

W&B IP Newsletter

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Website: www.watsonband.com

E-mail: mailip@watsonband.com | mail@watsonband.com

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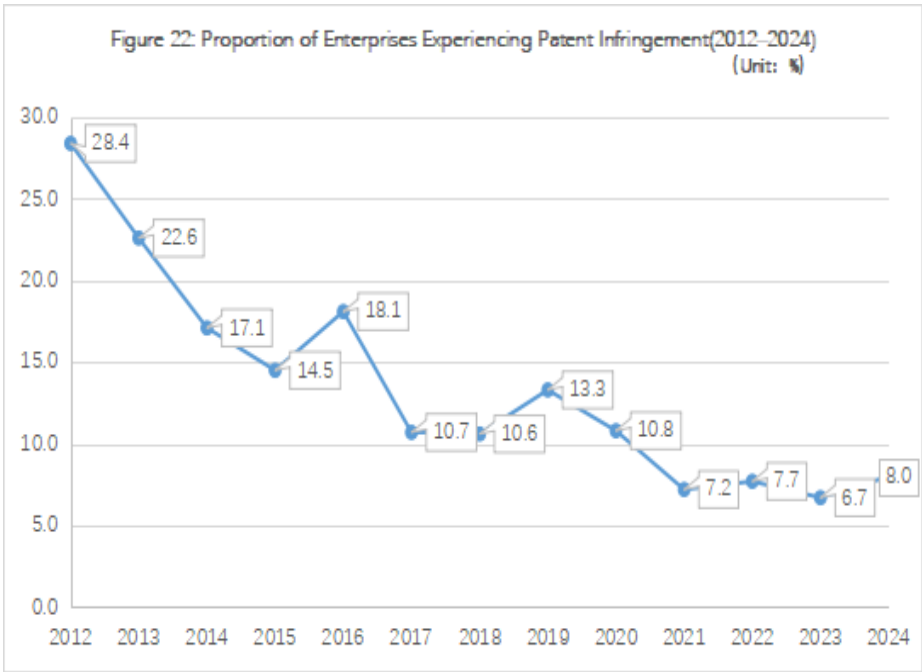
2024 Patent Survey Report Series ——Topic 3: Continuous Enhancement of the Patent Protection Environment

The 2024 survey reveals a sustained decline in patent infringement incidents affecting Chinese enterprises. Patent owners are increasingly implementing diversified enforcement strategies to combat infringement, while demonstrating heightened confidence in both administrative and judicial enforcement mechanisms.

(I) Effective Containment of Frequent Patent Infringement

1. Patent Infringement Rates Maintain Low Levels

The 2024 survey data indicates that 8.0% of Chinese enterprise patent owners encountered patent infringement, marking a modest increase of 1.3 percentage points from 2023 (6.7%). Nevertheless, the overall infringement rate has remained stable throughout the 14th Five-Year Plan period (see Figure 22).



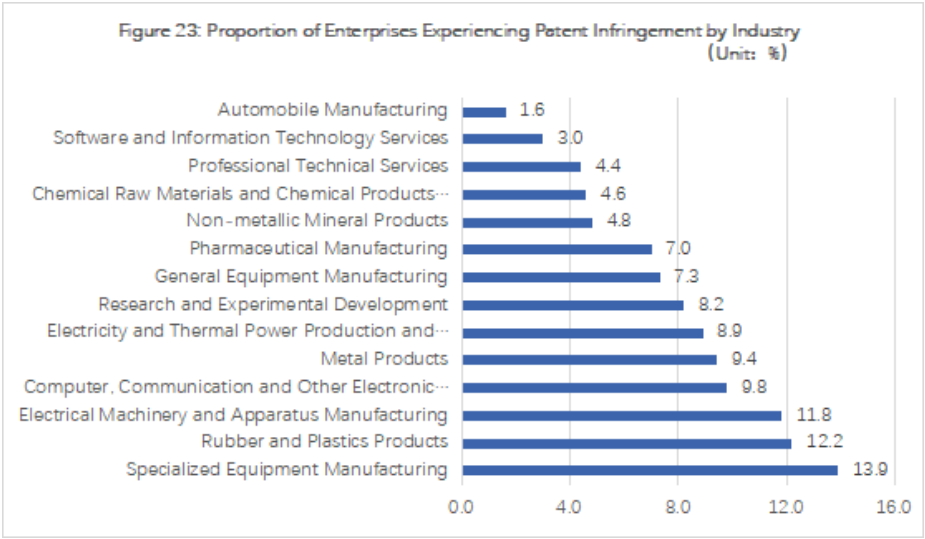
2. Industry-Specific Patent Infringement Analysis: High-Risk Manufacturing Sectors

The survey data reveals distinct patterns of patent infringement across different industrial sectors, with certain manufacturing industries experiencing notably higher infringement rates. The following sectors demonstrate elevated vulnerability to patent infringement:

- Specialized Equipment Manufacturing: Leading the high-risk category with a 13.9% infringement rate
- Rubber and Plastics Products Manufacturing: Following closely at 12.2%
- Electrical Machinery and Equipment Manufacturing: Showing significant exposure at 11.8%

These sectors consistently report infringement rates substantially above the cross-industry average, indicating particular challenges in patent protection within these manufacturing domains (see Figure 23).

