

W&B Legal Newsletter

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INTRODUCTION

Watson & Band has flourished into a full-service law firm with more than 400 pro-fessionals around China. We provide the highest quality services for our clients and enjoy a nationwide reputation as one of the most prominent law firms in China. This excellence and breadth has made us the firm of choice for many world's leading companies and financial institutions as they seek sophisticated legal service. Based on its commitment of quality service, Watson & Band has retained a team of professionals to provide diversified service to its clients, which has won it the honor of China's Best Law Firm and Top-tier IPR Team.

Watson & Band Law Offices

Established in 1995, Watson & Band is one of the oldest law firms in China that provide foreign-related legal services. Headquartered in Shanghai, Watson & Band maintains multiple branches or offices in Beijing, Hong Kong, Harbin, Lanzhou, Yantai, Guangzhou, Suzhou, Chizhou, Zhengzhou, Chengdu, Nanning, Kunming, Tokyo and San Francisco.

Over the last three decades our team members have collaborated to stay on top of IP and corporate issues, helping clients improve operations, reduce costs, limit risks, enforce rights and achieve common business goals. For these reasons, the firm and its professionals are consistently recognized in client and peer-reviewed industry awards and rankings as being among the best.

These superb services derive from a spirit of dedication that has brought Watson & Band the honor of being listed among "China's Best Law Firms". In past years our firm has received numerous awards from third-party ranking agencies such as "Top 10 IP Law Firm", "Recommended Law Firm". "China's Most Dynamic Law Firm" and "Premier IP Law Firm". Watson & Band Law Offices has also been named a "Key Shanghai Enterprise in Special Services Trades (Legal Services)" by the Shanghai Municipal Commission of Commerce and the Shanghai Judicial Bureau.

Watson & Band Intellectual Property Agent Ltd.

Headquartered in Shanghai, W&B Agent Ltd. operates branch offices in Beijing and Lanzhou. Our patent agency services cover various technical fields such as chemistry, biology, medicine, mechanics, electronics, communication, optics and physics, as well as design patent, IP searches, patent validity analysis, infringement analysis, requests for patent invalidation declaration, litigation and patent consultation, etc. We have established a patent agency service department re-sponsible for special clients. Agents from various technical divisions all have rich experience and are able to work with several languages.

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Disclaimer

- ◆ This Newsletter provides case brief only instead of formal legal opinion regarding any specific case.
- ◆ This Newsletter selects and summarizes official announcements, news and other public documents released by National Intellectual Property Administration of China (CNIPA), Trademark Office of CNIPA, National Copyright Administration of China and other official institutions.
- ◆ This Newsletter has cited the source of the aforementioned official announcements, news and other public documents.



Watson & Band Named in WTR 1000 for Tenth Consecutive Year; Two Senior Partners Again Recognized in Individual Rankings

World Trademark Review (WTR), the authoritative international intellectual property publication, has recently released its “WTR 1000 - The World’s Leading Trademark Professionals” guide for 2025. Watson & Band has been included in this prestigious directory for the tenth consecutive year, achieving leading rankings in both “Enforcement and Litigation” and “Prosecution and Strategy” categories. Additionally, Watson & Band senior partners Mr. Liming Zhang and Mr. Yizhou Liu have both advanced to the “SILVER” tier in the individual rankings for “Enforcement and Litigation.” Mr. Zhang has also once again received a “Recommended” ranking in the Licensing and Transactions field.

WTR 1000 2025

WTR 1000 - the World's Leading Trademark Professionals - a unique guide that identifies the top trademark professionals in key jurisdictions around the globe. The WTR 1000 focuses exclusively on trademark practice and has firmly established itself as the definitive 'go-to' resource for those seeking world-class legal trademark expertise.

WTR Research

CHINA AND SARs: CHINA: DOMESTIC



The WTR 1000 focuses exclusively on trademark practice and has firmly established itself as the definitive 'go-to' resource for those seeking world-class legal trademark expertise.



China and SARs: China: Domestic

Bronze - Firms: enforcement and litigation

Bronze - Firms: prosecution and strategy

SAMR Decision Amends Rules to Strengthen Enterprise Inspection

The State Administration for Market Regulation (SAMR) recently issued the Decision on Repealing and Amending Certain Departmental Rules (the “Decision”), effective May 1, 2025.

The Decision introduces the following key revisions:

(1) Amending the Interim Measures for Random Inspection on Information Publicized by Enterprises to clarify that “market regulation departments at all levels shall strengthen the coordination in inspections and effectively avoid arbitrary, excessive, and repetitive inspections.”

