

# Research on Intellectual Property protection of State-owned Enterprises

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## Abstract

**The main research content of this study is to strengthen the intellectual property protection of state-owned enterprises, combined with the past research to clarify the research status and practical significance of intellectual property protection and state-owned enterprises to strengthen intellectual property protection. Under the background of the high quality development of state-owned enterprises, this study discusses the practical significance of strengthening the intellectual property protection of state-owned enterprises from three aspects, and puts forward the countermeasures and suggestions of strengthening the property protection of state-owned enterprises from four aspects. It is expected to help the intellectual property rights of state-owned enterprises not be damaged, enhance the value and status of intellectual property rights, and promote the high-quality development of state-owned enterprises.**

## Keywords

**State-owned enterprises; Intellectual Property Protection; High quality development; Innovation of enterprises.**

## 1. Introduction

The protection of intellectual property rights began in the early days of the People's Republic of China, when the Provisional Regulations on the Protection of Inventions and Patents and the Provisional Regulations on Trademark Registration were promulgated, forming the embryonic form of the intellectual property rights system. In 1980, the Patent Office was formally established, and in the same year, our country formally joined the World Intellectual Property Organization. In 1982, the adoption of the Trademark Law started the legislative precedent of establishing the intellectual property system by legal system. The 17th National Congress of the Communist Party of China put forward for the first time "implementing the strategy of intellectual property", and the cause of intellectual property in China has entered a new period of rapid development. Since the 18th National Congress of the CPC, the state has been vigorously promoting the improvement of the property rights system, and the intellectual property laws and regulations have been gradually improved. China's 14th Five-Year Plan and 2035 vision target outline clearly point out the development path of IPR cause with Chinese characteristics, marking a new stage of development for IPR cause in China, and expanding the road of IPR modernization governance and development in China. In 2021, SIPO granted a total of 3.953 million invention patents, with an average annual growth rate of 13.8%, ranking China 11th in the Global Innovation Index 2022 released by the World Intellectual Property Organization. This proves that under the guidance of the Thought on socialism with New Chinese characteristics, great achievements have been made in the modernization of the intellectual property system and historic achievements have been made in the protection of intellectual property rights.

In the new stage of building a strong country with intellectual property rights and high-quality development, IPR protection plays an important role in supporting the modernization of

China's governance system and capacity, and can prevent and defuse major risks. As the core factor of enterprise competitiveness, intellectual property reflects and guarantees the innovation ability of enterprises [1], reflects the industry influence and control power of enterprises, and reduces the risk of enterprise innovation investment [2]. As an important economic and strategic resource for enterprises [3], intellectual property is an important way for enterprises to transform their scientific and technological achievements. Therefore, we should attach great importance to the important role of intellectual property in the development of enterprises, constantly strengthen the construction of innovation capacity, and contribute to the high-quality development of intellectual property.

## **2. The Practical Significance of Strengthening the Protection of Soes' Intellectual Property Rights**

### **2.1. Strengthen the core competitiveness of soes and enhance their overall national strength**

As an important pillar of the national economy and an important source of national fiscal revenue, state-owned enterprises shoulder the heavy responsibility of supporting national reform and construction [4]. State-owned enterprises continue to develop social productivity, stimulate enterprise vitality, actively play the leading role of public ownership, and play an important role in the economic system with public ownership as the main body and multiple ownership economic systems developing together [5]. However, in the fierce competition, some state-owned enterprises have problems such as low labor force and more traditional resources, which makes the power of state-owned enterprises weakened. The competition between enterprises has also changed from the competition of capital power to the competition of intellectual property rights, and intellectual property trade has gradually become the main form and important means of international trade. Developed countries vigorously promote the protection and construction of intellectual property rights for the purpose of promoting the rapid development of domestic economy and expanding their global economy through intellectual property rights, so as to ensure their status and influence as a major country in the world. Under the background of fierce competition of intellectual property rights, developed countries realized the importance and significance of intellectual property protection earlier and established a perfect intellectual property protection system. State-owned enterprises are facing great pressure and severe tests. Therefore, strengthening the intellectual property protection of state-owned enterprises is of strategic significance to improve the core competitiveness of state-owned enterprises, win in the protection of intellectual property competition, promote China's scientific, technological and economic development, and enhance the comprehensive national strength of China [6].

