



40 Years of Pioneering in IP

March

1. Key Points of the 2026 Revised Version of the “Regulations on the Protection of Trade Secrets”

I. Changes to the Constituent Elements of Trade Secrets

1) Amendment of the definition of trade secrets

The concepts of "economic benefits" and "practical applicability" in the previous regulations have been consolidated into the broader concept of "commercial value," expanding the scope of the definition.

2) Expansion of the concept of commercial value

The new regulations explicitly protect both actual and potential value, including interim results, data from failed experiments, and technical solutions.

3) Stricter criteria for determining non-public knowledge

The time of infringement is now used as the reference point for judgment. Information derived from organizing, improving, or processing publicly available data may be reclassified as non-public knowledge.

4) Significant broadening of confidentiality measures

The previous regulations only covered traditional confidentiality agreements and systems. The new regulations incorporate measures for digital environments, such as remote work protocols, cross-border collaboration controls, hierarchical access authorization, data masking, operational log traceability, partitioned management in classified areas, and clearance of secrets from departing employees.

II. Expansion of Protection Scope

1) Technical information

The new regulation explicitly includes algorithms, computer programs, source code, and data, etc.

2) Business information

The new regulations explicitly covers in-depth business insights, such as customer transaction habits, intentions, and specific content.

3) Customer-related information

Unlike the previous regulations, protection is no longer limited to customer lists but extends to transaction habits, intentions, related content, etc.

III. More Detailed and Stringent Identification of Infringement Acts

1) Added digital infringements, such as "cyber intrusion"

Explicit prohibitions have been added against unauthorized access to systems, servers, email accounts, cloud drives, deployment of malicious programs, exploitation of vulnerabilities, and downloading/transmitting secrets beyond authorized access.

2) Explicit prohibition of inducing, luring, or assisting in infringement

While the previous regulation lacked specific provisions, the new regulation explicitly brings indirect infringement under control.

3) Clearer rules on third-party infringement

The new regulation clarifies that acquiring, using, or disclosing confidential information with knowledge or constructive knowledge that such information is infringing constitutes infringement.

4) Clearer boundaries for lawful conduct

The new regulation provides detailed clarifications on exceptions, including independent research and development, reverse engineering, the use of general knowledge and experience of former employees, and lawful disclosure in the public interest.

IV. Major Breakthrough in the Rules of Evidence (Most Critical Change)

1) Established the presumption of infringement rule based on "substantially identical + possibility of access", where the right holder can prove two points to establish a presumption of infringement.

01. The information used by the alleged infringer is substantially identical to the trade secret;

02. The alleged infringer has the conditions to access the trade secret.

2) Burden of proof shifts to the infringer

After the presumption of infringement is established, the burden of proof is transferred to the alleged infringer, who must prove that their acquisition or use was lawful, otherwise infringement is confirmed.

3) Support for appraisals and expert opinions

It is clarified that judicial appraisal can be conducted for non-public knowledge and substantive equivalence.

V. Upgraded Jurisdiction and Law Enforcement Authority

1) New provision on escalated jurisdiction for technical secrets cases

Technical secrets are generally under the jurisdiction of the market supervision and administration departments at or above the level of cities divided into districts.

2) Law enforcement measures have been significantly enhanced. Whereas the old regulations only provided for inspection, inquiry, and copying of materials, the new regulation adds: sealing and seizing property, inquiring into bank accounts, and clarifying graded approval.

3) Strengthen the obligation of confidentiality in law enforcement

Law enforcement personnel must keep confidential, and the content of trade secrets shall not be disclosed in the administrative penalty decision.

4) Emphasize the principle of minimal intervention to reduce the impact on normal operations.

VI. Significant Increase in Legal Liability

1) Substantial Increase in Fine Ceilings

The old regulation had a maximum fine of RMB 200,000. The new regulations establish a general fine range of RMB 100,000 to 1,000,000, with serious cases subject to fines between RMB 1,000,000 and 5,000,000, representing a marked increase from the prior framework.

