

W&B Legal Newsletter

October 2025 / Vol.49

Spotlights

THE LATEST FROM WATSON & BAND

Watson & Band Awarded First Prize for Patent Landscaping Project
Watson & Band Case Selected as 2025 Supreme People's Court Representative Case on Anti-Unfair Competition
Watson & Band Recognized as a “5A-Level Trademark Agency” for Third Consecutive Year

LATEST LEGAL DEVELOPMENTS

SPC Clarifies Jurisdiction of China's Internet Courts
SPC Seeks Public Comment on Draft Judicial Interpretation of Company Law

INTELLECTUAL PROPERTY

SPC Adjusts Jurisdiction for First-Instance IP Cases

CYBERSECURITY AND DATA PROTECTION

TC260 Releases Emergency Response Guide for Generative AI Security
MIIT Drafts New Safety Requirements for Automated Driving Systems

EMPLOYMENT LAW AND NON-COMPETE RESTRICTIONS

MOHRSS Issues Compliance Guidelines for Enterprise Non-Compete Restrictions

LITIGATION AND ARBITRATION

China Adopts Revised Arbitration Law, Embracing Online Proceedings

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.

CONTACT US

Shanghai Office

Address: 26th Floor, The Center, No.989 Changle Road, Shanghai 200031 P.R.C.

Tel: (86-21) 5292-1111; (86-21) 6350-0777

Fax: (86-21) 5292-1001; (86-21) 6272-6366

E-mail: mail@watsonband.com ;

mail-ip@watsonband.com

Beijing Office

Address: 5C, D Block, Fuhua Mansion, No. 8 North Chaoyangmen Street, Dongcheng Dis-strict, Beijing 100027 P.R.C.

Tel: (86-10) 8563-3059

E-mail: beijing@watsonband.com;

mail-ip@watsonband.com

Harbin Office

Address: Room A2, Madi-er Shopping Center No.37 West Badao Street, Daoli District, Harbin 150010 P.R.C.

Tel: (+86) 13936251391

E-mail: harbin@watsonband.com

Gansu Office

Room 1823, Real Estate Tower, No.1 Tongwei Road, Lanzhou, Gansu Province, 730000, P.R.C.

E-mail: gansu@watsonband.com

Yantai Office

B3-703, Donghe Science and Technology Park, South Tongshi Road, Zhifu District, Yantai, Shandong, 264000

E-mail: yantai@watsonband.com

Tel: 0535-4104160

Guangzhou Office

1507-15F, Fuli Yingxin Building, 28 Huaxia Road, Tianhe District, Guangzhou

E-mail: xuefeng.xie@watson-band.com.cn

Tel: +020-85647039

Zhengzhou Office

706-7F, Building B, Kineer IFC, 88 East Jinshui Road, Zhengdong New District, Zhengzhou

Tel: 0371-86569881

Suzhou Office

Room 1301, China Central Place, 369 South Guangji Road, Gusu District, Suzhou

Tel: 0512-68431110

Chengdu Office

Room 2001, 20F, Building 27, 269 Tianfu No.2 Avenue, High-tech District, Chengdu

Tel: +86-13398190635

KunMing Office

Room 801, 8th Floor, Spring City 66, Panlong District, Kunming, Yunnan

Tel: +86-0871-63131786

Catalogue

THE LATEST FROM WATSON & BAND

Watson & Band Awarded First Prize for Patent Landscaping Project	4
Watson & Band Case Selected as 2025 Supreme People's Court Representative Case on Anti-Unfair Competition.....	4
Watson & Band Recognized as a “5A-Level Trademark Agency” for Third Consecutive Year	5

THE LATEST LEGAL DEVELOPMENTS

SPC Clarifies Jurisdiction of China's Internet Courts	6
SPC Seeks Public Comment on Draft Judicial Interpretation of Company Law	6
SAMR Issues Industry Standard for Merger Control Filings	7

