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# COMPREHENSIVE RANK & ANALYSIS OF CHINA'S REGIONAL INTELLECTUAL PROPERTY INDEX

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CIPI 2013 REPORT



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## CIPI 2013 Foreword

Annually, China reports the GDP and economic growth of many provinces and cities in the country. While this information is incredibly useful in determining where China began and where it is now, this report still lacks some very pertinent information about how China's economy protects the innovation of its people. The CIPI Report originally stemmed from the idea that what China lacked was a comprehensive report which covered statistics about patents, trademarks and copyrights all together. It was this decision to create a comprehensive report which included all of these intellectual property rights in one place that led to the creation of the report you now see in front of you. We believe that China's economic movement and the protection of intellectual property rights are closely tied together, and neither can work properly without the other. This is why we created China's Regional Intellectual Property Index (CIPI), to show that intellectual property rights not only protect innovation and people's property, but also push the economy forward and are necessary in determining the wealth of a country's economy.

Over the last few years, the rapid development of China's intellectual property field has been closely watched from around the world. China's IP applications range from patents to copyrights and trademarks, and their numbers for 2013 have been organized into a report released by the World Intellectual Property Organization (WIPO). This global patent report states that China's number of patent applications has surpassed the United States, making China the world's number one in patent applications. Last year, the number of invention patents received by the State Intellectual Property Office (SIPO) of China included applications from more than 140 countries and regions, and the lump sum of those patent applications accounted for nearly 30 percent of all patent applications globally. This year, the National Copyright Administration released its latest issue of "Chinese Copyright-Related Industries and their Economic Contributions" which confirms that these copyright-related industries continue to maintain a steady growth rate throughout the world. In 2012, these copyright-related industries accounted for 6.57 percent of the national GDP of China, during which time China's State Administration for Industry & Commerce (SAIC) received a total of 1,648,000 applications for trademark registration. Cumulatively, these applications have amounted to over 11,360,000, making China the number one country for trademark applications in the world today.

The "China Intellectual Property Index Report 2013" was released in June this year. Research and data from each year's CIPI have continued to allow for growth in the world's understanding of China's IP rights, and the research team who has worked tirelessly on this report hopes that it will gain further acceptance from around the world for many years to come. Their goals include; upholding an independent writing process for research, which is matched with a group dynamic that helps maintain an objective analytical attitude towards their extensive collection of data. The research team also invites industry experts and professors to discuss and review the report in hopes of creating an improved index to represent China's impressive movement forward in protecting intellectual property rights. After five years of anticipation, the "China IPR Index Report", which had already created a sound scientific research system, quantified and ranked competitive levels in prospective areas of intellectual property. The 2013 CIPI report has finalized four of these competitive levels into indexes; 4 first level indexes, 17 second level indexes, 63 third level indexes and 118 fourth level indexes.

Looking through an independent and objective report, such as the CIPI, allows the reader to better understand China's regional intellectual property system and see statistics, which show its increasing level of sophistication. China will continue to explore the promotion and development of intellectual property rights, and CIPI will continue to quantify this information for many years to come.

Thank you,

*The China Intellectual Property Index Research Group*  
May 2013

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# ***Things to Keep in Mind While Reading the 2013 China Intellectual Property Report***

## **I. An Introduction to the PCT (Patent Cooperation Treaty)**

The Patent Cooperation Treaty (PCT) is an international patent law treaty, written in 1970. It provides a unified procedure for filing patent applications to protect inventions in each of its contracting states. A patent application filed under the PCT is called an international patent application, or PCT application. China officially became a member of the treaty on January 1st, 1994 and since then has filed many patent applications under the treaty.

According to Article 3 of the PCT, "an international application shall contain, as specified in this Treaty and the Regulations, a request, a description, one or more claims, one or more drawings (where required), and an abstract.

(3) The abstract merely serves the purpose of technical information and cannot be taken into account for any other purpose, particularly not for the purpose of interpreting the scope of the protection sought.

(4) The international application shall:

(i) Be in a prescribed language;

(ii) Comply with the prescribed physical requirements;

(iii) Comply with the prescribed requirement of unity of invention;

(iv) Be subject to the payment of the prescribed fees."

A PCT application, which establishes a filing date in all contracting states, must be followed, after its written conception, by entering into a national or regional phase in order to proceed towards the granting of one or more patents. The PCT procedure essentially leads to a standard national or regional patent application, which may be granted or rejected according to applicable law, in each jurisdiction in which a patent is desired. This process of filing a PCT begins with the filing of an application nationally, then moves into the search process to make sure there are no other similar international patents, and finally into the international realm where the application is then filed into the countries in which the patent is requested to be used. The main advantages of the PCT procedure are; the possibility to delay as much as possible the national or regional procedures, and therefore reduce the respective fees and translation costs, as well as the usage of a unified filing procedure.

## **II. Copyright in China**

What makes copyright laws in China so different and so much more challenging to protect than in western countries? In order to answer this question, we must first understand where China's system of law comes from, and how socialism and Confucianism have influenced this system.

The Copyright Law of the People's Republic of China was adopted on September 7, 1990 and implemented on June 1, 1991. It was the first law authorizing the administration and protection copyrights in the country, and compared to other western countries was implemented much later than most. Therefore, China's understanding of copyright law only comes from just over 20 years of experience, making it difficult for their society to accept such laws after hundreds of years of using copyright infringing goods without consequence.

Chinese Copyright Law provides that the works of Chinese citizens and foreign entities that are first published within China enjoy copyright protection under Chinese law for a term of 50 years, or the life of the author plus 50 years in the case of an individual author. The term for moral or personal rights, such as the right of accreditation, is perpetual. In addition, a publisher enjoys a 10-year term of protection for original designs of a publication. China also has a specific list of items that cannot be protected under copyright laws, which other countries may have listed as protected under their laws. These include:

- Laws and regulations, resolutions, decisions and orders of State organizations, other documents of a legislative, administrative or judicial nature, and their official translations

- News on current affairs
- Calendars, numerical tables and forms of general use, databases and formulas.

Copyright in China, according to the International Intellectual Property Alliance, is prone to infringement. Piracy losses for business software, video games, motion pictures, recordings and books in 2002 exceeded US\$1.85 billion, with piracy rates generally running 90-96 percent across all copyright industries. So why then, does China have these problems? The answer: 4,000 year-old Chinese Confucian ideology.

Coming from a socialist and Confucian viewpoint, in China ideas are shared and are open to usage by the community, rather than being owned by an individual. Chinese people believe that an idea, if good enough, should be shared. Therefore, everyone should benefit from an idea, rather than an individual gaining all the profit. If an individual decides to copyright his or her intellectual property, a song for instance, in western countries that right would be seen as only that single person's. In China, many people listen to the song and enjoy it. One day a person decides to sing the song in the background of a Chinese commercial, in China, they would see this as continuing the enjoyment of the song for all the people, not as an infringement of intellectual property rights. Rather, using the song for something that everyone would hear is a compliment to the artist, and everyone should share such enjoyment.

Changing this way of thinking in China requires many more years to allow people to fully understand what copyrights are, and why they matter. China's lawyers are all striving for their people to learn more about IP rights, claiming that it will push China forward in an economic sense if westerners will invest in China, and are no longer afraid of having their ideas infringed upon. Chinese people are beginning to listen to what IP lawyers are saying, and slowly but surely attempting to stop the use of infringing products, which they hope will allow China to gain more respect in the western world.

### **III. Comparing Chinese Patent and Trademark Agents to Patent and Trademark Attorneys in the US and China**

In the US, a person who has passed the patent agent qualification exam, and the USPTO registration examination, often referred to as the patent bar, but has not passed a state bar exam, is considered a patent agent rather than patent attorney. A patent attorney is an individual who meets the requirements of a patent agent, and has also been admitted to practice law in any of the US federal courts or state supreme courts, therefore having passed the national bar examination. One of the main differences between a United States Patent Agent and a Patent Attorney is that a Patent Agent does not represent clients outside the jurisdiction of the USPTO. Many patent agents are people with strong technical backgrounds who have not attended law school or who are in the process of attending law school. A recognized Bachelor's degree in biology, computer science, electronics technology, chemistry, pharmacology, physics, and numerous engineering degrees will make you eligible for a patent agent bar exam. A patent agent does not need a law degree, however, only patent attorneys can help clients with issues such as patent validity, infringement cases, and all patent litigation. Only patent attorneys can prepare, file, and prosecute trademarks and service marks applications.

China, while having much fewer patent agents and attorneys than the US, still differentiates their patent attorneys from their patent agents, just as in the US. Patent agents and patent attorneys work directly under the State Intellectual Property Office (SIPO) of China. Only agents can aid foreigners in filing patent applications, and all foreigners are in fact required to send in their applications through registered patent agents designated by the State Council of the Chinese Government. China has a separate examination for patent lawyers than it does for patent agents. Patent agents must also have studied a science of some sort in their bachelor's, whereas patent lawyers only have to pass China's equivalent of the bar exam, and have no required background in a science to work in patent law.

In the US, both patent and trademark attorneys can provide representation and advice regarding designs and related intellectual property matters such as design searching and opinions, preparing and filing design applications, representation in matters before USPTO, design oppositions and advice in relation to infringement. Trademark attorneys in the US are a part of the general legal profession. Trademark Attorneys do not require specialized examinations in order to qualify and practice as a trademark attorney. Instead, any

lawyer who is licensed to practice in at least one state may prosecute trademark applications before the USPTO. Many Trademark Attorneys in the US have undergraduate degrees in a variety of fields such as business administration, marketing, liberal arts rather than in the science or engineering field which a Patent Attorney must have in order to practice in the United States Patent Office. Furthermore, a Patent Attorney in the US must pass a special exam in order to represent individuals and companies in the Patent office while a Trademark Attorney does not.