2) Clarification of "Serious Circumstances"

The criteria constituting "serious circumstances" have been explicitly defined to include instances of significant losses, severe impact on business operations, harm to national interests, and recidivism within a two years, etc.

3) More Specific Injunctive Measures

Detailed measures to cease infringement have been outlined, including orders to cease use, return or destroy carriers, destroy infringing products, and erase trade secrets. These measures generally remain in effect until the relevant secrets no longer retain their confidential status.

VII. Other Significant Institutional Changes

1) Expanded Scope of Rights Holders

The new regulations explicitly broaden the definition of rights holders to include owners, licensees, and other authorized parties.

2) Introduction of Extraterritorial Effect

Acts of trade secret infringement committed outside China that harm the rights and interests of business operators within China are subject to these Provisions.

3) Alignment with the National Secrets Law

In cases where the infringed information also constitutes a state secret, the provisions of the Law on Guarding State Secrets shall take precedence.

4) Implementation Date

The new regulations are scheduled to come into official effect on June 1, 2026.

2. IP Rights Takes Center Stage at the "Two Sessions": Safeguarding Innovation, Empowering Enterprises

The 2026 "Two Sessions" (the National People's Congress and the Chinese People's Political Consultative Conference) have commenced in Beijing. This year's IP-related proposals are closely aligned with the national agenda to foster new productive forces and achieve high-level scientific and technological self-reliance and self-improvement. The proposals offer systematic recommendations across multiple dimensions, including legislation, judiciary, administration, industry practices, and platform governance. This comprehensive approach underscores the nation's heightened emphasis on establishing a full-chain intellectual property protection system and signals a future policy direction further tilted toward stricter, more efficient, and more coordinated enforcement.

Delegates and committee members have focused on refining the system for technical investigators, formulating special procedural laws for intellectual property litigation, and regulating malicious litigation practices. The primary objectives are to address persistent challenges in IP protection, such as protracted rights enforcement timelines, prohibitive costs, and insufficient professional expertise. These efforts aim to promote the optimal allocation of judicial resources and strengthen the judiciary's fundamental role as a pillar supporting and safeguarding innovation.

In response to emerging scenarios such as AI-generated content, digital copyright, e-commerce live streaming, and AI comics, proposals generally focus on key issues including infringement identification, rapid rights enforcement, ownership definition, and compliance costs. This reflects the growing trend of online, large-scale, and covert infringement behaviors in the digital economy, underscoring the urgent need for regulatory frameworks and protection mechanisms to undergo simultaneous upgrades in response to technological advancements.

Targeted recommendations have been put forward for industries such as pharmaceuticals, photovoltaics, smart home systems, and apparel, covering aspects including patent pool development, optimization of the pharmaceutical patent system, and mandatory platform protection rules. This indicates a strategic shift in intellectual property policy from macro-level guidance to industry-specific implementation, thereby providing more effective support for the high-quality development of the real economy and key industrial sectors.

Proposals such as establishing a specialized intellectual property court in central China and strengthening the protection of agriculture-related IP rights are conducive to narrowing regional protection disparities, extending the reach of judicial services, and promoting the expansion of IP protection coverage from major cities and core industries to broader regions and grassroots entities. Such measures are instrumental in serving rural revitalization and fostering coordinated regional development.

Overall, this year's proposals demonstrate foresight in legislative planning, practical orientation in judicial operations, and targeted precision across specific industries. They not only address common concerns within the business community but also align closely with national strategic directions. Looking ahead, relevant legislative amendments, platform rule updates, and enforcement mechanisms are

expected to be implemented with greater agility. For enterprises, it is imperative to strengthen risk prevention and control, enhance compliance management, and refine rights protection strategies in advance, so as to better seize the opportunities for innovation-driven development under the guidance of evolving policies.

