

# W&B Legal Newsletter

2017 April Vol. 2

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## Introduction

Watson & Band has flourished into a full-service law firm with more than 250 professionals 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 Law Offices is one of the oldest partnership law offices in China. Headquartered in Shanghai, our firm maintains multiple branch offices in Beijing, Harbin, Wuxi and Hong Kong. Our cooperative firms spread over all major cities in China and abroad.

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 a branch office in Beijing. 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 responsible for special clients. Agents from various technical divisions all have rich experience and are able to work with several languages.

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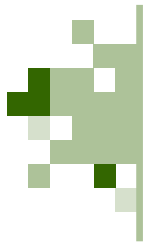
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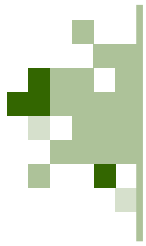


Dear Readers,

Thank you for your concern with Watson & Band. In the first quarter of 2017, China’s total foreign trade value amounted to 6.2 trillion RMB, with a growth rate of 21.8% over the same period in 2016. Of this, export value accounted for 3.33 trillion RMB, with a growth rate of 14.8%; while import value accounted for 2.87 trillion RMB, with a growth rate of 31%. Although financial conditions and foreign investment encountered some deflationary policies in 2016, it is still a prevailing trend for Chinese companies to enter the international market and attract high-end foreign investment and talent.

In the first quarter, a case in our intellectual property specialty was again selected as a Top 10 Landmark Case for 2016 by the Shanghai Intellectual Property Court. We also helped clients solve various types of cases in areas such as investment, compliance, unfair competition and anti-monopoly law, entertainment, etc. We also provided comments on a number of draft legislative initiatives for public comment at the invitation of the Shanghai Bar Association and Lexis. Please feel free to send your suggestions for Watson & Band with respect to topics you are interested in, ambiguities you encounter during routine operations, and legal problems you need to resolve, and we will designate someone to contact you for that purpose.

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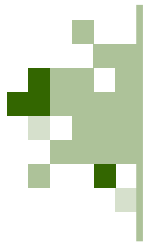
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### Disclaimer

- ◆ 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 State Intellectual Property Office, China Trademark Office, 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.

# Latest on Watson & Band

## Invention Patent Infringement Case in which Watson & Band Represented SMC against Bouri Selected “Typical Shanghai IP Court Case for 2016”

Recently the Shanghai IP Court issued its 2016 Annual White Paper on Trials, consisting of three trial white papers and 20 typical cases. The W&B case in which Mr. Huang Jianguo represented SMC against defendant Bouri for invention patent infringement was chosen as a “Typical Shanghai IP Court Case for 2016”.

### [Case Review]

Incorporated in 1959 and headquartered in Tokyo, Japan, SMC Corporation is a professional manufacturer and distributor of pneumatic and electrical components. As a technological leader in the industry, SMC owns multiple technology patents. In 2015, SMC discovered that the electromagnetic valve product manufactured, sold or offered for sale by Leqing Bouri Pneumatic Equipment Co., Ltd. infringed SMC’s patent, and it entrusted Watson & Band to file a patent infringement lawsuit with the Shanghai IP Court.

One of the main disputes during the trial was the interpretation of the technical feature in the patent claims described as “the valve is equipped with another valve within the valve body that switches between the passages of multiple ports driven by the mobile iron core”. W&B relied on Supreme Court judicial interpretations released and enacted in 2016 to stress to the collegiate panel the rules for determining a functional technical feature -- functional technical features refer to features defined by the function or effect but exclude those features for which an ordinary technician in the field can, merely by reading the patent claims, directly and unequivocally define specific examples to achieve the function or effect.

The collegiate panel supported our argument that the technical features in dispute were not functional and that their scope of protection covered the specific configuration of the alleged product. On that basis, the court issued a ruling that the alleged product was infringing because it exhibited all of the technical features of the patent in dispute and thus fell within the scope of protection of SMC’s patent rights.

### [Significance]

The identification of functional features and the determination of the scope of protection have always brought challenges to patent infringement trials. This case serves as a precedent for courts to identify the scope of protection of the functional technical features of patents. When there is dispute over whether features described as functional should be identified as functional technical features or their exception. The court creatively used the affiliated patent applied for by the rights holder before the date of the patent application to interpret the claims of the patent in dispute. The implementation method disclosed for identical or functional features of the affiliated patent may also be used to interpret the functional features of the patent in dispute. The trial of this case represents a productive exploration by the court into the protection of functional features, and it also carries precedential value for the trial of similar cases in the future.