In China, trademark attorneys are a separate recognized legal profession, along with solicitors and barristers, they are recognized as lawyers under the China Trademark Law. The responsibilities of a trademark attorney include advising on the adoption and selection of new trademarks; filing and prosecuting applications to register trademarks; advising on the use and registration of trademarks; handling trademark oppositions, revocations, invalidations and assignments; carry out searches; and advising on trademark infringement matters. A trademark attorney will work with the China Trademark Office to answer any questions about your trademark or trademark application. Trademark attorneys must pass the Chinese bar exam, but require no specific examination in order to be considered a specific trademark attorney.

A Chinese trademark agent refers to the practicing staff in a trademark agency or organization, while a trademark agency refers to the legal service agencies that take on clients and handle their applications for registration of trademarks or other matters related to trademarks in the name of their clients. Trademark agents are not required to pass the National Bar Exam, unlike their fellow IP counterparts, the patent agents. In China there is a very interesting comparison between patent agencies and trademark agencies. A patent agent has to pass the qualification exam, which has a very low rate of passage. A trademark agent does not need to pass any examination at all. There are currently only more than 700 patent agencies in China, whereas the number of trademark agencies is staggering. Patent agencies have their own association, the All-China Patent Agents Association, while trademark agents don't have any association.

Throughout the world there are different sets of laws and qualifications for lawyers, and those that are specific to China allow us to see how their system works. Chinese patent agents, patent attorneys, trademark agents and a trademark attorneys all carry their own specific set of requirements to be given such names, and each one provides a different service in helping the protect the owners of IP rights all over China.

#### **IV. China's Time-Honored Brands**

This is an honored title granted by the Ministry of Commerce of The People's Republic of China to enterprises in Mainland China whose brand has a long history in China. Products, techniques or services passed down through generations from different Chinese enterprises are eligible to apply for this title. The basic requirements to be considered for such a brand name are having a strong Chinese cultural background, and Chinese cultural characteristics that are widely recognized by society at large.

Laozihao (老字号), or time-honored brands, are very different to China's well-known trademarks, but both are still considered to be trademarks. While both time-honored and well-known trademarks have a certain number of requirements, the one thing that separates the two is time. Time-honored brands must have been created before 1956, having maintained profitable operations and currently provide products with unique characteristics. Examples of this include; Kweichou Moutai (a Chinese alcohol), Zhang Xiaoquan (a scissors company), Tongrentang (traditional Chinese medicines) and Quanjude (roast duck).

## A Guide to Our Data Processing Methods

We begin with a sample selection...

Each particular sample was selected from 31 different provinces, municipalities and autonomous regions throughout Mainland China. By separating these areas into provincial units, we were able to create comparisons between the levels of comprehensive strength in the intellectual property field based on the administrative political, economic, cultural, geographic environments, as well as other factors. After a lengthy evolution of our methods used to form distinctive regional units, the provincial government and China's macroeconomic policies helped us to more clearly explain what exactly the advantages are of the areas which are primarily responsible for the development of China's economy, which in turn helps us to better understand China's current intellectual property managerial environment. Because of China's history with Taiwan, Hong Kong, Macau and other regions in Mainland China, the statistical data for these areas is not provided and is therefore outside the scope of this research report.

Then we start collecting our data...

Much of our data used in this report, both scientific and basic statistics, comes from the annually published China statistical yearbook, "2012 China Statistical Yearbook", as well as the "2011 China Statistical Yearbook of intellectual property," the "2011 Statistical Yearbook of Patents", the "2012 China Science and Technology Statistical Yearbook", and the "2011 Provincial Statistical Bulletin", while older data was collected by the Chinese selection committee, primarily from the China Science and Technology Statistical Data Collection (2012), the China Trademark Office, and the State Intellectual Property Office (SIPO) website.

Finally we analyze the data and standardize it..

The standardization of data in our case mainly refers to the dimensions of the data. However, because of the different dimensions of indicator data, in order to carry out a comprehensive integration of each of these indicators, all indicators in this report are put into specific dimensions. In order for us to create objective indicators to use for processing raw data, this report mainly adopted a threshold method for creating indicators rather than a strict dimension in which we place the data.

*This threshold method is calculated as;*

$$X_i = \frac{(x_i - x_{Min})}{(x_{Max} - x_{Min})}$$

$x_{Min}$  = the maximum value of the sample.  
 $x_{Max}$  = the minimum sample value.  
 $X_i$  = the converted value.  
 $x_i$  = the original value.

*The reverse index is calculated as;*

$$X_i = \frac{x_{max} - x_i}{x_{max} - x_{min}}$$

$x_{Max}$  = the maximum value of the sample.  
 $x_{Min}$  = the minimum sample value.  
 $X_i$  = the converted value.  
 $x_i$  = the original value.



## The Calculation of the Comprehensive Index

Behind this entire report, there is a general intent to create specific objectives and propose a comprehensive evaluation index for the overall strength of China's regional intellectual property rights. This report is divided into linear weighted indexes, which are made from a composite index model, which uses multiplication evaluation models, and mixed addition evaluation models. Indicators report the importance of each piece of information within the CIPI. Within this index, the indicator value is insignificant, and each index is independent, therefore it creates a comprehensive evaluation of each index value. These indexes will also show that they do not affect each other, but rather, they are independent and calculated using a linear weighted model.

This index measures the overall strength of regional intellectual property rights at different levels. While the importance of each piece of information is difficult to precisely distinguish, it is therefore difficult to determine what this importance can be equal to in weight. By creating this report, we examine the situation of intellectual property rights in China objectively by using a very specific set of rules.

Output of Intellectual Property	Quantity of IP Applications and Registrations per Capita	Quantity of Patent Applications	Quantity of Invention Patent Applications	1/400
			Quantity of Utility Model Patent Applications Among 4 million people per year	1/400
			Quantity of Design Patent Applications Among 4 millions people per year	1/400
			Quantity of Patent Application Filed under the PCT Among 4 million people per year	1/400
		Quantity of Trademark Applications	Quantity of Trademark Applications Among 4 million people per year	1/100
		Quantity of Copyright Contract Registrations and Copyright Voluntary Registrations	Quantity of Copyright Contract Registration Among 2 million people per year	1/200
			Quantity of Copyright Registrations Among 1 million people per year	1/200
		Quantity of Applications for Layout Designs for Integrated Circuits	Quantity of Applications for Layout Design of Integrated Circuit Among 1 million people per year	1/100
	Quantity of New Varieties of Agricultural Design Applications	Quantity of New Varieties of Agricultural Applications among 1 million people per year	1/100	
	Output Quality	Quantity of Patents Issued	Quantity of Invention Patents Issued Among 1 Million People Per Year	1/420
			Quantity of Utility Models Patents Issued Among 1 Million People Per Year	1/420
			Quantity of Design Patents Issued Among 1 Million People Per Year	1/420
		Quantity of Trademarks Issued	Quantity of Trademarks Issued Among 1 Million People Per Year	1/140
		Quantity of Gold Award of Patents	Quantity of Gold Award of Patents	1/140
Quantity of Well-Known Trademarks		Quantity of Well-Known Trademarks	1/140	

Output of Intellectual Property	Output Quality	Number of Owners of "China Time-Honored Brands"	Number of Owners of "China Time-Honored Brands"	1/140
		Quantity of Registration and Certification of Layout-Designs of Integrated Circuits	Quantity of Registration and Certification of Layout-Designs of Integrated Circuits Among 1 Million People Per Year	1/140
		Quantity of Foreign Trade as Compared to Patent Applications Filed under the PCT Ratio	Quantity of Patent Applications filed under the PCT per Billion Dollars of Foreign Trade (one application/one billion dollars)	1/140
	Output Efficiency	Output Efficiency of Invention Patents Created by IP employees and R&D Scientists and Engineers	Quantity of Invention Patent Applications Among Thousands of IP employee per year	1/80
			Quantity of Invention Patent Applications of R&D Scientists and Engineers per year	1/80
		Capital Output Efficiency of Invention Patents	Quantity of Invention Patent Applications as Compared with Billion R&D Expenditure per year	1/40
	Achievement of Patent Enterprises	Quantity of Patent Applications from Enterprises	Quantity of On-Duty Invention Patent Applications of Enterprises per year	1/180
			Quantity of On-Duty Utility Models Patent Applications from Enterprises	1/180
			Quantity of On-Duty Design Patent Applications from Enterprises	1/180
		Quantity of On-Duty Patents Issued	Quantity of On-Duty Invention Patents Issued	1/180
			Quantity of On-Duty Utility Models Patents Issued	1/180
			Quantity of On-Duty Design Patents Issued	1/180
	Output Efficiency of Invention Patent Applications from Large and Medium-Sized Enterprises	Quantity of Invention Patent Applications Of R&D Personnel from Large and Medium-Sized Enterprises	1/120	
Quantity of Invention Patent Applications with R&D Internal Expenditure of Large and Medium-Sized Enterprises				