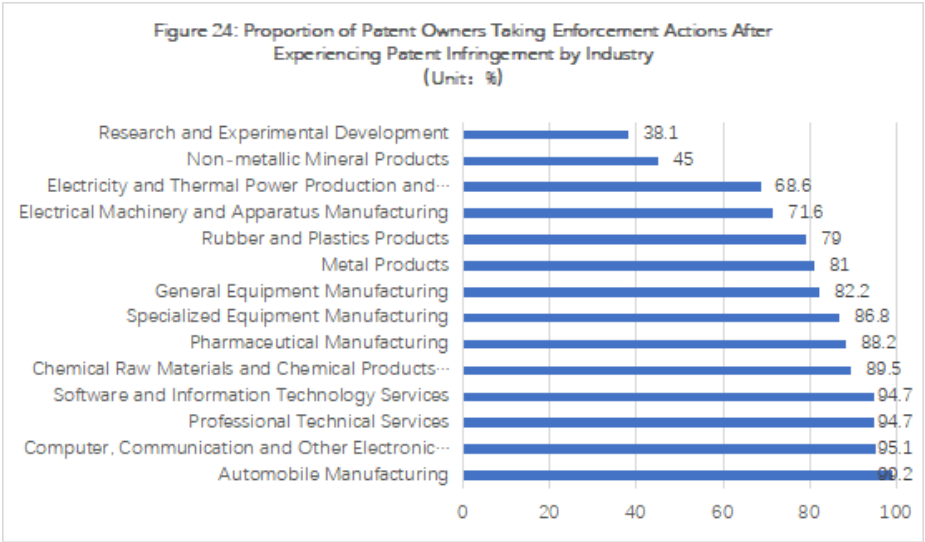
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(II) Heightened Enforcement Awareness Among Enterprise Patent Owners

1. Strategic Implementation of Enforcement Measures

The 2024 survey demonstrates robust engagement in patent protection, with 84.1% of Chinese enterprises that experienced infringement actively pursuing enforcement measures. This represents a positive year-over-year increase of 1.0 percentage point from 83.1% in 2023 (see Figure 23), indicating strengthened commitment to intellectual property rights protection.



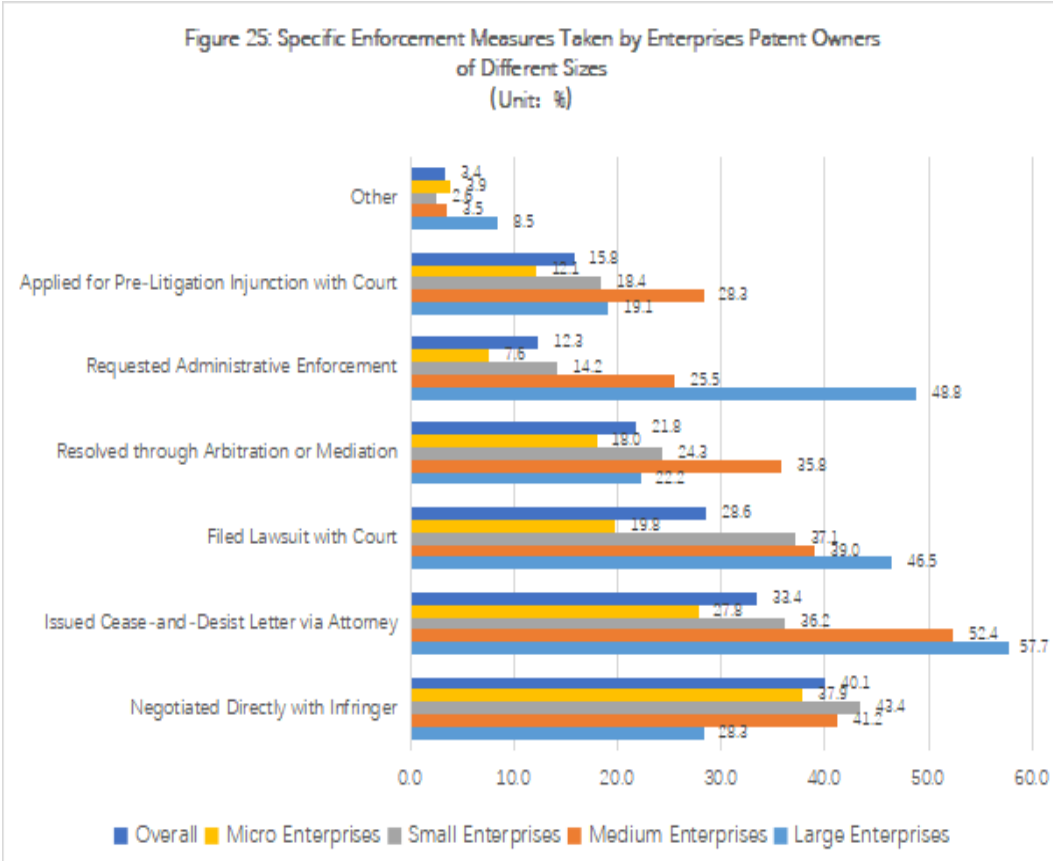
2. Evolution Toward Multi-Faceted Enforcement Approaches

The data reveals a sophisticated trend in enforcement strategy adoption:

- Multiple Measure Implementation: A significant 61.9% of affected enterprises deployed two or more distinct enforcement measures
- Comprehensive Strategy Adoption: 34.9% of enterprises utilized three or more enforcement approaches simultaneously

Both metrics show notable improvement over the previous year's figures, reflecting increasing sophistication in enterprises' approach to patent protection (see Figure 25).

