

# W&B Legal Newsletter

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## Spotlights

### THE LATEST FROM WATSON & BAND

Watson & Band's IP Services Team Again Honored among "2023 China's Outstanding IP Services Teams"  
Several Practice Areas and Practitioners of Watson & Band Selected into 2024 Chambers Greater China Region Guide  
Watson & Band Awarded Several Honors including "Excellent Trademark Agency" and "Excellent Trademark Agent" in Shanghai

### THE LATEST LEGAL DEVELOPMENTS

SAMR to Improve Anti-Monopoly Compliance Risk Alert Mechanism for Concentration of Undertakings

### INTELLECTUAL PROPERTY

CNIPA Releases the Provisions on the Registration and Management of Collective Marks and Certification Marks

### CORPORATE AND COMMERCIAL

Newly Revised Company Law to be Effective from July 1, 2024

### CYBER-SECURITY AND DATA PROTECTION

NISSTC Seeks Comments on the Assessment Method for Security Capability of Cloud Computing Service

### LITIGATION AND DISPUTE RESOLUTION

SPC: Reciprocal Recognition and Enforcement of Court Judgments in Civil and Commercial Matters between the Mainland and Hong Kong Effective Today

# 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, Zhengzhou, Chengdu, Chicago and Tokyo.

For over 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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# Catalogue

## THE LATEST FROM WATSON & BAND

Watson & Band's IP Services Team Again Honored among "2023 China's Outstanding IP Services Teams"	4
Several Practice Areas and Practitioners of Watson & Band Selected into 2024 Chambers Greater China Region Guide	4
Watson & Band Awarded Several Honors including "Excellent Trademark Agency" and "Excellent Trademark Agent" in Shanghai	5

## THE LATEST LEGAL DEVELOPMENTS

SAMR to Improve Anti-Monopoly Compliance Risk Alert Mechanism for Concentration of Undertakings	6
Seven Authorities Plan for Innovation and Development of Future Industries	6
State Council Releases Revised Thresholds for the Declaration of Concentrations of Undertakings	7

## INTELLECTUAL PROPERTY

CNIPA Releases the Provisions on the Registration and Management of Collective Marks and Certification Marks	8
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## CORPORATE AND COMMERCIAL

Newly Revised Company Law to be Effective from July 1, 2024	9
SAMR Seeks Comments on the Implementation of the Registered Capital Registration System under the Company Law	9

## CYBER-SECURITY AND DATA PROTECTION

NISSTC Seeks Comments on the Assessment Method for Security Capability of Cloud Computing Service	10
NISSTC Seeks Comments on Information Security Technology - Guidance on Managing Information Security Risks	10

## LITIGATION AND DISPUTE RESOLUTION

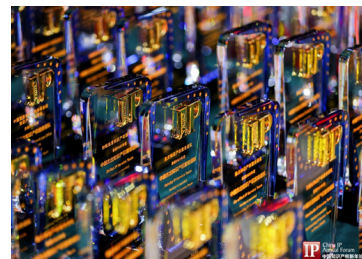
SPC: Reciprocal Recognition and Enforcement of Court Judgments in Civil and Commercial Matters between the Mainland and Hong Kong Effective Today	11
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## Disclaimer

- ◆ 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's IP Services Team Again Honored among "2023 China's Outstanding IP Services Teams"

On January 27, 2024, the "14th China Intellectual Property New Year Forum and 2024 China Intellectual Property Managers' Annual Conference" was grandly hosted in Beijing. On that evening, this year's award ceremony announced the final result of the "2023 China's Outstanding IP Services Teams", among other awards. With nearly three decades' of professional services and excellent performance, Watson & Band's IP Services Team won the honorary trophy of "China's Outstanding IP Services Team" for the eighth time.



It is said that the selection of "2023 China Outstanding IP Services Teams" starts from the business scope and professional expertise of the IP services teams, and adopts the combination of special index rating and comprehensive interview report to fully evaluate the comprehensive strength of the participating teams. It aims to select the gold teams that can continuously and stably provide clients with high-quality and efficient professional services under the new economic situation, and promote the continuous improvement of the overall level and ability of China's IP services industry through the exemplary role of the "outstanding team".

