

# W&B Legal Newsletter

2017 June Vol. 3

## Spotlight

### Latest on Watson & Band

- W&B Trademark Case Selected as Typical IP Case in Chinese Courts, Top 10 IP Case in Shanghai Courts and Typical Anti-Malicious Trademark Registration Case in Beijing Intellectual Property Court
- W&B promoted Attorney Zhang Yue and Attorney Cai Yiqi to partners
- Watson & Band Listed in ALB 2017 Intellectual Property Rankings

### Internet Security

- Cyber Security Law Implemented on June 1st to Impose Restrictions on Cross-border Data Transmission
- Cyberspace Administration Publishes Tentative Measures for the Security Review of Network Products and Services

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### Monopolies and Competition

- Supreme Court: Bundling of Program Fees for Digital TV Constitutes Monopolistic Tie-In Sales

### Chinese Entertainment Law

- Ministry of Culture Releases 2016 Statistical Bulletin on Cultural Development





## 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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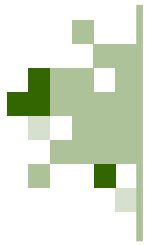
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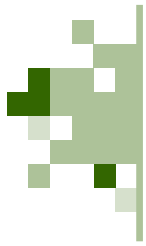


Thank you for your attention to Watson & Band. We enjoyed brilliant achievements in various endeavors during the first half of 2017. Two of our colleagues were promoted to partner, and we established a cooperation center with SISU Law School to cultivate legal talent. In our entertainment law practice, we enforced the reputation rights of famous pop star Lu Han. In our intellectual property law practice, we were named a top-tier IP law firm in the ALB legal rankings due to our outstanding trademark and patent law practice groups. We were also retained by the Japan Trademark Association as its legal consultant in China. Meanwhile, in addition to the patent infringement case SMC v. Bosun Pneumatic handled by W&B partner Jianguo Huang, which was listed in 2016 Typical Cases Heard by the Shanghai Intellectual Property Court,

our “UL” trademark cases were also listed as Typical Cases by the Supreme People’s Court, the Beijing Court and the Shanghai Court.

In terms of domestic legal developments, the promulgation of the Cyber Security Law and its related regulations will certainly exert far-reaching influence on enterprise information management. We will go into more detail on this matter in our next newsletter.

**MuLe Li** Partner CMO  
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## Internet Security

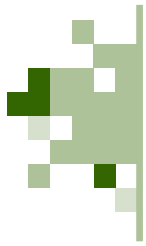
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## Disclaimer

- ◆ 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

### W&B Trademark Case Selected as Typical IP Case in Chinese Courts, Top 10 IP Case in Shanghai Courts and Typical Anti-Malicious Trademark Registration Case in Beijing Intellectual Property Court

Recently Supreme People's Court published its lists of the Top 10 Cases Involving the Judicial Protection of IP Rights and the Top 50 Typical Cases heard in Chinese courts in 2016.

The appellate case involving the "UL" trademark dispute, in which W&B represented UNIQLO, was included among the 2016 Typical IP Cases in Chinese Courts and the 2016 Top 10 IP Cases in Shanghai Courts. This development represents another victory following the last selection of this case among the 2015 Top 10 Innovative IP Cases in Beijing Courts.

This case underscored the legislative intent of the Trademark Law to encourage the use of trademarks and to incentivize economic development; it also helps to curb the malicious conduct of preemptive trademark registration and the filing of trademark infringement lawsuits on the basis of malicious registrations.



Meanwhile, the administrative dispute concerning the request for invalidating the "UL" trademark, in which W&B represented UNIQLO, was also selected among the Typical Anti-Malicious Trademark Registration Cases Heard by the Beijing Intellectual Property Court. The case is typical in the sense that it clarifies that the following acts -- (i) filing a large number of trademark registrations that go beyond the normal business scope of operations, (ii) registering trademarks for purposes other than actual use, and (iii) filing a large number of registrations of prior trademarks with higher reputation or originality -- will each be deemed an acquisition of trademark registration "through other improper means" that disturbs the order of the trademark registration system, harms the public interest and unjustly expends public resources.