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(III) Continued Increase in the Proportion of High-Damages Patent Infringement Cases

1. High-Damages Awards Account for 10% of Enterprise Patent Infringement Cases

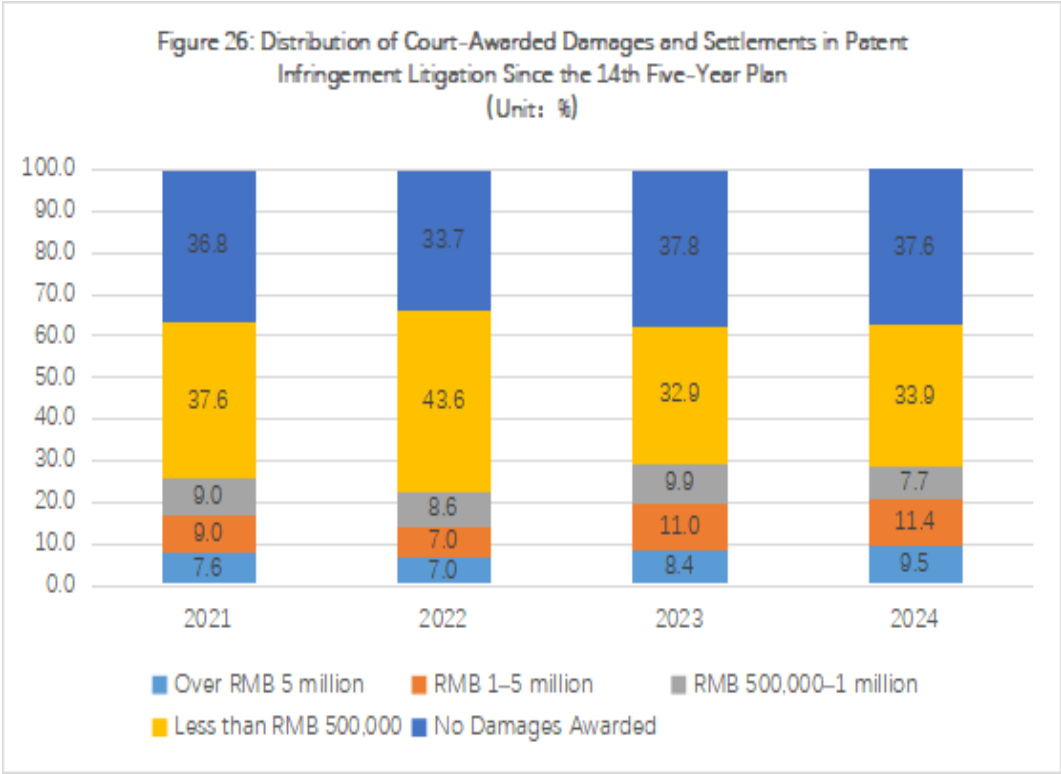
The 2024 survey reveals notable developments in patent infringement litigation:

- Overall Litigation Rate: 3.0% of Chinese enterprise patent owners engaged in infringement litigation, marking a 0.6 percentage point increase year-over-year
- High-Damages Awards: 9.5% of cases resulted in compensation exceeding RMB 5 million through:
 - Court-awarded damages
 - Court-mediated settlements
 - Out-of-court settlements

This represents significant growth from:

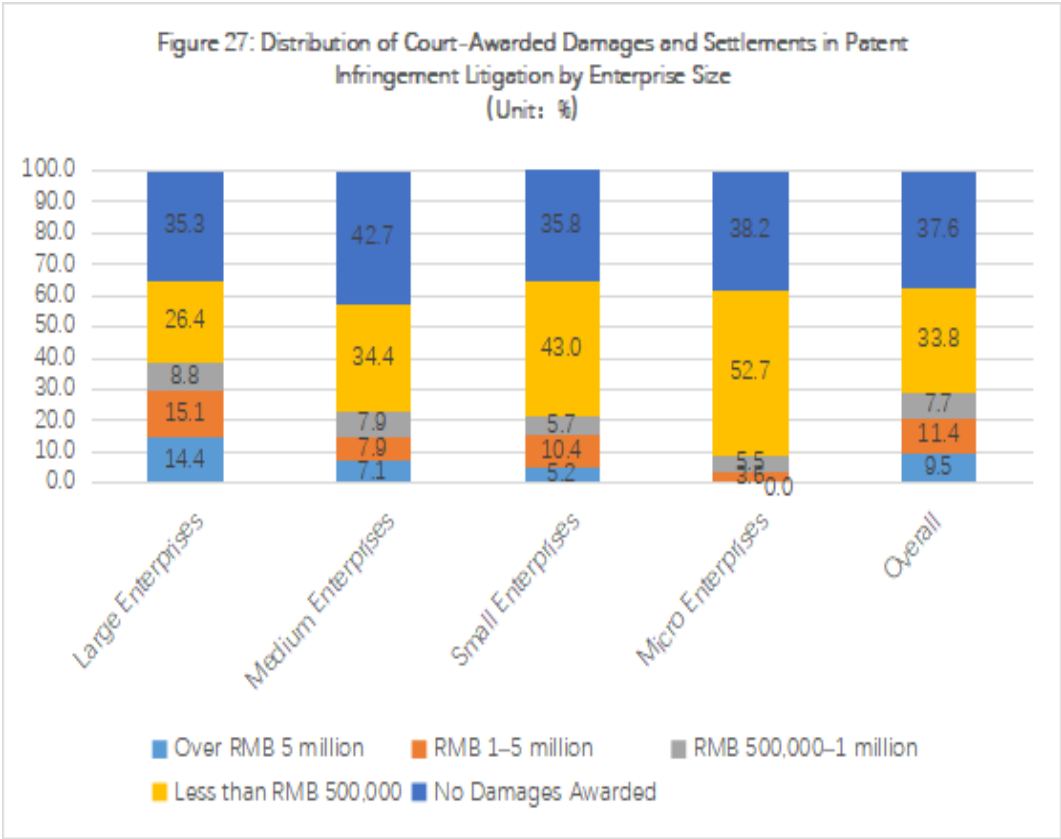
- 2023: 8.4% (↑1.1 percentage points)
- 2021: 7.6% (↑1.9 percentage points)

These trends indicate a sustained increase in the financial consequences of patent infringement (see Figure 26).



