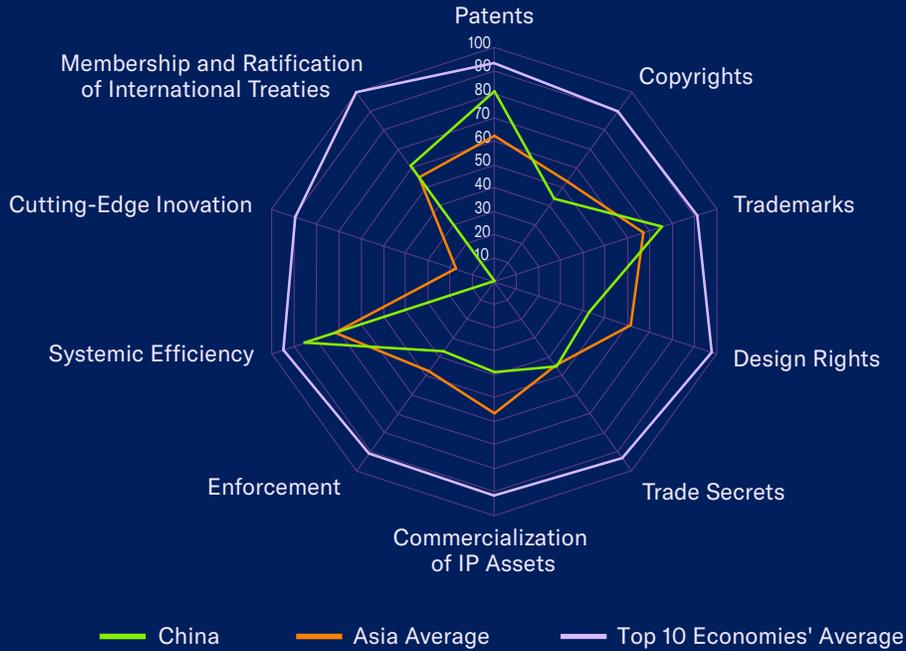




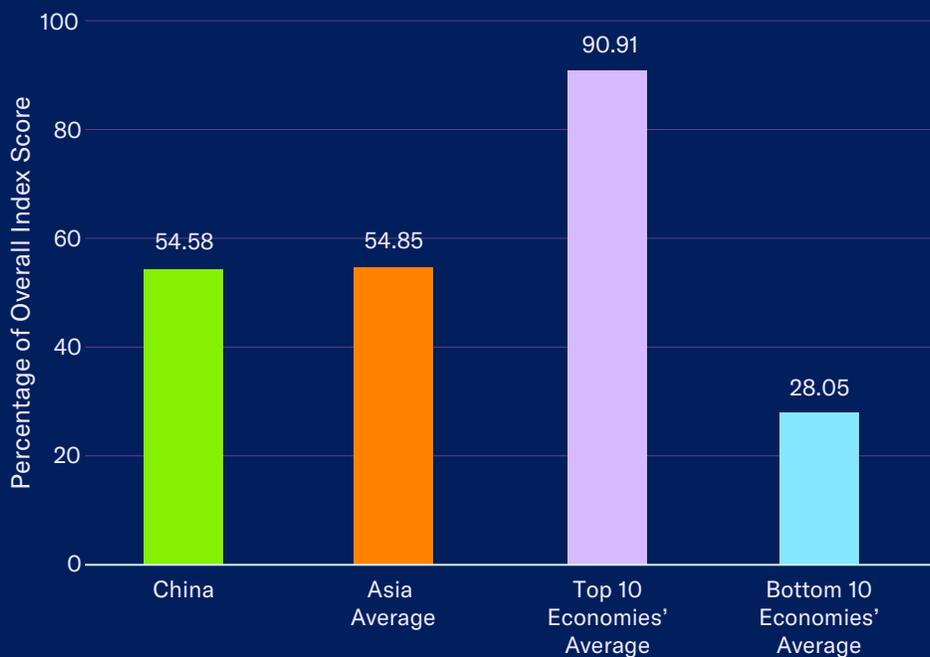
China

Rank
25/55

Category Scores



Overall Score in Comparison





Key Areas of Strength

- Reform of IP laws following Phase One Agreement with United States
- 2020 Patent Law amendment aimed to improve environment for biopharma and other patent-dependent industries and extend term of protection for design patents
- 2020 Copyright Law amendments improved copyright environment
- 2019-2020 amendments to Foreign Investment Law and Technology Import and Export Regulations improved technology transfer and licensing, though challenges for SEPs and informal avenues for forced tech transfers remain
- 2019 Trademark Law amendment sought to address issue of bad faith filings
- 2019 Anti-Unfair Competition Law amendment strengthened protection of trade secrets
- Strong efforts to raise awareness and leverage value of IP rights in academic and private spheres

