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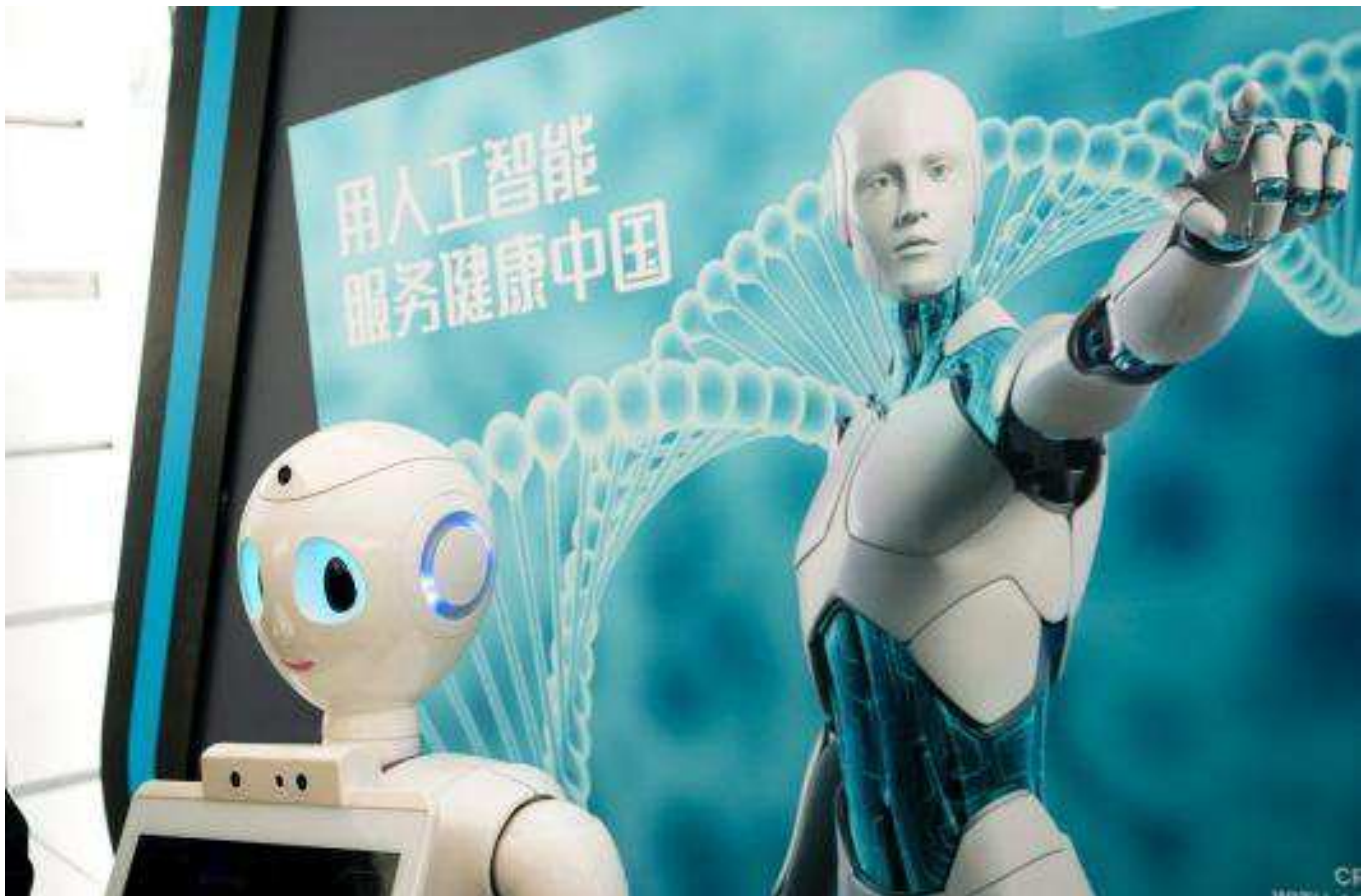
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Senior Australian UN official says China-US tech war is unavoidable



An iFlyTek robot that uses artificial intelligence in Beijing. China last year unveiled a plan to become the world's leader in artificial intelligence. **Giulia Marchi**



by **Michael Smith**

A senior Australian diplomat at the United Nations says [clashes between the United States and China over intellectual property are unavoidable](#) as the former stares down its first serious challenger in decades in the global technology race.

