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## "Regulations of the State Council on the Settlement of Foreign-Related Intellectual Property Disputes" Unveils Countermeasures Against Those That Use IP Disputes as an Excuse "to Contain and Suppress China"

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On March 19, 2025, China's State Council released the Regulations of the State Council on the Settlement of Foreign-Related Intellectual Property Disputes (?????????????????), effective May 1, 2025. As compared to <u>last year's draft</u>, this final version unveils new articles 15-17 to counter countries, individuals and organizations that "use intellectual property disputes as an excuse to contain and suppress China" perhaps in response to <u>Secretary Lutnick's comments regarding Chinese IP at his confirmation hearing</u>. This final version also maintains article 8 that "encourages law firms to...establish practice institutions abroad through the establishment of branches..."

A translation follows. The original is available <a href="here">here</a> (Chinese only).

**Article 1** These Regulations are formulated in order to strengthen intellectual property protection, promote citizens and organizations to handle foreign-related intellectual property disputes in accordance with the law, safeguard the lawful rights and interests of citizens and organizations, promote high-level opening up to the outside world, and promote high-quality economic development.

**Article 2** The department of the State Council responsible for the management of intellectual property rights such as trademarks, patents, and copyrights (hereinafter referred to as the intellectual property management department) and the commercial authorities shall strengthen guidance and services to citizens and organizations in handling foreign-related intellectual property disputes, and other relevant departments of the State Council shall perform related work in accordance with their division of responsibilities.

The relevant departments of the State Council will strengthen work coordination and information communication, and jointly do a good job in handling foreign-related intellectual property disputes.

**Article 3** Local people's governments at or above the county level and their relevant departments shall, in light of the actual conditions of their respective regions, do a good job in handling foreign-related intellectual property disputes.

**Article 4** The intellectual property management department of the State Council and relevant departments such as commerce and judicial administration shall, in accordance with their respective responsibilities, promptly collect and publish information on foreign intellectual property legal systems, improve the public service system for intellectual property information, and provide foreign intellectual property information query services to the public.

**Article 5** The intellectual property management department and the commercial department of the State Council shall, in accordance with their respective responsibilities, strengthen tracking and understanding of key information such as changes in foreign intellectual property legal systems, conduct analysis and research on typical cases, issue risk warnings in a timely manner, and provide the public with foreign-related intellectual property warnings.

**Article 6** The intellectual property management department and the commercial department of the State Council shall improve the guidance work institutions and work procedures for handling foreign-related intellectual property disputes in accordance with the division of responsibilities, and provide response guidance and rights protection assistance to citizens and organizations in handling foreign-related intellectual property disputes.

**Article 7** Support commercial mediation organizations and arbitration institutions to participate in the resolution of foreign-related intellectual property disputes, provides citizens and organizations with efficient and convenient channels for resolving foreign-related intellectual property disputes, and encourages and guides citizens and organizations to quickly resolve foreign-related intellectual property disputes through reconciliation, mediation, arbitration, etc.

The judicial administrative department of the State Council will strengthen guidance on the mediation and arbitration of foreign-related intellectual property disputes.

**Article 8** Encourage law firms, intellectual property service agencies, etc. to improve their foreign-related intellectual property service capabilities, establish practice institutions abroad through the establishment of branches, joint operations, etc., and provide high-quality and efficient foreign-related intellectual property services to citizens and organizations.

The judicial administrative department and the intellectual property management department of the State Council will take measures together with relevant departments to create conditions for law firms, intellectual property service agencies and other organizations to strengthen foreign-related intellectual property related services.

**Article 9** Support enterprises in establishing mutual assistance funds for the protection and maintenance of foreign-related intellectual property rights, encourages insurance institutions to conduct foreign-related intellectual property rights-related insurance business in accordance with market principles, and reduces the costs of rights protection for enterprises.

**Article 10** Encourage chambers of commerce, industry associations, cross-border e-commerce platforms and other organizations to build foreign-related intellectual property rights protection assistance platforms, open service hotlines, and provide public services such as consultation and training.