Output of Intellectual Property	Patent Output of Universities and Research Institutions	Quantity of Invention Patent Applications from Universities and Research institutions this year	Quantity of Invention Patent Applications from Universities and Research institutions this year	1/60
		Quantity of Invention Patents Issued by Universities and Research Institutions	Quantity of Invention Patents Issued by Universities and Research Institutions	1/60
		Patent Output Efficiency of Universities and Research Institutions	Quantity of Patent Applications per Ten Thousand R&D personnel of Universities and Research Institutions	1/120
Quantity of Patent Applications per 1 Billion R&D Expenditures of Universities and Research Institutions	1/120			
The Level of Intellectual Property Market Movement	Technology Market Transactions	The Scale of the Technology Market	Quantity of Contracts in the Technology Market	1/144
			Quantity of Contract Amounts in the Technology Market	1/144
			Quantity of Contract Amounts to GDP Ratio	1/144
		The Circulation of Technology Markets between Home and Abroad	Quantity of Foreign Import Contracts	1/96
			Amount of Money of Foreign Import Contracts	1/96
		The Overall Technology Transfer Situation	The Quantity of Contract in the Technology market to The Quantity of Technology Transfer Contract Ratio	1/96
			The Amount of the Money of Contract in the Technology market to The Amount of the Money of Technology Transfer Contract Ratio	1/96
		The International Competitiveness of Technology	Fee for Exploitation and licenses of Patents to Abroad from R&D personnel	1/48
		IP Service Institutions	Trademark Agencies	Quantity of Trademark Agencies
	Patent Agencies		Quantity of Patent Agencies	1/48
	Law Firms		Quantity of Law Firms	1/48
	Appraisal Organizations		Quantity of Appraisal Organizations	1/48
	Technological Improvement and Introduction of Enterprises	Technological Improvement	Expenditure of Technological Improvement of Large and Medium-Sized industrial Enterprises	1/36

The Level of Intellectual Property Market Movement	Technological Improvement and Introduction of Enterprises	Domestic Introduction	Expenditures of Buying Domestic Technology of Large and Medium-Sized Industrial Enterprises	1/36
		Foreign Introduction	Expenditures of introducing and digesting the technology of Large and Medium-Sized industrial Enterprises	1/36
Comprehensive Performance Of Intellectual Property	Macroeconomic Value	Economic Growth Pattern Transition	Labor Productivity	1/108
			Capital Productivity	1/108
			Comprehensive Productivity of Energy Consumption	1/108
		Economic Market Improvement	Proportion of the Added Value of High-Tech Industries Accounting for Industrial Added Value	1/108
			Proportion of Amount of Exports from High-Tech Industries Accounting for Amount of Exported Goods	1/108
			Proportion of Added Value of Knowledge-Intensive Business Services Accounting for Gross Production Value	1/108
	Social Progress Performance	Environmental Protection	Environmental Quality Index	1/96
			Environmental Pollution Index	1/96
		Social Development	Average Life Expectancy	1/48
		Improvement of Internet and Mobile Phone Availability	Internet Availability	1/96
			Mobile Phone Availability	1/96
	Cultural Progress	Cultural Expenditures Accounting for Annual Consumption Expenditures of Inhabitants	1/48	
	Enterprise Development Performance	Product Upgrades	New Product Output Value Accounting for Industrial Output Value of the large and medium-sized Industrial Enterprises	1/48
			Sales Revenue of New Products accounting for main business income of the large and medium-sized industrial enterprises	1/48
		Equipment Replacement	Renewal and Renovation of R&D Equipment of Large and Medium-Sized Industrial Enterprises	1/24
	Possibilities of Creations of IP	Investment in Creation	Creation of New IP Jobs Or Recruitment of New IP Employees	R&D (Research and Development)
Quantity of Professionals				1/288
Quantity of R&D Researchers				1/288
Quantity of People with College Degrees of Above				1/288
Capital Input		Proportion of Expenditure of R&D accounting for GDP	1/288	
		Proportions of Local Fiscal Appropriations of Acience and Technology Accounting for Local Fiscal Expenditure	1/288	

Possibilities of Creations of IP	Investment in Creation	Capital Input	Internal R&D Expenditure Per Capita	1/288
			New Instruments and Equipment Costs of Each R&D Personnel	1/288
		Investment in the Cultural Industry	Fixed Assets Investment of the Regional Cultural Industry	1/72
	Creative Results	Papers	The Number of Scientific Papers from R&D Personnel	1/192
			The Number of Chinese Scientific Papers including those by Major Foreign Retrieval Tools	1/192
		National Industrialization Projects	The Number of National Industrialization Programs	1/192
			Funds from the Implementation of Country Industrialization Project Plans	1/192
		Scientific and Technological Achievements	Number of Technical Achievements per 1 Million People	1/192
			Coefficient of National Science and Technology Achievement Awards	1/192
		Industry Science and Technology Projects of the High-Tech Industry	The Number of New Product Development Projects from the High-Tech Industry	1/96
	Environment for Creation	Financial Support	Local Government Fiscal Income Per Capita	1/144
		Financial Environment	Per Capita Financial Loan Balance at the End of the Year	1/144
		Market Opening	Amount of Foreign Investment Accounting for GDP	1/288
			Exports Accounting for GDP	1/288
		Educational Environment	Educational Spending Accounting for Local Government Fiscal Expenditure	1/288
			The Number of Undergraduates Per Thousand People	1/288
		Cultural Environment	The Number of Audience Members Attending the Performing of Arts	1/864
			The Number of Museum Visitors	1/864
			The Number of Books in Circulation Based on Public Librarians	1/864
			The Number of Publications and Publishing Institutions of Video, Audio, and Electronic Media	1/864
			The Ratio of People Using Cable Radio and Televisions Per Family	1/864
		New Product Development Enterprises	The Number of Personnel in the National New and High-Tech Development Zones	1/288
			Technical Income of National New and High-Tech Development Zones	1/288

Possibilities of Creations of IP	Models for IP Education and Improvement	Exemplary Cities for IP Education and Improvement	Exemplary cities for IP Education and Improvement	1/96	
		Exemplary Zones for IP Education and Improvement	Exemplary Zones for IP Education and Improvement	1/96	
		Exemplary Units for IP Education and Improvement	The number of Exemplary Units for IP Education and Improvement	1/96	
		Models of the Cultural Industry	Exemplary Base of the National Cultural Industry	1/192	
			The Service Projects of the National Cultural Industry (as of December 31, 2011)	1/192	
	Creative Potential of Enterprises	Scientific Foundations of Enterprises	Enterprises with Science and Technology Agencies in Large and Medium-Sized Industrial Enterprises Accounting for All Enterprises	1/288	
			Enterprises with R&D Activities in Large and Medium-Sized Industrial Enterprises Accounting for All Enterprises	1/288	
			Enterprise R&D Scientists and Engineers Accounting for the Proportion of All Social Scientists and Engineers of R&D	1/288	
		Personnel Input	R&D Personnel Accounting for All Personnel of Large and Medium-Sized Industrial Enterprises	1/192	
			Number of Personnel with Master's Degrees or Above Accounting for Personnel of R&D Institutions of Large and Medium-Sized Industrial Enterprises	1/288	
		Capital Input	R&D Funds Accounting for Main Business Incomes of Large and Medium-Sized Industrial Enterprises	1/96	
		New Product Developments of Enterprises	The Expenditures of New Product Development Projects of Large and Medium-Sized Industrial Enterprises	1/192	
			The Number of New Product Development Projects of Large and Medium-Sized Industrial Enterprises	1/192	
		Administrative Protection of Intellectual Property	Administrative Enforcement of Patent Protection	The Number of Counterfeited Patents That Resulted in Case Settlement	1/144
				The Expenditure of Illegal Patent Cases	1/144
	Administrative Enforcement of Trademark Protection		The Number of Illegal Trademark Cases	1/144	
			The Expenditures of Illegal Trademark Cases	1/144	
	Ability of Administrative Enforcement		Law Enforcement System Construction (Documents)	1/360	
			Personnel Quantity of Law Enforcement	1/360	
			Financial Support of Law Enforcement	1/360	
			The Number of Personnel Who Answer Complaint Calls	1/360	
	Intellectual Property First Instance Case Settlements	1/360			

# CIPI 2013 Overall Report, Section I

The "China Intellectual Property Index Report 2013" (hereinafter referred to as CIPI) has continued to expand upon the previously used Index System format, while certain areas of the index continue to be fine-tuned to further improve the system. We hope the index continues to be more accurate, comprehensive, and keen to reflect the development of China's regional intellectual property information.

The top 10 cities on the list were; Beijing, Jiangsu, Shanghai, Guangdong, Zhejiang, Shandong, Tianjin, Fujian, Liaoning, and, Chongqing, while the lowest ranking cities were; Jiangxi, Hainan, Guangxi, Yunnan, Tibet, Guizhou, Gansu, Xinjiang, Ningxia, and Qinghai. The regional characteristics of most areas continued the trends seen in past CIPI reports, and many areas remained at the same level of ranking, however, the basic levels of performance changed from East to West. This phenomenon continued along with the trend of previous years, with Chongqing remaining the only Western city listed within the top ten areas, while all of the last 10 areas were within the Midwestern region.

Compared with 2010, the 2011 national provincial regional comprehensive strength rankings (Table 1-1) showed some fluctuations, changing the "pyramid" structure. The provinces near the bottom of the rankings changed quite a bit, while the rankings at the top of the list were relatively stable, partly because there exists a very small gap between the top ranked and the middle ranked provinces, in which individual indicators showed good progress, however, overall there is room for improvement of the ranking numbers. Among this particular type of province, the fastest rising one was Tibet, whose progression moved them from a ranking of 31 in 2010, to 26 in 2013; followed by Jilin and Heilongjiang, who both moved up 3 ranks, respectively, coming from 21 and 22 in 2010, to 18 and 19 in 2013. The area with the fastest rate of decline is Hainan, who dropped four places, from last year's 19 to 23 this year, which was then followed by Shanxi and Guizhou, who each dropped three places, respectively, from last year's 18 and 24, they this year ranked as 21 and 27.

