

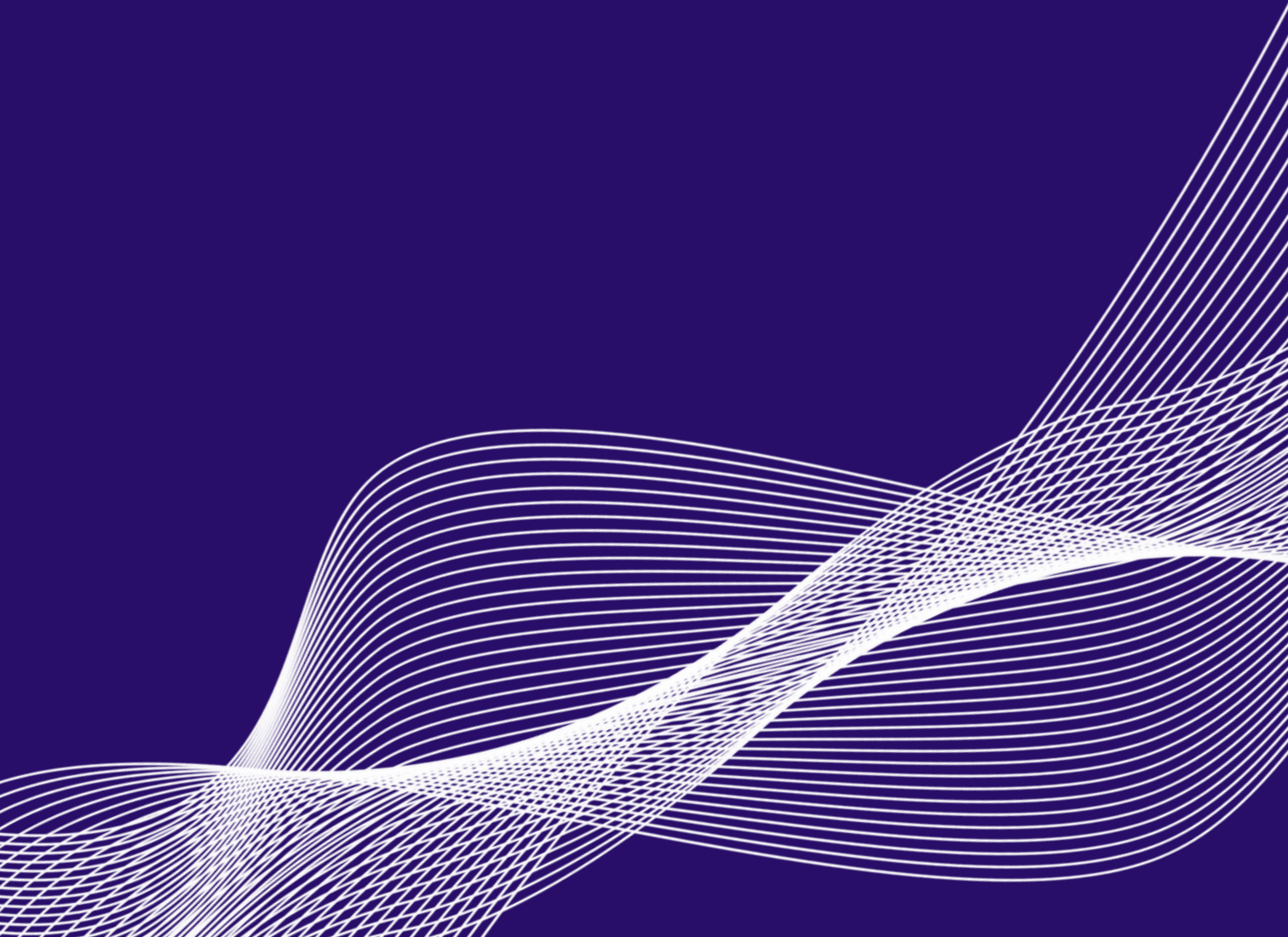
# Monthly Newsletter

## October 2022



In this newsletter, we would like to bring to you the latest industry news in China.