## Several Practice Areas and Practitioners of Watson & Band Selected into 2024 Chambers Greater China Region Guide

On January 18, 2024, the Chambers Greater China Region Guide, an authoritative international legal rating guide, released its latest rankings for 2024. With its professional service quality and good reputation in the industry, Watson & Band is once again top-ranked in the three areas of "Intellectual Property: Litigation", "Intellectual Property: Non-litigation" and "Corporate/Commercial: Shanghai". For the sixth consecutive year, Mr. Zhu Xiaosu, Senior Partner of Watson & Band, is again named to the Individual list in the "Corporate/Commercial: Shanghai" category, steadily climbing to Band 2, and also to the individual list in the "Insolvency/Restructuring" category, ranking in Band 3. Mr. Tang Guohua, a senior patent attorney of Watson & Band, is also again included in the individual list in the field of "Intellectual Property: Non-litigation", and recommended as "up and coming".

The *Chambers Greater China Region Guide*, a successor to the *Asia-Pacific Guide*, provides corporate legal departments, business and legal teams, individuals and other clients seeking legal support with unparalleled market analysis and insights regarding leading law firms and lawyers.

Chambers rankings and reviews are produced by a team of dedicated researchers and analysts based on in-depth market analysis, using data gathered from a large number of telephone interviews and surveys. During the survey, researchers and analysts are exposed to direct feedback from clients in cooperation with law firms, as well as opinions at the forefront of the market, which ensures that their researches and rankings accurately reflect the capabilities and strengths of different law firms.



## Watson & Band Awarded Several Honors including "Excellent Trademark Agency" and "Excellent Trademark Agent" in Shanghai



On January 10, 2024, the Trademark Agency Professional Committee of Shanghai Trademark and Brand Association held a meeting at which the award-winning agencies and individuals of “Shanghai Excellent Trademark Agency” and “Excellent Trademark Agent” in 2022 were commended, as well as the agencies and individuals nominated for these two honors.

With its professional ability and outstanding performance in the field of trademark agency, Shanghai Watson & Band Intellectual Property Agent Co., Ltd. once again won the title of “Shanghai Excellent Trademark Agency”, and the company’s agents Chen Chenzi and Huan Qing were awarded the honorary certificates of “Shanghai Excellent Trademark Agent” and “Shanghai Excellent Trademark Agent (Nomination)” respectively.



## SAMR to Improve Anti-Monopoly Compliance Risk Alert Mechanism for Concentration of Undertakings

On February 7, 2024, the General Office of the State Administration for Market Regulation (SAMR) released the *Circular on Improving the Anti-Monopoly Compliance Risk Alert Mechanism for Concentration of Undertakings* (the “Circular”).

The *Circular* introduces some specific work measures: (1) enriching alert scenarios and raising the accuracy of alerts; (2) strengthening policy guidance and promoting online and offline linkage; and (3) strengthening data integration and utilizing the potential of digital empowerment. Among others, the *Circular* specifies that on the basis of the alerts in the registration of equity changes and registration of new joint ventures in the business entity registration management system, the coverage of alerts should be further expanded; by relying on the annual report on the national enterprise credit information disclosure system and other processes, along with the mobile terminal for business start-up and government services, for business entities that reach the threshold for declaration of concentration of undertakings, alerts will be made via pop-up windows and in other forms to remind operators of their declaration obligations and possible legal liability arising from failure to lawfully declare. Efforts should also be made to explore the use of the corporate turnover data in the annual report under the national enterprise credit information disclosure system to provide targeted risk alerts.

(Source: State Administration for Market Regulation)

## Seven Authorities Plan for Innovation and Development of Future Industries

On January 30, 2024, seven authorities, led by the Ministry of Industry and Information Technology (MIIT), jointly issued the *Implementation Opinions on Promoting Innovation and Development of Future Industries* (the “Opinions”).

The *Opinions* outline that by 2025, overall development in future industries is expected to be achieved across technological innovation, industrial incubation, security governance, and other aspects, with some sectors reaching international advanced levels and the overall industrial scale steadily increasing. By 2027, it is anticipated that the overall strength of future industries will significantly improve, with some sectors emerging as global leaders. To achieve these objectives, the *Opinions* establish six key tasks, including comprehensively planning for future industries, accelerating technological innovation and industrialization, creating signature products, and fostering more and stronger players. In particular, the *Opinions* emphasize the need for forward-thinking planning. This involves staying abreast of global trends in scientific and technological innovation and industrial development through prioritizing the promotion of industrial growth in six key directions: **future manufacturing, future information, future materials, future energy, future space, and future health**, as well as establishing future industry observatories that utilize technologies such as AI and advanced computing to accurately identify and nurture high-potential future industries.