Partly from: *Shanghai IP Court*



## W&B Cooperates with Xuhui Notary Office to Multiply IP Advantages and Enhance Service Quality

Under the guidance and promotion of the Xuhui District Bureau of Justice, the signing ceremony for the Memorandum of Understanding between Watson & Band and the Xuhui Notary Office was recently held at the Shanghai Xuhui Lawyers' House. Attendees included Mr. Huaming Dong, Deputy Secretary of the CPC Committee of the Xuhui District Bureau of Justice; Mr. Wenquan Xu and Mr. Zhizhong Zhu, Director General and Deputy Director, respectively, of the Xuhui District Bureau of Justice;; Mr. Sheng Yu and Ms. Beizhen Qiu, Chief and Deputy Chief, respectively, of the Department of Lawyers and Notaries of the Xuhui District Bureau of Justice; Jun Yang and Mr. Fengting Kong, W&B Managing Partners; and representatives from the Xuhui Notary Office. The two parties discussed various matters, including the scope, the content and terms of their cooperation. Mr. Changlin Yang, Director of the Notary Office, and W&B Managing Partner Mr. Fengting Kong, signed the memorandum on behalf of their respective parties.



In addition to establishing a joint cooperation organization for notarial legal services, Watson & Band and the Xuhui Notary Office will jointly provide regular training programs and lectures for their clients in the notarial legal services field, and they will establish information communication channels and mechanisms. The two parties will appoint mutual contact representatives who will be responsible for regular information communications, and will maintain these communications as a window for intersectional services. In the future, the parties will continue their multiform, comprehensive and multilayered communications and cooperation activities in the notarial legal services field, so as to continue providing the public with high-quality services.

## Watson & Band Nominated for Thomson Reuters ALB China Law Awards 2017

Asian Legal Business, a journal run by Thomson Reuters, recently released its nomination list for China Law Awards 2017. Watson & Band is listed as a nominee for Shanghai Law Firm of the Year.



## Watson & Band Representatives Deliver Lectures to 2017 AIPPI China Youth Intellectual Property Forum

On March 17-18, 2017, W&B attorneys Cathy Wu and William Shen attended the 2017 AIPPI China Youth IP Forum held by the International Association for the Protection of Intellectual Property China in Chongli, Zhangjiakou. Although the keynote speeches and all of the discussions were presented in English, the forum also set up a Japanese language sub-forum.

Cathy Wu and William Shen each delivered keynote lectures on two separate topics. The two lectures were well-received by the other participants, who engaged in further intensive exchanges on those topics with the two speakers after the lecture.







## Latest on Watson & Band

### W&B Hosts China Law Salon Lecture Entitled Companies Company and IPR—A Discussion on Company IP Management in the Age of Innovation



On March 31st, 2017, the third installment of the 2017 China Law Salon lecture series, entitled Companies and IPR—A Discussion of Company IP Management in the Age of Innovation, was held in W&B's offices. The speaker was W&B Executive Partner Jean Yang.

Ms. Yang's lecture was divided into three parts - the current status quo and the need for company IP management; regulation and institution-building for company IP management; and the implementation of company-wide IPR standards.

Under current conditions, IPR management can serve as an important propellant for business development. Ms. Yang analyzed patent application and maintenance, trademarks, software copyrights and other issues from a company point of view, and she thoroughly analyzed certain hot-button issues such as the maximization of IPR value. Her lecture also covered the interpretation of the significance of company IP management as well as steps necessary for implementing company IP standards.

Ms. Yang utilized her rich experience and excellent speaking abilities to introduce topics relevant to IP management for businesses. After the lecture, representatives from companies and law firms discussed the implementation of IP standards and other issues with Ms. Yang.

