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# **Licensing Strategies in China: Overview Status of Major Trends, Key Issues and Practical Solutions**

*By Eugene Jianyang Yu*  
*Liu, Shen & Associates*

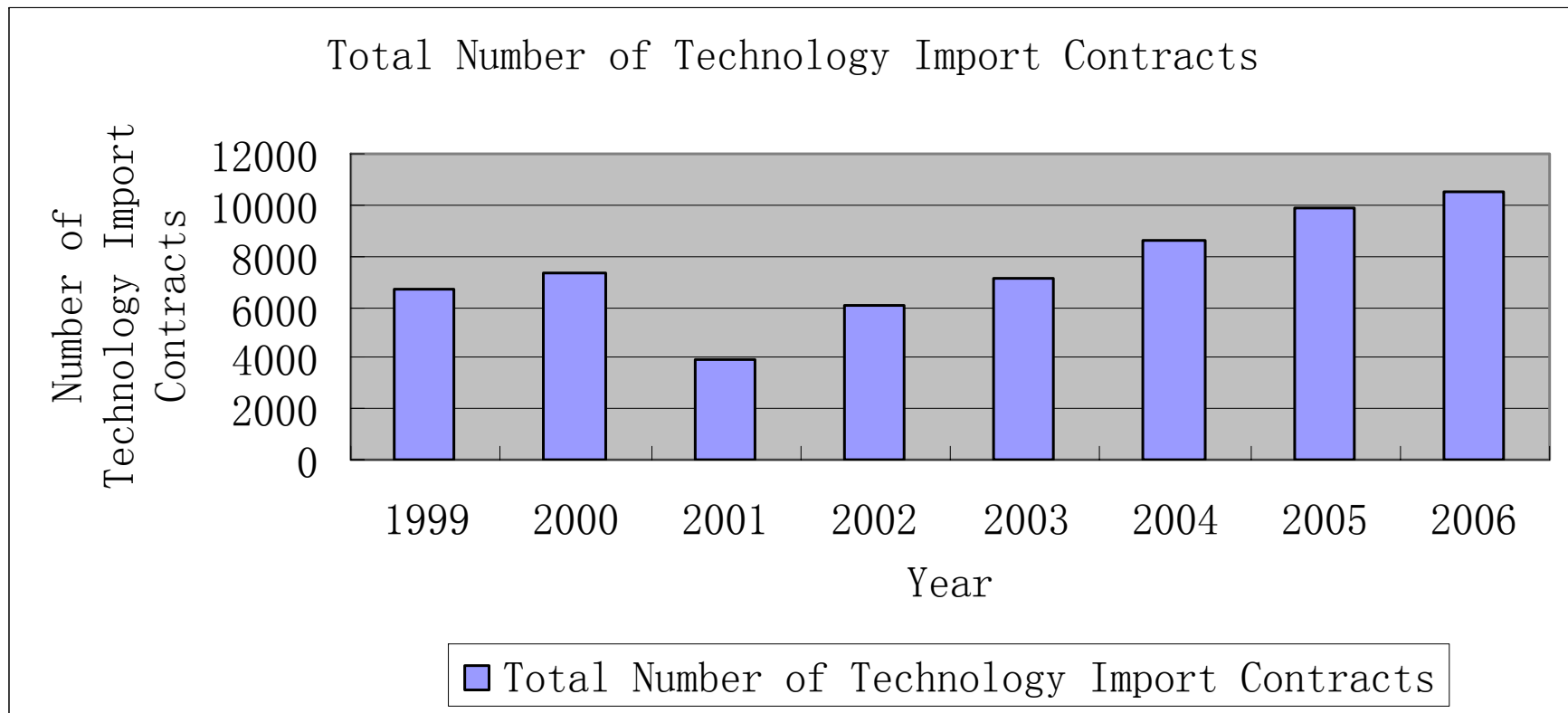


柳沈律师事务所  
LIU, SHEN & ASSOCIATES

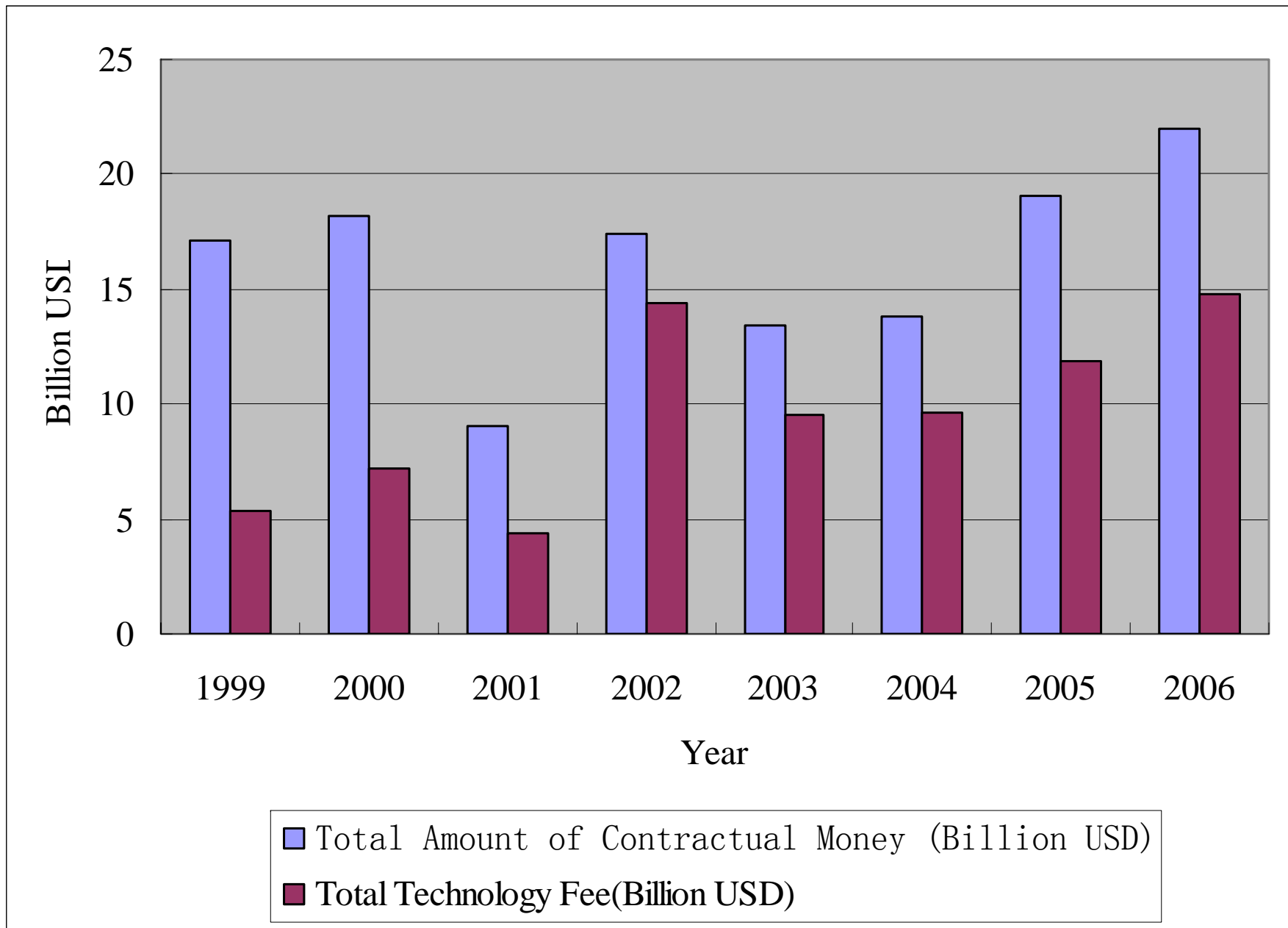