Key Areas of Weakness

- 2024 Implementing Regulations and Patent Examination Guidelines make pharmaceutical patent term restoration contingent on first global launch taking place in China, which all but negates the practical availability of term restoration to most innovators
- No special IP incentives for orphan medicinal product development
- SEP rights holders increasingly facing global anti-suit injunctions and restrictions on their ability to assert infringement claims in legal jurisdictions outside China
- 2022 Anti-Monopoly Law greatly expands the government's basis for action against anti-competitive behavior and substantially increases fines and penalties. 2023 rules use broad, vague language on anti-competitive behavior in the IP context and grant authorities' wide discretion to define it
- Uncertainty over implementing rules for biopharmaceutical linkage mechanism and patent term restoration
- Lack of a Regulatory Data Protection system, despite draft rules presented in 2025
- Despite improved enforcement efforts, levels of IP infringement remain high
- Interpretation of IP laws can be fragmented and out of sync with international standards
- Broader industrial and investment policies continue to undermine the investment and business environment

Indicator	Score	Indicator	Score
Category 1: Patents Rights and Limitations	7.28	29. Direct Government intervention in setting licensing terms	0.25
1. Term of protection	1.00	30. IP as an economic asset	0.75
2. Patentability requirements	0.75	31. Tax incentives for the creation of IP assets	0.33
3. Patentability of CII	1.00	Category 7: Enforcement	2.59
4. Plant variety protection	0.78	32. Physical counterfeiting rates	0.00
5. Pharmaceutical-related enforcement	0.50	33. Software piracy rates	0.34
6. Legislative criteria and active use of compulsory licensing	1.00	34. Civil and procedural remedies	0.50
7. Pharmaceutical patent term restoration	1.00	35. Pre-established damages	0.50
8. Membership of a Patent Prosecution Highway	1.00	36. Criminal standards	0.25
9. Patent Opposition	0.25	37. Effective border measures	0.00
Category 2: Copyrights and Limitations	3.03	38. Transparency and public reporting by Customs	1.00
10. Term of protection	0.53	Category 8: Systemic Efficiency	4.25
11. Exclusive rights	0.75	39. Coordination of IP rights enforcement	1.00
12. Expeditious legal remedies disabling access to infringing content online	0.00	40. Consultation with stakeholders during IP policy formation	0.50
13. Cooperative action against online piracy	0.50	41. Educational campaigns and awareness raising	1.00
14. Limitations and exceptions	0.25	42. Targeted incentives for the creation and use of IP assets for SMEs	0.75
15. TPM and DRM	0.50	43. IP-intensive industries, national economic impact analysis	1.00
16. Government use of licensed software	0.50	Category 9: Cutting-Edge Innovation	0.00
Category 3: Trademarks Rights and Limitations	3.00	44. IP incentives for orphan medicinal product development	0.00
17. Term of protection	1.00	45. IP incentives for orphan medicinal product development, term of protection	0.00
18. Protection of well-known marks	0.50	46. Restrictions on the effective use of existing IP incentives for orphan medicinal product development	0.00
19. Exclusive rights, trademarks	0.75	Category 10: Membership and Ratification of International Treaties	4.25
20. Frameworks against online sale of counterfeit goods	0.75	47. WIPO Internet Treaties	1.00
Category 4: Design Rights and Limitations	0.85	48. Singapore Treaty on the Law of Trademarks and Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks	0.75
21. Industrial Design Term of Protection	0.60	49. Patent Law Treaty and Patent Cooperation Treaty	0.50
22. Exclusive rights, industrial design rights	0.25	50. Membership of the International Convention for the Protection of New Varieties of Plants, act of 1991	0.00
Category 5: Trade Secrets and the Protection of Confidential Information	1.35	51. Membership of the Convention on Cybercrime, 2001	0.00
23. Protection of trade secrets (Civil Remedies)	0.50	52. The Hague Agreement Concerning the International Registration of Industrial Designs	1.00
24. Protection of trade secrets (Criminal Sanctions)	0.25	53. Post-TRIPS FTA	1.00
25. Regulatory data protection term	0.60		
Category 6: Commercialization of IP Assets	2.33		
26. Barriers to market access	0.25		
27. Barriers to technology transfer	0.75		
28. Registration and disclosure requirements of licensing deals	0.00		

Total Score: 28.93

Spotlight on the National IP Environment

Past Editions versus Current Score

China's overall score remains unchanged at 28.93 out of 53 indicators.

