

## China's National Intellectual Property Administration Releases More Details on Open Licensing

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On July 12, 2024, [China's National Intellectual Property Administration](#) (CNIPA) released the "Notice of the CNIPA on comprehensively promoting the implementation of the patent open licensing system" ([????????????????????????????????](#)). Patent open licensing was established in the fourth revision of the [Patent Law](#) and implemented in the [Implementing Regulations](#) effective January 20, 2024. A potential licensee can license a patent under equal terms if listed for open licensing. In exchange, a licensor can pay reduced annuity fees. As of the time of writing, there were 2,322 open licenses published on CNIPA's online publication system.

Some highlights from the Notice:

- The patent open licensing declaration should state the patent number, patent owner, payment method and standard of license royalties, license period and other matters, and be submitted online through the patent business processing system (<https://cponline.cnipa.gov.cn>).
- If the patent owner submits an open licensing declaration for utility model and design patents, he shall also provide a patent right evaluation report.
- If the license fee is a flat fixed fee, it should generally not be more than 20 million RMB; if the license fee is a royalty, it should generally not be more than 20% of net sales or 40% of profit.
- The public can query patent open license declarations, licensing records and other announcement information through the China Patent Publication and Announcement System (<http://epub.cnipa.gov.cn/>).
- Local IP offices should make open licensing an important part of the formulation of relevant policies.
- The amount of the annuity fee reduction after the relevant policy is issued by the National Development and Reform Commission, the Ministry of Finance, and the CNIPA.
- Fraud to obtain reduced annuity fees will be punished under Article 100 of the Implementing Regulations (i.e., punishable by up to a 100,000 RMB fine).
- Additional information can be found at the Guide to Intellectual Property Government Service Matters (Second Edition) ([????????????????\(???\)](#)).

Interestingly, many open declarations list free licenses.

The original Notice can be found [here](#) (Chinese only).

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