<i>Region</i>	<i>Index</i>	<i>Rank</i>
Beijing	0.623	1
Jiangsu	0.584	2
Shanghai	0.561	3
Guangdong	0.504	4
Zhujiejiang	0.430	5
Shandong	0.378	6
Tianjin	0.346	7
Fujian	0.311	8
Liaoning	0.286	9
Chongqing	0.271	10
Shanxi	0.259	11
Hunan	0.253	12
Anhui	0.248	13
Hubei	0.245	14
Henan	0.224	15
Sichuan	0.223	16
Hebei	0.204	17
Jilin	0.194	18
Heilongjiang	0.189	19
Inner Mongolia	0.181	20
Shanxi	0.180	21
Jiangxi	0.177	22
Hainan	0.173	23
Guangxi	0.166	24
Yunan	0.160	25
Tibet	0.146	26
Guizhou	0.144	27
Gansu	0.142	28
Xinjiang	0.125	29
Ningxia	0.120	30
Qinghai	0.087	31

*Table 1.1 2011 Index & Rank of China's regional Comprehensive Analysis of Intellectual Property*

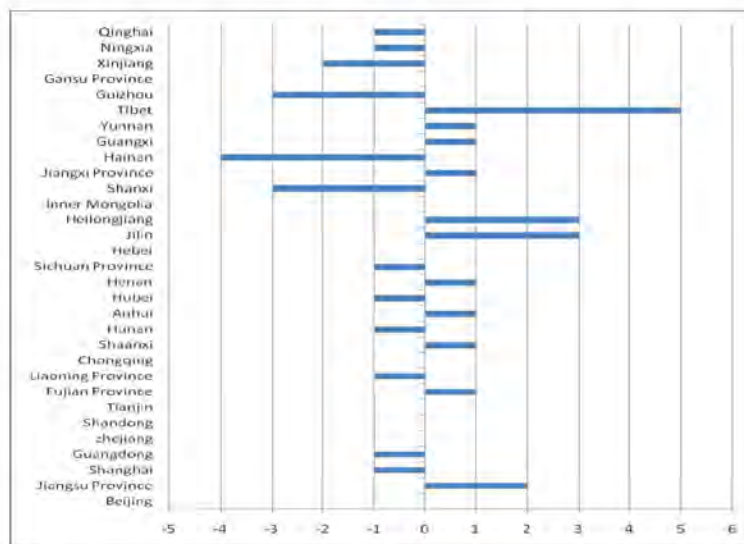


Chart 1.1: 2010-2011 Rankings by district, showing the overall change in strength of intellectual property rankings between the two years.

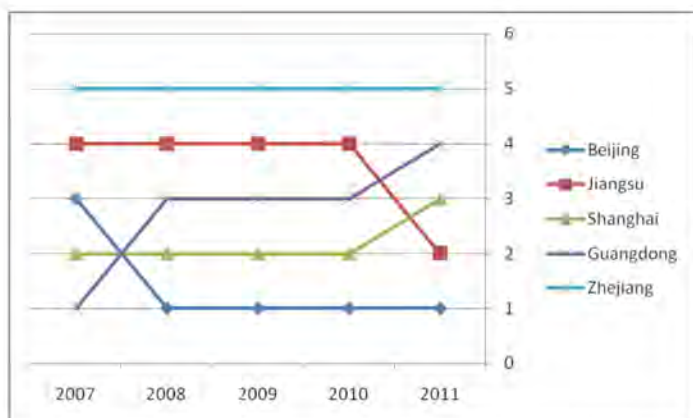


Chart 1.2: 2007-2011, showing the changes in comprehensive strength rankings between Beijing, Jiangsu, Shanghai, Guangzhou, and Zhejiang

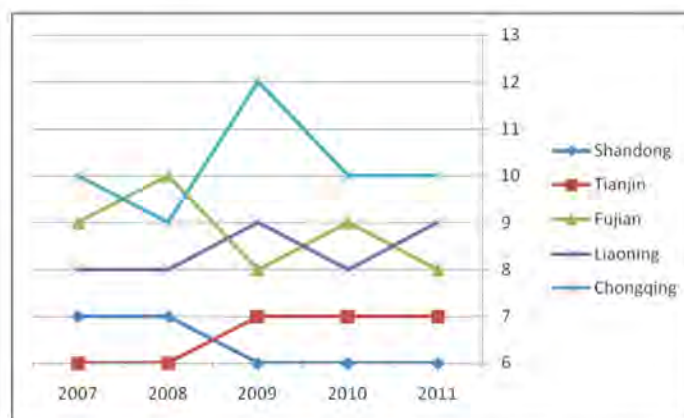


Chart 1.3: 2007-2011, the comprehensive strength changes in rank between Shandong, Tianjin, Fujian, Liaoning, and Chongqing.

In 2007, Beijing was ranked number 3 overall in China, and since 2008 it has become number 1 in overall strength rankings. Jiangsu, from 2007 to 2010, has continually stayed at number 4, but in 2011 it rose to number 2. Shanghai's ranking from 2007 to 2010 remained at number 2, but in 2011 the ranking slipped to number 3. Guangdong was ranked number 1 in 2007, but between 2008 and 2010, annually, it was ranked as number 3, while in 2011, Guangdong slipped to number 4. Zhejiang for all five years has been continually ranked as number 5.

Shandong's comprehensive Intellectual Property strength was ranked at 7 in 2007 and 2008, while since 2009, it has continually been ranked at number 6. Tianjin has a completely different trend; in the first two years it was ranked at number 6, and three years later at number 7. Liaoning usually fluctuated over the last few years between number 8 and 9. Over this course of time Liaoning ranked at number 8 between 2007 and 2008, and in 2009 the ranking briefly fell to 9, then in 2010 it rose to 8 again, but it slipped to number 9 once more in 2011. Fujian fluctuated greatly over 5 years, ranking at 9 in 2007, but in 2008 slipping to number 10. However, in 2009, it came back up to number 8, but fell again to number 9 in 2010 and finally in 2011 rose to number 8. Larger fluctuations have been found in Chongqing's rankings; it ranked at number 10 in 2007, then rose to 9 in 2008, then it fell sharply in 2009 to 12, and finally remained steady at 10 in 2010 and 2011.



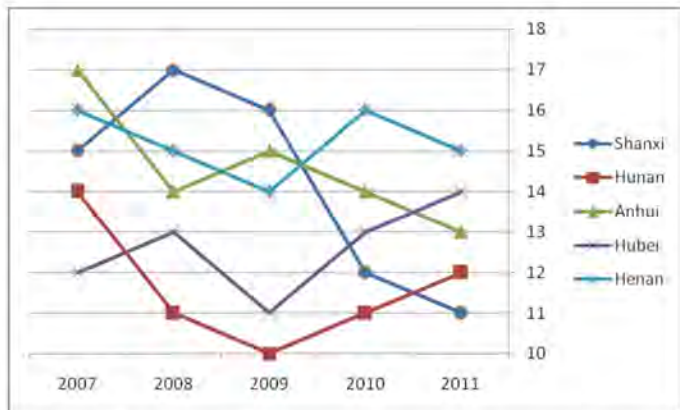


Chart 1.4: 2007-2011, the comprehensive strength changes in rank between Shanxi, Hunan, Anhui, Hubei, and Henan.

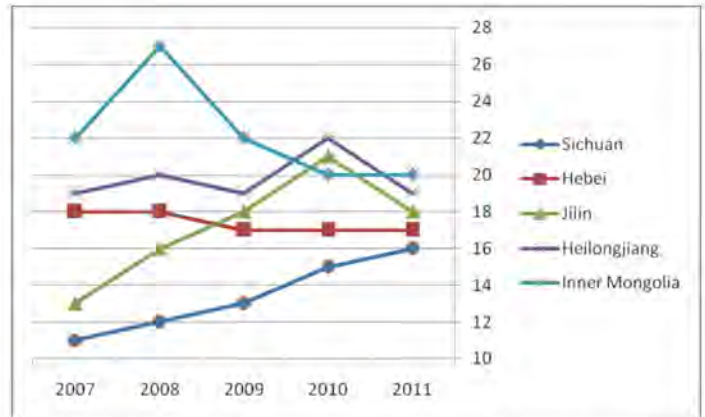


Chart 1.5: 2007-2011, the comprehensive strength changes in rank between Sichuan, Hebei, Jilin, Heilongjiang, and Inner Mongolia.

Shaanxi, Hunan, Anhui, Hubei and Henan showed significantly higher fluctuations over a four-year period than the 10 provinces mentioned earlier in this report. Shaanxi made significant progress by being ranked 15 in 2007, and since 2008, it has gradually risen; in 2010, it rose by 4 spots to number 12, and continued its upward trend to place at number 11 in 2011. Hunan overall showed great progress in reaching its highest ranking ever in 2009 at number 10. However, after this ranking, it fell sharply to number 14 in 2007, and then rose again to number 12 for the years of 2010 and 2011. Anhui overall continued in an upward trend, ranking 17 in 2007, rising to 14 in 2008, falling slightly in 2009 to 15, and ending at number 13 for two years in 2010 and 2011. Hubei generally stayed in one place, ranking 12 in 2007, 13 in 2008, rising two spots to number 11 in 2009, and then falling to number 13 in 2010, while finally ending in decline during 2011 at number 14. Henan's rankings remained relatively stable over the course of the five years, essentially fluctuating between number 14 and 16.

Sichuan over the last five years has been in decline, in 2007 it ranked at number 11 and over the course of four years, fell to 16 in 2011. Hebei remained relatively stable, fluctuating between number 17 and 18. Jilin's rankings during the time period between 2007 and 2010 continued to decline, from 13 in 2008, to 21 in 2011, decreasing by eight rankings, however, in 2011 it rallied, and moved three spaces up to 18. Heilongjiang continued to fluctuate over the course of the last five years between rankings 19 or 20, until in 2010, it suddenly slipped to 22, but quickly returned to number 19 in 2011. Inner Mongolia overall changed rankings in a "V" shape; in 2008 it ranked at its lowest ever, number 27, while in 2010 it rose to its highest ranking ever, 20, and stayed there through 2011.