2. Positive Correlation Between High-Damages Awards and Enterprise Size

Analysis by enterprise size reveals that larger companies are more likely to be involved in high-damages cases. Among large enterprises, the proportions of patent infringement litigation cases resulting in court-awarded damages or settlements in the ranges of RMB 500,000–1 million, RMB 1–5 million, and over RMB 5 million were 8.8%, 15.1%, and 14.4%, respectively—all higher than those observed among smaller enterprises (see Figure 27).



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(IV) Growing Confidence in Diverse Dispute Resolution Mechanisms

The 2024 survey demonstrates strong enterprise confidence in formal dispute resolution channels, with notably high satisfaction rates across multiple enforcement mechanisms:

Primary Resolution Methods (High Satisfaction):

- Administrative Enforcement: 81.5%
- Arbitration and Mediation: 80.5%
- Court Litigation: 79.9%

Alternative Approaches (Lower Satisfaction):

- Direct Negotiation: 65.0%
- Attorney Warning Letters: 55.9%

This data indicates a clear preference for formal enforcement mechanisms over informal resolution methods (see Figure 28).

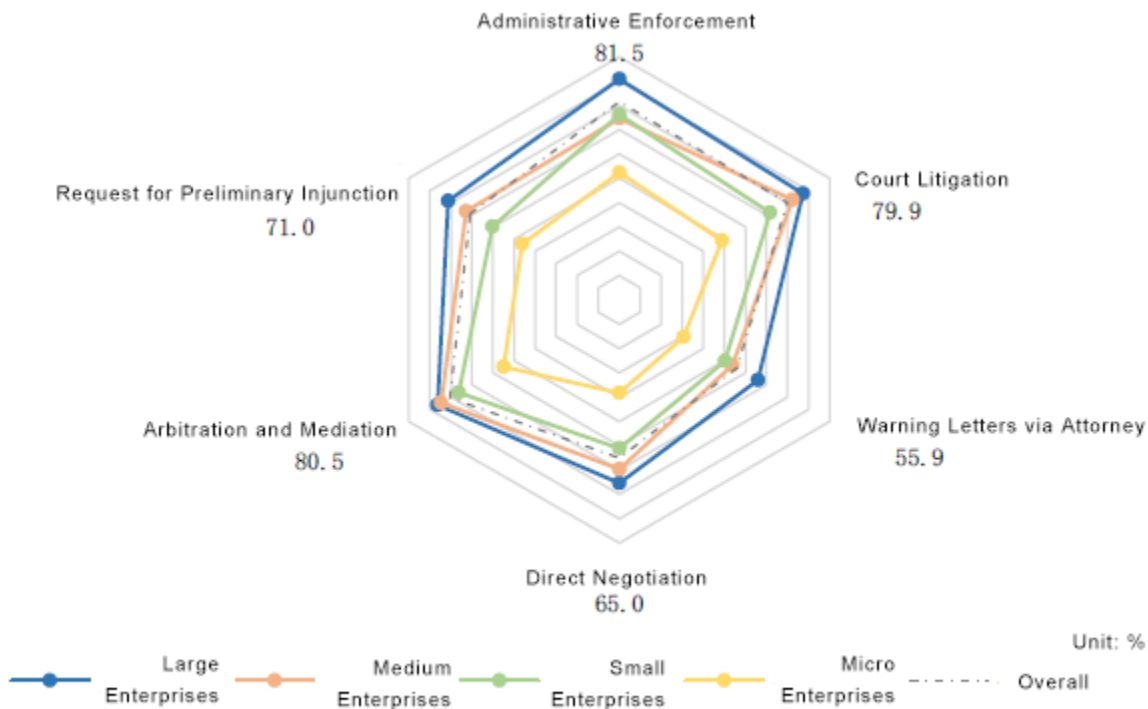


Figure 28: Enterprise Satisfaction with Different Patent Infringement Resolution Methods

(V) Cost-Benefit Analysis in Patent Enforcement Decisions

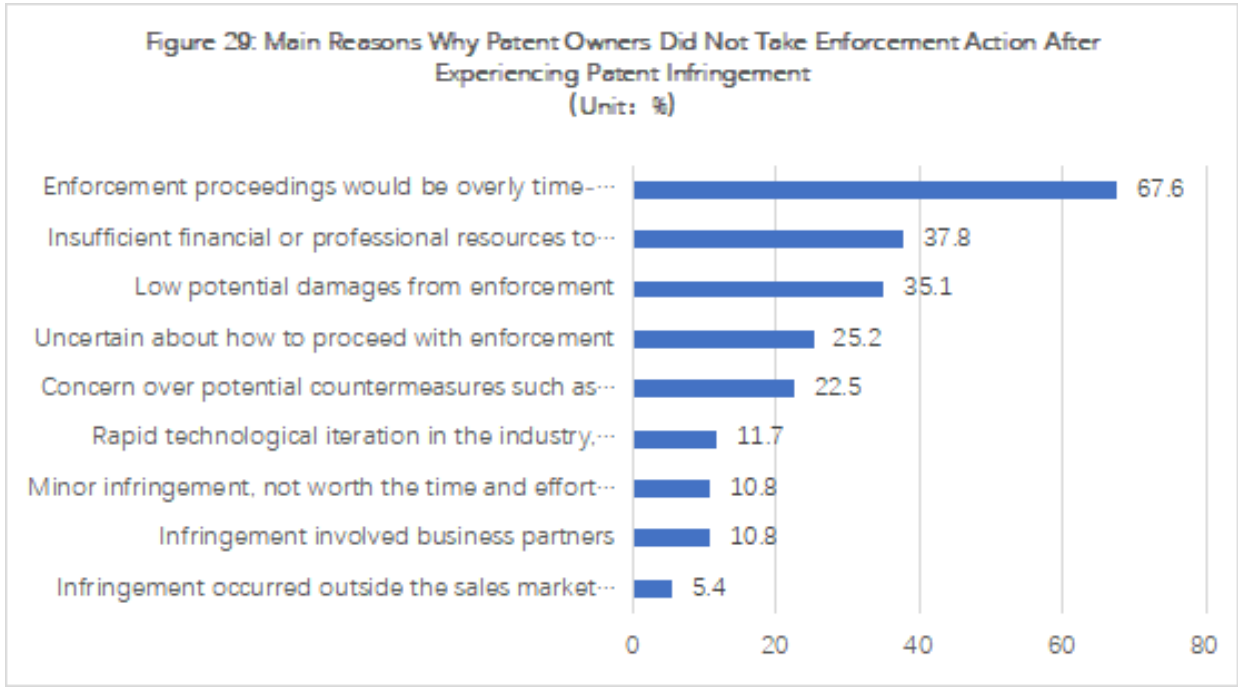
The survey identifies key deterrents to patent enforcement among affected enterprises:

