



Survey on intellectual property - January 2023

*From January 2nd to January 20th, 2023
98 respondents*

Survey on the intellectual property of French companies in China



A vertical illustration on the left side of the page shows several modern buildings with glass facades and balconies, rendered in a light, sketchy style. The buildings are stacked vertically, with some appearing to be in the foreground and others receding into the background.

January 2023 – Survey on the intellectual property of French companies in China

Intellectual Property (IP) is a major issue for 82% of French companies in China

55.1% of companies report having been confronted with bad faith trademark applications in the past three years.

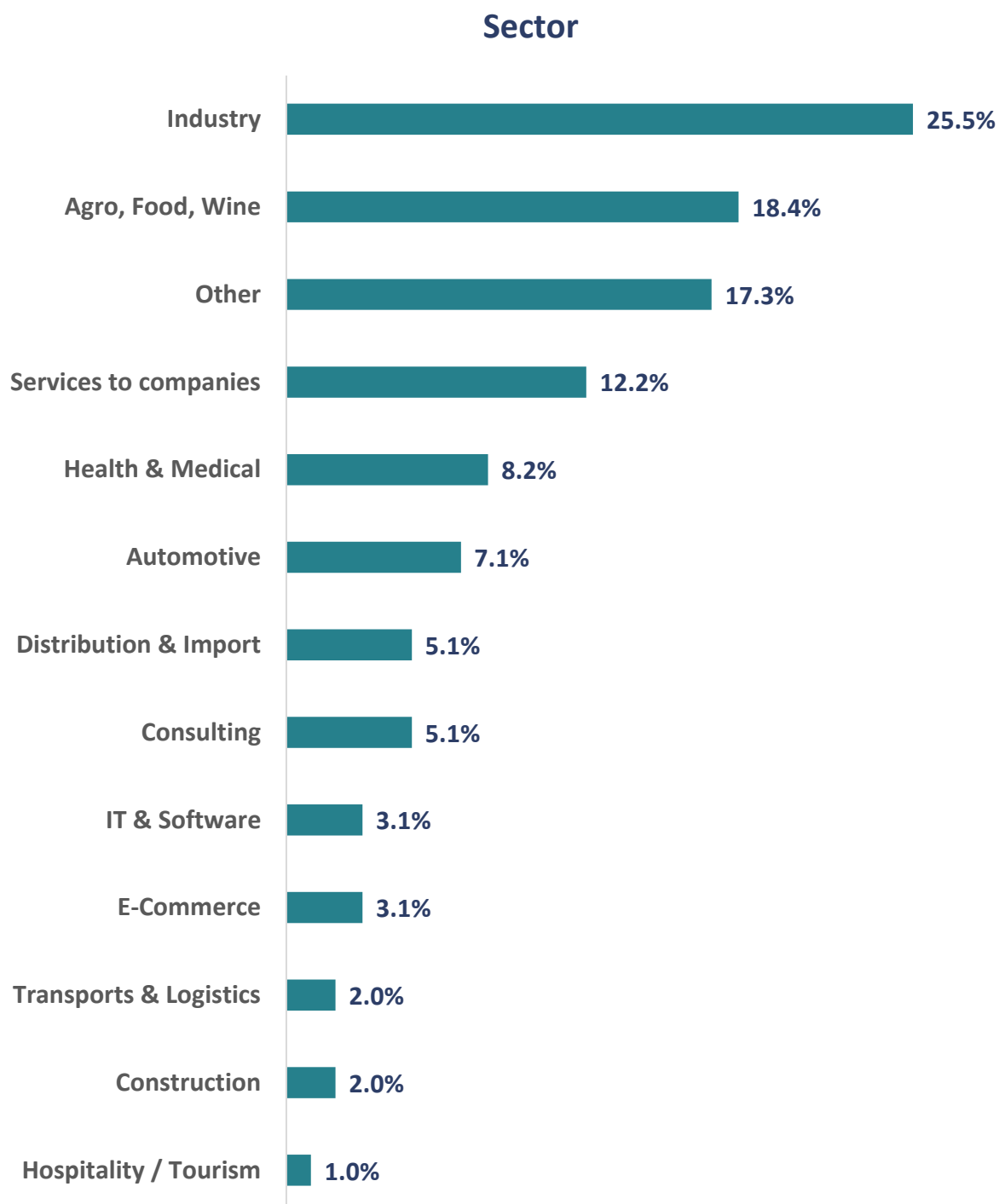
With more than 2,100 subsidiaries employing nearly 445,000 people, France is the leading European investor in China in terms of number of companies. With 1,600 members, the French Chamber of Commerce and Industry in China (CCI FRANCE CHINE) has been defending the interests of these companies since 1992.