We are also sharing with you our insights on the legal IP updates.



# Industry news

## New energy – Lithium battery

Umicore's patent remains valid. **Ronbay Technology** failed to challenge Umicore's patent, which involved RMB 252 million in compensation. The Ningbo Intermediate Court's infringement ruling will be under the spotlight.

[Original report](#)

Recently, **BYD** published its patent application for the anode material of the all-solid-state lithium battery (application number: 202110296962.6), reaching its historical high discharge capacity of 830mAh/g.

[Original report](#)

Following the Contemporary Amperex Technology (CATL) and EVE Battery, **Envision AESC** has also become a cylindrical cell supplier for BMW Group's new series vehicle. The cylindrical cells will be produced in South Carolina, United States.

[Original report](#)

The top-tier Chinese lithium battery supply chain companies, such as **Contemporary Amperex Technology, Gotion, EVE Battery, and SOLVT Energy Technology**, are accelerating their progress to build factories overseas. On October 20, EVE Battery disclosed its latest business plan, in which the company will invest in a cylindrical cell manufacturing project in Malaysia.

[Original report](#)

**Gotion** plans to invest USD 2.36 billion to build a cathode and anode material factory in Michigan, United States.

[Original report](#)



## New energy –Lithium battery

With the promotion of green energy across the globe and the increasing demand for electric vehicles and smart electronic devices, the Chinese lithium battery industry maintains a growth momentum. Lithium batteries produce in China continue to improve their technology and enhance performance, while remaining cost-effective. Some of the top players in the market including CATL, EVE Battery, and Envision AESC have signed million dollars contracts with major European and American automobile manufacturers. Although complex international relations are greatly influencing global businesses, many leading Chinese battery companies are still accelerating the pace of building factories overseas to grow their global businesses. Among others, the Chinese battery companies preferred destinations such as the United States, Southeast Asia, Mexico, and Canada. At the same time, various leading companies are paying close attention to the research and development of new technologies such as solid-state batteries. BYD has produced the anode materials of all-solid-state lithium batteries and the invention has been applied for a patent not long ago. The increasingly fierce competition environment has also caused more lithium battery patent lawsuits. It is noteworthy that the court judgment of the dispute between Rongbay Technology and Umicore may have a significant impact on the Chinese lithium battery industry.

# Industry news

## Semiconductor

**Silan**, a Chinese semiconductor device, and IC design and manufacturing company plans to invest RMB 750 million to build a silicon carbide power device production line.

[Original report](#)

**ZINSIGHT Technology** completed its A+ round financing of RMB 100 million. Its A+ round investors include Fibonacci VC, Inspiration Capital, and Addor Capital. At present, ZLIGHT Technology has secured awards from Shanghai Hydrogen Propulsion Technology, CRRC, and Great Wall Motors to fulfill the companies' needs in silicon carbide.

[Original report](#)

DQS, an international third-party certification company issued the IATF 16949:2016 quality management system certification to **Sanan IC** under the approval of IATF (International Automotive Working Group). It marks a milestone that Chinese silicon carbide products are allowed to enter the international automotive supply chain.

[Original report](#)





# Semiconductor

Benefiting from the strong demand for new energy vehicles, photovoltaics, electronic power, and other markets, and along with the decline in the cost of silicon carbide products, the silicon carbide power device industry is developing rapidly in China. An increasing number of companies have joined the silicon carbide industry. Currently, domestic silicon carbide power devices have been successfully applied to electric vehicles, such as BYD, Yutong Bus, Geely, etc. In the future, expansion and large scale of the market will bring cost advantages to Chinese silicon carbide products. There are rooms for Chinese companies to replace international brands. From the perspective of market share, the global market share of silicon carbide power devices is mainly controlled by the industry leaders such as STM, Wolfspeed, Rohm, Infineon, Onsemi, etc. Chinese companies are still trying to break through and have not yet formed a certain scale of market share. However, we can see domestic manufacturers such as Silan, Star Power, China Resources Micro, and Nexperia have achieved large-scale productions. Driven by strong demand, there has also been an investment boom in the silicon carbide industry in China. In addition to semiconductor companies, new energy and automotive companies such as BYD, Ningde Times, GAC Group, etc. have also joined the competition of the silicon carbide industry.