W&B's litigation team has enjoyed brilliant achievements in being listed on various domestic and international authoritative ranking lists, such as Chambers and LEGALBAND. Through the years, W&B has represented clients in a series of litigation and arbitration cases with significant influence and exemplary value. Among these are new landmark cases for China such as the first trademark infringement case involving the court's identification of a well-known trademark, the first contractual tort dispute between two foreign parties arising from a sports sponsorship contract, cross-border litigation and arbitration cases involving commercial disputes between domestic and foreign enterprises, and other important cases that have become legal precedents.

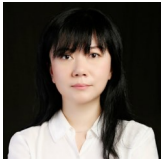
Sources: *Supreme People's Court, Shanghai Higher People's Court, Beijing Intellectual Property Court*



## Latest on Watson & Band

### W&B promoted Attorney Zhang Yue and Attorney Cai Yiqi to partners

Recently, Watson & Band decided to promote Attorney Zhang Yue and Attorney Cai Yiqi to partners. Attorney Zhang Yue and Attorney Caiyiqi respectively belong to Patent Litigation Department and Corporate and Commercial Department.



**Zhang Yue**  
Attorney at Law  
Patent Attorney

Ms. Zhang graduated from the College of Chemistry & Chemical Engineering of Shanghai Jiaotong University with a bachelor's degree and she obtained her LLM degree from Law School of Fudan University. She used to be at a patent agency for three years and gained experience as a Patent Attorney dealing with patent applications, responding to the Office Actions of the Patent Office and invalidations in the field of chemistry, chemical engineering and metallurgy.

After joining Watson & Band, Ms. Zhang mainly engages in business secrets, unfair competition and patent litigation cases such as patent infringement, patent rights argument, invalidation, and administrative protection.



**Cai Yiqi**  
Attorney at Law (qualified under both the China Lawyers Association and U.S. New York Bar Association)

Attorney Cai is familiar with both domestic and foreign laws and policies. She specializes in non-litigation legal services, especially in the corporate and commercial fields. She has provided legal consultation services for many famous domestic or foreign companies and has participated in several joint venture or cooperation projects in China by foreign investors. She is also experienced in the fields of routine corporate business, customs and logistics, mergers and acquisitions, foreign investment, corporate management and compliance.

Attorney Cai graduated with an LLB degree and a TEM-8 certificate from Law School of Shanghai International Studies University, after which she went on to further education at the University of Southern California and achieved an LLM degree.

### W&B Honored as “2016 Partner in Excellence for the Bonded Area of the China (Shanghai) Pilot Free Trade Zone”

On April 20th, 2017, the Administrative Office of the Bonded Area under the Administrative Committee of the China (Shanghai) Pilot Free Trade Zone (hereinafter the “Administrative Committee”) successfully convened the 2017 China (Shanghai) Pilot Free Trade Zone Bonded Area Enterprises Meeting (hereinafter, the “Meeting”), where W&B was honored as a Partner in Excellence.



Since 2014, W&B has been working with the Administrative Committee to provide services for the construction of the legal system for the Shanghai Free Trade Zone commodity markets. W&B gained the confidence and trust of the Administrative Committee with its superior service capabilities, excellent professional prowess, outstanding research skills and strong team spirit.

### Watson & Band Listed in ALB 2017 Intellectual Property Rankings



Recently, Watson & Band Law Offices appeared in the Patents list of the ALB 2017 IP Rankings and Trademarks/Copyright Rankings published by the Asian Legal Business Journal (“ALB”), which belongs to Thomson Reuters.





## Watson & Band Presents a Lecture on “New Trends in Overseas Wealth Management and European Offshore Companies”

Recently, a lecture entitled “New Trends in Overseas Wealth Management and European Offshore Companies” was delivered at W&B Law Offices. The speakers were Eric Leclerc and Mr. Pol Kenens, partners in the European enterprise LWM.

The lecture focused on the management and protection of overseas wealth. Mr. Leclerc and Mr. Kenens utilized actual cases and their vast professional experience to vividly describe and analyze related European laws and regulations on probate, business preservation, offshore companies and asset mergers. The portion of the lecture that aroused the most interest was the speakers’ detailed description of immigration policies in European countries. They also interpreted current hot-button issues, including Britain’s exit from the EU and refugee problems.