(2) Amending the Implementation Measures of Administrative Regulations of People’s Republic of China for Industrial Products License (Revised in 2022) to clarify that provincial market regulation departments may not delegate their authority for approving industrial product production licenses. However, based on operational needs, they may entrust lower-level market regulation departments with specific implementation tasks related to this licensing.

(3) Amending the Measures for the Supervision and Administration of Inspection and Testing Institutions to increase penalties: the maximum fine for inspection and testing institutions issuing inaccurate reports is raised from CNY 30,000 to CNY 50,000, and the maximum fine for issuing false reports is raised from CNY 30,000 to CNY 100,000.

(Source: State Administration for Market Regulation)



State Council Unveils Provisions on the Handling of Foreign-related Intellectual Property Disputes

Recently, the State Council released the Provisions on the Handling of Foreign-related Intellectual Property Disputes (the “Provisions”), which will take effect on May 1, 2025.

The Provisions consist of 18 articles and focus on four key areas: (1) strengthening services; (2) enhancing enterprise capacity building; (3) regulating overseas investigations and evidence collection; and (4) counteracting unfair treatment. Notably, the Provisions clarify that relevant authorities under the State Council will enhance foreign-related intellectual property information inquiry services and early-warning. They will also improve the frameworks and procedures for guiding the handling of foreign-related IP disputes, providing support for dispute resolution and rights protection. Additionally, the Provisions emphasize supporting commercial mediation organizations and arbitration institutions in resolving foreign-related IP disputes, and strengthening the capacity of law firms, intellectual property service agencies, and others organizations to provide foreign-related IP services. This will establish efficient and convenient channels for resolving foreign-related IP disputes and related services.

(Source: www.gov.cn)



CSRC Revises and Repeals Certain Rules and Normative Documents to Align with the New Company Law

Recently, the China Securities Regulatory Commission (CSRC) issued the Decision on Revising Certain Securities and Futures Rules and the Decision on Revising and Repealing Certain Securities and Futures Normative Documents. Concurrently, it released the revised Guidelines for the Articles of Association of Listed Companies and the Rules for Shareholders' Meetings of Listed Companies, all of which took effect upon issuance.

These revisions and repeals primarily align existing regulations with the new Company Law of the People's Republic of China (Revised in 2023) and the Provisions of the State Council on Implementing the Registered Capital Registration Management System under the Company Law of the People's Republic of China. Key changes include:

- Deleting provisions related to the board of supervisors and supervisors of listed companies.
- Clarifying the non-listed public companies, fund management companies, and others may, in accordance with the law, establish either an audit committee or retain a board of supervisors as their internal supervisory body
- Adjusting provisions regarding corporate governance in the Code of Corporate Governance for Listed Companies and the Administrative Measures for the Equity Incentives of Listed Companies (Revised in 2018).
- Revising provisions concerning independent directors in the Administrative Measures for the Takeover of Listed Companies (Revised in 2020) and other rules, including updates to terminology and article numbering to reflect the new Company Law of the People's Republic of China (Revised in 2023).

(Source: China Securities Regulatory Commission)



Cyber-security and Data Compliance

CAC Seeks Comments Again on the Cybersecurity Law (Draft Amendment)

Recently, the Cyberspace Administration of China (CAC) released the Cybersecurity Law of the People's Republic of China (Second Draft Amendment for Comment) (the "Draft") for public consultation. The deadline for submitting feedback is April 27, 2025.

Key proposed amendments in the Draft address:

- (1) Legal liabilities related to network operation security;
- (2) Legal liabilities concerning network information security;
- (3) Legal liability regarding the security of personal information and important data; and
- (4) Circumstances qualifying for lighter, mitigated, or no administrative penalties.

The Draft proposes adjustments to the existing fine ranges and introduces corresponding penalty provisions. It also establishes legal liability for selling or providing critical network equipment or specialized cybersecurity products that have not undergone, or have failed to meet the standards of, required security certifications or testing. Furthermore, the Draft clarifies penalties for critical information infrastructure (CII) operators who use network products or services that have not undergone, or have failed, the required security review.

(Source: Cyberspace Administration of China)

SAMR Issues Interim Administrative Measures on the Submission of Online Transaction Compliance Data

Recently, the State Administration for Market Regulation (SAMR) issued the Interim Administrative Measures on the Submission of Online Transaction Compliance Data (the "Measures"), which will take effect on April 25, 2025.