# Industry news

## Pharmaceuticals

In the first half year of 2022, several Chinese pharmaceutical companies invested in overseas companies or acquired overseas companies to boost their businesses globally. In addition to the global expansion, tumor therapy is becoming mainstream among pharmaceutical companies. Key events include:

- **Venus MedTech**, a China-based Medtech company specializing in structural heart disease completed the acquisition of 100% equity of Cardiovalve Ltd. (Cardiovalve), an innovative transcatheter mitral valve and tricuspid valve company.
- **Pharmaron Inc** acquired Aesica Pharmaceuticals in Cramlington, UK, a subsidiary of Recipharm.
- **Gracell** officially opened its U.S. innovation and R&D center in San Diego, California in the first quarter of 2022.
- **Sihuan Pharmaceutical** acquired Genesis Biosystems in the United States to further expand its pipeline in aesthetic medicine.
- The American subsidiary of **CARsgen Therapeutics**, an innovative CAR-T cell therapy company focusing on the treatment of hematological malignancies and solid tumors, built a cGMP production facility in the Research Triangle Park (RTP) area of North Carolina, USA. It is CARsgen Therapeutics' first factory outside of China to start operations in the world.
- **Asymchem Pharmaceutical Group** announced that it agreed to acquire Snapdragon Chemistry, Inc. of the United States for approximately US\$57.94 million.

- **Biocytogen Europe Innovation Center (BEIC)** was established and officially operated in Heidelberg, Germany.
- **BeiGene** announced that it officially broke ground on a new production facility and clinical research and development center in its Princeton West Innovation Campus in Hopewell, New Jersey. BeiGene also officially opened its Europe regional office in Basel, Switzerland in May.
- **Wallaby Medical, Inc.** has completed the acquisition of phenox GmbH, a German-based global innovation and technology leader in neurointerventional medical devices, and its subsidiary femtos GmbH ("femtos ") (collectively referred to as "phenox") approximately EUR 500 million (including milestone payments), making it one of the largest cross-border M&A transactions in the global medical device industry in recent years.
- **Andon** is selecting a site and preparing to build its factory in the United States to meet the domestic demand for diagnostic kits.
- **Hengrui Pharmaceuticals** established a wholly-owned subsidiary, Luzsana Biotechnology. The subsidiary is responsible for the internationalization (overseas development and commercialization) of Hengrui Medicine's pipeline products. Luzsana Biotechnology has offices in Tokyo, Basel, Switzerland, Princeton, New Jersey, etc. with more than 120 employees,
- **Sinovac** held the groundbreaking ceremony of Sinovac Holdings (Chile) Co., Ltd.'s vaccine factory in Chilicura, Chile's capital region.
- **Sino Biopharmaceutical** acquired F-star Therapeutics, a Nasdaq-listed biotech company, for \$161 million.
- **WuXi AppTec** announced plans to establish an R&D and production base in Singapore and expects to invest a total of S\$2 billion (approximately US\$1.43 billion) in the construction of the new base in the next ten years to better serve global partners.