**Article 11** Enterprises shall enhance their awareness of the rule of law, establish and improve internal rules and regulations, strengthen the reserve of intellectual property talent, and intensify the protection and use of intellectual property rights; when entering foreign markets, they shall take the

initiative to understand the legal system and intellectual property protection status of the country or region where they are located, carry out production and business activities in accordance with the law, and actively safeguard their legitimate rights and interests.

The intellectual property management department and the commercial department of the State Council, together with relevant departments, focus on the intellectual property protection needs of enterprises in their foreign-related production and operation activities, carry out publicity and training for enterprises around key areas and key links of foreign-related intellectual property disputes, and introduce experiences and practices in handling foreign-related intellectual property disputes in accordance with the law based on typical cases, so as to enhance enterprises' awareness of foreign-related intellectual property protection and dispute resolution capabilities.

The judicial administrative departments of the State Council shall, in accordance with the requirements of the legal education responsibility system of "whoever enforces the law shall educate the public on the law", strengthen legal publicity and education related to intellectual property rights, and comprehensively enhance citizens' and organizations' awareness of intellectual property protection and their ability to safeguard their rights in accordance with the law.

Article 12 The service of documents and investigation and collection of evidence within the territory of China shall be handled in accordance with international treaties concluded or acceded to by China, as well as the Civil Procedure Law of the People's Republic of China, the Law of the People's Republic of China on International Criminal Judicial Assistance and other laws. No organization or individual may violate the laws of China when serving documents or investigating and collecting evidence within the territory of China.

**Article 13:** Organizations and individuals within the territory of China that participate in overseas intellectual property-related litigation or are subject to overseas judicial or law enforcement investigations and need to provide evidence or related materials to overseas countries shall comply with laws and administrative regulations on maintaining state secrets, data security, personal information protection, technology export management, judicial assistance, etc. If approval by the competent authority is required according to law, relevant legal procedures shall be followed.

**Article 14** The competent commerce department of the State Council may, in accordance with the Foreign Trade Law of the People's Republic of China, investigate the following matters and take necessary measures:

- (1) Imported goods infringe intellectual property rights and endanger foreign trade order;
- (2) The intellectual property rights holder prevents the licensee from questioning the validity of the intellectual property rights in the licensing contract, conducts compulsory package licensing, stipulates exclusive re-grant conditions in the licensing contract, etc., and endangers the fair competition order in foreign trade;
- (3) Other countries or regions fail to accord national treatment to Chinese citizens and organizations in terms of intellectual property protection, or are unable to provide adequate and effective intellectual property protection for goods, technologies or services originating from China.

**Article 15:** Where foreign countries violate international law and basic norms governing international relations, use intellectual property disputes as an excuse to contain and suppress China, adopt discriminatory restrictive measures against Chinese citizens and organizations, and interfere in

China's internal affairs, the relevant departments of the State Council may, in accordance with the Foreign Relations Law of the People's Republic of China, the Anti-Foreign Sanctions Law of the People's Republic of China, and other laws, include organizations and individuals that directly or indirectly participate in the formulation, decision-making, and implementation of discriminatory restrictive measures in the countermeasure list and adopt corresponding countermeasures and restrictive measures.

**Article 16** No organization or individual may implement or assist in the implementation of discriminatory restrictive measures taken by foreign countries against Chinese citizens or organizations under the pretext of intellectual property disputes.

If any organization or individual violates the provisions of the preceding paragraph and infringes upon the legitimate rights and interests of our citizens or organizations, our citizens or organizations may, in accordance with the law, bring a lawsuit to the people's court and demand that it stop the infringement and compensate for the losses.

Article 17 The relevant departments of the State Council shall strengthen coordination and cooperation, and take corresponding measures in accordance with the National Security Law of the People's Republic of China, the Foreign Relations Law of the People's Republic of China, the Anti-Foreign Sanctions Law of the People's Republic of China and other laws against those who use intellectual property disputes to endanger China's sovereignty, security and development interests; those who abuse intellectual property rights to exclude, restrict competition or implement unfair competition shall be dealt with in accordance with the Anti-Monopoly Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China and other laws.

**Article 18** These Provisions shall come into force on May 1, 2025.

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