INTELLECTUAL PROPERTY

SPC Adjusts Jurisdiction for First-Instance IP Cases	8
--	---

CYBERSECURITY AND DATA PROTECTION

TC260 Releases Emergency Response Guide for Generative AI Security	9
MIIT Drafts New Safety Requirements for Automated Driving Systems	9
China Proposes New Rules to Strengthen Online Protection for Minors	10
China Proposes Amendments to Cybersecurity Law	10

EMPLOYMENT LAW AND NON-COMPETE RESTRICTIONS

MOHRSS Issues Compliance Guidelines for Enterprise Non-Compete Restrictions	11
---	----

LITIGATION AND ARBITRATION

China Adopts Revised Arbitration Law, Embracing Online Proceedings	12
--	----

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 Awarded First Prize for Patent Landscaping Project

On September 28, 2025, the Shanghai Society for Scientific and Technical Information has awarded its prestigious First Prize to the “Patent Landscaping and Research for the Satellite Internet Industry Plan of Songjiang District, Shanghai.” The project was a joint initiative between Watson & Band Intellectual Property Agent Ltd. and the Shanghai Library (Shanghai Institute of Scientific and Technical Information).

The East China Science and Technology Information Achievement Awards are a leading honor in the regional technology sector. This award underscores Watson & Band’s expertise in patent landscaping, a practice that provides critical strategic analysis for industrial development. By integrating patent data with comprehensive industrial analysis—including market trends, policy frameworks, and competitive intelligence—the project offers a robust foundation for Shanghai’s Songjiang District as it formulates its “15th Five-Year Plan” to enhance the competitiveness of its satellite internet industry.

Watson & Band Case Selected as 2025 Supreme People's Court Representative Case on Anti-Unfair Competition

During China’s Fair Competition Policy Publicity Week (September 8-12), themed “A Unified National Market and a Future of Fair Competition,” the Supreme People’s Court (SPC) released eight representative cases on anti-unfair competition to highlight the exemplary role of judicial decisions. The unfair competition dispute involving “car maintenance services,” handled by Watson & Band’s Senior Partner Mr. Sijie Zhang, was selected as the sixth case in this series.

The case is a key precedent regarding the regulation of commercial defamation. The court’s ruling clarifies the boundaries between legitimate advertising and unlawful competitive practices. It provides a precise framework for identifying unfair competition, specifically prohibiting defamatory statements and the dissemination of misleading information that harms a competitor’s commercial reputation. In the context of the rapidly evolving digital economy, this ruling has significant implications for protecting fair market competition among online businesses.



Watson & Band Recognized as a “5A-Level Trademark Agency” for Third Consecutive Year

Taiyuan, September 5, 2025 – China Trademark magazine and Beijing IPRdaily Network Technology Development Co., Ltd. have jointly released the 2025 “Top 600 Trademark Agencies by Service Capacity” list. The announcement was made during the 15th China International Trademark and Brand Festival in Taiyuan. Watson & Band Intellectual Property Agent Ltd. was again recognized on this prestigious list, earning the “5A-Level Trademark Agency” designation for its exceptional service and performance.

This is the third consecutive year Watson & Band has achieved the list’s highest rating since the ranking was established in 2023. The consistent recognition underscores the firm’s sustained excellence in the trademark sector and reflects significant commendation from clients and the broader market.



SPC Clarifies Jurisdiction of China's Internet Courts

October 11, 2025 –The Supreme People's Court (SPC) issued the *Provisions on the Jurisdiction of Internet Courts over Cases* (the “Provisions”), set to take effect on November 1, 2025. The Provisions refine the scope of cases handled by China's specialized internet courts.

Key changes include expanding the courts' exclusive jurisdiction to cover four new types of online disputes:

- Ownership, infringement, and contractual disputes concerning **online data**.
- Disputes involving **online privacy rights** and the protection of personal information.
- Ownership, infringement, and contractual disputes related to **virtual property**.
- Disputes concerning **unfair competition on the internet**.