# I. Status of Major Trends

## 1. Technology Import

**TABLE 1: Total Number of Technology Import Contracts: 1999 – 2006**



**TABLE 2: Amount of Technology Import Money: 1999 – 2006**

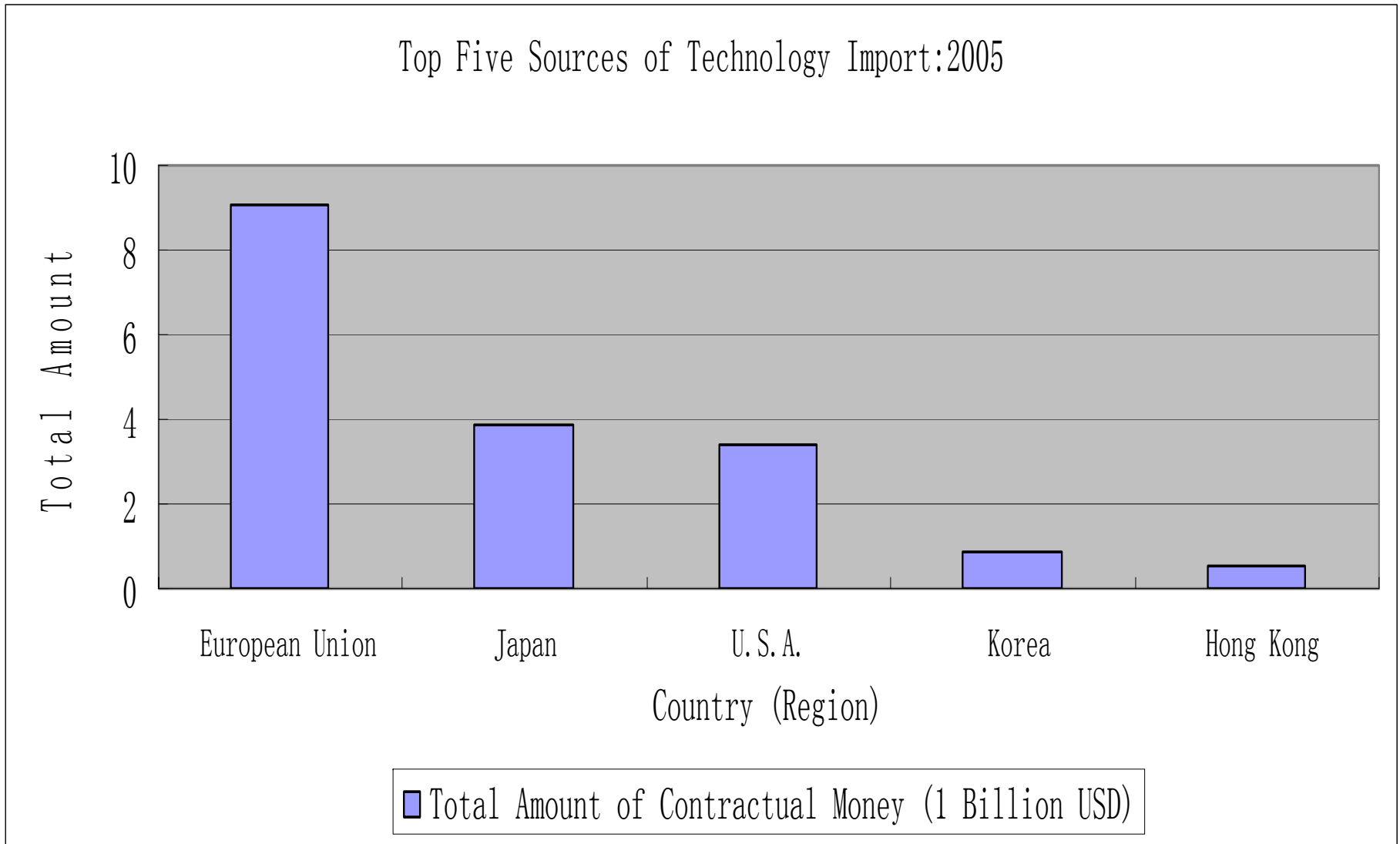


## TABLE 3: Data on Technology Fee: 1999 – 2006

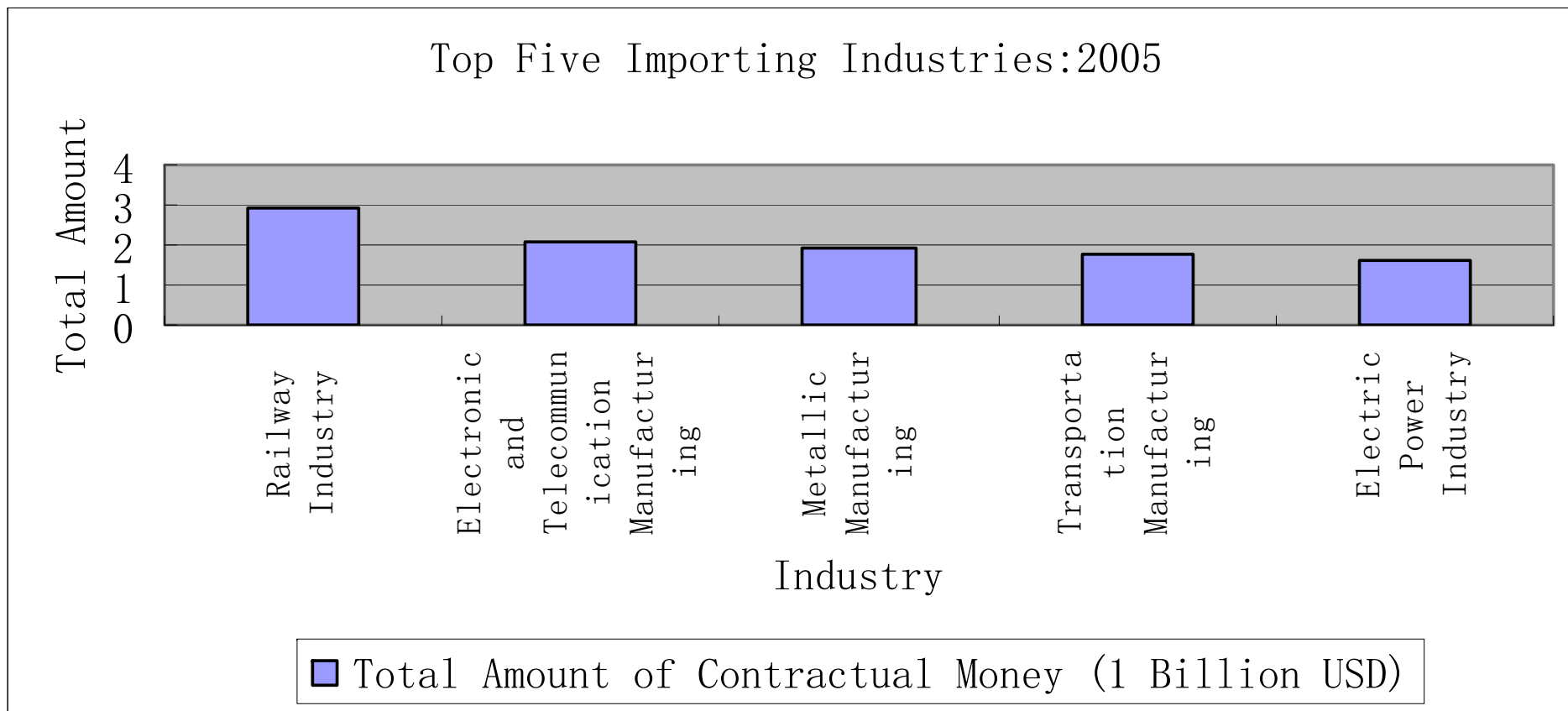
Year	Total Number of Technology Import Contracts	Total Amount of Contractual Money (1 Billion USD)	Total Technology Fee(1 Billion USD)
1999	6678	17.162	5.388
2000	7353	18.176	7.15
2001	3900	9.091	4.395
2002	6072	17.389	14.391
2003	7130	13.451	9.511
2004	8605	13.856	9.625
2005	9902	19.05	11.83