The latest Business Climate Survey (spring 2022) revealed that [56% of respondents believe that the intellectual property regime is an obstacle to the development of innovation in China](#). A detailed follow-up survey was conducted from January 2nd to 20th, 2023, on intellectual property (IP) issues in China among nearly 100 companies. The following lessons emerged:

- **IP protection in China is a major issue for more than 82% of companies surveyed.** They extensively use intellectual property rights to protect their innovations, although one in ten respondents indicated they do not own any IP rights in China.
- **Companies that use IP to protect themselves in China mainly use trademarks (75.5%) and invention patents (50%).** More importantly, most companies combine different types of IP rights to best secure their innovations. For example, three-quarters of right-holding enterprises in China are protected by at least two different types of rights, some cumulating up to five types of rights. **In addition, 71.4% of companies adapt their IP strategy to China and its specificities.**
- **The overall perception of China's IP environment by French companies is unfavorable.** 49% of respondents believe that the level of protection provided by Chinese IP laws is insufficient, and 46.9% are dissatisfied with the enforcement of IP rights by the Chinese authorities.
- **While more than one in two respondents believe that procedures for obtaining rights are effective in China (50% consider them satisfactory, 7.1% find them excellent), 35.7% of respondents believe they could further be improved.** This applies in particular to trademarks, especially regarding the problem of bad faith applications.
- **55.1% of companies say they have faced bad faith trademark applications in the past three years, and 57.1% say they have faced other types of infringement of their IP rights over the same period.** Nearly 47% of respondents have been confronted with both of these issues over the past three years. Furthermore, over half of the companies that fell victim of IP right infringements report that several types of their IP rights were infringed during this period.
- **IP violations negatively impact the activity of companies in 4/5 of cases.** A third of the companies victim of infringements consider its impact as very significant (35.9%). The impact is mainly financial as 65.6% of companies having faced infringements have had to undertake significant expenses, regardless of the IP right defended. Some have renounced to enforce their IP rights, 30% of which due to a lack of confidence in the Chinese system.
- **This does not prevent some companies from being optimistic (37.8%) about the future evolution of the IP system in China;** more than a third of respondents (34.7%) have a neutral outlook. Some are pessimistic about the future, and 24.5% of respondents indicate that their vision of the evolution of the IP system in China has a negative impact on their development strategy.

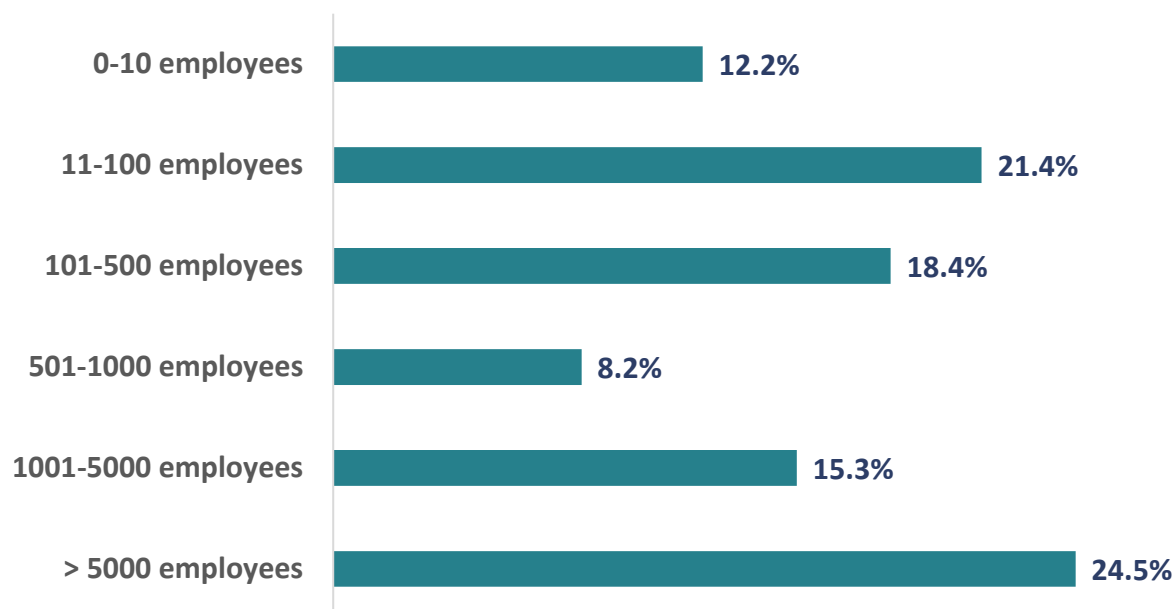
Intellectual property is an essential topic for French companies in China. An environment that respects IP rights, is conducive to obtaining and defending rights, and ensures legal certainty is essential to promote bilateral trade and investment between France and China. The number of French companies that face IP rights infringement in China remains too high, and bad faith trademark applications remain damaging for French companies, regardless of their size or sector. Efforts are therefore needed to better combat counterfeiting and fraudulent practices.