The ranking of Shanxi province as a whole peaked early, falling in the end to number 21. The process began with a slight increase from 2007 to 2010, beginning at 21 in 2007, and then rising to 18 in 2010, eventually ending in 2011 at number 21. Jiangxi stayed relatively stable, only fluctuating between 20 and 23. The ranking of Hainan as a whole created an "M" shape, in which the years of 2008 and 2010 were its peaking point, at number 19, while in the years 2007, 2009, and 2011 it ranked at 24, or 23. Rankings remained unstable in Guangxi, ranking 23 in 2007, 26 in 2008, 24 in 2009, 25 in 2010, and then finally rising to 24 again in 2011. Yunnan's rankings created an "N" shape, ranking 25 in 2007, then rising to 24 in 2008, followed by a gradual decline in 2010 to 26, and finally ending at 25 in 2011.

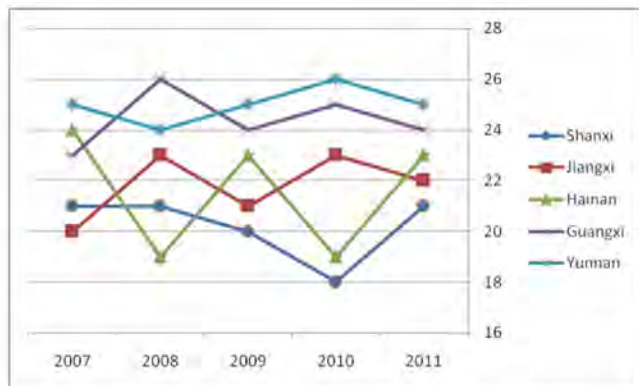


Chart 1.6: 2007-2011, the comprehensive strength changes in rank between Shanxi, Jiangxi, Hainan, Guangxi, and Yunnan.

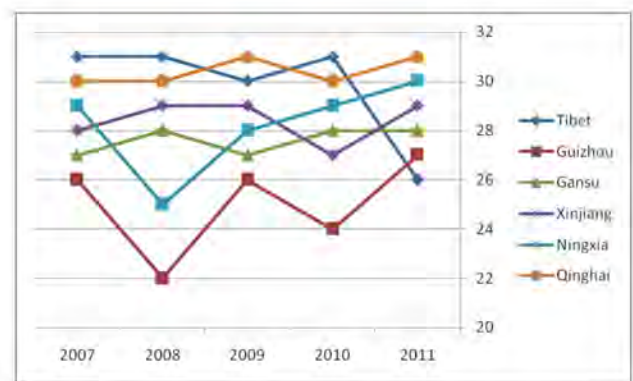
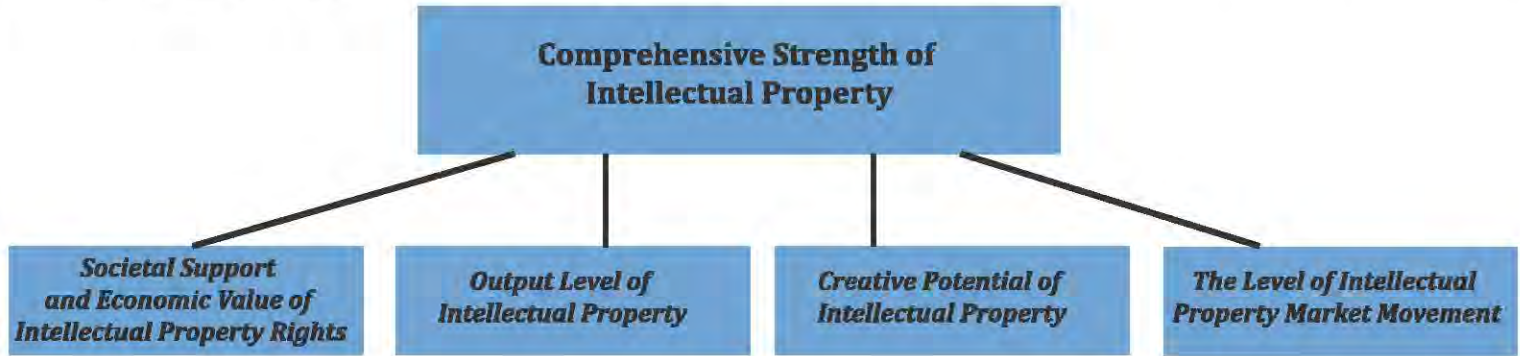


Chart 1.7: 2007-2011, the comprehensive strength changes in rank between Tibet, Guizhou, Gansu, Xinjiang, Ningxia and Qinghai.

Tibet, between 2007 and 2010, continually fluctuated between number 31 and 30, and in 2011 suddenly rose to 26, which was a remarkable change. Guizhou had relatively large fluctuations, creating an irregular "M" shape. It ranked 26 in 2007, in 2008 rose to 22, dropping to 26 in 2009, then in 2010 rising to 24, and lastly dropping again to 27 in 2011. Gansu and Qinghai provinces were less unstable in their rankings, they remained primarily between 27 to 28, and 30 to 31, respectively. Xinjiang fluctuated slightly, increasing and then declining, first ranking at 28 in 2007 and 2008, then rising in 2009 to 29, and in 2010 rising again to 27, and finally, in 2011, it slipped to number 29. Ningxia ranked quite high in 2007 at number 29, while in 2008 it jumped to 20, and in the end fell sharply to number 30.

**Please continue onto the next page for CIPI  
2013 Overall Report, Section II...**

The Intellectual Comprehensive Strength Evaluation System consists of four First-Level-Indexes: The Output level of Intellectual Property, The Level of Intellectual Property Market Movement, Societal Support and Economic Value of IP rights, and the Creative potential of Intellectual Property.



From the data that created the comprehensive strength index of intellectual property in 2011, which was also based on the four first level index rankings listed above, we have founded the top-ranking provincials (cities) and provinces (regions) of the list, the output level of intellectual property, the level of intellectual property market movement, societal support and economic value of IP rights, and the creative potential of intellectual property, these four indexes create a balanced ranking of each area's performance, showing subtle nuances and giving a more proportionate ranking system that provides a comprehensive understanding of the ranks' meaning.

Region	Comprehensive Strength		Output Level		Movement Level		Value of IP Rights		Creative Potential	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank
Beijing	0.623	1	0.587	2	0.600	2	0.745	2	0.558	1
Jiangsu	0.584	2	0.634	1	0.658	1	0.560	5	0.484	3
Shanghai	0.561	3	0.503	3	0.577	3	0.751	1	0.413	6
Guangdong	0.504	4	0.401	4	0.497	4	0.620	4	0.499	2
Zhejiang	0.430	5	0.395	5	0.344	6	0.558	6	0.422	5
Shandong	0.378	6	0.228	8	0.411	5	0.420	9	0.453	4
Tianjin	0.346	7	0.226	9	0.198	15	0.645	3	0.316	7
Fujian	0.311	8	0.169	14	0.286	8	0.508	7	0.280	8
Liaoning	0.286	9	0.188	11	0.308	7	0.410	10	0.239	11
Chongqing	0.271	10	0.222	10	0.192	16	0.464	8	0.206	15
Shanxi	0.259	11	0.231	7	0.175	18	0.395	11	0.237	13
Hunan	0.253	12	0.171	13	0.199	14	0.379	14	0.262	9
Anhui	0.248	13	0.183	12	0.214	12	0.356	16	0.238	12
Hubei	0.245	14	0.147	17	0.185	17	0.386	13	0.261	10
Henan	0.224	15	0.127	21	0.228	11	0.312	22	0.227	14
Sichuan	0.223	16	0.165	15	0.244	9	0.297	24	0.187	18
Hebei	0.204	17	0.088	23	0.209	13	0.317	21	0.203	16
Jilin	0.194	18	0.096	22	0.130	20	0.392	12	0.158	21
Heilongjiang	0.189	19	0.138	19	0.134	19	0.291	25	0.192	17
Inner Mongolia	0.181	20	0.024	30	0.233	10	0.337	20	0.131	26
Shanxi	0.180	21	0.084	25	0.125	22	0.339	19	0.171	19
Jiangxi	0.177	22	0.087	24	0.108	24	0.346	18	0.168	20
Hainan	0.173	23	0.161	16	0.033	29	0.365	15	0.131	25
Guangxi	0.166	24	0.075	27	0.098	25	0.352	17	0.139	23
Yunnan	0.160	25	0.139	18	0.113	23	0.252	28	0.135	24
Tibet	0.146	26	0.242	6	0.001	31	0.300	23	0.042	31
Guizhou	0.144	27	0.134	20	0.071	26	0.268	27	0.103	29
Gansu	0.142	28	0.078	26	0.126	21	0.243	29	0.123	27
Xinjiang	0.125	29	0.074	28	0.061	27	0.217	30	0.146	22
Ningxia	0.120	30	0.059	29	0.037	28	0.281	26	0.103	28
Qinghai	0.087	31	0.012	31	0.031	30	0.214	31	0.091	30

Table 1.1; Index numbers and 2013 rankings.

The provinces (autonomous regions and municipalities) in the middle of the ranks are the areas that have fluctuated significantly more than other areas of the index specifically in certain individual indicators. We select a particular sub-indicator, with obvious advantages, ranked in the top 10, while the other sub-indicators that show unsatisfactory performances will be analyzed to gain a greater understanding of what causes such phenomena.