(Source: Ministry of Industry and Information Technology)





## State Council Releases Revised Thresholds for the Declaration of Concentrations of Undertakings

On January 29, 2014, the State Council issued the *Provisions on Thresholds for the Declaration of Concentrations of Undertakings (Revised in 2024)* (the “Provisions”), with effect from the date of promulgation.

The *Provisions* aim to relax market access thresholds, reduce the institutional portion of transaction costs for concentrations of undertakings, enhance the efficiency of anti-monopoly regulatory enforcement, and promote investment mergers and acquisitions. The Provisions raise the turnover thresholds for the declaration of concentrations: 1. The combined global turnover threshold for all undertakings participating in a concentration in the previous fiscal year is increased from the current over CNY 10 billion to over CNY 12 billion; 2. The combined domestic turnover threshold for all undertakings participating in a concentration in the previous fiscal year is increased from the current over CNY 2 billion to over CNY 4 billion; 3. For at least two undertakings participating in the concentration, the domestic turnover threshold in the previous fiscal year for each of them is increased from the current over CNY 400 million to over CNY 800 million. In addition, the Provisions require evaluations of the implementation of the declaration thresholds.

(Source: [www.gov.cn](http://www.gov.cn))

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## CNIPA Releases the Provisions on the Registration and Management of Collective Marks and Certification Marks

On January 3, 2024, the China National Intellectual Property Administration (CNIPA) deliberated and adopted the *Provisions on the Registration and Management of Collective Marks and Certification Marks* (the “Provisions”) and the *Measures for the Protection of Geographical Indication Products*. Both came into effect on February 1, 2024.

The *Provisions* consist of a total of 28 articles, covering the following key aspects: clarifying legislative purposes, strengthening management requirements for registrants and users, adding provisions for the registration and legitimate use of marks containing geographical names, and promoting the improvement of public services through enhanced trademark utilization. According to the *Provisions*, an application for registration of a certification mark should be accompanied by documents demonstrating the applicant’s qualification, usage and management rules, as well as proof of the expertise and professional testing equipment possessed by the applicant or the entrusted organization, to demonstrate the applicant’s capability to oversee the quality of a specific product certified by the certification mark. An application for registration of a geographical indication as a certification mark or collective mark necessitates the submission of the approval document from the people’s government at or above the county level or the competent authority governing the area indicated by the geographical indication.

(Source: China National Intellectual Property Administration)





## Newly Revised Company Law to be Effective from July 1, 2024

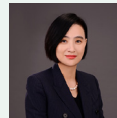
On December 29, 2023, the seventh session of the Standing Committee of the 14<sup>th</sup> National People's Congress adopted the *Company Law of the People's Republic of China (Revised in 2023)* (the "Company Law") by voting, with effect from July 1, 2024.

The revised *Company Law*, consisting of 15 chapters, involves company registration, establishment and organizational structure of limited liability companies, transfer of equity in limited liability companies, establishment and organizational structure of joint stock limited companies, among others. The *Company Law* improves the subscription and registration system for limited liability companies, clarifying that the subscribed capital shall be fully paid by the shareholders within five years from the date of the company's establishment as stipulated in the company's articles of association. Meanwhile, for companies that have been registered and established prior to the implementation of the new Company Law, if the payment deadline for capital contributions exceeds the statutory period hereunder, it shall be adjusted to conform to the statutory period hereunder, unless otherwise specified by laws, administrative regulations, or other provisions of the State Council; if the payment deadline for capital contributions and the amount of capital contributions are obviously abnormal, the company registration authority shall request them to make adjustment pursuant to the law.

If you are interested in learning more legal information concerning compliance management in China, or if you have any query in that respect, please feel free to contact us. More W&B compliance lawyers will be ready to address your concerns.



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(Source: [www.npc.gov.cn](http://www.npc.gov.cn))

## SAMR Seeks Comments on the Implementation of the Registered Capital Registration System under the Company Law

On February 7, 2024, the State Administration for Market Regulation (SAMR) drafted the Provisions of the *State Council on Implementing the Registered Capital Registration and Management System under the Company Law of the People's Republic of China (Draft for Comment)* (the "Draft") to solicit public opinions by March 5, 2023.