- **WuXi Biologics**, a CRDMO company, announced plans to invest US\$1.4 billion (approximately S\$2 billion) to build an integrated CRDMO service center in Singapore in the next ten years to expand the capacity and scale of biological drug research, development, and large-scale production of bulk solutions and preparations.
- **SHL Medical** announced plans for a new US manufacturing base. The new US base will be located in North Charleston, South Carolina.
- **Sunshine Guojian Pharmaceutical** signed a licensing agreement and licensed its global rights to Syncromune, Inc. The agreement involved the research and development of product 609A (anti-PD-1 humanized monoclonal antibody injection) for combined tumor immunotherapy.
- **Junshi Biosciences** and Coherus BioSciences announced that the two parties will continue to expand their cooperation in the field of tumor immunity. Coherus has initiated its option to license JS006 (anti-TIGIT monoclonal antibody independently developed by Junshi Biosciences) in the United States and Canada.
- FDA has granted **Dizal Pharma's** DZD9008 breakthrough therapy designation. The therapy is used for the treatment of non-small cell lung cancer patients with EGFR exon 20 insertion mutations.
- **Legend Biotech** officially announced that its self-developed cell therapy product, Cidaki Aurexa (English name: CARVYKTI, referred to as Cilta-cel) was approved by the FDA.
- **BeiGene** announced that the Israeli Ministry of Health has approved Baiyueze (zanubrutinib) for the treatment of adult patients with Waldenström macroglobulinemia (WM)
- **Antengene** announced that XPOVIO® (Selinisol) has received marketing authorization from the Singapore Health Sciences Authority (HSA)
- **Harbour Biomed** and AstraZeneca reached a global licensing agreement for the development and commercialization of the CLDN18.2xCD3 bispecific antibody (HBM7022).

- Toripalimab, an anti-PD-1 monoclonal antibody independently developed by **Junshi Biosciences** for the treatment of small cell lung cancer (SCLC), was granted orphan drug designation by the FDA.
- **Henlius'** self-developed PD-1 inhibitor H drug Hansuzumab (slulimumab) for the treatment of small cell lung cancer (SCLC) was granted an orphan drug designation by the FDA.
- **Henlius** entered into a product license agreement with Abbott, agreeing to grant Abbott a semi-exclusive license to commercialize Hanlikang and Hanquyou in Brazil.

[Original report](#)

**Hengrui Pharmaceuticals** announced that the drug camrelizumab combined with famitinib in the first-line treatment of recurrent or metastatic non-small cell lung cancer will be included in the breakthrough therapy list issued by the Center for Drug Evaluation, National Medical Products Administration. Currently, the review period for breakthrough therapy in China is 130 days, which is significantly shorter than the general approval cycle.

[Original report](#)

**Roche Pharmaceuticals** issued an article on its WeChat official account stating that **CSPC Ouyi Pharmaceutical** is suspected of infringing the patent rights of Roche Pharmaceuticals. CSPC's Ouyi produced the generic drug of Marbaloxavir which was approved by the National Medical Products Administration on October 11, 2022.

[Original report](#)

**Anticancer Biotech** has independently developed a new anti-influenza class 1 drug ADC189 tablet. The drug has officially entered the Phase II/III clinical trial.

[Original report](#)



# Pharmaceuticals

The Chinese government has put a strong focus on the biopharmaceutical industry and supported the industry through various policies. The state has successively issued several policies, such as the *14th Five-Year Plan for the Development of the Biopharmaceutical Industry* and the *Pharmaceutical Administration Law of the People's Republic of China*, which provides clear guidance for the development of the biopharmaceutical industry. At the same time, it encourages pharmaceutical companies the innovation of drug production.

Starting in 2022, there is numerous good news about Chinese pharmaceutical companies going global. According to KPMG China's data, China's contribution to global pharmaceutical R&D rose from 4% to 8% in 2018, becoming a new force in the global pharmaceutical R&D field. It is worth keeping track of the biopharmaceutical industry development in China and observing how do the biopharmaceutical companies implementing their IP strategies.

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Susy has worked in both in-house and IP agency. She specializes in international patent prosecution, patent analysis and patent litigations. She has handled thousands of foreign-related patent prosecution in throughout the process of drafting, replying office action to requesting reexamination, and has handled multiple patent invalidation and administrative litigation cases. Before joining Purplevine IP Group, she worked in the Legal department of Foxconn Technology Group, and Beijing AFD Intellectual Property Agency.



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Jinghuan is a qualified PRC with patent agent qualification. She has extensive experience in patent litigation, IP strategies and licensing in various industries. She had advised leading corporations including P&G, Pfizer, GSK, Schneider on their patent applications and IP strategies. She is also a frequent speaker at CNIPA and China Technology Exchange. Jinghuan was a Managing Partner at Liu Shen and Associates' Shanghai office prior to joining Purplevine.

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