Primary Barriers to Enforcement:

1. Time Investment: 67.6% cited excessive duration of enforcement proceedings as the primary deterrent
2. Resource Constraints: 37.8% reported insufficient financial or professional resources
3. Economic Returns: 35.1% indicated concerns about inadequate potential damages awards

These findings highlight the significant role of practical considerations in enterprises' enforcement decisions, particularly regarding resource allocation and expected returns (see Figure 29).

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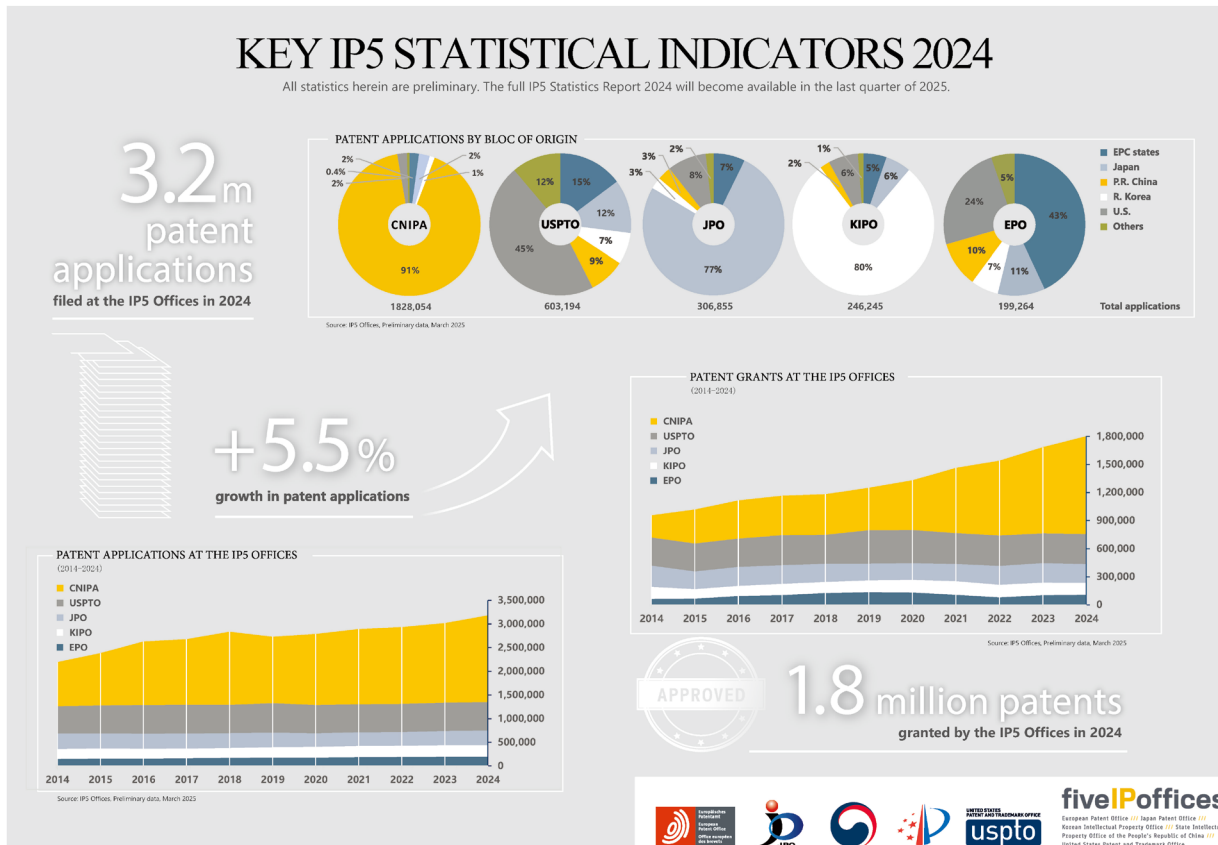


(Source: China National Intellectual Property Administration)

Intellectual Property

CNIPA Releases Key IP5 Statistical Indicators 2024

Recently, the China National Intellectual Property Administration (“CNIPA”) released through its official website the Key IP5 Statistical Indicators 2024, as shown below. The full IP5 Statistics Report 2024 will become available in the last quarter of 2025.



(Source: China National Intellectual Property Administration)

SPC Reports Nearly 530,000 New Intellectual Property Cases Accepted by Chinese Courts in 2024

On April 21, 2025, the Supreme People's Court (SPC) of the People's Republic of China released its "Report on the Judicial Protection of Intellectual Property by Chinese Courts (2024)" alongside eight exemplary intellectual property cases decided by People's Courts. The report indicates that People's Courts have effectively utilized legal mechanisms such as preliminary injunctions (litigation preservation) and punitive damages, significantly increasing the costs and consequences associated with infringement and other illegal activities.