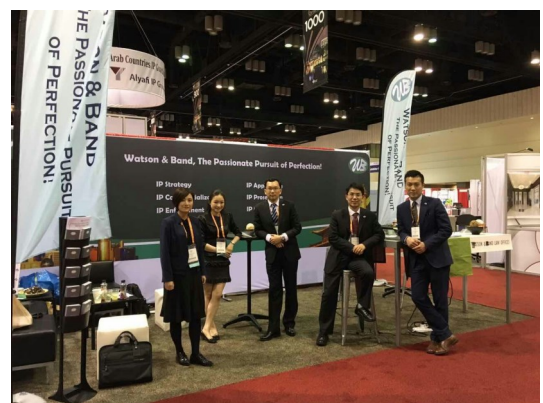
### The 139th INTA Annual Meeting : Watson & Band will be waiting for you in Barcelona!

Watson & Band Law Offices will attend the 2017 INTA Annual Meeting in Barcelona, Spain this year from May 21 to May 24. We will have a booth at INTA Annual Meeting this time, and we would like to take this opportunity to meet you, discussing the effective IP strategy and practice in China or other topics you are interested in.



As a member of INTA, and one of the top IP law offices in China, Watson & Band is dedicated to providing a full range of IP

related services for domestic and foreign clients. Our IP services include prosecution, objections, invalidations, assignment, search and recordation in the fields of patent, trademark, integrated circuit layout and copyright, along with trademark distinctiveness, patentability and infringement analysis.



We look forward to meeting you in Spain this year. For further information, please follow us on Watson & Band Legal Newsletter, our official website, and Watson & Band WeChat Official Account.



# Litigation Report

## The 5th Session of the 12th NPC Passes the General Principles of Civil Law of the People's Republic of China

The General Principles of Civil Law of the People's Republic of China will go into effect on October 1st, 2017.

The General Principles consist of 11 chapters and 206 articles concerning basic principles, civil subjects, civil rights, civil juristic acts, civil responsibilities, statutes of limitations and other basic principles of civil law. The General Principles lower the age of minors with limited capacity for civil conduct to eight, add provisions on the protection of fetal interests, and improves the guardianship system. The General Principles also identify three different kinds of legal persons -- profit-making legal persons, non-profit legal persons and special legal persons. They also include within the definition of civil subjects organizations that lack a legal personality such as sole proprietorship enterprises, partnerships and professional service institutions without legal person status.

Article 123 contains the most provisions on IP in the General Principles. This article provides that civil subjects are legally entitled to IP rights. The term "IP rights" refers to rights owners' exclusive rights in the following objects: (1) works; (2) inventions, utility models and designs; (3) trademarks; (4) geographic indicators; (5) trade secrets; (6) layout and design of integral circuits; (7) new plant varieties; (8) other objects as specified by law.

Although the General Rules of Civil Law are still effective, the General Principles will prevail whenever a conflict arises.

*Via: The Supreme People's Court; www.npc.gov.cn*

## General Office of the State Council Releases "Several Opinions on the Further Reform and Improvement of Drug Production, Distribution and Use Policies"

The Opinions include:

### I. Encouragement of rational drug use

Medical institutions are required to include purchase and use information on drugs as part of the information disclosure required of institutional management by publishing the price, dosage and drug expense on a quarterly basis. They are also required to implement regulations that require prescription reviews and evidence-based treatment of traditional Chinese medicine, and regulations that impose monitoring over antibiotics, adjuvant drugs and dietary supplements. A mechanism will be established to publish the names of doctors who prescribe drugs unreasonably and arrange corrective consultations with them.

### II. Breakdown of compensation system of medical costs through drug-selling profit

Emphasis will be placed on coordination among medical treatment, health insurance and pharmaceuticals to facilitate in the overall planning of reforms, including cancelling drug price increases, adjusting medical costs and encouraging the purchase of medicine from retail pharmacies. The government will honor its commitment to increase investment and accelerate the establishment of a new compensation regime for public hospitals.

Measures will be taken to separate medical treatment and pharmaceuticals sales. Medical institutions will be required to prescribe generic pharmaceuticals and take the initiative to provide patients with prescriptions. Outpatients may, at their option, buy pharmaceuticals from a hospital or a retail pharmacy. Medical institutions may not restrict the outpatient's purchase of prescription pharmaceuticals from a pharmacy.

### III. Enhancing the role of medical insurance regulations and cost control measures

Medical insurers should be allowed to maximize their role in controlling and supervising medical services and costs and gradually extend their supervision over medical institutions to services provided by medical personnel. Efforts will also be made to establish a credit rating management and blacklist management system for designated medical institutions.