The Provisions also remove certain cases involving the infringement of reputation and property rights from the internet courts' purview, while clarifying that these courts will retain jurisdiction over existing matters, such as internet domain name disputes. The jurisdictional scope for administrative cases and those involving foreign parties (including those from Hong Kong, Macao, and Taiwan) has been adjusted accordingly.

(Source: Supreme People's Court)

SPC Seeks Public Comment on Draft Judicial Interpretation of Company Law

October 9, 2025 –The Supreme People's Court (SPC) released the *Interpretation on Several Issues Concerning the Application of the Company Law of the People's Republic of China (Draft for Comment)* (the “Draft”) for public consultation. The comprehensive 90-article draft addresses several critical areas of corporate law.

The Draft provides detailed guidance on disputes involving the resignation of legal representatives, corporate guarantees, and **piercing the corporate veil** (disregard of corporate personality).

Notably, the Draft specifies that a **related-party transaction** conducted by a director, supervisor, or senior manager without the legally required corporate reporting and approval procedures will be considered **not binding** on the company if challenged in court. Furthermore, if the company itself does not initiate legal action to void such a transaction, the Draft explicitly allows eligible shareholders to file a **derivative action**.

(Source: Supreme People's Court)



SAMR Issues Industry Standard for Merger Control Filings

September 30, 2025 –China’s State Administration for Market Regulation (SAMR) has released the *Specification for Notification of Concentrations of Undertakings* (the “Specification”), effective October 1, 2025.

The Specification provides comprehensive guidance for companies on China’s merger control notification process. It is designed to enhance efficiency and provide greater predictability for businesses involved in transactions that may require regulatory approval. The document clarifies:

- Filing Requirements:** It outlines the circumstances that trigger a mandatory filing, including transactions that meet specific turnover thresholds, as well as the conditions for voluntary notifications and exemptions.
- Submission Materials:** It details the specific documents and information required for a notification, including standardized forms and the criteria for simplified filings, to help companies prepare accurate and complete submissions.
- Review Process:** It defines the procedures for preparing and submitting materials, along with the subsequent acceptance and review process by the authority.

(Source: Supreme People’s Court)

SPC Adjusts Jurisdiction for First-Instance IP Cases

September 28, 2025 –The Supreme People’s Court (SPC) has released the *Circular on Relevant Matters Concerning the Jurisdiction of Primary People’s Courts over First-instance Civil and Administrative Cases Involving Intellectual Property* (the “Circular”), effective October 1, 2025.

The Circular designates which primary-level courts are authorized to hear IP cases and defines their specific geographic jurisdictions. For example, in Tianjin, the Nankai District Primary People’s Court is now designated to hear civil IP cases within its district where the amount in controversy is below CNY 5 million.

This new directive repeals the previous jurisdictional criteria. However, cases accepted by the courts before October 1, 2025, will continue to be handled under the former rules.

(Source: Supreme People’s Court)

TC260 Releases Emergency Response Guide for Generative AI Security

September 23, 2025 –The National Technical Committee 260 on Cybersecurity of Standardization Administration of China (TC260) has released the *Practical Guide to Cybersecurity Standard – Security Emergency Response Guide to Generative Artificial Intelligence Service* (the “Guide”).

The Guide establishes a framework for handling AI-related security threats. Citing existing national standards, the Guide classifies potential incidents into categories such as **information content security**, **data security**, and **cyberattacks**. It also outlines a four-stage emergency response process for companies to follow:

1. Emergency Preparation
2. Monitoring and Early Warning
3. Emergency Handling
4. Review and Improvement

The Guide provides detailed management measures and technical methods to help organizations prepare for and respond to security breaches involving generative AI.

(Source: TC260)

MIIT Drafts New Safety Requirements for Automated Driving Systems

September 18, 2025 – China’s Ministry of Industry and Information Technology (MIIT) is seeking public comment on the *Intelligent and Connected Vehicle — Safety Requirements of Combined Driver Assistance System (Draft for Comment)* (the “Draft”). The deadline for feedback is November 15, 2025.

