Doing business abroad: Protecting your IP in China
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Intellectual property (IP) is a valuable asset that can support your business expansion abroad. A Canadian patent, trademark or industrial design does not secure your rights outside of Canada. You should consider obtaining IP protection in the countries where you plan on doing business, including selling products over the Internet and/or manufacturing products overseas.

China is Canada’s second largest trading partner and the economic ties between the countries continue to be strengthened and deepened. It is important to know how to recognize, register and enforce your IP rights in China. There are important differences between Canada and China in the protection and registration process for IP.

In China, you can apply for trademark, patent and copyright protection. If you wish to enter the Chinese market or are already doing business in China, it is recommended that you apply to protect your IP rights in China as soon as practically possible.
Where is IP registered?

The Chinese Trademark Office (CTMO), which is part of the State Administration for Industry and Commerce of the People’s Republic of China (SAIC), is responsible for the administration and registration of trademarks. Patents are granted through the State Intellectual Property Office of the People’s Republic of China (SIPO) and copyright registration is administered by the Copyright Protection Center of China (CPCC) under the National Copyright Administration of China (NCAC).

If you do not have a business entity in China, an agent or lawyer based in China must be used to file an IP application on your behalf. For your information, the website of the Canadian Trade Commissioner Service provides a list of some Canadian and international IP firms which can provide services directly in China or coordinate work with Chinese associates. Documents for an IP application must be submitted in Chinese.

**Trademarks**

- A trademark distinguishes your company’s goods and services from those of others in the marketplace and may be composed of letters, words, numbers, colour combinations, three-dimensional signs (shapes) and/or designs. In China, a sound may also be registered as a trademark.

- Trademark applications must be filed directly through the CTMO.

- Unlike Canada, China uses the “first-to-file” registration process, which means that the first person to file a trademark application will generally have priority over a prior user of the trademark. Applications may also be filed and registered without evidence of use of the applied-for trademark.

- Due to the “first-to-file” trademark system and no use requirement to obtain registration, it is important to apply for trademark protection in China as early as possible.

- You may also wish to secure Chinese language versions of your trademarks. Registration in Roman characters does not automatically protect the trademark against the use or registration of the same or similar trademark written in Chinese.

- A trademark is registered for 10 years and can be renewed every 10 years.

- A registration for a trademark that has not been used in China for three consecutive years may be subject to cancellation.
Patents

- SIPO issues and records patents. There are three different types of patents:
  - Invention patent—granted for a new technical solution or improvement to a product or a process. Invention patents require a full examination by SIPO before being granted. A patent lasts for 20 years from the date that you file it.
  - Utility model—granted for a new technical solution or improvement relating to the shape and/or structure of a product which is fit for practical use. It has a lower degree of inventiveness than an invention patent.
  - Design patent—granted for innovations in the external features of a product, i.e. shape, pattern and/or colour. Design patents do not undergo substantive examination. A design patent lasts for 10 years from the date that you file it.

- China has a first-to-file patent system where patents are granted to the first person who files an application for an invention.

- In general, an application for a patent must be filed prior to any public disclosure of the subject invention. However, a six-month grace period is provided for public disclosure of the subject invention under three specific situations: where the subject invention was first exhibited at an international exhibition sponsored or recognized by the Chinese government; where it was first made public at a prescribed academic or technological meeting; or where it was disclosed by any person without the consent of the applicant.

- The Patent Prosecution Highway (PPH) may be used by Canadian applicants to speed up the examination process for corresponding invention patent applications filed in China.

- The Patent Cooperation Treaty (PCT), to which Canada and China are parties, makes it possible to secure a filing date simultaneously in a large number of countries that are parties to the PCT by filing a single international application instead of filing several separate applications. The grant or refusal of a patent in China remains the responsibility of SIPO.

- For additional information on patents and how to apply for patent protection, please visit the SIPO website (english.sipo.gov.cn/).

Copyright

- In China, as in Canada, copyright protects original works such as literary, dramatic, musical and artistic works.

- The registration of copyright is administered by the NCAC.

- As in Canada, the registration of copyright is not required. However, a copyright registration may be used to establish ownership in any dispute or court case.
IP enforcement

There are several ways to enforce your rights against unauthorized use of your IP in China, including administrative actions, customs seizures and civil litigation. The State may also prosecute offenders under the criminal law. In order to determine the best course of action, you may wish to consult an IP professional.

• IP may be registered with the General Administration of Customs of the People’s Republic of China (GACC). GACC acts to prevent infringing products from being exported from or imported into China. GACC customs officials can, either on their own or due to a notice from an IP owner, inspect and seize goods which infringe IP rights. All types of IP can be registered with GACC, including trademarks, patents and copyrights.

• Some e-commerce sites based in China allow IP owners to request the removal of listings for products which infringe their IP rights.

• IP owners have both administrative and judicial recourses against infringers in China. IP enforcement is carried out at the state level and at various local levels by the provincial and municipal IP authorities.

  o The administrative system can be used for straightforward cases. The system is relatively fast and less expensive than the judicial system. Complaints are handled by the local and regional government authorities. Compensation for a plaintiff is not awarded, but the infringing party can be fined and/or ordered to stop any infringing activity. Relevant goods or equipment can also be seized.

  o The judicial system can be used to pursue civil and/or criminal enforcement. Injunctions to stop any IP-infringing activity can be ordered and damages may be awarded. China also provides IP remedies through criminal enforcement for commercial scale piracy and counterfeiting. Administrative authorities and GACC may transfer significant IP infringement cases to police and prosecutors in order to initiate criminal investigations.
Tips—Important notes

- IP rights are important—take the time to identify your IP to determine what can be registered, and/or enforced in China as early as possible.

- Align your IP strategy with your business strategy. Identify business goals, protectable IP, regional requirements, potential partners and capacity to expand into your target markets.

- Routinely monitor the marketplace for any unauthorized use of your IP.

- Prior to proceeding with any of the enforcement methods outlined above, consider contacting a qualified legal professional to discuss options including a cease and desist letter.

For additional help:

- For materials relating to the export of goods to China and learning tools relating to IP in China, please see the website of the Canadian Trade Commissioner Service (tradecommissioner.gc.ca/china).

- Visit the Canadian Intellectual Property Office website (www.cipo.gc.ca) for additional information on protecting your IP beyond our borders.

*The information provided above is meant as an educational resource only and should not be construed as legal advice.
Canada.ca/intellectualproperty