's governments at various levels shall encourage and give guidance to rural scientific and technological organizations of a mass character in their efforts to provide scientific and technological services for the development of crops growing, forestry, animal husbandry, fishery, etc. and to conduct training in science and technology among farmers.

Article 24 The State Council may, in light of need, grant approval for establishment of national high and new technology industrial development zones, and give guidance and assistance to construction and development of such zones so as to endow them with their special characteristics and advantages and give play to the effect of concentrated efforts.

Article 25 With respect to the products and services created independently by citizens, legal persons or other organizations within the territory, and the products and services that the State needs to offer special support and assistance, provided that they satisfy the requirements of government procurement in terms of their performance and technology indexes, the government shall purchase them for procurement; and where they are put on the market for the first time, the government shall take the lead in purchasing them.

Where a product that the government intends to procure is under research and development, the purchaser shall, through bid invitation, decide on the scientific research and technological

development institution, the institution of high education or the enterprise for research and development, and shall place orders for the product.

Article 26 The State shall encourage the combination of scientific research and technological development with the establishment of product and service standards, and the combination of the said research and development with the design and manufacture of products; and the State shall give guidance to scientific research and technological development institutions, institutions of higher education and enterprises in their joint efforts to propel research of the manufacture of products with key national technological innovations and of the establishment of standards for service, and use them according to law.

Article 27 The State shall cultivate and develop a technology market, encourage people to establish intermediary agencies for such activities as technological assessment and brokerage, and shall give guidance to the establishment of a commercialized, specialized and networking service system for technological transactions, in order to promote the popularization and application of scientific and technological advances.

Technological transactions shall be conducted in adherence to the principles of voluntariness, equality, mutual benefit with compensation, honesty and credibility.

Article 28 The State shall apply a security system for science and technology, to protect scientific and technological secrets involving national security and interests.

The State shall apply a system governing the export of such scientific and technological resources as precious, rare, and endangered biological germplasm resources and hereditary resources.

Article 29 The State prohibits scientific research and technological development which undermine national security, harm public interests, endanger human health or violate moral principles and ethics.

### Chapter III

#### Technological Progress of Enterprises

Article 30 The State shall establish a market-oriented system for technological innovation, in which enterprises play the leading role and which combines the efforts of enterprises with the efforts of scientific research and technological development institutions and of the institutions of higher education, guide and support enterprises in their technological innovation, and bring into play the leading role of enterprises in technological innovation.

Article 31 Scientific and technological plans related to industrial development formulated by people's governments at or above the county level and the relevant departments under them shall embody the need of industrial development.

When deciding on projects to be covered by scientific and technological plans, people's governments at or above the county level and the relevant departments under them shall encourage enterprises to participate in competition on an equal footing and to launch such projects into practice; and with

respect to projects with definite prospects of market application, they shall encourage enterprises to join efforts with scientific research and technological development institutions and institutions of higher education in launching such projects.

Article 32 The State shall encourage enterprises to do the following:

- (1) setting up internal scientific research and technological development institutions;
- (2) establishing scientific research and technological development institutions together with other enterprises or with scientific research and technological development institutions or institutions of higher education, or entrusting institutions with such research and development, or by other means;
- (3) training, recruiting, or employing scientists and technicians;
- (4) jointing efforts with scientific research and technological development institutions, institutions of higher education, occupational colleges and schools or training centers in providing training to people so that they become specialized technicians or highly skilled persons, and recruiting graduates of institutions of higher education to work in the enterprises;
- (5) setting up post-doctoral working stations according to law; and
- (6) conducting popularization of science and technology in combination with technological innovation and training in skills among workers, and setting up centers or providing facilities for popularizing science and technology and keeping them open to the general public.

Article 33 The State shall encourage enterprises to increase their input in research and development and in technological innovation, to determine the subjects of research and development independently and to carry out activities for technological innovation.

The State shall encourage enterprises to digest, absorb and recreate the technologies introduced.