Overall, the judicial protection of intellectual property by Chinese courts in 2024 demonstrated the following key features:

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1. Across-the-Board Improvements in Case Adjudication Quality and Efficiency

Case Volume and Efficiency: Courts nationwide accepted nearly 530,000 new intellectual property cases of all types (479,900 at first instance) and concluded over 540,000 (494,100 at first instance). The number of concluded cases and the rate of case closure within statutory time limits saw sustained increases. Furthermore, key judicial efficiency indicators, including appeal rates and the ratio of judgments overturned or cases remanded for retrial at second instance, all trended positively.

Stringent Protective Measures: Throughout the year, punitive damages were applied in 460 civil infringement cases, representing a year-on-year increase of 44.2%. A landmark judgment in a trade secret infringement case concerning a "new energy vehicle chassis," which resulted in an award of RMB 640 million (approx. USD 88 million, based on an illustrative exchange rate) in damages, stands as a notable example.

Effective Dispute Resolution: Numerous disputes were successfully resolved through mediation mechanisms. For instance, following the SPC's mediation of a prominent film copyright infringement case, the number of new disputes filed concerning film copyrights decreased by 43.32% year-on-year.

2. Markedly Enhanced Protection for Innovation

Judicial Focus on Key Sectors: Protection was bolstered in critical technological fields, including big data, artificial intelligence (AI), and biomedicine. Adjudicated cases involving strategic emerging industries accounted for nearly one-third of all IP cases handled.

Specialized Adjudication of Technology-Related Cases: The SPC's dedicated Intellectual Property Tribunal has adjudicated nearly 20,000 technology-related cases over the past six years. In 2024 alone, invention patent infringement cases numbered 818. The guiding influence of rulings in cutting-edge sectors such as integrated circuits and new energy has been particularly significant.

III. Deepening Reforms in the IP Adjudication System

Optimized Institutional Framework: The number of specialized IP tribunals within local People's Courts nationwide has increased to 30. Furthermore, 558 basic-level People's Courts are now empowered with jurisdiction over civil IP cases, reflecting a strategic devolution of jurisdiction to lower court.

Innovative Adjudication Mechanisms: A "three-in-one" IP trial mechanism—consolidating the handling of civil, administrative, and criminal IP cases within a single judicial division—is being piloted in 25 High People's Courts, 242 Intermediate People's Courts, and 287 Basic-level People's Courts. This initiative aims to improve the overall efficacy and consistency of judicial IP protection.

IV. Formation of a Coordinated IP Protection Framework

Inter-Departmental Collaboration: The SPC, in conjunction with the National Copyright Administration (NCA) and the China National Intellectual Property Administration (CNIPA), issued Guiding Opinions on Collaborative Copyright Protection. Efforts are also underway to promote the harmonization of administrative enforcement and judicial adjudication standards for trademarks.