## W&B Hosts Lecture on Sino-US Intellectual Property Operating Practices

Recently, the Symposium on Sino-American Intellectual Property Operating Practices was hosted in W&B’s Shanghai office. The lecture was organized by the Intellectual Property Society of China (Shanghai) Pilot Free Trade Zone and the World Chinese Technical Managers Association, and was co-organized by Watson & Band Law Offices and Shanghai Shichai Technology Co., Ltd. Mr. Qing Ye, Deputy Secretary General of the Intellectual Property Society of China (Shanghai) Pilot Free Trade Zone and Founder and General Manager of Shanghai Shichai Technology Co., Ltd., delivered his remarks at the symposium.



The lecture was arranged in two sessions. The first session, entitled “U.S. Standard Intellectual Property Protection, Operation and Enforcement” was presented by Ms. Lei Fang, attorney at law from the U.S. law firm, Jin & Fang. Ms. Fang vividly elaborated on issues such as patent application procedures in the United States, intellectual property operations and due diligence investigations. In particular, Ms. Fang provided a detailed comparison and explanation of a hot contemporary issue – differences between patent applications in China and the United States.

The second session, entitled “Chinese Enterprise Intellectual Property Management and Operations”, was presented by Ms. Jun Yang, Managing Partner of Watson & Band Law Offices. Ms. Yang used several cases to vividly analyze the importance of intellectual property management for enterprises, and she provided advice on how to build a comprehensive multi-layered enterprise intellectual property management system. Ms. Yang also pointed out several common issues encountered by small-and-medium-sized domestic enterprises when building up their intellectual property operation models, and she provided suggestions on enterprise intellectual property management and operations.

By focusing on issues such as the effective utilization of enterprise advanced technology and the appropriate management of enterprise intellectual property rights, the lecture received overwhelming interest by providing representatives from various enterprises and legal professionals with a platform to discuss the practices and skills of standard intellectual property operations and IPR protection in China and the United States.



# Litigation Report

## 12th NPC Standing Committee's 27th Session Deliberates the P.R.C. Standardization Law (Draft Amendment)

The 27th Session of the 12th NPC Standing Committee recently deliberated the P.R.C. Standardization Law (Draft Amendment) (hereinafter the "Draft Amendment") and published it for public commentary until June 14th, 2017.

The Draft Amendment features the following revisions:

(1) The scope of standardization has been enlarged from the original area of industrial products, engineering construction and environmental protection to additional areas such as the agriculture industry and service industries as well as social programs. (2) The mandatory standards have been consolidated by repealing industry and local standards and merging them with national standards. (3) Standardized effective supplies have been enhanced by delegating the formulation of local standards to cities divided into districts and autonomous prefectures; and a new provision has been added providing that social groups established in accordance with the law can formulate group standards and enterprises can formulate enterprise standards as needed. (4) A coordinated and unified standardization system has been established, and the levels and positions of various standards have been clarified. (5) The standardization mechanism has been improved, and a self-disclosure system has been established for enterprise product and service standards.

Via: [www.npc.gov.cn](http://www.npc.gov.cn)

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## Internet Security

### Cyber Security Law Implemented on June 1st to Impose Restrictions on Cross-border Data Transmission

On November 7th, 2016 the NPC Standing Committee officially passed the P.R.C. Cyber security Law (hereinafter the "CSL"), which came into implementation on June 1st, 2017.

Article 37 of the CSL provides that personal information and important data collected and generated by operators of critical information infrastructures within the borders of the People's Republic of China must be stored within these borders. Where it is actually necessary to provide any information or data overseas due to business needs, a security evaluation must be conducted in accordance with measures jointly formulated by the Cyberspace Administration of China and the relevant authority under the State Council. Where statutes or administrative regulations provide otherwise, such statutes or regulations will govern. By setting restrictions on cross-border data transmission, this provision has aroused widespread concern and discussion.

Via: [hk.lexiscn.com](http://hk.lexiscn.com)

### Implementing Rules Published for the License Management of Internet News Information Services

The Cyberspace Administration of China recently published the Implementing Rules for the License Management of Internet News Information Services (hereinafter the "Implementing Rules"), which came into implementation on June 1st, 2017.