3. Overview of Core Intellectual Property Content in the 2025 Supreme People's Court Work Report

The Supreme People's Court has released its work report for 2025, outlining the latest directions and key statistical data regarding the judicial protection of IP rights.

1) Total Number of Concluded Cases

Courts at all levels nationwide concluded 494,000 IP cases, representing a year-on-year increase of 0.3%, covering all fields, including patents, trademarks, copyrights, technical secrets, and data rights.

2) Criminal Sentencing for IP Infringement

Throughout the year, 19,000 individuals were sentenced for intellectual property infringement crimes, marking a year-on-year increase of 6.2%. Authorities imposed severe crackdowns on criminal acts such as malicious infringement and trade secret misappropriation.

3) Rectification of Abnormal Batch Litigation

Efforts to rectify abnormal batch litigation involving intellectual property rights were intensified, resulting in the dismissal of 2,331 lawsuits and the imposition of judicial penalties on 694 cases in accordance with the law.

4) Landmark High-Compensation Case

The Supreme People's Court adjudicated a case involving the infringement of technical secrets related to a specific CNC machine tool. The court ordered the malicious infringer, along with its affiliated company, to jointly bear punitive damages amounting to three times the established loss, totaling RMB 380 million. This sets a precedent for high-compensation awards and establishes a benchmark for the safeguarding of technical secrets.

5) Administrative and Competition-Related Cases

A total of 25,000 cases involving administrative licensing and administrative agreements of business entities were concluded, reflecting a year-on-year increase of 4.7%. Concurrently, judicial efforts in anti-monopoly and anti-unfair competition were strengthened, with 27 civil monopoly cases being adjudicated.

6) Data Rights and Transactions

Courts concluded 908 cases involving data ownership and transaction disputes, a substantial year-on-year increase of 25.6%. Measures including punitive compensation were employed to penalize acts such as the misappropriation of data sets and infringement upon data rights and interests.

7) Steady Development of New Quality Productive Forces

The report also highlighted broader economic indicators reflective of innovation-driven growth: high-tech manufacturing grew by 9.4%; equipment manufacturing grew by 9.2%; industrial robot output increased by 28%; integrated circuit output increased by 10.9%; annual production of new energy vehicles surpassed 16 million units; and the number of electric vehicle charging facilities exceeded 20 million. These figures demonstrate that scientific and technological innovation has yielded fruitful results, and the industrial structure continues to undergo optimization.

China's IP judicial protection in 2025 demonstrates a trend towards stricter protection, more professional adjudication, and more prominent focus, with significantly enhanced protection for new fields like technical secrets and data rights. The overall judicial environment has become more standardized and transparent, thereby providing more stable and predictable legal safeguards for innovation, investment, and compliant operations for both Chinese and foreign enterprises.

4. Sanyou's Domestic Business and Trademark Operations Relocate to New Office

Sanyou is pleased to announce that its domestic business and trademark operations have recently relocated to a new office, marking a new chapter in the firm's intellectual property service journey from a refreshed starting point.

New Address:

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The new office space features an upgraded digital office system, which has substantially enhanced the work efficiency of our attorneys through the adoption of intelligent tools and cloud-based collaboration. With remote coordination and real-time global communication now fully enabled, Sanyou is now officially aligned with the AI intelligent era, offering clients a more efficient and convenient service experience.

We sincerely thank you for your continued support and trust. At this new starting point, Sanyou extends a sincere invitation for you to visit us. We look forward to exploring new opportunities and achieving mutual success together.

■ Sanyou Shines at the INTA Annual Meeting, Joining New and Old Friends to Shape a New Blueprint for Intellectual Property

■ The Sanyou trademark team won multiple awards for their studies in the "2024 Trademark Legal Frontier Issues Research Group"

■ Sanyou's cases have been selected as one of the top 10 typical cases of trademark litigation and non-litigation by the Beijing Trademark Association in 2024