For example, Tianjin, Chongqing, Shaanxi, Hunan (shown in Chart 1.1) Hubei, Sichuan, Inner Mongolia, Tibet and other provinces and cities had particular indexes studied for the purposes of understanding their shortcomings. Tianjin's comprehensive strength was ranked as 7, the output level of intellectual property ranked at 9, and it ranked at 7 in the creative potential of intellectual property. These several indexes are close in rank, but the market movement is only ranked at 15 overall, while the economic value of IP rights ranked as high as 3.

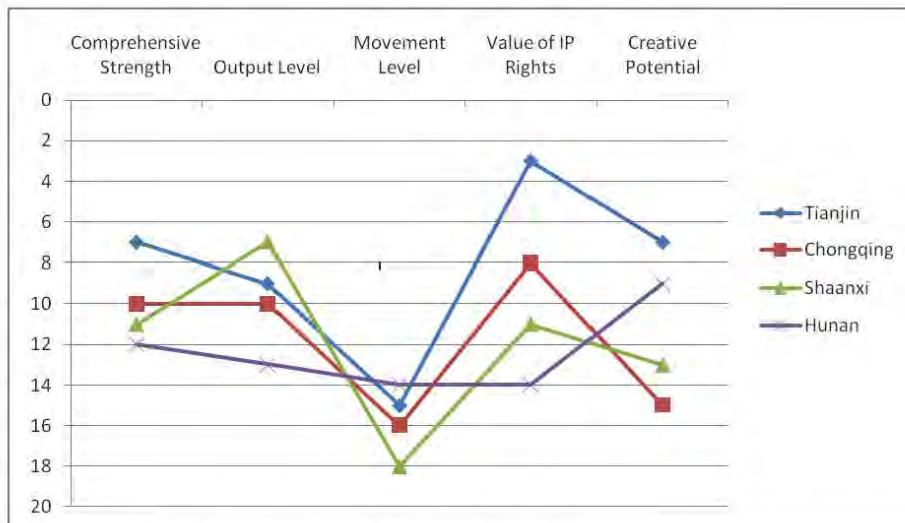


Chart 1.1 Rankings for 2013, comparisons between Tianjin, Chongqing, Shaanxi and Hunan, based on individual index rankings.

Chongqing's indexes essentially show two high and two low rankings, it has a high level of output and economic value, respectively, ranking at 10 and 8; while creative potential and movement levels are low, respectively, ranked at 16 and 15. Shanxi's comprehensive strength is ranked at 11, while its economic value and creative potential are ranked 11 and 13, the level of output ranked 7, however, the movement level is only ranked at 18. Hunan's comprehensive strength is ranked at 12, while aspects of the creative potential have significantly outperformed the other three aspects of indexes, being ranked as number 9 in the country.

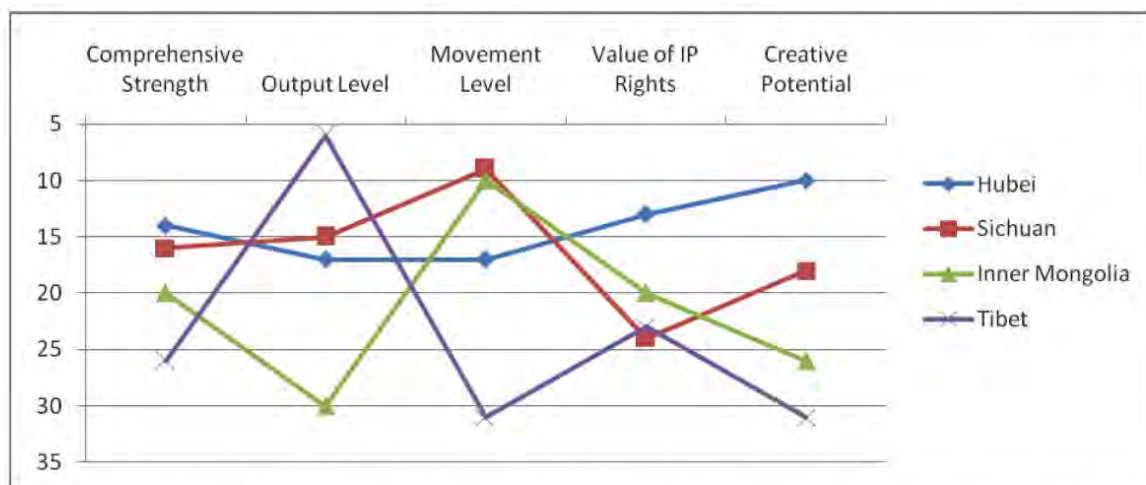


Chart 1.2 Rankings for 2013, comparisons between Hubei, Sichuan, Inner Mongolia and Tibet, based on individual index rankings.

Similarly, in Hubei and Hunan each contained one index which was significantly higher than other indicators; Hunan's comprehensive strength was ranked at 14, while the creative potential ranked 10, ahead of other indicators (output level of 17, market movement at 17, economic value at 13). Sichuan's market movement output was ranked at 9, but the economic value was only ranked at 24, which pulled down the comprehensive strength of the rankings overall. Inner Mongolia and Tibet are ranked further down on the list for comprehensive strength, but each had a single index ranking that was very high. In Inner Mongolia for market movement, it ranked 10, while Tibet ranked at 6 for output levels, because it measured the relative output level, which required much information and data, thus indicating that Tibet achieved some results, despite its shortcomings in other areas.

***As a special note, the creators of CIPI 2013 have decided to forgo translating every city in China's comprehensive strength level reports. Instead, we present the Beijing, Jiangsu, Shanghai, Guangdong and Tianjin charts, as we believe that these cities, which are not only some of the most highly ranked cities, are also the most important for foreigners who wish to work within the IP system in China.***

***Thank you,***

***The China Intellectual Property Index Research Group***

# Beijing's 2013 Comprehensive IP Index

Table 1-1: Beijing's comprehensive strength levels in Intellectual Property with sub-index rankings.

Beijing's Comprehensive Intellectual Property strength index number **0.623** Rank **1**

Index	Number	Rank	Index	Number	Rank
<b>Output level of Intellectual Property</b>	<b>0.635</b>	<b>1</b>	Amount of Foreign Trade Compared with the PCT Patent Ratio	0.767	2
Total Output	0.776	1	Output Efficiency	0.550	4
Quantity of Patent Applications	0.769	1	Talent Output Efficiency	0.592	3
Quantity of Trademark Applications	0.507	2	Capital Output Efficiency	0.508	11
Quantity of Copyright Applications	1.000	1	Enterprise Output	0.344	4
Integrated Circuit Layout Designs	0.603	1	Scale of the Enterprise's Output	0.267	5
Quantity of New Varieties of Agricultural Design Applications	1.000	1	Enterprise Output Quality	0.324	5
Quality of Output	0.682	1	Enterprise Output Efficiency	0.441	2
Quantity of Patents Issued	0.754	2	Output of Universities and Research Institutions	0.583	3
Quantity of Trademarks Issued	0.753	2	Scale of Universities and Research Institutions	0.485	2
Patent Gold Awards	1.000	1	Quality of Output of Universities and Research Institutions	1.000	1
Well-Known Trademarks	0.354	9	Output Efficiency of Universities and Research Institutions	0.265	16
"Time-Honored" Brands	0.650	2			
Quantity of Integrated Circuit Designs	0.496	2			
<b>IP Flow Levels</b>	<b>0.596</b>	<b>1</b>	Patent Agencies	0.261	5
Technology Market Transactions	0.918	1	Law Firms	0.854	2
Technology Circulation	1.000	1	Appraisal Organizations	0.765	3
Opening of the Technology Market	0.753	2	New Technology Enterprises	0.214	14
Overall Technology Transfer Situation	1.000	1	Technological Innovation	0.143	17
International Competitiveness of Technology	0.917	2	Domestic Introduction of New Technology	0.181	16
Intellectual Property Services	0.668	2	Introduction of New Technology Abroad	0.319	7
Trademark Agencies	0.791	2			
<b>IP Integrated Performance</b>	<b>0.688</b>	<b>3</b>	Social Progress	0.993	2
Macroeconomic Performance	0.798	2	Technological Advances of Social Life	1.000	1
Level of Economic Development	0.931	2	Cultural Progress	0.908	2
Transformation of Economic Growth	0.604	4	Enterprise Development and Performance	0.531	3
Transformation of Economic Structures	0.858	1	Product Upgrades	0.869	2
Social Progress	0.906	2	Equipment Replacement	0.193	13
Environmental Improvement	0.722	26			
<b>IP Creative Potential</b>	<b>0.501</b>	<b>2</b>	High-Tech Development Zones	0.997	1
Investment in Creation	0.646	1	Exemplary IP Zones	0.438	6
Talent Recruitment	0.363	4	Exemplary IP Cities	0.154	14
Capital Input	0.178	13	IPR Model Zones	0.143	10
Investments in Culture	0.082	22	IPR Experimental Areas	0.860	2
Creative Achievements	0.532	1	Cultural Industry Models	0.596	4
Papers	0.762	1	Potential for Enterprise Creation	0.713	1
National Industrialization Projects	0.091	14	Corporate Scientific Research Bases	0.642	3
Scientific and Technological Achievements	1.000	1	Enterprise Talent Recruitment	1.000	1
High-Tech Industrial Projects	0.276	5	Capital Investments	1.000	1
Creative Environment	0.737	1	New Product Development	0.212	10
Financial Support	1.000	1	Administrative Enforcement of IPR	0.283	8
Financial Environment	1.000	1	Administrative Enforcement of Patent Protection	0.250	6
Market Opening	0.353	7	Administrative Enforcement of Trademark Protection	0.146	14
Educational Environment	0.689	3	Ability of Administrative Enforcement	0.453	3
Cultural Environment	0.381	5			

# Jiangsu's 2013 Comprehensive IP Index

Table 1-2: Jiangsu's comprehensive strength levels in Intellectual Property with sub-index rankings.