The Implementing Rules: (i) further clarify the specific categories of Internet news information services and offer a detailed treatment of the concept, licensing conditions and application materials for each category; (ii) provide in detail the application materials for enterprise legal persons to adapt to the transformation of state-owned entities into enterprises and enterprise shareholding reform; (iii) provide that transmission platform service providers must formulate flawless platform account and user management systems, user agreements and complaint processing mechanisms, so as to avoid ambiguity in the division of responsibility; (iv) provide requirements related to technology security evaluations, and detail security evaluation requirements concerning Internet news information services cooperation between Internet news information service providers and foreign/domestic Sino-foreign equity/cooperative joint ventures or foreign-invested enterprises; and (v) expressly prescribe the conditions, materials and procedures for the modification, renewal and revocation of licenses, thereby improving the licensing system.

Via: [www.cac.gov.cn](http://www.cac.gov.cn)

# Internet Security

## *Regulations for the Administrative Enforcement Procedure Concerning the Content Management of Information on the Internet Recently Published to Cover Enforcement, Supervision, Procedure and Document Formatting*

Recently the Cyberspace Administration of China published the Regulations for the *Administrative Enforcement Procedure Concerning the Content Management of Information on the Internet* (hereinafter the “Regulations”). The Regulations feature the following topics:

(i) the enforcement targets and scope of coverage; (ii) the enforcement supervision system; (iii) measures to bolster the establishment of the enforcement system, improve training, testing and examination, qualification management and the certification system; (iv) establishing enforcement procedures, including specific procedural requirements on various issues such as jurisdiction, docketing, investigation and evidence collection, hearings, meetings, decisions and enforcement actions; (v) templates for commonly used documents, a stipulation that enforcement document templates must be formulated by the national Internet information content management authority, and sample templates for 17 commonly used documents (in the Appendix).

Via: [www.cac.gov.cn](http://www.cac.gov.cn)

## *Cyberspace Administration Publishes Tentative Measures for the Security Review of Network Products and Services*



The Cyberspace Administration of China recently published the *(Tentative) Measures for the Security Review of Network Products and Services* (hereinafter the “Measures”), which came into implementation on June 1st, 2017.

According to the Measures, security reviews of network products and services must focus on the security factors and controllability of the network products and services. These factors include:

(i) inherent security risks of the products and services and the risk of being illegally controlled, disturbed or interrupted; (ii) security risks in supply chains during the process of manufacturing, testing, delivery and technical support for the products and their critical components; (iii) the risk of illegal collection, storage, processing and use of relevant user information by product and service providers utilizing advantageous circumstances when providing their products and services; (iv) the risk of harm to cyber security and user interests by product and service providers leveraging user reliance on products and services; and (v) other risks that may harm national security.

Via: [www.189.cn](http://www.189.cn)

## *Trial Judgment Issued for the First Chinese Infringement Lawsuit against a Server Provider*

With the rapid development of the Internet, a great number of difficult and complex new Internet-related causes of action are emerging in the intellectual property industry. The Beijing Shijingshan District People’s Court (hereinafter the “Shijingshan Court”) recently issued a trial judgment for the first case in China where a server provider was sued for infringement. In this case, the Shijingshan Court held that defendant Alibaba Cloud Computing Ltd. (hereinafter “Alibaba Cloud”) infringed the legitimate rights and interests of Beijing Locojoy Technology Co., Ltd. (hereinafter “Locojoy”), because (i) the server it provided was utilized by another party for the operation of an infringing game; and (ii) Locojoy did not take appropriate countermeasures after receiving notice from the rights owner. Consequently, the Shijingshan Court ruled that Alibaba Cloud must compensate Locojoy for its economic losses and reasonable expenses in the approximate amount of 260,000 RMB. This was the first case in China in which a basic telecommunications server provider was held liable for infringement by judicial decision.

The Shijingshan Court held that although Alibaba Cloud, as a server provider, was not obligated to examine whether infringing content was already stored on the leased server, in the event that another party’s significant interests were harmed due to the network services it provided, it was obligated to take necessary, reasonable and appropriate measures to actively cooperate with the rights owner’s enforcement action, so as to prevent further losses to the rights owner.