Dr Francis Gurry, who heads the powerful United Nations agency that rules on international patents and trademark applications, said [US-China trade tensions](#) were not surprising because Washington felt threatened by China's ambitions as a major global technology player under its 2025 plan.

The head of the World Intellectual Property Organisation (WIPO) said history showed that a superpower would seek to protect its interests when its dominance was threatened by a new player. [US president Donald Trump has raised concerns about China's intellectual property theft. His actions so far](#) threaten to escalate into a trade war, which could target China's emerging high-tech businesses.

"China is here as a major technological power," Dr Gurry told *The Australian Financial Review* on the sidelines of the Boao Forum. "That is very different thing from the world we have known for the last 200 years. Now we have a new competitor and the game changes."



Francis Gurry: "Whenever we have seen a rise of a new competitor in the past we have seen tensions from existing competitors." **Salvatore di Nolfi**

"Whenever we have seen a rise of a new competitor in the past we have seen tensions from existing competitors."

He compared US criticism of China's intellectual property abuse with complaints the United Kingdom made against the United States during the industrial revolution in the second half of the 19th century.

Dr Gurry said the WIPO does not adjudicate on bilateral disputes, which is a matter for the World Trade Organisation (WTO), so it would not be involved in any US complaints against China. Earlier, he told the Boao Forum that the tensions between the countries over intellectual property was concerning. He said it was unclear how the issue would be resolved, or whether China would make concessions on the matter.

However, he said the world needed to accept China would soon rival the US in [technology and innovation](#).

China is expected to overtake the United States as the biggest source of patent application in three years. China's Huawei and ZTE were the top filers of patent applications at WIPO in 2017, beating the traditionally-dominant Japanese and US companies.

"What we've seen in terms of the statistics is the consequence of an extraordinary effort being made in china over the course of three decades," Dr Gurry said.

"First of all, there is a very high level policy focus and strategy set in China from the president down which emphasises innovation and technology as the basis for competitiveness in the world economy," he said.

Dr Gurry also confirmed he would remain at the helm of the WIPO until his second term expires in 2020, despite efforts last year to oust him.

Dr Gurry was cleared in 2016 of allegations of DNA theft and breach of procurement rules and sanctions against North Korea and Iran. [US politicians had called on Dr Gurry to resign](#) but he was backed by the Australian government. Last year, the Trump administration lodged a complaint against WIPO for not alerting the UN to North Korea's production of a substance sometimes used to make chemical weapons.

He has overseen Switzerland-based WIPO since 2008.

Dr Gurry said China's rise as a technology power, along with shifting trade tensions, would make life more difficult for Australian business.

"Australia is a middle power in technology as in everything except perhaps sport, so it means is we have a more complex environment in which to deal," he said.

"It is an opportunity because there are more markets in which to sell technology and to buy technology. It makes the game for a middle power more difficult and complex."

Meanwhile, Jack Ma - the founder of China's biggest e-commerce company Alibaba and one of the country's most prominent entrepreneurs - has called on Facebook's senior management to take responsibility for breaches which resulted in the personal data of 87 million being shared with political consultancy Cambridge Analytica.

"The senior management should take responsibility, say, 'hey, from now we start to work on it'," Reuters quoted Mr Ma as telling the Boao Forum. Most journalists attending the forum were barred from listening to Mr Ma's discussion. Alibaba has been fined in the past for violating customer privacy protection.

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