

W&B Legal Newsletter

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Spotlights

WATSON & BAND NEWS

Watson & Band Ranked in Chambers Greater China Region Guide for 13th Consecutive Year
Watson & Band Retains Tier-One Bankruptcy Administrator Status

LATEST LEGAL DEVELOPMENTS

State Council Promulgates *Implementing Regulations for the Value-Added Tax Law*: Optimizing the Tax Environment

NPCSC Deliberates on *Trademark Law (Revised Draft)* to Remove Controversial Clauses such as "Prohibition on Repeat Registration"

CYBERSECURITY AND DATA PROTECTION

Eight Departments Issue Guidelines to Regulate Automobile Data Export: Nine Categories Including OTA Updates "Exempt from Declaration"

Two Departments Introduce New Regulations to Strictly Manage Platform Rules: Targeting Big Data Swindling and "Unfair Terms"

COMPETITION & ANTITRUST

SAMR Amends *Provisions on Prohibiting Monopoly Agreements*: Clarifying "Safe Harbor" Standards for Vertical Monopoly Agreements

INTELLECTUAL PROPERTY

SPC Solicits Public Opinions on Judicial Interpretation (III) of Patent Infringement: Proposing to Expand Applicability of "Estoppel"

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.

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Catalogue

WATSON & BAND NEWS

Watson & Band Ranked in Chambers Greater China Region Guide for 13th Consecutive Year	4
Watson & Band Launches Nanning Branch to Deepen ASEAN Legal Service Strategy	4
Watson & Band Retains Tier-One Bankruptcy Administrator Status	5

LATEST LEGAL DEVELOPMENTS

State Council Promulgates <i>Implementing Regulations for the Value-Added Tax Law</i> : Optimizing the Tax Environment	6
NPCSC Deliberates on <i>Trademark Law (Revised Draft)</i> to Remove Controversial Clauses such as "Prohibition on Repeat Registration"	6

CYBERSECURITY & DATA COMPLIANCE

Eight Departments Issue Guidelines to Regulate Automobile Data Export: Nine Categories Including OTA Updates "Exempt from Declaration"	7
Two Departments Introduce New Regulations to Strictly Manage Platform Rules: Targeting Big Data Swindling and "Unfair Terms"	7

COMPETITION & ANTITRUST

SAMR Amends <i>Provisions on Prohibiting Monopoly Agreements</i> : Clarifying "Safe Harbor" Standards for Vertical Monopoly Agreements	8
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INTELLECTUAL PROPERTY

SPC Solicits Public Opinions on Judicial Interpretation (III) of Patent Infringement: Proposing to Expand Applicability of "Estoppel"	9
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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 Ranked in Chambers Greater China Region Guide for 13th Consecutive Year

On January 15, 2026, Chambers and Partners released the Chambers Greater China Region Guide 2026. Watson & Band was once again recognized for its excellence, marking its 13th consecutive year on this prestigious list.

This year, the firm received top recommendations in five core areas: “Corporate/Commercial: Shanghai,” “Intellectual Property: Litigation,” “Intellectual Property: Non-litigation,” and “TMT: Data Protection & Privacy / Media & Entertainment.” In individual rankings, **Mr. Zhu Xiaosu** and **Mr. Tang Guohua** retained their leading positions, while **Mr. Zhang Liming** (IP: Non-litigation) and **Mr. Liu Yizhou** (IP: Litigation) made their debut in the guide. These accolades underscore Watson & Band’s comprehensive strength and talent depth in navigating complex commercial environments.

Watson & Band Launches Nanning Branch to Deepen ASEAN Legal Service Strategy

Recently, Watson & Band Law Offices received official approval from the Department of Justice of the Guangxi Zhuang Autonomous Region to establish Watson & Band (Nanning) Law Offices.