*Via: The General Office of the State Council*

# Corporate and Commercial Services

## Shanghai Enjoys the Third Most Cross-border Retail Enterprises in the World

The latest statistics from the Shanghai Municipal Commission of Commerce show that at least 180 of the world's 340 cross-border enterprises have established businesses in Shanghai, leaving Shanghai trailing only London and Dubai in this regard. Shanghai has become one of the most commercialized cities in the world.

Presently, the number of retail supermarkets and chain stores expanding into the streets of Shanghai is approaching 7,200. Based on Shanghai's permanent resident population of 24,000,000, one such retailer is available for every 3,400 residents, which represents a leading position in the national development of the retail chain industry. In addition, Shanghai has 15 municipal-level commercial centers, over 30 district-level commercial centers, 67 characteristic commercial blocks, over 960 standard grocery stores and over 1,000 community grocery micro-markets.

*Via: International Service Trade*

## Shanghai Officially Initiates Recordation of Internet APP Stores

In order to further promote the healthy and orderly development of Internet APP stores and to regulate the mobile Internet APP information services, the Shanghai Municipal Office of Internet Information will officially initiate recordation of Internet APP stores as of February 2017. The recordation will be based on the Regulations for the Administration of Mobile Internet APP Information Services and the Notice on Initiating Recordation of Internet APP Stores promulgated by the National Office of Internet Information.

The registration of Internet APP stores is designed to urge APP stores to identify their responsibilities, strengthen product inspections before APPs are offered for downloading and installation, and to promote the healthy and orderly development of the mobile Internet market. More specifically, the following three types of recordation will be required: (i) applications for recordation of the business operations of the APP stores; (ii) applications for changes in the recorded information of the APP stores; and (iii) applications for cancellation of recordation if the APP stores stop offering their services.

**For the full text of the Notes on Recordation, please visit:**

<http://www.shzgh.org/node2/changning/node1388/u1ai1156426.html>

*Via: www.pcland.com.cn*

## State Administration of Foreign Exchange: Open Access to Electronic Customs Declaration Information and Promote Trade Facilitation

Recently, the State Administration of Foreign Exchange (SAFE) issued its Notice on Facilitating Banks in Carrying out Tasks Related to the Review of Trade Documents (hereinafter the "Notice"), which will be implemented on May 1st, 2017.

According to the Notice, banks will be provided with nationwide access to electronic customs declaration information, so that they will be able to verify the authenticity of relevant trade information. Meanwhile, the current formalities for enterprise services will remain unchanged. The Notice mainly covers the following matters:

- (i) banks will be provided access to electronic customs declaration information, so as to verify the authenticity of commodities trade foreign exchange services;
- (ii) banks should follow the principle of "understanding clients and services and conducting due diligence reviews", and should verify electronic customs declaration information (verification can be exempted for transactions that can be confirmed as authentic);
- (iii) if a bank finds that an enterprise has provided non-standard customs declaration information, or has used duplicated or false trade documents, the bank will flag the enterprise in the system and publicize the matter to all the other domestic banks.

*Via: State Administration of Foreign Exchange*

# Compliance Management

## Shanghai Municipal Administration for Industry and Commerce to Adjudicate Conduct in Violation of the Advertising Law

On January 10th, 2017, the Shanghai Municipal Administration for Industry and Commerce printed and circulated the Notice on the Adjudication Standards for Administrative Penalties for Violation of the Advertising Law. The Adjudication Standards describe circumstances affecting the severity of administrative penalties for violation of the Advertising Law including exemptions, mitigated penalties, lighter penalties and heavier penalties.

It is explicitly provided that obvious minor first-time violations of the Advertising Law such as, (i) an advertisement published via mass media that fails to identify itself as an “advertisement” but enables consumers to distinguish it as an advertisement or (ii) content cited in the advertisement is legitimate but the advertisement fails to indicate the original source of such content, will be exempted from penalties.

**For the full text of the Adjudication Standards, please visit:**

<http://www.shanghai.gov.cn/nw2/nw2314/nw2319/nw41149/u83aw98.html>

Via [www.sohu.com](http://www.sohu.com)

## Collaboration of Four Bureaus: Full Implementation of the Work Permit System for Foreigners Working in China

Recently, four government bureaus, including the State Bureau of Foreign Experts Affairs, jointly issued the *Notice on Full Implementation of the Work Permit System for Foreigners Working in China* (the “Notice”).