### **2.2. Encourage soes to make innovations and promote high-quality economic development**

China is shifting from element-driven to innovation-driven, and intellectual property protection is regarded as an important means to stimulate innovation-driven development [7]. As a key institutional means to improve the innovation resources and benefit distribution mechanism, intellectual property protection is of great significance to stimulate the innovation vitality of Chinese enterprises and promote high-quality economic development [8]. The research found that the improvement of intellectual property protection significantly increased the number of high-tech innovation of state-owned enterprises, which was mainly reflected in the increase of invention patent and utility model patent applications [9]. At the same time, the improvement of intellectual property protection level plays a significant role in improving the innovation quality of listed state-owned enterprises [10], in particular, it can significantly

promote the innovation of innovative leading enterprises, and improve the quality of imported products of export state-owned enterprises to a certain extent, thus promoting innovation [11]. However, a higher IP protection index can improve the adverse impact of executive-employee pay gap and executive expected pay gap on enterprise innovation [12]. In addition, there is a significant positive correlation between the intensity of judicial protection and the technological innovation of strategic emerging state-owned enterprises. The higher the intensity of intellectual property protection, the more incentive state-owned enterprises can obtain patents or increase R&D investment, that is, promote their technological innovation [13]. In particular, perfect legal environment and effective protection of intellectual property rights are important factors to promote technological innovation of state-owned enterprises [14].

### **2.3. Accelerate the development of an intellectual property management system for soes and help build China into an intellectual property power**

With the practice and development of China's intellectual property system modernization, intellectual property has played an irreplaceable role in supporting economic and social development. After more than 40 years of SOE reform, soes have made great efforts to protect intellectual property rights in the new period of development. So far, central enterprises have set up more than 700 national R&D platforms and seven innovation consortiums. The proportion of high-quality and effective invention patents of soes has increased rapidly, and demonstration enterprises in SOE reform have made remarkable achievements in transforming science and technology. As the pillar of the national economy and the "vanguard" and "leading goose" of the enterprise group, state-owned enterprises should speed up the construction of state-owned intellectual property management system, automatically promote independent scientific and technological innovation, and promote the transformation and upgrading of the knowledge industry. The construction of a strong intellectual property power cannot be done without the support of powerful state-owned enterprises' intellectual property rights. Due to their special nature, state-owned enterprises are mostly in important industries and key fields that are related to national security, national economy and people's livelihood, and the lifeline of the national economy. Therefore, State-owned enterprises play a core role in implementing the strategy of strengthening the country by knowledge. State-owned enterprises need to establish an intellectual property management system that ADAPTS to the modern innovation-driven development strategy to provide support and guarantee for the strategy of building an intellectual property power.

## **3. Countermeasures and Suggestions For Strengthening The Protection of State-owned Enterprises' Intellectual Property Rights**

### **3.1. Setting up incentive mechanism matching with State-owned enterprises' intellectual property rights**

State-owned enterprises should set up special intellectual property management agencies and actively introduce professional intellectual property personnel. State-owned enterprises set up incentive mechanism matching with state-owned enterprises' intellectual property rights, encourage employees to declare intellectual property rights, optimize patent grants and rewards, incorporate their benefits into the employee assessment system, and mobilize employees' innovation awareness and enthusiasm: Periodically assess property rights knowledge, incorporate intellectual property assessment into the employee assessment mechanism, and improve employees' attention to intellectual property rights. A patent search platform should be set up within state-owned enterprises to maximize the sharing and disclosure of information related to intellectual property rights, so as to facilitate the search and analysis of employees. The ownership and protection responsibilities of intellectual

property within soes should be clearly defined to ensure the orderly operation of the intellectual property system. State-owned enterprises should systematically promote the construction of intellectual property culture from the perspective of setting up intellectual property values, cultivating intellectual property atmosphere and enhancing intellectual property awareness, and infiltrate intellectual property awareness into all employees of state-owned enterprises.