The Draft aims to create a comprehensive regulatory framework for these technologies, establishing a product safety baseline and process management requirements that ensure safety throughout the product lifecycle. Key aspects include:

- Strict Operational Limits:** The rules mandate that driver assistance systems may only be activated within their specific “design operating conditions.”
- Comprehensive Safety Standards:** The Draft proposes technical requirements covering human-machine interaction, functional safety, information security, and data recording.
- Multi-Tier Verification:** To ensure compliance, the regulations would require a rigorous testing scheme that includes proving ground tests, road tests, and document inspections.

(Source: Ministry of Industry and Information Technology)

China Proposes New Rules to Strengthen Online Protection for Minors

September 17, 2025 –The Cyberspace Administration of China (CAC) has released the *Measures for the Identification of Online Platform Service Providers with a Substantial Number of Minor Users and Significant Influence on Minors (Draft for Comment)* (the “Draft”). The public comment period closed on October 15, 2025.

Under the Draft, a platform is considered to have a “substantial number of minor users” if it meets specific thresholds, such as having over **10 million registered minor users** or over **1 million monthly active minor users**. The rules would also apply to platforms specifically targeted at minors that exceed lower user counts.

The proposed measures would require these platforms to be formally identified every three years—or more frequently if warranted by rapid user growth or public concern—subjecting them to heightened obligations for protecting their young users.

(Source: Cyberspace Administration of China)

China Proposes Amendments to Cybersecurity Law

September 15, 2025 – The Standing Committee of the National People’s Congress (NPC) has released a draft amendment to China’s Cybersecurity Law as part of a broader legislative package. The 30-day public consultation period has now closed.

The proposed amendments focus on refining the law’s enforcement provisions. Key changes include:

- Strengthening legal liability** for organizations that fail to meet their cybersecurity protection obligations.
- Increasing penalties** for platforms that do not adequately address the dissemination of illegal information.
- Harmonizing liability provisions** for acts that infringe on personal information rights.
- Introducing new provisions** that allow for lighter, reduced, or exempted administrative penalties in certain circumstances.

(Source: www.npc.gov.cn)

MOHRSS Issues Compliance Guidelines for Enterprise Non-Compete Restrictions

September 15, 2025 – The Ministry of Human Resources and Social Security (MOHRSS) has issued the Compliance Guidelines on the Implementation of Non-compete Restrictions by Enterprises (the “Guidelines”), effective upon issuance.

The Guidelines are intended to direct enterprises on the compliant use of non-compete agreements. Key requirements include:

- Preconditions:** The Guidelines clarify the necessary preconditions for imposing non-compete restrictions.
- Guiding Principles:** Implementation of non-compete restrictions must adhere to the principles of necessity and reasonableness.
- Scope of Personnel:** The Guidelines define the scope of personnel who may be subject to non-compete restrictions.
- Fair Agreement:** Enterprises and employees must agree upon their respective rights and obligations in a fair and reasonable manner.

Regarding the negotiation of economic compensation and liquidated damages, the Guidelines stipulate that:

- Compensation Factors:** Reference factors for determining the amount of economic compensation must be clearly defined.
- Compensation Level:** The level of economic compensation must be appropriate for the duration of the non-compete period.
- Payment Method:** The method of payment for the compensation must be specified.
- Liquidated Damages:** Any agreed-upon liquidated damages for breach of the agreement must be reasonable.

(Source: Ministry of Human Resources and Social Security)

China Adopts Revised Arbitration Law, Embracing Online Proceedings

September 15, 2025 - The Standing Committee of the National People's Congress (NPC) has officially adopted a comprehensive revision of China's Arbitration Law, which will take effect on March 1, 2026.

The new law is designed to modernize China's arbitration system to better align with international standards and practices. A key feature of the revision is its formal recognition of **online arbitration**. The law explicitly states that on-line proceedings have the same legal effect as their offline counterparts.

Additionally, the revised law encourages Chinese arbitration institutions to increase cooperation with overseas counterparts and participate in the development of international arbitration rules, signaling a commitment to enhancing China's role as a global dispute resolution hub.

(Source: www.npc.gov.cn)