**Jiangsu's Comprehensive Intellectual Property strength index number 0.584 Rank 2**

Index	Number	Rank	Index	Number	Rank
<b>Output level of Intellectual Property</b>	<b>0.634</b>	<b>1</b>	Amount of Foreign Trade Compared with the PCT Patent Ratio	0.030	23
Total Output	0.221	3	Output Efficiency	0.973	1
Quantity of Patent Applications	0.573	2	Talent Output Efficiency	0.968	1
Quantity of Trademark Applications	0.115	11	Capital Output Efficiency	0.979	2
Quantity of Copyright Applications	0.079	2	Enterprise Output	0.661	1
Integrated Circuit Layout Designs	0.207	3	Scale of the Enterprise's Output	1.000	1
Quantity of New Varieties of Agricultural Design Applications	0.131	8	Enterprise Output Quality	0.757	2
Quality of Output	0.370	5	Enterprise Output Efficiency	0.225	9
Quantity of Patents Issued	0.520	4	Output of Universities and Research Institutions	0.944	1
Quantity of Trademarks Issued	0.192	9	Scale of Universities and Research Institutions	1.000	1
Patent Gold Awards	0.200	4	Quality of Output of Universities and Research Institutions	0.832	2
Well-Known Trademarks	0.910	2	Output Efficiency of Universities and Research Institutions	1.000	1
"Time-Honored" Brands	0.533	3			
Quantity of Integrated Circuit Designs	0.204	3			
<b>IP Flow Levels</b>	<b>0.658</b>	<b>1</b>	Patent Agencies	1.000	1
Technology Market Transactions	0.353	3	Law Firms	0.640	3
Technology Circulation	0.231	3	Appraisal Organizations	0.607	7
Opening of the Technology Market	0.647	3	New Technology Enterprises	1.000	1
Overall Technology Transfer Situation	0.507	11	Technological Innovation	1.000	1
International Competitiveness of Technology	0.027	11	Domestic Introduction of New Technology	1.000	1
Intellectual Property Services	0.620	3	Introduction of New Technology Abroad	1.000	1
Trademark Agencies	0.235	5			
<b>IP Integrated Performance</b>	<b>0.560</b>	<b>5</b>	Social Progress	0.700	5
Macroeconomic Performance	0.606	5	Technological Advances of Social Life	0.453	8
Level of Economic Development	0.666	5	Cultural Progress	1.000	1
Transformation of Economic Growth	0.511	7	Enterprise Development and Performance	0.344	8
Transformation of Economic Structures	0.643	4	Product Upgrades	0.490	9
Social Progress	0.731	5	Equipment Replacement	0.198	12
Environmental Improvement	0.772	22			
<b>IP Creative Potential</b>	<b>0.484</b>	<b>3</b>	High-Tech Development Zones	0.367	4
Investment in Creation	0.358	5	Exemplary IP Zones	0.550	3
Talent Recruitment	0.252	8	Exemplary IP Cities	1.000	1
Capital Input	0.174	14	IPR Model Zones	0.714	2
Investments in Culture	0.372	2	IPR Experimental Areas	0.116	26
Creative Achievements	0.463	2	Cultural Industry Models	0.371	11
Papers	0.282	9	Potential for Enterprise Creation	0.675	3
National Industrialization Projects	0.894	1	Corporate Scientific Research Bases	0.660	2
Scientific and Technological Achievements	0.077	23	Enterprise Talent Recruitment	0.368	9
High-Tech Industrial Projects	0.598	2	Capital Investments	0.673	7
Creative Environment	0.482	4	New Product Development	1.000	1
Financial Support	0.363	4	Administrative Enforcement of IPR	0.374	5
Financial Environment	0.257	5	Administrative Enforcement of Patent Protection	0.630	2
Market Opening	0.572	3	Administrative Enforcement of Trademark Protection	0.252	8
Educational Environment	0.600	8	Ability of Administrative Enforcement	0.241	8
Cultural Environment	0.733	1			

# Shanghai's 2013 Comprehensive IP Index

Table 1-3: Shanghai's comprehensive strength levels in Intellectual Property with sub-index rankings.

Shanghai's Comprehensive Intellectual Property strength index number **0.561**

Rank **3**

Index	Number	Rank	Index	Number	Rank
<b>Output level of Intellectual Property</b>	<b>0.503</b>	<b>3</b>	Amount of Foreign Trade Compared with the PCT Patent Ratio	0.080	14
Total Output	0.431	2	Output Efficiency	0.691	2
Quantity of Patent Applications	0.562	3	Talent Output Efficiency	0.793	2
Quantity of Trademark Applications	0.386	3	Capital Output Efficiency	0.590	6
Quantity of Copyright Applications	0.070	3	Enterprise Output	0.329	6
Integrated Circuit Layout Designs	1.000	1	Scale of the Enterprise's Output	0.305	4
Quantity of New Varieties of Agricultural Design Applications	0.135	7	Enterprise Output Quality	0.392	4
Quality of Output	0.559	2	Enterprise Output Efficiency	0.290	5
Quantity of Patents Issued	0.716	2	Output of Universities and Research Institutions	0.503	4
Quantity of Trademarks Issued	0.482	4	Scale of Universities and Research Institutions	0.412	4
Patent Gold Awards	0.311	3	Quality of Output of Universities and Research Institutions	0.642	4
Well-Known Trademarks	0.325	10	Output Efficiency of Universities and Research Institutions	0.455	6
"Time-Honored" Brands	1.000	1			
Quantity of Integrated Circuit Designs	1.000	1			
<b>IP Flow Levels</b>	<b>0.577</b>	<b>3</b>	Patent Agencies	0.290	4
Technology Market Transactions	0.701	2	Law Firms	0.612	5
Technology Circulation	0.337	2	Appraisal Organizations	0.210	21
Opening of the Technology Market	0.854	1	New Technology Enterprises	0.692	2
Overall Technology Transfer Situation	0.613	5	Technological Innovation	0.206	11
International Competitiveness of Technology	1.000	1	Domestic Introduction of New Technology	0.914	2
Intellectual Property Services	0.339	7	Introduction of New Technology Abroad	0.957	2
Trademark Agencies	0.243	4			
<b>IP Integrated Performance</b>	<b>0.751</b>	<b>1</b>	Social Progress	1.000	1
Macroeconomic Performance	0.874	1	Technological Advances of Social Life	0.845	2
Level of Economic Development	0.992	1	Cultural Progress	0.898	3
Transformation of Economic Growth	0.854	1	Enterprise Development and Performance	0.471	5
Transformation of Economic Structures	0.777	2	Product Upgrades	0.834	3
Social Progress	0.908	1	Equipment Replacement	0.108	25
Environmental Improvement	0.889	8			
<b>IP Creative Potential</b>	<b>0.413</b>	<b>6</b>	High-Tech Development Zones	0.221	10
Investment in Creation	0.368	3	Exemplary IP Zones	0.255	19
Talent Recruitment	0.358	5	Exemplary IP Cities	0.154	14
Capital Input	0.252	8	IPR Model Zones	0.143	10
Investments in Culture	0.053	25	IPR Experimental Areas	0.535	9
Creative Achievements	0.261	6	Cultural Industry Models	0.188	20
Papers	0.386	4	Potential for Enterprise Creation	0.585	5
National Industrialization Projects	0.054	21	Corporate Scientific Research Bases	0.424	9
Scientific and Technological Achievements	0.340	3	Enterprise Talent Recruitment	0.639	2
High-Tech Industrial Projects	0.265	6	Capital Investments	0.882	2
Creative Environment	0.666	2	New Product Development	0.396	5
Financial Support	0.979	2	Administrative Enforcement of IPR	0.345	7
Financial Environment	0.792	2	Administrative Enforcement of Patent Protection	0.065	19
Market Opening	1.000	1	Administrative Enforcement of Trademark Protection	0.661	1
Educational Environment	0.449	17	Ability of Administrative Enforcement	0.309	5
Cultural Environment	0.552	4			



# Guangdong's 2013 Comprehensive IP Index

Table 1-4: Guangdong's comprehensive strength levels in Intellectual Property with sub-index rankings.