Profile of respondents

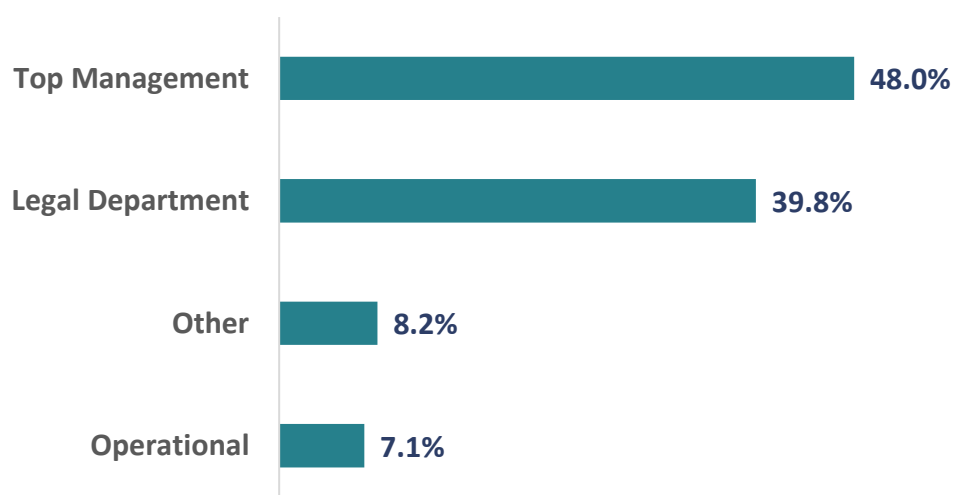


Profile of respondents

Number of employees worldwide

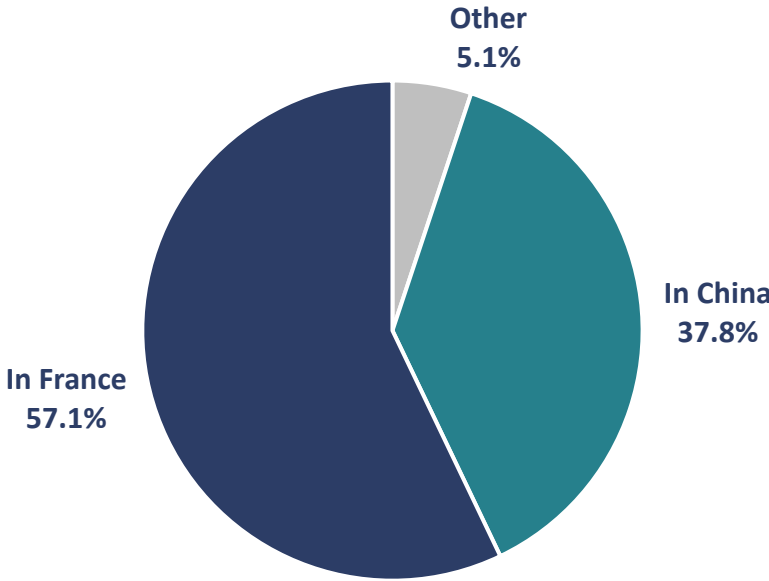


Position of the respondent in the company

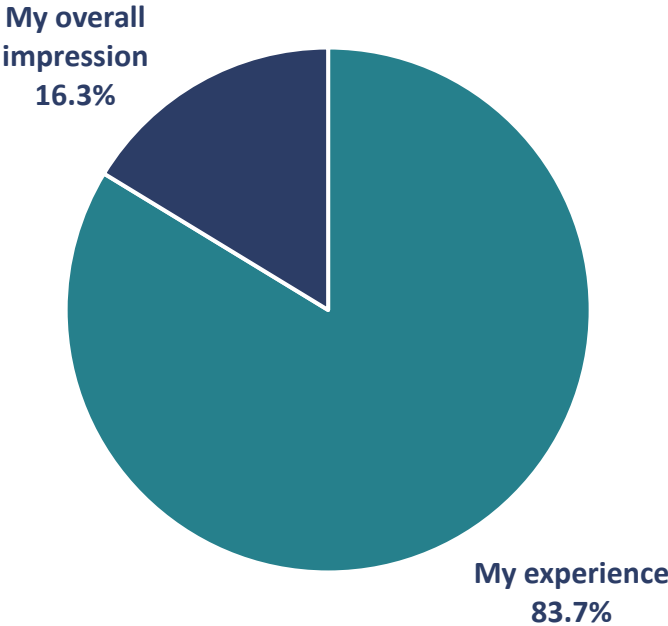


Profile of respondents

Geographic location of the respondents

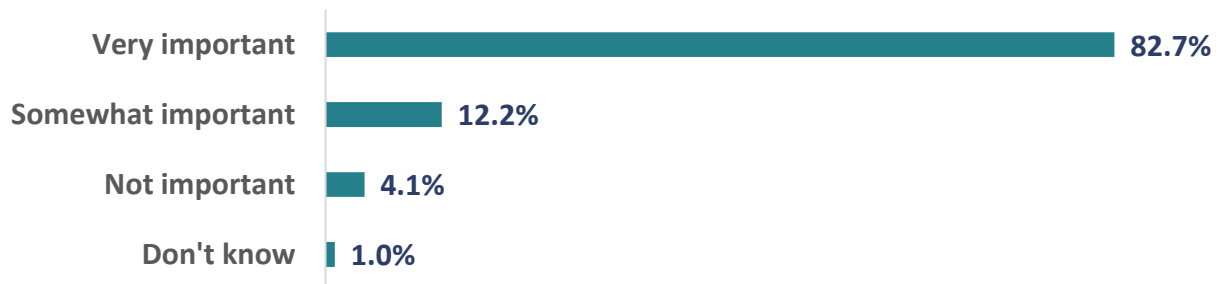