The *Draft* sets forth the provisions on the registered capital registration and management system by expressly implementing the "3+5" adjustment arrangements for existing companies, adjusting and disposing of companies with abnormalities in capital contribution time limit and amount, specifying information disclosure requirements, and regulating intermediaries. Specifically, the *Draft*: (1) introduces a three-year transition period for existing companies; (2) clarifies the applicable rules for the capital contribution time limit for newly established companies; (3) calls on the registration authorities to raise the level of convenient services; (4) clarifies how to determine and dispose of the circumstances where the capital contribution time limit and amount are obviously abnormal; (5) clarifies exceptional circumstances for specific companies; and (6) introduces the specific requirements for information disclosure.

(Source: State Administration for Market Regulation)

## NISSTC Seeks Comments on the Assessment Method for Security Capability of Cloud Computing Service

On February 7, 2024, the National Information Security Standardization Technical Committee (NISSTC) released a national standard “*Information Security Technology — the Assessment Method for Security Capability of Cloud Computing Service (Draft for Comment)*” (the “*Draft*”) for public comments until April 4, 2024.

The *Draft* outlines the security capabilities that cloud service providers should possess to ensure the security of customer information and business in the cloud computing environment. The standard classifies the security capability requirements for cloud computing services into general, enhanced, and advanced categories, with enhanced and advanced requirements serving as supplements and reinforcements to the lower-level ones. Depending on the information sensitivity and business importance on the cloud computing platform, cloud service providers should possess corresponding security capabilities. In comparison to the previous version, the key technical changes in the *Draft* include: firstly, modifications to the scope of application of this standard; secondly, the addition of comprehensive assessments; thirdly, changes to the specific assessment methods outlined in Chapter VI to Chapter VIII; fourthly, the addition of data protection assessment methods; and fifthly, modifications to the specific assessment methods outlined in Chapter X to Chapter XVI.

(Source: National Information Security Standardization Technical Committee)

## NISSTC Seeks Comments on Information Security Technology - Guidance on Managing Information Security Risks

On January 5, 2014, the National Information Security Standardization Technical Committee (NISSTC) issued the *Information Security Technology - Guidance on Managing Information Security Risks (Draft for Comment)* (the “*Draft*”) to solicit public opinions by March 3, 2024.

The *Draft* offers guidance on the management of information security risks, which is applicable to all organizations, regardless of their type, scale, or area. The *Draft* replaces the previous *GB/T 31722-2015 Information Technology - Security Techniques – Information Security Risk Management*. Compared with the previous edition, in addition to some structural adjustments and editorial modifications, it proposes several technical changes, which mainly include adding some terms and definitions in “risk scenario”, deleting some articles and contents in “background”, changing some contents of iterative risk assessment and/or risk treatment in the “information security risk management process”, adding the “information security risk management cycle”, and changing the expression of “environment establishment”.

(Source: National Information Security Standardization Technical Committee)



# Litigation and Dispute Resolution

## SPC: Reciprocal Recognition and Enforcement of Court Judgments in Civil and Commercial Matters between the Mainland and Hong Kong Effective Today

On January 29, 2014, the Supreme People's Court (SPC) issued the *Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region* (the “*Arrangement*”), which will be effective from the same date.

This *Arrangement* applies to the reciprocal recognition and enforcement of legally effective judgments in civil and commercial matters between the courts of the Mainland and of the HKSAR. This *Arrangement* also applies to the reciprocal recognition and enforcement of legally effective judgments in relation to civil damages awarded in criminal cases. This *Arrangement*, for the time being, does not apply to judgments in eight categories of civil and commercial matters, including: certain marriage and family cases, cases on successions, certain patent infringement cases, certain maritime and admiralty cases, bankruptcy (insolvency) cases, cases on the determination of voter eligibility, cases related to arbitration, and cases on the recognition and enforcement of judgments or arbitral awards of other countries or regions. The term “judgment” referred to in this *Arrangement* includes, in the case of the Mainland, any judgment, ruling, conciliatory statement and order of payment, but does not include a ruling concerning preservation measures; in the case of the HKSAR, includes any judgment, order, decree and allocator, but does not include an anti-suit injunction or an order for interim relief.

(Source: Supreme People's Court)