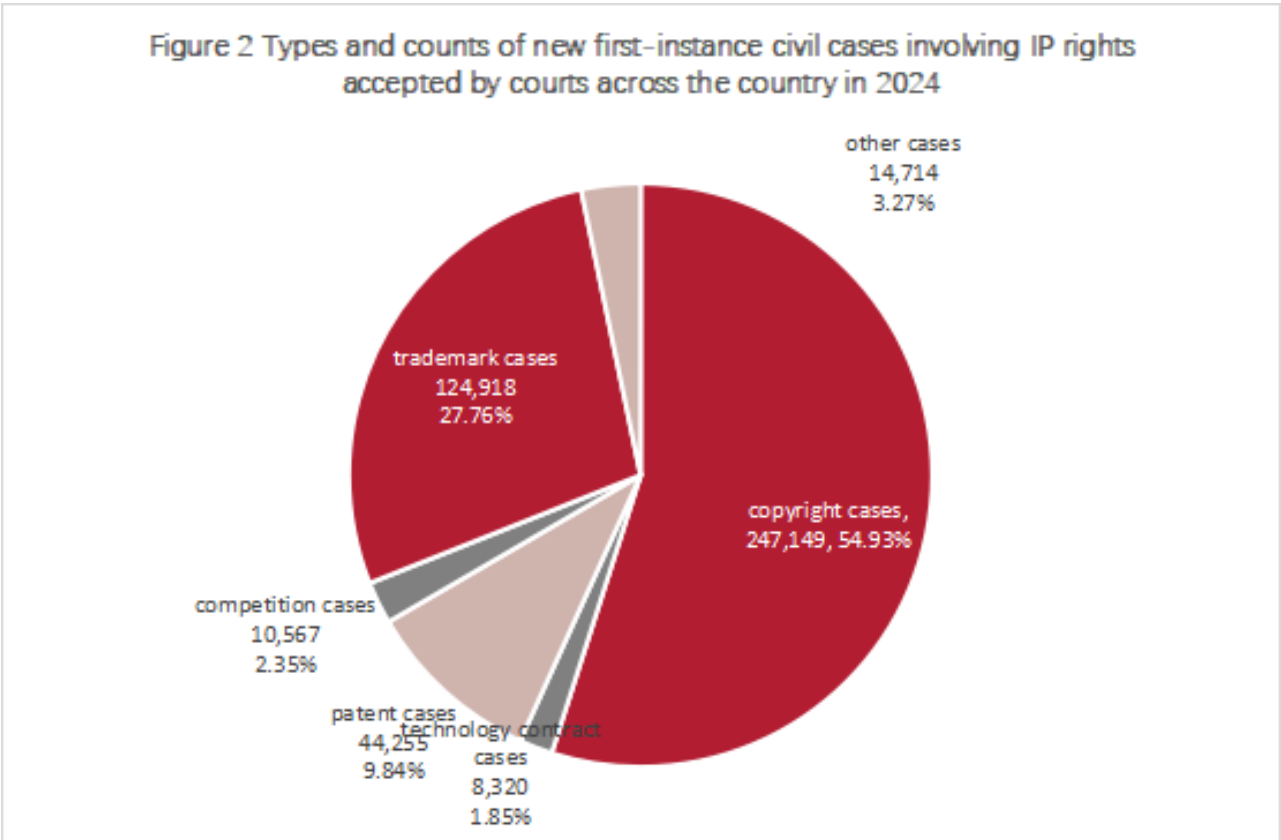
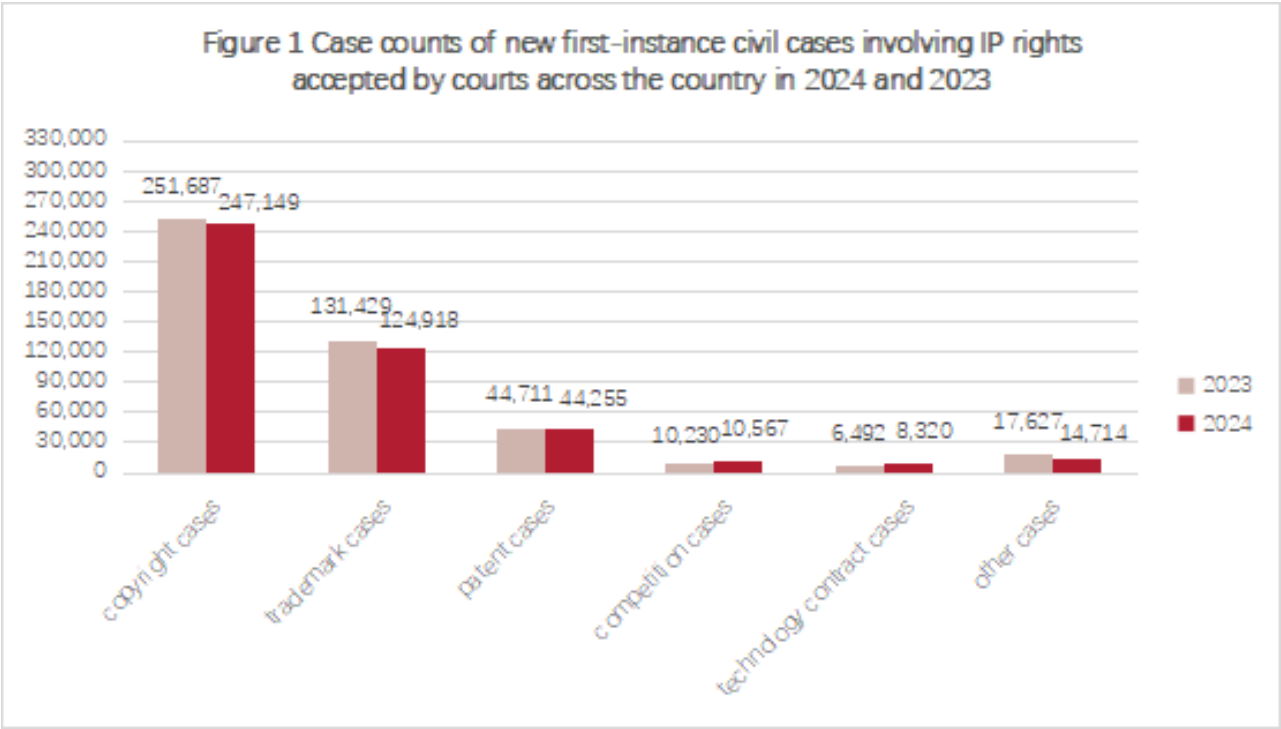
Promotion of Multi-Stakeholder Involvement: Nationwide coverage of intellectual property mediation organizations has been achieved. There is sustained growth in the number of registered mediation organizations and accredited mediators. Furthermore, mechanisms to seamlessly connect litigation with mediation (litigation-mediation linkage systems) now have 100% coverage across relevant courts.

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V. Enhanced International Influence

Growth in Foreign-Related Cases: The SPC's IP Tribunal has experienced an average annual growth rate of 23.2% in foreign-related cases. This trend indicates a growing confidence among foreign enterprises in choosing Chinese courts for the resolution of their IP disputes.

Appendix: Key Data on Intellectual Property Cases Handled by Chinese Courts in 2024



Intellectual Property

Figure 3 Case counts of new first-instance administrative cases involving IP rights accepted by courts across the country in 2024 and 2023