Do the answers you provided in this survey reflect your personal experience with IP or an overall impression given by what you have heard in your company about IP?

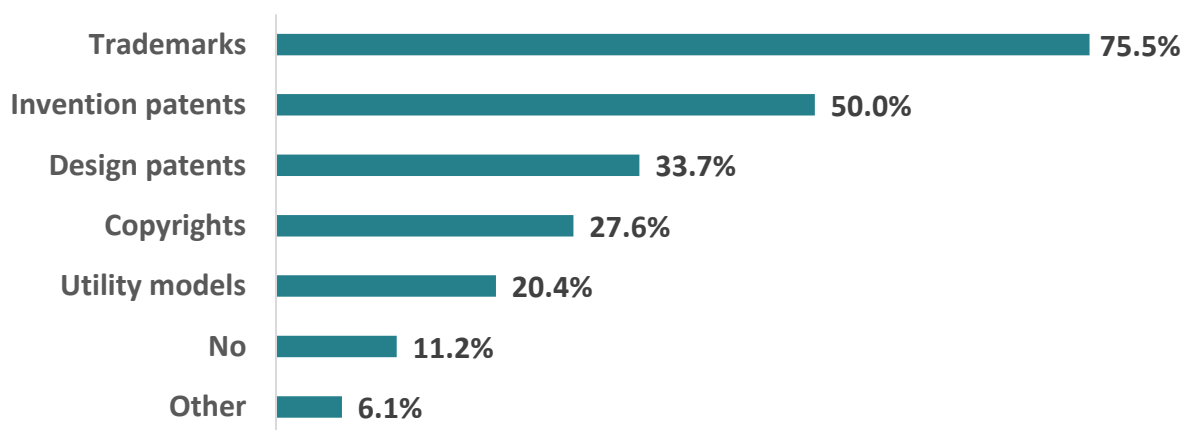


Importance of intellectual property for respondents

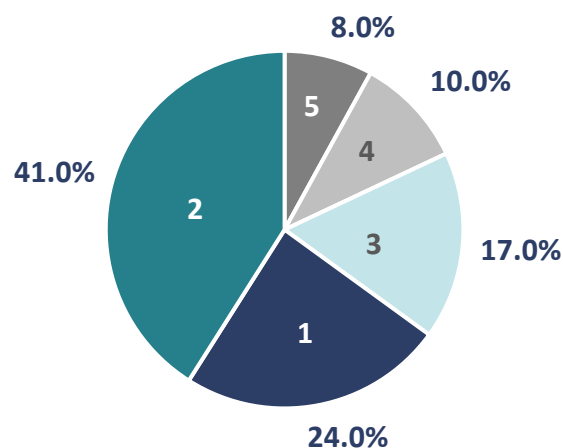
Importance of IP protection & enforcement in China for their company



Does your company own IP rights in China ?