**Guangdong's Comprehensive Intellectual Property strength index number 0.504 Rank 4**

Index	Number	Rank	Index	Number	Rank
<b>Output level of Intellectual Property</b>	<b>0.401</b>	<b>4</b>	Amount of Foreign Trade Compared with the PCT Patent Ratio	0.399	4
Total Output	0.171	6	Output Efficiency	0.513	7
Quantity of Patent Applications	0.476	4	Talent Output Efficiency	0.480	5
Quantity of Trademark Applications	0.237	5	Capital Output Efficiency	0.546	8
Quantity of Copyright Applications	0.003	20	Enterprise Output	0.616	2
Integrated Circuit Layout Designs	0.098	7	Scale of the Enterprise's Output	0.606	2
Quantity of New Varieties of Agricultural Design Applications	0.039	22	Enterprise Output Quality	0.862	1
Quality of Output	0.443	3	Enterprise Output Efficiency	0.379	4
Quantity of Patents Issued	0.423	5	Output of Universities and Research Institutions	0.261	10
Quantity of Trademarks Issued	0.348	5	Scale of Universities and Research Institutions	0.202	10
Patent Gold Awards	0.511	2	Quality of Output of Universities and Research Institutions	0.317	6
Well-Known Trademarks	1.000	1	Output Efficiency of Universities and Research Institutions	0.263	17
"Time-Honored" Brands	0.317	7			
Quantity of Integrated Circuit Designs	0.104	6			
<b>IP Flow Levels</b>	<b>0.497</b>	<b>4</b>	Patent Agencies	0.627	2
Technology Market Transactions	0.233	8	Law Firms	1.000	1
Technology Circulation	0.186	4	Appraisal Organizations	0.673	5
Opening of the Technology Market	0.125	9	New Technology Enterprises	0.434	5
Overall Technology Transfer Situation	0.522	9	Technological Innovation	0.269	9
International Competitiveness of Technology	0.101	4	Domestic Introduction of New Technology	0.351	9
Intellectual Property Services	0.825	1	Introduction of New Technology Abroad	0.681	3
Trademark Agencies	1.000	1			
<b>IP Integrated Performance</b>	<b>0.620</b>	<b>4</b>	Social Progress	0.688	6
Macroeconomic Performance	0.693	4	Technological Advances of Social Life	0.716	3
Level of Economic Development	0.633	6	Cultural Progress	0.731	6
Transformation of Economic Growth	0.747	3	Enterprise Development and Performance	0.400	6
Transformation of Economic Structures	0.698	3	Product Upgrades	0.571	6
Social Progress	0.768	4	Equipment Replacement	0.229	8
Environmental Improvement	0.937	3			
<b>IP Creative Potential</b>	<b>0.499</b>	<b>2</b>	High-Tech Development Zones	0.636	2
Investment in Creation	0.344	6	Exemplary IP Zones	0.560	2
Talent Recruitment	0.115	22	Exemplary IP Cities	0.385	7
Capital Input	0.054	29	IPR Model Zones	0.571	3
Investments in Culture	0.335	3	IPR Experimental Areas	0.419	18
Creative Achievements	0.349	3	Cultural Industry Models	0.865	1
Papers	0.120	27	Potential for Enterprise Creation	0.702	2
National Industrialization Projects	0.212	4	Corporate Scientific Research Bases	0.528	5
Scientific and Technological Achievements	0.064	24	Enterprise Talent Recruitment	0.567	3
High-Tech Industrial Projects	1.000	1	Capital Investments	0.828	4
Creative Environment	0.503	3	New Product Development	0.883	2
Financial Support	0.266	8	Administrative Enforcement of IPR	0.534	1
Financial Environment	0.231	6	Administrative Enforcement of Patent Protection	0.481	4
Market Opening	0.660	2	Administrative Enforcement of Trademark Protection	0.484	4
Educational Environment	0.505	13	Ability of Administrative Enforcement	0.637	1
Cultural Environment	0.719	2			

# Tianjin's 2013 Comprehensive IP Index

Table 1-5: Tianjin's comprehensive strength levels in Intellectual Property with sub-index rankings.

Tianjin's Comprehensive Intellectual Property strength index number **0.346** Rank **7**

Index	Number	Rank	Index	Number	Rank
<b>Output level of Intellectual Property</b>	<b>0.226</b>	<b>9</b>	Amount of Foreign Trade Compared with the PCT Patent Ratio	0.054	19
Total Output	0.166	7	Output Efficiency	0.407	11
Quantity of Patent Applications	0.434	6	Talent Output Efficiency	0.493	4
Quantity of Trademark Applications	0.117	10	Capital Output Efficiency	0.321	20
Quantity of Copyright Applications	0.024	6	Enterprise Output	0.149	9
Integrated Circuit Layout Designs	0.131	5	Scale of the Enterprise's Output	0.124	9
Quantity of New Varieties of Agricultural Design Applications	0.126	10	Enterprise Output Quality	0.101	12
Quality of Output	0.182	9	Enterprise Output Efficiency	0.222	10
Quantity of Patents Issued	0.314	6	Output of Universities and Research Institutions	0.223	11
Quantity of Trademarks Issued	0.179	10	Scale of Universities and Research Institutions	0.160	11
Patent Gold Awards	0.089	11	Quality of Output of Universities and Research Institutions	0.184	12
Well-Known Trademarks	0.215	13	Output Efficiency of Universities and Research Institutions	0.327	12
"Time-Honored" Brands	0.367	5			
Quantity of Integrated Circuit Designs	0.058	8			
<b>IP Flow Levels</b>	<b>0.198</b>	<b>15</b>	Patent Agencies	0.100	13
Technology Market Transactions	0.267	5	Law Firms	0.185	22
Technology Circulation	0.146	7	Appraisal Organizations	0.121	27
Opening of the Technology Market	0.205	5	New Technology Enterprises	0.215	13
Overall Technology Transfer Situation	0.625	3	Technological Innovation	0.126	18
International Competitiveness of Technology	0.094	5	Domestic Introduction of New Technology	0.264	13
Intellectual Property Services	0.113	23	Introduction of New Technology Abroad	0.255	9
Trademark Agencies	0.045	16			
<b>IP Integrated Performance</b>	<b>0.645</b>	<b>3</b>	Social Progress	0.887	3
Macroeconomic Performance	0.735	3	Technological Advances of Social Life	0.612	6
Level of Economic Development	0.844	3	Cultural Progress	0.588	12
Transformation of Economic Growth	0.773	2	Enterprise Development and Performance	0.477	4
Transformation of Economic Structures	0.589	5	Product Upgrades	0.675	5
Social Progress	0.722	6	Equipment Replacement	0.280	2
Environmental Improvement	0.799	17			
<b>IP Creative Potential</b>	<b>0.316</b>	<b>7</b>	High-Tech Development Zones	0.167	11
Investment in Creation	0.363	4	Exemplary IP Zones	0.297	15
Talent Recruitment	0.178	13	Exemplary IP Cities	0.154	14
Capital Input	0.138	19	IPR Model Zones	0.143	10
Investments in Culture	0.176	13	IPR Experimental Areas	0.651	5
Creative Achievements	0.134	17	Cultural Industry Models	0.239	17
Papers	0.192	19	Potential for Enterprise Creation	0.558	6
National Industrialization Projects	0.050	22	Corporate Scientific Research Bases	0.599	6
Scientific and Technological Achievements	0.153	12	Enterprise Talent Recruitment	0.518	5
High-Tech Industrial Projects	0.141	8	Capital Investments	0.845	3
Creative Environment	0.472	5	New Product Development	0.271	6
Financial Support	0.684	3	Administrative Enforcement of IPR	0.075	26
Financial Environment	0.569	3	Administrative Enforcement of Patent Protection	0.034	23
Market Opening	0.418	6	Administrative Enforcement of Trademark Protection	0.035	28
Educational Environment	0.807	1	Ability of Administrative Enforcement	0.156	16
Cultural Environment	0.186	18			

## 2013 CIPI Afterword

Continuously published over the last five years, with the highest of standards, the 2013 CIPI continues its investigation into China's IP rights. The report continues to uphold a high level of comprehensive analysis, which uses various information about China's intellectual property rights, including; statistical data, IP development information, and lists of competitive IP relationships and economic growth patterns. Each year, the research team continues to improve its methods of investigation, and in the future will continue to publish information on intellectual property rights in China.

CIPI 2013's number of indexes, as compared to last year's, have been increased and updated in order to reflect the following changed aspects of Chinese IP laws:

Firstly, the "Customs Administrative Enforcement" index has been removed, and replaced by an "Administrative Law Enforcement Services and Capabilities" index. Previously, the research team had received comments stating that the "Customs Administrative Enforcement" index did not fully reflect the administrative field, and its protection of IP rights. As the data for customs administration is quite difficult to obtain, the research team created three indexes under the "Administrative Law Enforcement Services and Capabilities" index; "Law Enforcement Institution Building", "Number of Law Enforcement Officers", and "Financially Supported Law Enforcement" in order to respond to these concerns from previous volumes about the broadness of the customs section. (The first edition of the CIPI consisted of 5 level four indexes, created in order to fully deconstruct the administrative law enforcement's service capabilities, and create a further detailed analysis of IP administration in general.)

Secondly, this report has expanded the "Cultural Environment" index, and has merged 2 level four indexes, the "Book Publishing" index with the "Audio-Video Publishing" index. It has also added more level 4 indexes, including a "Performing Arts Venues with Audiences", "Museum Visitors", and a "General Public Library Circulation" index. These amendments refine their indexes, and expand the "Cultural Environmental" index as a whole.

Thirdly, this report intends to more fully develop its special topic segment. In this segment, the research team used carefully selected data, collected with nearly five years of refined research methods, and gathered knowledge about recent issues in the IP industry. These methods included both administrative and judicial processes, aid from overseas IP specialists, news from current major IP design plans, research on the commercialization and creation of new intellectual property facets, and a detailed summary of the team's research overall. The research team would like to thank Yu Yang, Liangcui Yun, Jiang Chunye, Xing Yue and Dai Mu for their devotion and dedication to this project.

The successful publication of this report is all thanks to the support and encouragement of all parties involved in its development. From the collection of data, to the endless hours of research, the research team could not have published this year's CIPI without the selfless support from many institutions including; the State Intellectual Property Office, the National Bureau of Statistics, the Ministry of Commerce, the State Administration of Industry and Commerce, the State Copyright Bureau and the State Council Development and Research Center. All of these institutions aided the research team in analyzing data, proofreading numerous sections of the CIPI, and provided incredible amounts of time and effort to facilitate publishing this report.

The CIPI research team is committed to continuing their research and publishing the yearly index report for many years to come, and they hope to continue exploring the development research methods to study the formation of IP rights in China. These earnest experts wish that the community would continue to support their efforts, and invite them to join Gee Tung in jointly improving their future research.

As there will always be some level of error in any form of work, and we openly accept criticism. Readers may seek out more information on the report from <http://www.focus-ip-index.com>, and may continue to visit our website for the latest developments in our future endeavors.

Thank you,

Wang Zhengzhi  
May 29th, 2013