Via: *China Intellectual Property News*

# Compliance Management

## Ten Departments Release Action Plan to Punish Infringement and Counterfeiting, False Advertising, Scalping and Credit Speculation

The State Administration of Industry and Commerce and nine other departments recently released the Special Action Plan for Online Market Regulation 2017, which states their decision to jointly launch a special action plan for online market regulation from May to November 2017. The plan will focus on infringement, counterfeiting, false publicity, false advertising, scalping, credit speculation and other illegal online activities. The plan will be implemented in three phases: the mobilization and deployment phase in May, the joint inspection phase from June to mid-November, and the supervision and conclusion phase from October to November. The ten participating departments are:

- the AIC;
- the Development and Reform Commission;
- the Ministry of Industry and Information;
- the Ministry of Public Security;
- the Ministry of Commerce;
- the General Administration of Customs;
- the General Administration of Quality Supervision;
- the State Food and Pharmaceutical Administration;
- the Cyber Administration; and
- the State Post Office Bureau.

Via: [www.saic.gov.cn](http://www.saic.gov.cn)

## China Food and Drug Administration Plans to Establish Pharmaceutical Patent Linkage System

The CFDA recently released *Relevant Policies for Encouraging Innovation in Pharmaceutical and Medical Equipment and Protecting the Rights and Interests of Innovators (Draft for Comments)* (the “Draft for Comments”), which solicits comments from the public. Anyone may submit comment until June 10th.

The Draft for Comments is arranged into four sections: “Establishing a Drug Patent Linkage System”, “Perfecting the Drug Test Data Protection System”, “Fulfilling the Duty of Confidentiality of State Functionaries” and “Compiling the Catalog of Listed Pharmaceuticals”. According to the Draft for Comments, when an applicant submits an application for registration, they are required to submit a claim stating any related rights that they are aware of (or that they should be aware of).

When challenging a drug patent, an applicant must declare that the registration does not infringe related drug patents, and they must notify the rights holder of related drug patents within 20 days of submitting the registration application. If the rights holder believes that its patent rights are being infringed upon, it should file a patent infringement lawsuit with a judicial authority within 20 days of receipt of the above notice from the applicant and it must inform the drug review authority.

Via: [www.sda.gov.cn](http://www.sda.gov.cn)

# Monopolies and Competition

## Supreme Court: Bundling of Program Fees for Digital TV Constitutes Monopolistic Tie-In Sales

The *Annual Report on the Supreme People's Court Intellectual Property Cases* (2016) was released recently. It selected 27 typical cases from IP and unfair competition cases that were heard and concluded by Supreme Court in 2016, and it analyzed 39 issues of legal application with general guiding significance. The Report revealed the Supreme Court's train of thought in trials and its way of deliberating new, difficult and complex cases in the IP and unfair competition field.

The Supreme Court pointed out that an operator could infringe on the consumer's right of choice and prevent other service providers from entering the digital TV services market by taking advantage of its dominant market position to charge consumers a basic TV license maintenance fee and a paid digital TV program fee bundled together. Even if there are exceptions where the operator charges fees for these two services separately, this is insufficient to prove that it has not conducted tie-in sales prohibited by the Anti-Monopoly Law.

Via: [www.legaldaily.com.cn](http://www.legaldaily.com.cn)

# Chinese Entertainment Law

## SAPPRFT Orders Remedy of Audio and Video Programs on Tencent

In view of Tencent's transmission of homemade and self-controlled political and social audio and visual programs, news programs and massive live broadcasting or broadcasting of vulgar programs in violation of applicable law, as well as various other problems existing in the management of audio and video programs broadcast through Tencent's WeChat public account or mobile client, the State Administration of Press, Publication, Radio, Film and Television (the "SAPPRFT") met with the officials from Tencent four times between sometime last year and the end of April this year to point out that Tencent's conduct has seriously violated the applicable provisions of the *Administrative Regulations for Internet Audio and Visual Program Services*, and has disturbed the market order of Internet audio and visual program services.



At the same time, SAPPRFT also demanded that the provincial administration of radio, film and television compel Tencent to carry out comprehensive remedial measures and impose penalties on Tencent's illegal conduct, based on the principle of territorial jurisdiction. During the rectification period, the administration will suspend processing of Tencent's applications to introduce related programs. Based on SAPPRFT requirements, the Guangdong Provincial Administration of Press, Publication, Radio, Film and Television imposed administrative penalties on Tencent, including an order to institute remedial measures and pay a fine.