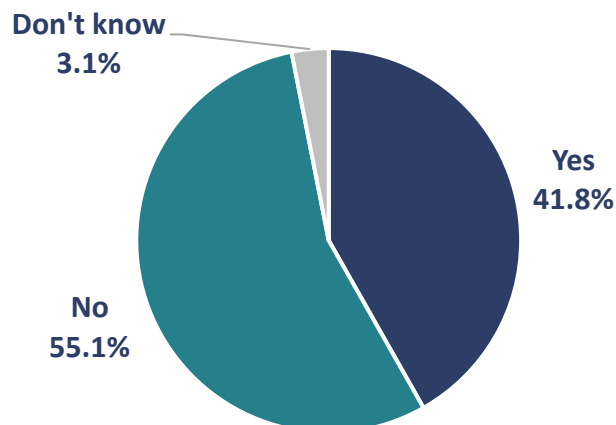


Number of different types of IP rights owned by respondents in China

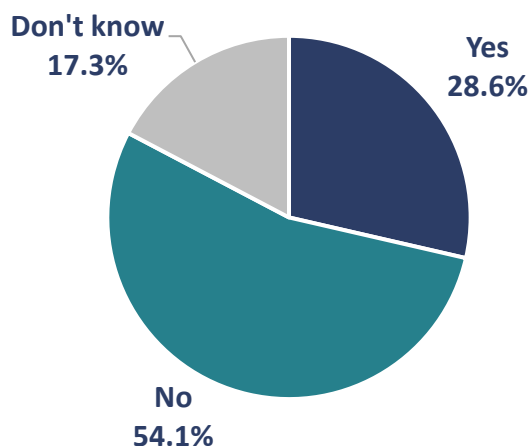


Intellectual property strategy

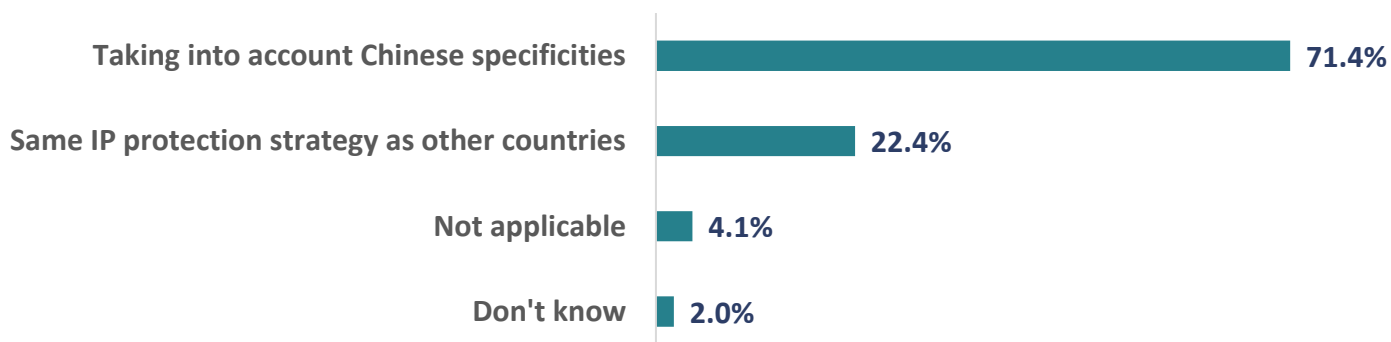
Does your company conduct R&D activities in China ?



Does your company refrain from conducting R&D activities in China for confidentiality reasons?

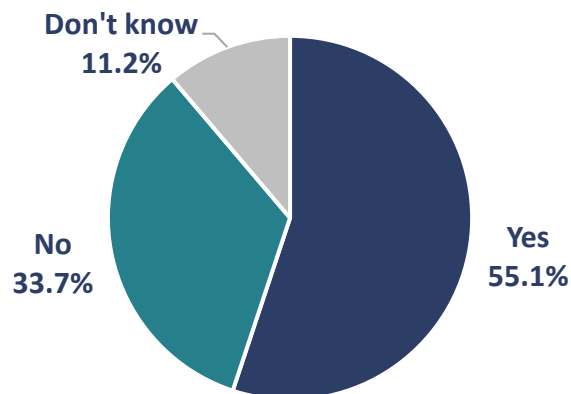


Does your IP protection and enforcement strategy in China take into account the specificities of China, or is it the same as your strategy in other countries?