The enterprises' expenses for research and development arising from their development of new technologies, products and techniques shall, in accordance with the relevant regulations of the State, be listed before tax and be deducted accumulatively, and the depreciation of the instruments and equipment of enterprises used for scientific research and technological development may be accelerated.

Article 34 The fund that the State establishes with government funds shall provide discount interest and guaranty to the loans received by enterprises for independent innovation and for application of the achievements in production.

Policy-oriented financial institutions shall, within the scope of their business, offer special aid to enterprises' projects of independent innovation encouraged by the State.

Article 35 The State shall improve the capital market, establish a sound mechanism for promoting independent innovation and support the high and new technology enterprises that meet the conditions to push forward their own development by taking advantage of the capital market.

The State shall encourage the establishment of the fund for guiding investment in pioneering projects to guide the flow of non-government funds towards the enterprises undertaking pioneering projects by way of supporting their development in that direction.

Article 36 The following enterprises shall, in accordance with the relevant regulations of the State, enjoy preferential tax policies:

(1) enterprises engaged in research, development and manufacture of high and new technology products;

(2) enterprises investing in pioneering projects undertaken by small and medium-sized high and new technology enterprises; and

(3) other enterprises related to progress of science and technology, as provided for by laws or administrative regulations.

Article 37 The State shall offer support to the erection of public platforms for research and development and the development of intermediaries for science and technology.

The public platforms for research and development and the intermediaries for science and technology shall offer services to small and medium-sized enterprises for their technological innovation.

Article 38 The State shall protect the intellectual property rights obtained by enterprises from research and development.

Enterprises shall ceaselessly increase their ability to apply, protect and manage their intellectual property rights and their ability to make independent innovation and take part in market competition.

Article 39 State-owned enterprises shall establish a sound allocation system conducive to technological innovation and improve their mechanisms of stimulation and restraint.

Leading persons of State-owned enterprises shall be responsible for technological progress of the enterprises. The input of State-owned enterprises into renovation, the increase of their ability to innovate and the achievements of their innovation shall be included in the performance appraisal of the leading persons of the enterprises.

Article 40 Local people's governments at or above the county level and the relevant departments under them shall create a market environment for fair competition, in order to help promote technological progress of enterprises.

The relevant departments under the State Council and the people's governments of provinces, autonomous regions and municipalities under the Central Government shall, by adopting such policies

as the industrial, financial, energy and environmental protection policies, give guidance to enterprises and urge them to make researches and develop new technologies, products and techniques, to conduct technological transformation and equipment updating, to eliminate outdated equipment and techniques, and to stop manufacturing products with outdated techniques.

## Chapter IV

### Scientific Research and Technological Development Institutions

Article 41 The State shall make overall plans for the geographical distribution of scientific research and technological development institutions, and establish and improve the system for scientific research and technological development. Article 42 Citizens, legal persons or other organizations shall have the right to establish scientific research and technological development institutions according to law. Overseas organizations or individuals may independently establish scientific research and technological development institutions within the territory of China according to law, and they may establish such institutions jointly with organizations or individuals within the territory of China according to law.

Scientific research and technological development institutions engaged in basic research, in research of frontier technology, or technological research for public welfare may be established with government funds. The establishment of scientific research and technological development institutions with government funds shall be arranged in an optimized manner to avoid redundancy; and redundant scientific research and technological development institutions shall be reorganized.

Scientific research and technological development institutions and institutions of higher education may, according to law, set up post-doctoral working stations. Scientific research and technological development institutions may set up their branches abroad according to law. Article 43 Scientific research and technological development institutions shall enjoy the following rights:

- (1) organizing or participating in academic activities according to law;
- (2) independently determining the orientations and projects of their scientific research and technological development in accordance with the relevant regulations of the State, and independently deciding on the management of their internal affairs, such as the use of their funds, structural setup, and personnel recruitment and rational flow;
- (3) conducting scientific research and technological development jointly with other scientific research and technological development institutions, institutions of higher education and enterprises;
- (4) obtaining public donations and financial aid; and
- (5) other rights as provided for in laws or administrative regulations.