The *Notice* specifies that, as of April 1<sup>st</sup>, 2017, the Foreigner Work Permit System would apply nationwide, which made it compulsory to issue the *Notice on Foreign’s Work Permits of the People’s Republic of China* and the *Foreignes Work Permit of the People’s Republic of China*, with which foreigners who come to work in China may obtain a valid visa and may complete residence formalities. Currently unexpired Foreign Experts Work Permits and Foreigner Entry and Employment Permits, along with other credentials, remain valid. The *Notice* also urges the improvement of the regulation of matters relating to foreign employment in China, stepping up the pace of development of the *Regulations on Foreigners Working in China*, formulating detailed rules for the implementation of talent visas, establishing a guidance catalog for foreigners working in China, establishing systems for the credit management for foreigners and their employers, and improving the standards for classification and licensing services.

Via: *State Bureau of Foreign Experts Affairs*

## State Food and Drug Administration Promulgates Provisions on Food Safety Traceability System

Recently, the State Food and Drug Administration promulgated the Several Provisions on the Establishment of a Food Traceability System by Food Production and Management Enterprises (hereinafter the “Provisions”). According to the Provisions, traceable information should include: (i) basic information that manufacturers should record; (ii) basic information that sales enterprises should record; (iii) basic information that catering enterprises should record; and (iv) basic information concerning the transportation, storage and delivery that food production and management enterprises should record. Among these items, production enterprises should record ten categories of information in detail, including information about products, raw and auxiliary materials, and production. The Provisions also provide that information records and certificates should be kept for no less than six months after the expiration date; if no specific expiration date is prescribed, they should be kept for no less than two years.

Via: *State Food and Drug Administration*

# Monopolies and Competition

## Amendment to the Anti-Unfair Competition Law after a 24-Year Interval

Recently the Anti-Unfair Competition Law (Draft Amendment) was submitted to the Standing Committee of the National People's Congress for deliberation. The Draft Amendment incorporates the following material revisions:

□ **It proposes a stipulation that forcing users to uninstall legitimate networking products is illegal.**

New provisions were included to regulate unfair competition on the Internet. Specifically, operators must not restrict users' choices or disturb the normal operations of other Internet users through technical means such as inserting links in networking products or services legitimately provided by other operators for the purpose of automatic redirects, or maliciously causing incompatibility among networking products or services that were legitimately provided by other operators.

□ **Post-resignation disclosure of trade secrets by employees will be subject to penalties.**

In order to strengthen the protection of trade secrets, new provisions were incorporated dealing with trade secret infringement by employees or former employees of trade secret owners, and to the confidentiality obligations imposed on professionals such as staff members of government agencies, attorneys at law and certified public accountants, etc. with respect to trade secrets acquired in the course of the performance of their duties.

□ **The use of unregistered well-known trademarks will also be subject to penalties.**

A new provision stipulates that the use of another party's registered trademark or unregistered well-known trademark in one's own enterprise name in a manner that misleads the public constitutes unfair competition.

□ **Parties committing unfair competition will be subject to penalties against their good-faith record.**

Where an operator is subject to civil liability for damages and fines, yet its assets are insufficient for full payment, civil damages compensation will take first priority. In view of the special and significant role played by reputation in market competition, the Draft Amendment incorporates new provisions on penalties by good-faith record against violators.

Excerpted from *the official website of Xinhua News Agency (www.xinhuanet.com)*

## Antitrust Guidelines on the Abuse of Intellectual Property Rights Issued for Public Comment

Recently the Antimonopoly Commission of the State Council released the *Antitrust Guidelines on the Abuse of Intellectual Property Rights (Draft for Comments)* (hereinafter, the "Draft for Comments") to solicit public comments. The deadline for feedback was April 21<sup>st</sup>, 2017.

The *Draft for Comments* contains five chapters and 27 articles covering general issues, IPR-related monopoly agreements, abuse of a dominant market position involving IPR, concentration of undertakings involving IPR and other circumstances involving IPR. Based on the *Draft for Comments*, the scope of IP-related agreements includes joint R&D, cross-licensing, exclusive grant-backs, no-objection clauses, standard-setting and other issues. It also defines the "safe harbor rule" that an operator who meets one of three criteria, including "a competing operator who owns no more than 20% of the market share in a related sector" will not lead authorities to conclude that an IP-related agreement to which such operator is a party is monopolistic, absent evidence to the contrary.