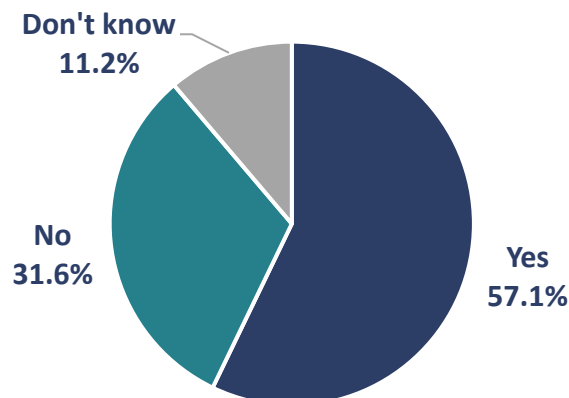


Enforcement of IP rights

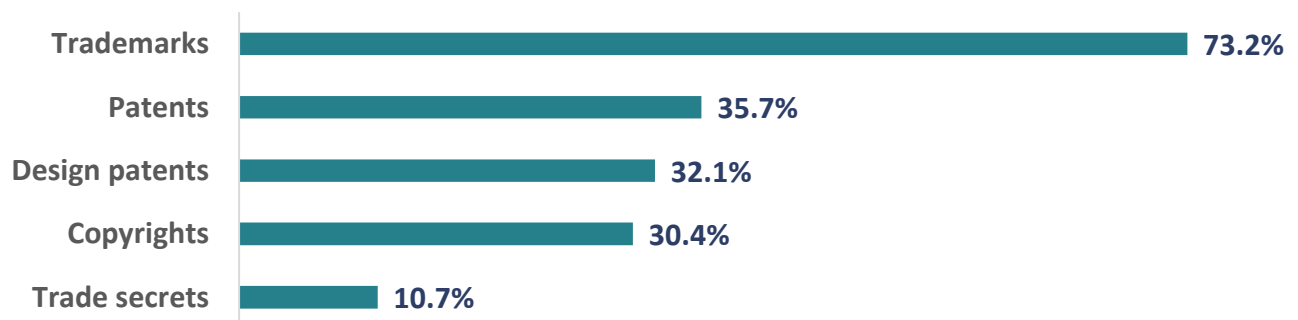
In the past three years, has your company faced bad faith trademark applications/registrations in China?



In the past three years, has your company experienced any other infringement of its intellectual property rights in China?

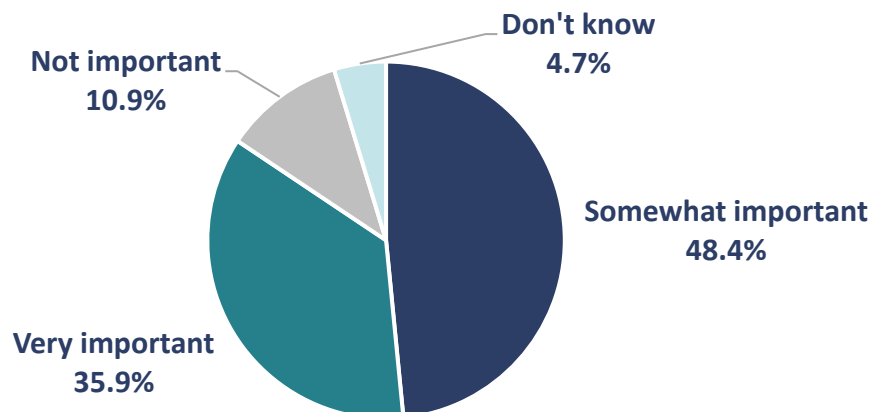


When you faced infringement in the past three years, what types of intellectual property rights were infringed?