The establishment of the Nanning branch marks a significant expansion of the firm’s strategic footprint across South and Southwest China. Serving as a vital hub connecting China and ASEAN, the new office will actively integrate into the RCEP and the New International Land-Sea Trade Corridor. Key practice areas will include cross-border investment involving ASEAN, intellectual property protection, and complex commercial dispute resolution. Moving forward, the Nanning office will synergize with Watson & Band’s national network to deliver “Local Wisdom + Global Vision” one-stop legal solutions.



Watson & Band Retains Tier-One Bankruptcy Administrator Status

Recently, the Shanghai High People's Court and the Shanghai Municipal Bureau of Justice jointly released the *2025 Register of Administrators for Enterprise Bankruptcy Cases*.

Leveraging nearly two decades of deep experience and an excellent market reputation, Watson & Band was once again selected as a Tier-One Administrator. Concurrently, **Mr. Zhu Xiaosu**, Vice President of the Firm's Management Board, was successfully re-appointed as an Individual Administrator.

In recent years, the firm has strengthened its talent pipeline with the addition of several senior partners and successfully handled complex matters such as the "Shanghai [X]tao Real Estate" and "Mingyuan Shukang" cases, both recognized as typical cases by the courts. This achievement fully demonstrates Watson & Band's industry leadership in managing large-scale, cross-regional bankruptcy reorganizations.



State Council Promulgates *Implementing Regulations for the Value-Added Tax Law: Optimizing the Tax Environment*

On December 30, 2025, the State Council promulgated the *Implementing Regulations for the Value-Added Tax Law of the People's Republic of China* (hereinafter referred to as the "Regulations"), which will enter into effect on January 1, 2026, concurrently with the *Value-Added Tax Law of the People's Republic of China*.

Comprising 54 articles across six chapters, the "Regulations" generally follow the principle of a smooth transition of the tax regime and are designed to enhance the certainty and operability of the VAT system. Key focuses include clarifying the standards for defining non-taxable transactions where input tax credits are disallowed, and optimizing policies related to export tax rebates and exemptions.

Regarding tax administration and compliance, the "Regulations" stipulate that for taxable transactions involving natural persons, the paying entity is designated as the withholding agent. Furthermore, the filing deadline for tax-per-transaction scenarios has been significantly adjusted, extending the window from the date the tax obligation arises until June 30 of the following year.

(Source: State Council)

NPCSC Deliberates on *Trademark Law (Revised Draft) to Remove Controversial Clauses such as "Prohibition on Repeat Registration"*

On December 25, 2025, the Standing Committee of the National People's Congress (NPCSC) conducted a group deliberation on the *Trademark Law of the People's Republic of China (Revised Draft)* (hereinafter referred to as the "Draft") submitted by the State Council.

The "Draft" incorporates systemic adjustments compared to the previous Draft for Comments, notably omitting controversial mechanisms within the industry such as the "prohibition on repeat registration" and the requirement to "submit statements of use every five years." On this basis, the "Draft" proposes five core changes:

1. Shortening the trademark opposition period from three months to two months to improve the efficiency of rights confirmation;
2. Expanding the scope of cross-class protection for Well-known Trademarks by removing the requirement that they must "already be registered in China";
3. Adapting to the digital economy by adding "motion marks" as registrable elements;
4. Improving procedural alignment by adjusting the standard for suspension of review in rights confirmation proceedings to "suspension shall generally apply"; and
5. Clarifying administrative penalties and revocation consequences for the use of registered trademarks that mislead the public.

(Source: NPC Website)

Eight Departments Issue Guidelines to Regulate Automobile Data Export: Nine Categories Including OTA Updates "Exempt from Declaration"

On February 3, 2026, the Ministry of Industry and Information Technology (MIIT), the Cyberspace Administration of China (CAC), and six other departments jointly released the *Guidelines on Security of Automobile Data Cross-Border Transfer (2026 Edition)* (hereinafter referred to as the “Guidelines”).

The “Guidelines” are designed to build an efficient, convenient, and secure mechanism for the cross-border flow of automobile data, clarifying three management methods for data export (security assessment, standard contract, and certification) and their applicable conditions. As a core highlight, the “Guidelines” establish nine categories of “exempt from declaration” scenarios. Specifically, for Important Data that must be exported for purposes such as fixing security vulnerabilities, handling security incidents, or eliminating product defects (e.g., OTA updates), the data exporter may be exempt from the security assessment for data export, provided that specific purposes are met and pre-event reporting or filing procedures are fulfilled.