The Measures address four key areas:

- (1) Scope of Online Transaction Compliance Data: The Measures define this as data related to online transaction regulation generated within China. This includes information of online business operators, leads of violations, data supporting administrative enforcement, and transaction data for specific goods or services.
- (2) Regulation of Data Submission: The Measures specify submission deadlines, reporting levels, and required content for the defined data types.
- (3) Use and Management of Compliance Data: Market regulatory authorities at all levels may lawfully use the submitted data for regulatory enforcement and big data analysis. They must ensure data security in accordance with the law and maintain confidentiality regarding information obtained during their duties.
- (4) Data Services and Co-Governance Support: SAMR will provide government data services consistent with relevant regulations or standards. It encourages the lawful use of compliance data by various stakeholders to participate in the governance of the online marketplace.

(Source: State Administration for Market Regulation)

Cyber-security and Data Compliance

CAC and MPS Issue Measures Governing the Use of Face Recognition Technology

Recently, the Cyberspace Administration of China (CAC) and the Ministry of Public Security (MPS) jointly issued the Measures for Security Management of the Application of Face Recognition Technology (the “Measures”), effective June 1, 2025.

Key provisions of the Measures include:

(1) **Basic Requirements:** Specifies fundamental requirements for processing facial information using face recognition technology.

(2) **Processing Rules:** Establishes rules stipulating that processing facial information must have a specific purpose and sufficient necessity. Personal information processors shall fulfill obligations such as providing notification and conducting personal information protection impact assessment.

(3) **Security Norms:** Sets security standards for applying the technology, stating that face recognition should not be the sole verification method if alternative non-face recognition methods can achieve the same purpose or meet equivalent business requirements.

(4) **Regulatory Duties and Liability:** Clarifies regulatory responsibilities and consequences. Personal information processors storing 100,000 or more facial recognition records must complete record-filing with the cyberspace administration at the provincial or higher level within 30 working days, with legal liability for violations of the Measures stipulated.

(Source: Cyberspace Administration of China)



SAMR Unveils Discretionary Criteria for Administrative Penalties Against Unlawful Implementation of Concentrations

Recently, the State Administration for Market Regulation (SAMR) released the Discretionary Criteria for Administrative Penalties Against Unlawful Implementation of Concentrations of Undertakings (for Trial Implementation) (the “Criteria”), effective on the date of release.

Formulated pursuant to the Law of the People’s Republic of China on Administrative Penalties (Revised in 2021) and the Anti-Monopoly Law of the People’s Republic of China (Amended in 2022), the Criteria integrate legal provisions with case examples. Comprising 18 articles and seven illustrative cases, the Criteria consolidate enforcement experiences in handling administrative penalties for unlawful concentrations. They address key concerns for undertakings, including common violation types, mitigating and aggravating factors, as well as criteria for penalty adjustments. For common types of violations with established enforcement precedent, particularly those not deemed to exclude or restrict competition, the Criteria further refine and systematize the discretionary factors, procedures, and penalty ranges. By clarifying the legal basis and standards for administrative penalties against unlawful implementation of concentrations, the Criteria aim to enhance the protection of undertakings’ legitimate rights and interests and increase regulatory predictability.

(Source: State Administration for Market Regulation)

SAMR Unveils the Implementation Measures for Fair Competition Review Regulations

Recently, the State Administration for Market Regulation (SAMR) issued the Implementation Measures for the Regulations on Fair Competition Reviews (the “Measures”), which will take effect on April 20, 2025.

The Measures, comprising 48 articles, further refine and enhance the framework established by the Regulations on Fair Competition Reviews (the “Regulations”). They detail requirements for fair competition reviews, departmental responsibilities, review standards, mechanisms procedures, oversights and safeguards.

Specifically, the Measures elaborate on the four primary review standards outlined in the Regulations:

- 1.Restrictions (or disguised restrictions) on market entry and exit.
- 2.Restrictions on the free flow of goods and factors.
- 3.Impacts on production and operating costs.
- 4.Impacts on production and operation behaviors

These four standards are broken down into 66 specific scenarios to aid market regulators at all levels and policy and measure drafting entities in their understanding and application. Furthermore, the Measures clarify concepts within the exception provisions, such as “no alternative solution with less impact on fair competition” and “reasonable implementation period,” aiming to prevent the misuse of exceptions that could undermine market competition.

(Source: State Administration for Market Regulation)