# TABLE 4: Top Five Sources of Technology Import - 2005



# TABLE 5: Top Five Importing Industries:2005



<i>TABLE 6: Top Ten Sources of Technology Import:2005</i>		<i>TABLE 7: Top Ten Importing Industries:2005</i>	
<b>Country (Region)</b>	<b>Total Amount of Contractual Money (1 Billion USD)</b>	<b>Industries</b>	<b>Total Amount of Contractual Money (1 Billion USD)</b>
<b>European Union</b>	<b>9.07</b>	<b>Railway Industry</b>	<b>2.9</b>
<b>Japan</b>	<b>3.85</b>	<b>Electronic and telecommunication manufacturing</b>	<b>2.11</b>
<b>U.S.A.</b>	<b>3.4</b>	<b>Metallic Manufacturing</b>	<b>1.96</b>
<b>Korea</b>	<b>0.89</b>	<b>Transportation Manufacturing</b>	<b>1.79</b>
<b>Hong Kong</b>	<b>0.56</b>	<b>Electric Power Industry</b>	<b>1.65</b>
<b>Switzerland</b>	<b>0.42</b>	<b>Electric Equipment Manufacturing</b>	<b>1.49</b>
<b>Association of Southeast Asian Nations</b>	<b>0.27</b>	<b>Chemical Material and Products Manufacturing</b>	<b>1.2</b>
<b>British Virgin Islands</b>	<b>0.13</b>	<b>Petroleum Industry</b>	<b>0.84</b>
<b>Canada</b>	<b>0.11</b>	<b>Computer Industry</b>	<b>0.41</b>
<b>Taiwan</b>	<b>0.099</b>	<b>Real Estate Industry</b>	<b>0.31</b>



## 2. Technology Export

## 3. Government Policy

- Importing advanced AND appropriate technologies
- Absorption of the imported technologies and technological development based on the imported technologies
- Tax incentives



- Outline of Long-Term Planning for National Science and Technology Development: 2006-2020
  - ✚ perfect and adjust the national industry technology policy, strengthen absorption of imported technologies, encourage independent innovation, limit repetitive importing
  - ✚ set up special capital to support the absorption of imported technologies, support key technologies development, policy of multi-channel investment, absorption of imported technologies through the model of Enterprise Dominant, Production-Education-Research Cooperation
  - ✚ absorption of advanced imported technologies through the implementation of national key projects, achieve key technologies innovation related to national strategic interests, develop key equipment and product with self-owned intellectual property rights
  
- Encourage technology export



# II. Framework of Technology Import and Export in China

## 1. Technology Import and Export Regulations

## 2. Recordal or Approval Proceedings:

- Three categories
- Dual-Use Technologies

## 3. Mandatory requirements and restrictive Clauses -- the “seven no-nos”



# III. Key Issues and Possible Solutions

1. **Different issues and considerations**
2. **Protection of trade secrets:** *need a protective system in place*
3. **Lack of patent protection:** *think big and think ahead*
4. **Mandatory requirements and the “seven no-nos:”**  
*walking through the mining field*



***Thank You!***