In addition, the “Guidelines” refine the adjudication rules for Important Data in five typical business scenarios, including R&D and design and driving automation, significantly reducing compliance costs for enterprises.

(Source: CAC and MIIT)

Two Departments Introduce New Regulations to Strictly Manage Platform Rules: Targeting Big Data Swindling and "Unfair Terms"

On January 7, 2026, the State Administration for Market Regulation (SAMR) and the Cyberspace Administration of China (CAC) jointly released the *Measures for the Supervision and Administration of Online Trading Platform Rules* (hereinafter referred to as the “Measures”).

The “Measures” keep a close watch on platform rules—regarded as the “key minority”—and aim to consolidate the primary responsibility of platforms by regulating the formulation and execution of these rules. The “Measures” clarify the procedural obligations of platforms regarding information publicity, soliciting public feedback, and setting transition periods, while particularly reinforcing requirements for data security and the protection of minors.

Addressing pain points strongly reflected by the public, the “Measures” set forth prohibitory provisions: platforms shall not utilize rules to engage in Big Data Swindling (or algorithmic price discrimination), shall not arbitrarily alter membership rights and interests unilaterally, and shall not restrict the autonomous operations of business operators through unreasonable fees or liquidated damages. Furthermore, the two departments will establish mechanisms for lead transfer and joint consultation to conduct regulatory interviews with non-compliant platforms.

(Source: SAMR)

SAMR Amends Provisions on Prohibiting Monopoly Agreements: Clarifying "Safe Harbor" Standards for Vertical Monopoly Agreements

Recently, the State Administration for Market Regulation (SAMR) released the amended *Provisions on Prohibiting Monopoly Agreements* (hereinafter referred to as the "Provisions"), which will enter into effect on February 1, 2026.

The "Provisions" refine the specific applicable conditions under the Anti-Monopoly Law where vertical monopoly agreements reached by undertakings are deemed "not prohibited." Targeting vertical agreements that fix or restrict resale commodity prices (RPM), the "Provisions" establish a "double threshold": explicitly stating that such agreements are not prohibited if the undertaking's market share in the relevant market is below 5% during the agreement period, and the turnover of the commodities involved in the agreement is less than RMB 100 million. For other types of vertical agreements, the "Provisions" set only a single share standard, providing that the "no prohibition" rule applies if the undertaking's market share in the relevant market is below 15% during the agreement period.

The revision of the "Provisions" unifies enforcement standards and provides clear compliance guidelines for business model innovation by enterprises, particularly micro, small, and medium-sized enterprises (MSMEs).

(Source: SAMR)

SPC Solicits Public Opinions on Judicial Interpretation (III) of Patent Infringement: Proposing to Expand Applicability of "Estoppel"

Recently, the Supreme People's Court (SPC) released the *Interpretation on Several Issues Concerning the Application of Law in the Trial of Patent Infringement Dispute Cases (III) (Draft for Comments)* (hereinafter referred to as the "Draft for Comments"), which is now released for public consultation.

The "Draft for Comments" focuses on practical hotspots such as jurisdiction, claim construction, and infringement comparison, making breakthrough adjustments to certain substantive rules.

1. It significantly expands the applicable scope of the "estoppel principle" (prosecution history estoppel), moving the applicable timeframe forward to the original application documents and incorporating "technical effect" into consideration—specifically, if the alleged infringing solution possesses a technical defect that the patent description claims to have overcome, infringement shall generally not be found.

2. It strictly limits the combination modes for the "prior art defense," establishing a "single technical solution" principle that prohibits arbitrary combinations of different technical solutions for defense. However, it permits the combination of "prior art + common knowledge" and, for the first time, clarifies that a "conflicting application" may serve as a basis for defense.

(Source: SPC)