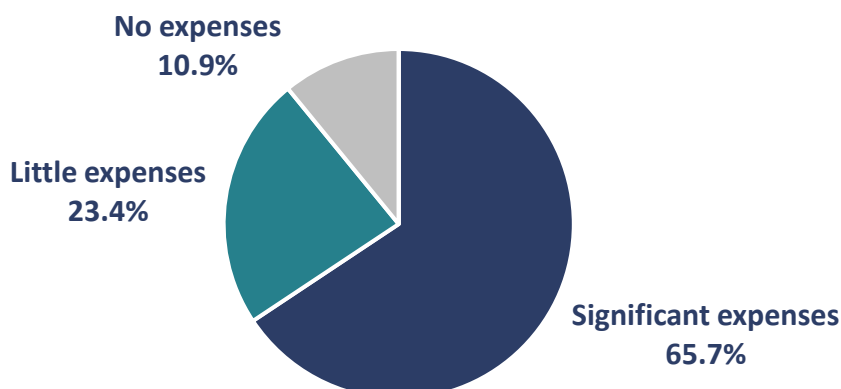


Enforcement of IP rights

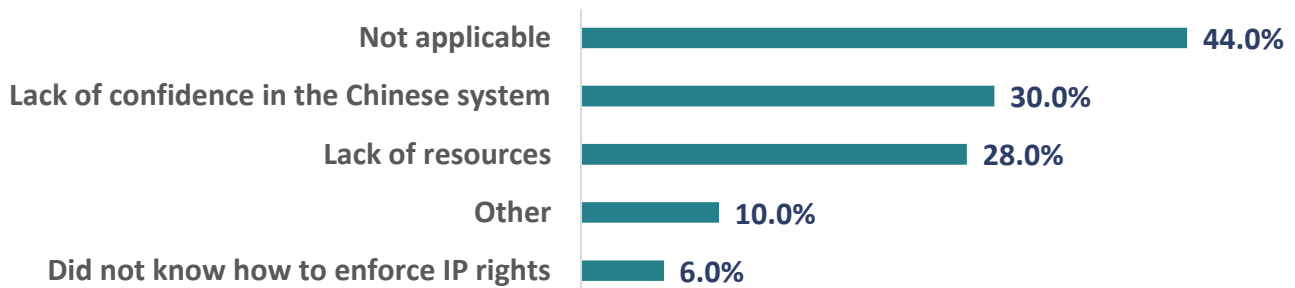
What has been the impact of bad faith trademark applications and/or IP rights infringement to your business activity?



After it faced bad faith trademark applications and/or IP rights infringement, did your company undertake any expenses to enforce its IP rights?

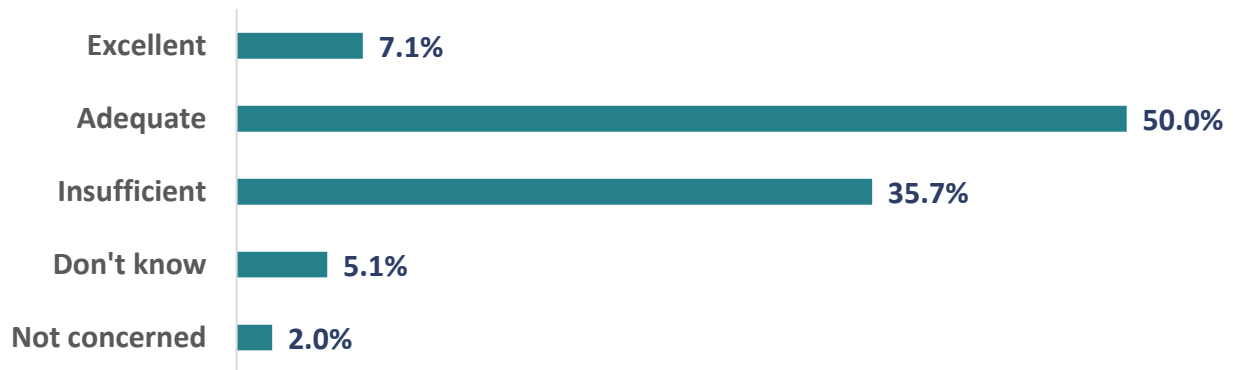


If your company decided NOT to enforce its IP rights, what was/were the reason(s)?

