

## China Revises Anti-Unfair Competition Law

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On June 27, 2025, the Chinese Congress announced its third revision to the Anti-Unfair Competition Law, to take effect on October 15, 2025.

This revision primarily focuses on four aspects to strengthen regulation of the online platform economy, enhance protection for small and medium-sized enterprises, expand the types of unfair competition acts, and improve the legal liability system. We would like to elaborate the revision related to intellectual property (IP) as follows:

1. Article 7.1.(2)-(3) of the revised Law introduces new types of commercial identifiers that have emerged or gained attention in recent years, including **online usernames, social media account names, application names, or icons**. These newly added identifiers shall also be "sufficiently distinctive" and capable of identifying market entities or commercial activities to qualify for protection.
2. Article 7.2 newly provides that "Unauthorized use of another party's registered trademark or unregistered well-known trademark as a **trade name**, or setting another party's product name, enterprise name (including abbreviations or trade names, etc.), registered trademark, or unregistered well-known trademark as **search keywords**—thereby causing confusion with another party's goods or suggesting a misleading association—shall be deemed as an act of confusion under the preceding paragraph."

The revised Law explicitly provides that only **registered trademarks and unregistered well-known trademarks** shall be protected against trade name conflicts, excluding other unregistered but "somewhat influential" marks. Moreover, the revised Law does not require "prominent use" of the trade name to constitute unfair competition. Instead, the key criterion is whether the use **misleads the public**, implying a requirement for the prior trademark's reputation.

The revised Law also explicitly categorizes the **misuse of commercial identifiers in keyword searching** as a prohibited act of confusion if it misleads consumers.

3. The revised Law has expanded the prohibition against **false or misleading information** that harms competitors' reputation by explicitly banning the act of instructing others to engage in such conduct. The revised Law also raises the maximum fines from CNY 500K to CNY 1 million against general violations and from CNY 3 million to CNY 5 million against aggravated cases. These changes demonstrate a stronger stance on protecting corporate reputation and brand value.

The Anti-Unfair Competition Law has long played a crucial role in complementing the more specific IP laws, particularly the Patent Law, the Trademark Law, and the Copyright Law, by providing "backstop protection" for commercially valuable assets not explicitly covered by the specific laws. By prohibiting confusion, false advertising, and commercial defamation, the Anti-Unfair Competition Law helps maintain fair market competition and combats IP-related misconduct, such as counterfeiting and misappropriation of goodwill.

This revised Law reflects China's response to new challenges in the digital economy, addressing emerging unfair competition acts in the internet sector. It further refines the regulatory framework for fair competition in the field of digital economy and aligns with China's broader policy of strengthening IP protection.