# Chinese Entertainment Law

## 2016 Shanghai Entertainment Industry Development Report

The Cultural Reform and Development Office under the Promotion Department of the CPC Shanghai Municipal Committee, the Shanghai Municipal Entertainment Industry Management Office and the Institute of Literature of the Shanghai Academy of Social Sciences jointly issued the 2016 Shanghai Entertainment Industry Development Report (hereinafter the “Report”).

According to the Report, the overall size of the Shanghai entertainment industry continued to grow at a rapid pace. In 2015, the industry accomplished a value added of 163.268 billion RMB, representing an annual growth rate of 8.1%, or 1.2% higher than the growth rate of gross regional production. The value added of the industry accounted for 6.50% of gross regional production, and 6% of the corresponding value of the national entertainment and related industries. In 2015, the total import and export value of entertainment products and services in Shanghai reached 9.063 billion USD, representing an annual growth rate of 8.63%; and the total value and overall size continued to expand. Foreign entertainment trade exports in Shanghai are gradually shifting from reliance on the export of cultural products to fields with higher added values in the entertainment services trade, such as cultural/entertainment and advertising services.

Excerpted from *the official website of the Promotion Department the CPC Shanghai Municipal Committee*

## P.R.C. Law on the Promotion of the Film Industry Implemented on March 1, 2017

The P.R.C. Law on the Promotion of the Film Industry (hereinafter the “Law”) went into force on March 1, 2017.

In order to curb the increasingly intense practice of fraudulent box office reporting, the Law strengthens supervision and control over box office returns, and increases penalties for the false reporting or concealment of box office returns. The Law also provides that film distribution enterprises and cinemas are prohibited from unfair competitive practices such as concocting phony transactions or falsely reporting or concealing box office returns to deceive and mislead the public and disrupt the order of the movie industry. The Law also explicitly provides for specific monetary fines as well as other penalties such as the suspensions and license revocations.

Furthermore, the Law moderately liberalizes the film examination procedure. Specifically, it provides that the Film Administration under the State Council must formulate thorough, specific and explicit standards and procedures for film examination, which should be published in a timely fashion. Public comments must be solicited and expert examinations must be organized during the formulation process. The examination panel must include at least five experts, and the decision must be made within 30 days.

Excerpted from *the official website of the Shanghai Municipal Administration of Culture, Radio, Film & TV (<http://wgj.sh.gov.cn>)*

As the legal service provider for Shanghai International Film Festival, Shanghai International Arts Festival, MPA and SMG, W&B boosts extensive and intensive professional experience in China’s culture and entertainment industry. Please contact us for any legal need for your cultural or performance activities in China.



**Xiaosu Zhu**

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If you have any question regarding the entertainment law in China, please contact Attorney Zhu.



# Dispute Resolution

## State Intellectual Property Office: Pilot Project Will be Launched for Settlement of IP Disputes through Arbitration and Mediation

The State Intellectual Property Office (SIPO) recently issued the Notice on the Pilot Project for the Arbitration and Mediation of IP Disputes (the “Notice”).

The Notice includes specific requirements such as continued efforts to regulate arbitration and mediation services applicable to IP disputes, efforts to construct an expert database for the arbitration and mediation of IP disputes, further stimulus to build a platform for IP-related information exchange and case acceptance, and active measures to advance arbitration and mediation for particular patent, trademark, copyright and trade secret disputes. The Notice also urges the establishment of mediation groups for IP affairs within chambers of commerce and industry associations in key areas and industries, in order to enhance cooperation with primary state arbitration agencies and local branches or influential local arbitration institutions. The Notice also encourages the establishment of arbitration courts (centers) in accordance with specific legal provisions, or the upgrade and regulation of existing institutions with a strong work ethic and great enthusiasm. Furthermore, certain professionals such as lawyers, patent agents and engineering technicians are encouraged to participate in the arbitration and mediation process under appropriate guidance.

In 2014 Watson & Band was entrusted to engage in the investigation and survey of the IP dispute mediation system of the Shanghai Intellectual Property Office to help formulate mediation rules.

Via: *SIPO*

## Your Reliable Disputes Specialist — Watson & Band Law Offices