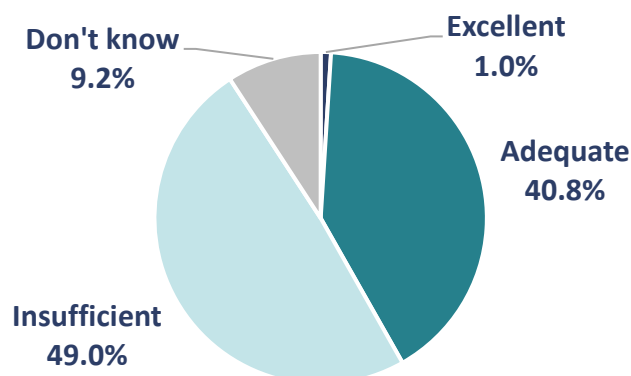


Perception of the Chinese IP environment

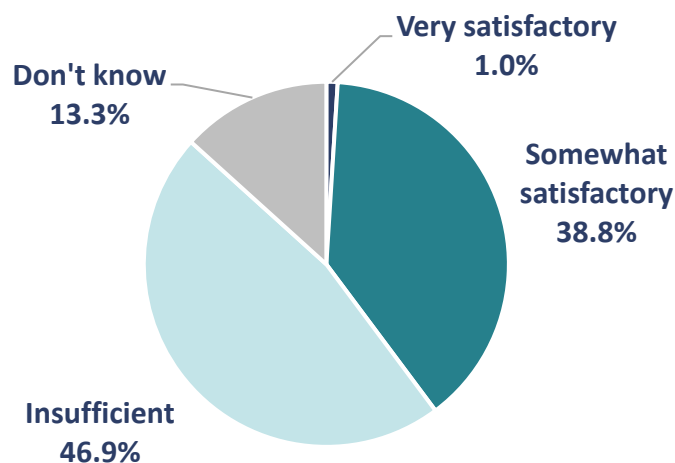
What do you think about the efficiency of IP rights registration procedures in China?



What do you think of the level of protection currently granted by China's IP laws and regulations?

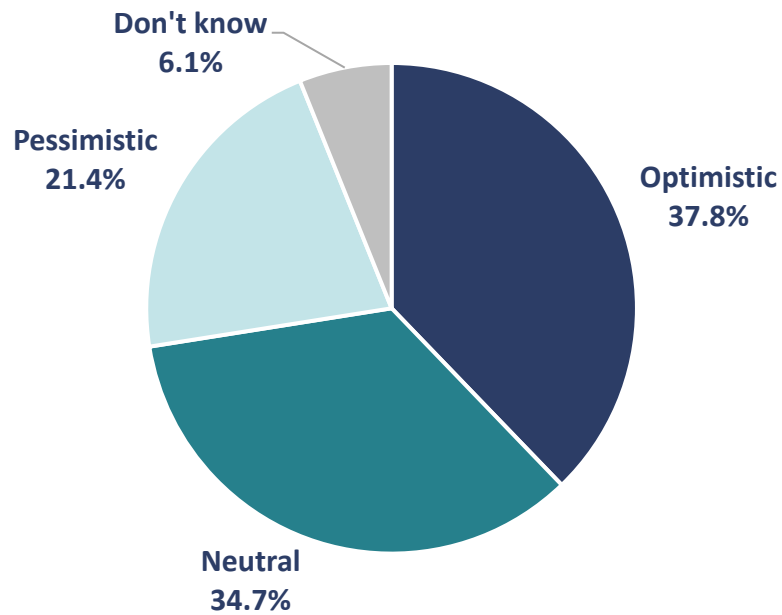


Would you say that the law enforcement is satisfactory in China when it comes to IP?

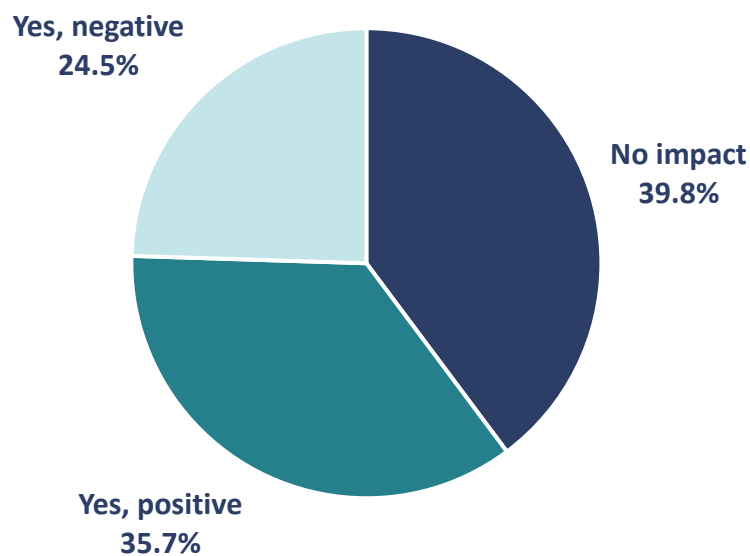


Perception of the Chinese IP environment

How would you describe your vision regarding the future development of IP protection in China?



Does this vision have an impact on your company's development strategy in China?



Survey 2023 - Intellectual property in China

Thank you