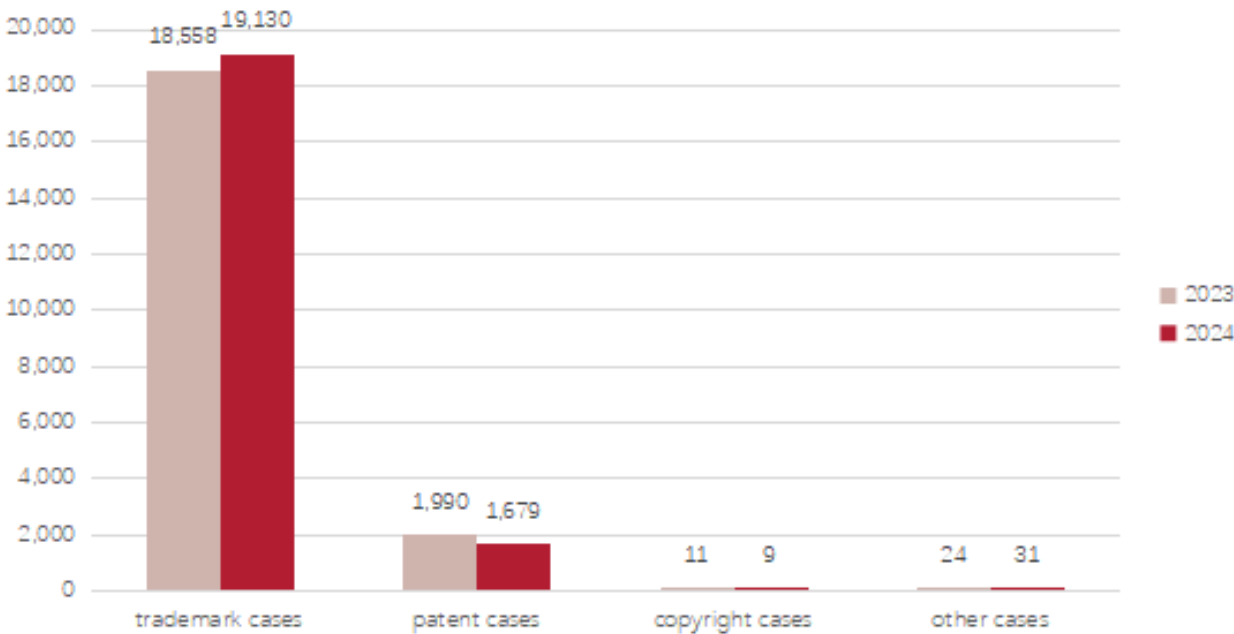
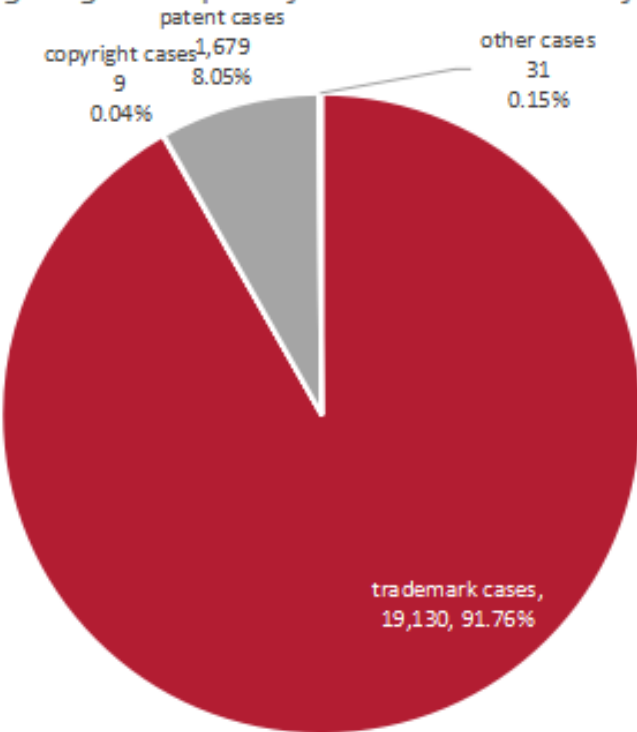


Figure 4 Types and counts of new first-instance administrative cases involving IP rights accepted by courts across the country in 2024



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Figure 5 Case counts of new first-instance criminal cases involving IP rights accepted by courts across the country in 2024 and 2023

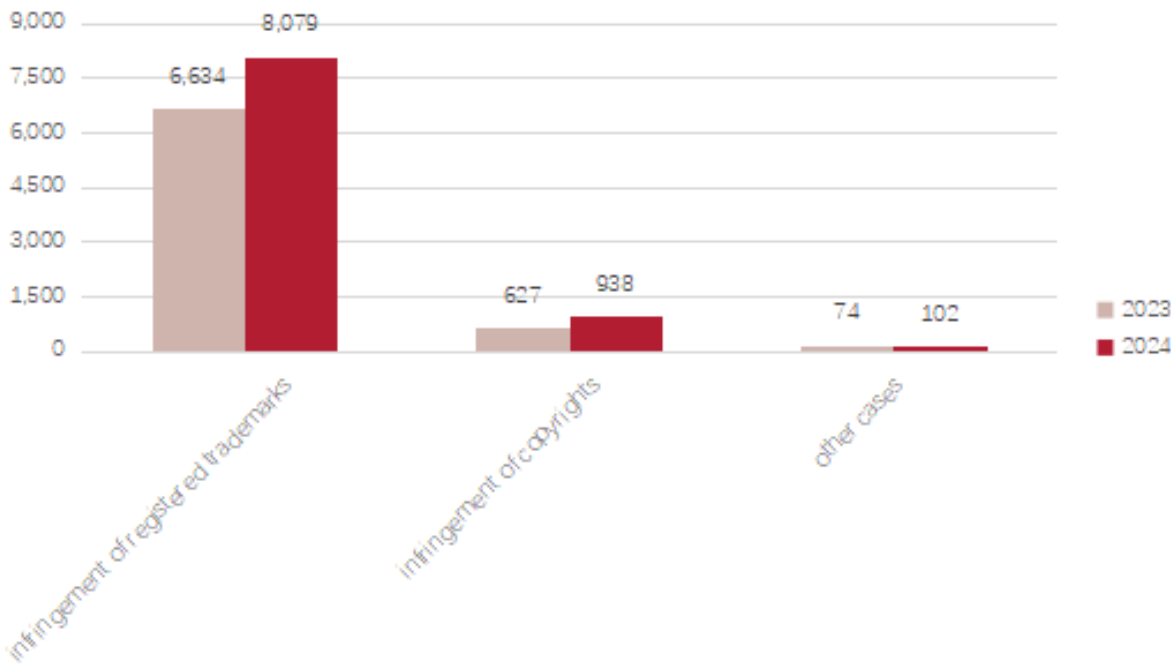


Figure 6 Types and counts of new first-instance criminal cases involving IP rights accepted by courts across the country in 2024