Article 44 scientific researches and technological development institutions shall, in accordance with the provisions of their articles of association, conduct activities of scientific research and technological

development; they shall not practice fraud in scientific and technological activities or participate in or support superstition.

Scientific research and technological development conducted by scientific research and technological development institutions set up with government funds shall serve to attain the goals of the State and serve public interests; and where conditions permit, the centers or facilities for popularization of science and technology shall be open to the public by way of popularizing science and technology.

Article 45 Scientific research and technological development institutions set up with government funds shall establish a system for modern institutes characterized by defined duties, scientific appraisal, openness and orderliness and standardized management, apply the system under which the presidents or heads of the institutes assume responsibility, establish the system under which scientific and technological commissions offer advice and the system under which the congresses of the workers and staff exercise supervision, and they shall invite experts of other institutions to participate in management as a means of accepting public supervision; and the competitive mechanism shall be introduced for recruitment of presidents or heads of institutes.

Article 46 Scientific research and technological development institutions established with government funds shall set up a mechanism conducive to sharing of scientific and technological resources in order to facilitate effective use of such resources.

Article 47 The State shall encourage non-government entities to set up scientific research and technological development institutions independently and shall guarantee inviolability of their legitimate rights and interests.

The scientific research and technological development institutions established by non-government entities shall, in accordance with the relevant regulations of the State, have the right to participate in launching the projects supported by the scientific and technological fund set up with government funds and the projects covered by scientific and technological plans and to compete in this respect on an equal footing.

Nonprofit scientific research and technological development institutions established by non-government entities shall enjoy preferential tax policies in accordance with the relevant regulations of the State.

## Chapter V

### Scientists and Technicians

Article 48 Scientists and technicians constitute an important force in the socialist modernization drive. The State shall take various measures to raise the social status of scientists and technicians, and through various channels, provide training to people so that they become specialists in science and technology and create advantageous environment and conditions for scientists and technicians to play their role fully.

Article 49 People's governments at various levels and enterprises and institutions shall take measures to increase the salaries and welfare benefits of scientists and technicians; and they shall give substantial material benefits to the scientists and technicians who have made outstanding contributions.

Article 50 People's governments at various levels and enterprises and institutions shall guarantee the right of scientists and technicians to continued education, and create the environment and conditions for their rational flow, in order to give play to their specialized skills.

Article 51 Scientists and technicians may, based on their academic ability and professional competence and in accordance with law, select their own workplaces, compete for appropriate jobs and obtain the appropriate positions or professional titles.

Article 52 With respect to the scientists and technicians who work in arduous and outlying areas or under adverse and dangerous circumstances, the units which they belong to shall, in accordance with the relevant regulations of the State, give subsidies to them and provide them with the occupational protection and health care commensurate with the conditions of their posts and workplaces.

Article 53 Young scientists and technicians, scientists and technicians from among ethnic groups and female scientists and technicians, among others, shall enjoy equal rights in competition for specialized technical posts, and participation in scientific and technological appraisal, undertaking of scientific research and technological development projects, receiving continued education, etc.

Finding, training and employing young scientists and technicians constitute an important part of appraisal of progress of science and technology.

Article 54 The State shall encourage scientists and technicians working abroad to come back and engage in scientific research and technological development. Scientific research and technological development institutions set up with government funds and institutions of higher education that recruit outstanding scientists and technicians who work abroad to come back and engage in scientific research and technological development shall provide conveniences for their work and everyday life.

Outstanding scientists and technicians of other countries who come to China to engage in scientific research and technological development may, in accordance with the relevant regulations of the State, enjoy priority in obtaining the right to permanent residence in China according to law.