Via: [www.sapprft.gov.cn](http://www.sapprft.gov.cn)

## Ministry of Culture Releases 2016 Statistical Bulletin on Cultural Development

The *2016 Statistical Bulletin of Cultural Development of the Ministry of Culture of the People's Republic of China* was recently released. The Bulletin shows that by the end of 2016, the national cultural system managed:

- 310,600 cultural entities with 2,348,100 staff members, and 12,301 art performing groups which gave 2,306,000 performances throughout the year (an increase of 9.4% over the previous year);
- 3,153 public libraries with 902 million books and offering 140,033 activities for readers throughout the year (an increase of 22.3% over the previous year);
- 44,497 mass culture organizations, offering 1,839,700 cultural activities of all kinds (an increase of 10.6% over the previous year);
- 8,954 historical relics organizations holding 44,559,100 preserved relics and receiving 1,012,690,000 visitors over the past year.
- The amount of national cultural service fees in 2016 reached 77.069 billion RMB, an increase of 8.772 billion RMB over the previous year, and 0.41% of total fiscal expenditures for a growth of 0.02% over the previous year.

Via: *China Culture Daily*





# Chinese Entertainment Law

## Cyberspace Administration of China Publishes Administrative Regulations for Internet News Information Services Prohibiting Non-public Capital from Intervening in Internet News Information Collection and Edition

The Cyberspace Administration of China published the Administrative Regulations for Internet News Information Services (hereinafter the “Regulations”), which came into implementation on June 1st, 2017.

According to the Regulations, an operator providing the public with Internet news information services by means such as Internet websites, apps, forums, blogs, social networking sites such as Weibo, public accounts, instant messengers or webcasting, must obtain a license for the Internet news information services. Operators are prohibited from carrying out activities in the absence of a license or beyond the scope of their license. The Regulations also provide that no organization must be permitted to establish a Sino-foreign equity or cooperative joint venture or a foreign-invested Internet news information service provider.

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.

Where an Internet news information service provider cooperates with a foreign or domestic Sino-foreign equity or cooperative joint venture or a foreign-invested enterprise in business involving Internet news information services, such cooperation must be reported to the Cyberspace Administration of China for a security evaluation. Furthermore, the Regulations emphasize that where an Internet news information service provider provides users with Internet news information transmission platform services, it must require users to provide accurate identity information in accordance with applicable law.

Via: [www.cac.gov.cn](http://www.cac.gov.cn)

## Famous Actor Encounters “Cyber Violence” Studio Releases Rights Declaration

Recently, Lu Han, a famous actor, was involved in reputation-damaging rumors and cyber violence in which a user of Tianya.cn, a Chinese version of BBS, published fictitious and malicious innuendos concerning Lu Han that exerted a significant negative impact. These innuendos purported to originate from a knowledgeable informant. Lu Han’s studio and his law firm, Watson & Band, released a declaration and a warning letter, respectively, in order to emphasize their strong stand against all forms of cyber violence.

Via: *Sina News*



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### 律师声明

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# Chinese Entertainment Law

## New Regulations on Online Games Officially Implemented to Regulate Probability of Acquisition of Props and Real-name Registrations of Players

On May 1st, 2017, the Circular on Regulating the Operations of Online Games and Strengthening During-and-After Event Supervision (hereinafter, the “Circular”) issued by the Ministry of Culture officially went into implementation. The Circular contains the following features:

- (i) enterprises must require online gamers to register their real names using valid identity documents;
- (ii) enterprises must disclose the probability of the acquisition of stage props;
- (iii) enterprises must not provide users with exchange services from virtual props to legal tender; and
- (iv) enterprises must restrict the playing time of juvenile users and filter out inappropriate content.

Reportedly, trendy online games such as King of Glory and Onmyoji have begun complying with the terms of the Circular. King of Glory, for example, has announced that players not registered under their real names will be prohibited from using the game as of May 2017; Tencent has launched a Growth Guardian Platform for its games; and Onmyoji has estimated the likelihood of falling objects.

Via: *Sina Games*

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