### **3.2. Improving the intellectual property strategic operation capability of soes**

Because the property rights of state-owned enterprises are different from those of other enterprises, the operation of intellectual property rights of state-owned enterprises should be carried out in accordance with relevant regulations and standards. Therefore, State-owned enterprises should establish a comprehensive, three-dimensional and all-round management network, formulate strategic planning in line with the market, and create a good enterprise innovation culture based on their actual conditions. Comprehensively improve the strategic management level of intellectual property rights of enterprises. First, it is necessary to enhance the ability of soes to create, apply, manage and protect their intellectual property, and timely translate their technological innovation advantages into their intellectual property advantages. At the same time, state-owned enterprises should advance the design and layout of intellectual property in new business forms and new fields to promote the efficient use of intellectual property. Secondly, state-owned enterprises should strengthen the early warning and prevention of intellectual property risks, seek diversified ways to solve intellectual property disputes, and improve the ability to deal with intellectual property disputes.

### **3.3. Establish an intellectual property evaluation system for State-owned enterprises**

State-owned enterprises have established a more systematic and scientific intellectual property evaluation system, which is completely independent of the evaluation of tangible assets. The independent evaluation system of intellectual property makes the evaluation of different assets more clear and definite, which not only simplifies the operation process, but also improves the evaluation level of intellectual property to avoid the situation of underestimation or overestimation. The suggestion of a set of intellectual property evaluation system within state-owned enterprises not only shows that senior decision-makers regard the evaluation of intellectual property as part of the daily operation of enterprises, but also makes it clear that intellectual property theory will be integrated into the daily operation and management activities of enterprises in a more systematic form. The enterprise's economic development and intellectual property protection are organically integrated in order to promote enterprise's economic development and benefit improvement through intellectual property protection. At the same time, when recruiting talents, enterprises can recruit talents related to intellectual property protection in a targeted way, so as to avoid the inconsistency between the professional skills of talents and the intellectual property protection of their actual work.

### **3.4. Promote the improvement of the relevant management systems of state-owned enterprises**

According to the real situation of intellectual property protection of state-owned enterprises, the original intellectual property protection system should be innovated. It should not copy the management system of other enterprises or blindly follow the development direction of market economy. According to the actual situation of state-owned enterprises, it should understand the development direction and business strategy of enterprises in the future, and clarify the types of intellectual property mainly researched and used by enterprises in the future. It should be the core of intellectual property management and protection, and the protection of intellectual property in other directions should be supplemented. By innovating, using and

developing the original intellectual property management system of the enterprise, the process of the management system is not too complicated, but also leaves some space and expansion points, which can timely adjust the management system of intellectual property protection according to the future development direction and focus of the enterprise. Ensure that the new management system can cover all types of intellectual property of the enterprise, and divide the operation, standards and scope of rights of different links into details, so as to improve the efficiency and quality of intellectual property protection without being too complicated and cumbersome. The real implementation of intellectual property rights protection will bring greater economic benefits for state-owned enterprises and achieve high-quality development of state-owned enterprises.

#### 4. Conclusion

By combing the development history of intellectual property and combining with the development status of state-owned enterprises, this study discusses the practical significance of strengthening the intellectual property protection of state-owned enterprises from three aspects: strengthening the core competitiveness of state-owned enterprises, enhancing the comprehensive national strength, encouraging the innovation of state-owned enterprises, promoting the high-quality development of economy, accelerating the construction of intellectual property management system of state-owned enterprises and helping the construction of intellectual property power. At the same time, according to the current situation of intellectual property protection of state-owned enterprises at the present stage, this study puts forward four suggestions on setting up incentive mechanism matching with intellectual property of state-owned enterprises, improving the strategic operation ability of intellectual property of state-owned enterprises, establishing intellectual property evaluation system of state-owned enterprises, and promoting the improvement of relevant management system of state-owned enterprises. In order to provide theoretical basis for government departments to make relevant policies and provide practical guidance for promoting the intellectual property protection of state-owned enterprises.

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