Article 55 Scientists and technicians shall carry forward scientific spirits, observe academic norms, abide by professional ethics, and be honest and trustworthy; and they shall not practice fraud in scientific and technological activities, or participate in or support superstition.

Article 56 The State shall encourage scientists and technicians to carry out free exploration and dare to assume risks. Where original records prove that, although the scientists and technicians undertaking the scientific research and technological development projects, which are highly exploratory and risky, have performed their duty diligently and conscientiously, they still cannot accomplish such research and development, they shall be excused.

Article 57 Administration authorities for projects covered by the scientific and technological fund set up with government funds and projects covered by scientific and technological plans shall establish academic integrity files for the scientists and technicians involved in the projects, which shall serve as the basis for appointing scientists and technicians to specialized technical posts or conferring on them academic titles, or for examination and granting their applications for scientific research and technological development projects.

Article 58 Scientists and technicians shall have the right to establish or join public scientific and technological organizations according to law.

Scientific and technological associations and other public scientific and technological organizations shall, in accordance with their articles of association, play their role in promoting academic exchange, expanding the fields of study, extending popularization of science and technology, training for specialists, providing advisory services, enhancing self-discipline of scientists and technicians, safeguarding the legitimate rights and interests of scientists and technicians, etc.

The legitimate rights and interests of scientific and technological associations and other public scientific and technological organizations are protected by law.

## Chapter VI

### Guarantee Measures

Article 59 The State shall gradually increase the total input in funds for scientific and technological endeavors; and the rate of increase of government funds earmarked for such endeavors shall be larger than that of the regular government revenues. The funds of the entire society for scientific research and technological development shall constitute an appropriate percentage of the gross domestic product and shall gradually be increased.

Article 60 Government funds for science and technology shall mainly be used for input in the following endeavors:

- (1) creation of basic conditions and building of facilities for science and technology;
- (2) basic research;
- (3) research of frontier technologies, of technologies for public welfare and of major key technologies of a general character, which plays a strategic, basic and forward-looking role in economic and social development;
- (4) application of major key technologies of a general character and demonstration of application of high and new technologies in production;
- (5) research and development of new agricultural strains and technologies and application and popularization of agricultural scientific and technological advances; and

(6) popularization of science and technology.

The State shall offer support to the scientific research and technological development institutions established with government funds in terms of funds, laboratory facilities, etc.

Article 61 Auditing authorities and financial departments shall, according to law, conduct supervision over and inspection of the management and use of government funds earmarked for scientific and technological endeavors.

No organizations or individuals shall make fraudulent applications or claims for, embezzle, misappropriate or withhold government funds earmarked for scientific and technological endeavors.

Article 62 Projects which are covered by the scientific and technological fund established with government funds shall be decided on in adherence to the principles of macro-guidance, independent application, equal competition, peer appraisal and support for the best; and undertakers of the said projects shall, in accordance with the relevant regulations of the State, be determined on a selective basis.

Administration authorities for projects covered by the scientific and technological fund established with government funds or by scientific and technological plans shall set up appraisal think tanks, and establish and improve the expert appraisal system for projects covered by the scientific and technological fund or by scientific and technological plans and the selection, challenge and accountability system for appraisal experts.

Article 63 The State shall, in accordance with the principle of overall planning and optimized allocation of resources, reorganize and set up national research and experiment bases for science and technology.

The State encourages the establishment of units in the service of comprehensive scientific and technological experiments, which shall provide, or entrust another unit to provide, such services to scientific research and technological development institutions, institutions of higher education, and enterprises, as well as to scientists and technicians.

Article 64 The State shall, in light of the need for progress of science and technology, make plans for the purchase of large scientific instruments and equipment in adherence to the principles of overall planning, emphasizing of common sharing, optimized allocation of resources, comprehensive integration, leading by the government and concerted efforts made by all entities concerned, and shall conduct joint appraisal of the large scientific instruments and equipment purchased mainly with government funds.

