INTRODUCTION

CHINA RE-RISING: INNOVATION AND COLLABORATION FOR A SUCCESSFUL TWENTY-FIRST CENTURY

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All eyes are on China in the twenty-first century, as it emerges as one of the fastest growing economies in the world. At the same time, losses in various industries are attributed to piracy—a substantial amount of which is alleged to occur within China’s borders—and the Chinese government is routinely criticized for its weak enforcement measures against counterfeiting activities and intellectual property infringement on its soil. Cardozo Law Review de•novo’s online symposium, “China Re-Rising: Innovation and Collaboration for a Successful Twenty-First Century” focuses on China’s overall transition from a manufacturing to an innovation economy and how this transition affects IP policies and industries around the world. The online symposium features articles from practitioners, industry corporate counsel, professors, and Chinese IP law specialists in efforts to present a multifaceted conversation.

Professor Yu discusses the slowly-begun change in discourse around China’s intellectual property system, particularly in the field of patents. He presents the reader with five key questions on the state of Chinese intellectual property law and policy. His answers suggest that the future of China’s intellectual property system is dualistic and dynamic—while massive piracy and counterfeiting does continue, this
ongoing issue is balanced by China’s rise as a patent power.

Professors Murphy and Orcutt discuss China’s patent subsidy program—an aspect of China’s national innovation strategy that aims to increase domestic patents and innovation through government subsidies to pay for domestic inventors’ legal costs associated with obtaining patents. Noting that the program has been criticized for failing to fund truly valuable or innovative patents, the Authors propose a unique two-stage, three-dimensional relative value technique for the Chinese government to implement in evaluating whether to fund a given patent application through the subsidy program.

Ms. Wang and Mr. Sallet in turn criticize the Chinese government’s metric-based approach to innovation. They posit that China’s emphasis on numerical goals to domestic patenting actually hampers Chinese innovation by directing resources away from research and the development of truly valuable inventions. The Authors further discuss how China’s metric-based approach frustrates the ability of multi-national corporations to collaborate effectively with Chinese companies. They conclude by identifying steps the Chinese government can take to increase local innovation through effective international collaboration.

Professor Shao calls for a holistic perspective of the Chinese innovation economy, law, and policies. His Article offers a historical and cultural perspective that aims to make a holistic approach possible for Western scholars and practitioners—and even some Chinese—who lack the knowledge of Chinese history and culture necessary to understand the context of China’s current policies. He concludes by proposing that innovation still can, and should, be the bridge to China’s successful economic transition.

Professors Murphree and Breznitz discuss China’s innovation strategy through the lens of its failed attempts to develop commercially successful technology standards. The Authors attribute these failures to fragmented production and structured uncertainty implicit in the Chinese domestic market. Despite these failures, the Authors acknowledge that Chinese companies’ participation in even failed attempts to develop new technology standards does produce tangible benefits, like receiving lower royalty rates on goods they produced.

Together, these Articles present a nuanced view of China’s re-emergence as an innovative force in the global economy. The Authors reflect with candor on some of the most pressing internal constraints that hinder China’s innovative capacities, such as human resource limitations, a lack of stable funding sources, and an inability to fully collaborate with non-Chinese entities. Yet, clarity is also provided with stories of recent successes, and importantly, a historical and holistic perspective of China that helps contextualize the conversation.