Article 65 Scientific and technological administration department under the State Council shall, together with the relevant departments in charge under the Same, set up a system of information about such scientific and technological resources as scientific and technological research bases, scientific instruments and equipment, scientific and technological documents, data and natural resources, and resources for scientific and technological popularization, and shall make known to the public the distribution and use of scientific and technological resources in a timely manner.

Administration units for scientific and technological resources shall make known to the public the system for common use of the scientific and technological resources under their administration as well as how such resources are used, and shall arrange for their use in accordance with the said system; however, where laws or administrative regulations provided that such resources should be kept confidential, the relevant provisions there shall prevail.

The administration units for scientific and technological resources shall not infringe upon the intellectual property rights of the users of scientific and technological resources, and shall fix the rates of the fees in accordance with the relevant regulations of the State. The other rights and obligations of the administration units and users shall be agreed upon by both parties.

Article 66 The State encourages organizations or individuals at home or abroad to donate their property or set up scientific and technological fund in support of scientific research and technological development and scientific and technological popularization.

## Chapter VII

### Legal Liability

Article 67 Where an entity, in violation of the provisions of this Law, makes a fraudulent application or claim for, embezzles, misappropriates or withholds governments funds earmarked for scientific and technological progress, it shall be ordered to make rectification in accordance with the provisions on punishments and sanctions against violations of financial laws, the government funds involved and the illegal gains shall be recovered, and it shall be given an administrative sanction according to law; and the leading person directly in charge and the other persons directly responsible shall be given sanctions according to law.

Article 68 Where an entity that, in violation of the provisions of this Law, fails to perform the obligation of putting to common use such scientific and technological resources as large scientific instruments and equipment after its purchase of such instruments and equipment with government funds and State-owned capital, the relevant department in charge shall order it to make rectification and shall give sanctions to the leading person directly in charge and the other persons directly responsible according to law.

Article 69 Where an entity, in violation of the provisions of this Law, restricts or suppresses scientific research and technological development, by abusing its power, the leading person directly in charge and the other persons directly responsible shall be given sanctions according to law.

Article 70 Where a scientists or technician, in violation of the provisions of this Law, copies or plagiarizes another person's scientific and technological results, or practices fraud in scientific and technological activities, the unit which he belongs to or the competent department of the unit shall order him to make rectification and shall, according to law, give sanctions to the leading person directly in charge and the other persons directly responsible; the government funds earmarked for scientific and technological progress he has obtained and his illegal gains, if any, shall be recovered by the relevant competent department; and if the circumstances are serious, the said unit or department shall make known to the public the violations committed by the scientist or technician and shall,

within a certain period of time, prohibit him from applying for any project covered by the national scientific and technological fund or by national scientific and technological plans.

Article 71 Where a person, in violation of the provisions of this Law, gets a national scientific national scientific and technological award by fraudulent means, the department in charge shall revoke such award according to law, recover the money award, and give him a sanction according to law.

Where a recommending unit or individual, in violation of the provisions of this Law, provides false data or materials to assist another person in getting a national scientific and technological award by fraudulent means, the department in charge shall criticize it or him in a circular; and if the circumstances are serious, its qualification for recommendation shall be suspended or revoked, and it shall be given a sanction according to law.

Article 72 Where, in violation of provisions of this Law, an administration department for science and technology, or a relevant department, or its staff member abuses its or his power, neglects its or his duties, or engages in malpractices for private gain, the leading person directly in charge of the department and the other persons directly responsible shall be given sanctions according to law.

Article 73 Where administrative penalties are stipulated by the provisions of other laws or regulations for violations of the provisions of this Law, the provisions there shall prevail; where losses of property or other damages are caused, civil liability shall be borne according to law, and if a crime is constituted, criminal liability shall be investigated for according to law.

## Chapter VIII

### Supplementary Provisions

Article 74 Regulations on other matters related to science and technology of national defense shall be formulated by the State Council and the Central Military Commission. Article 75 This Law shall go into effect as of July 1, 2008.