Area of Note

In March 2025, the Chinese State Council published the Regulations of the State Council on Resolving Foreign-Related Intellectual Property Disputes. The Regulations instruct all layers of government to help Chinese entities protect their IP assets abroad. They also include several broad provisions that can be applied to any perceived dispute or situation in which someone believes Chinese interests are threatened or violated. Specifically, Articles 15-17 give the government, and any offended Chinese entity, powers to act and/or retaliate “against those who use intellectual property disputes to endanger China’s sovereignty, security and development interests.”

Separately, in July, the China National Intellectual Property Administration (CNIPA) issued a public consultation on the implementation of the “Law of the People’s Republic of China on Promoting the Private Economy” in the field of IP rights. Just like the Regulations on Foreign-Related Intellectual Property Disputes, these draft measures also include articles relating to foreign IP disputes. Finally, in late December, the National People’s Congress passed a revised version of the Foreign Trade Law. This also includes articles specific to IP rights and the protection of Chinese IP abroad. Like the State Council Regulations, Articles 33-34 of this draft also grant the Chinese government broad powers to act against any perceived harm or unfair treatment. The Index will monitor how these new laws and draft measures are used against rights holders in 2026 and beyond.

Patent Rights and Limitations; and Trade Secrets and the Protection of Confidential Information

7. Patent term restoration for pharmaceutical products; and 25. Regulatory data protection (RDP) term:

As noted in the Index, in a positive development for China’s national IP environment, the 2020 amendments to the Patent Law introduced a term-restoration period of up to five years for biopharmaceutical products. In late 2023, the Implementing Regulations were finally released, along with updated Patent Examination Guidelines that explained how these amendments would work in practice. Unfortunately, these Regulations and Guidelines make term restoration contingent on the first global launch of an individual medicine or therapy taking place in China.

This stands in stark contrast to international best practices, which define “new” biopharmaceutical products as those newly approved for that individual market. Given that most innovative medicines are first launched outside China, this requirement effectively eliminates the practical availability of term restoration for most innovators. At the time of research, no revisions or updates to the published Regulations had been proposed. If no action is taken by Chinese authorities and the Regulations remain unchanged, the score for indicator 7 will be reduced to 0. Similarly, if this definition of “new” becomes the norm and is applied to other biopharmaceutical IP rights, including RDP, as part of the draft measures proposed in 2025 that are still to be finalized, it will also result in a score reduction for indicator 25. The Index will continue to monitor these developments in 2026.

Commercialization of IP Assets and Market Access

*27. Barriers to technology transfer; and
29. Direct Government intervention in setting licensing terms:*

In 2025, several significant developments occurred in China's technology transfer and licensing environment. As detailed across several editions of the Index, rights holders have historically faced a growing number of regulatory and procedural barriers that impede technology flows, R&D cooperation, and digital trade. This changed in 2019-20 as a direct result of the negotiations and conclusion of the "Economic and Trade Agreement Between the Government of the United States and the Government of the People's Republic of China," which led to several significant and positive changes in China's technology transfer and licensing environment. As noted at the time in the Index, these changes held the promise of fundamentally remodeling the way licenses are drafted and executed between foreign and Chinese entities. As a result, China's score increased on indicators 26, 27, and 29 in the eighth edition of the Index. However, since then, and despite this legislative progress, licensors and rights holders have continued to face substantive challenges to doing business in China on fair, non-discriminatory, and equal terms.

To begin with, in the last few years, there has been a growing trend of rights holders facing global anti-suit injunctions and restrictions on their ability to assert infringement claims in legal jurisdictions outside China. Chinese courts have increasingly claimed global jurisdiction to set global licensing rates for technologies protected by Standard Essential Patents (SEPs), threatening exorbitant fines and withholding access to the Chinese market to prevent foreign patent holders from asserting their rights (in both China and global jurisdictions).

The outcomes of these cases have also been cited as "model" IP rights cases by government authorities. Such actions violate the spirit of China's commitment to refrain from forcing, whether directly or indirectly, technology transfers under Chapter 2 of the January 2020 Agreement and under TRIPS Article 28, which guarantees patent protection rights.

In 2022, the European Union filed a request for consultations with China at the WTO over this issue. In July 2025, a WTO appeal Arbitrator found that China's policy on anti-suit injunctions was inconsistent with its commitments under the TRIPS Agreement. The Arbitrator's findings mark a potential turning point on this issue and, if fully implemented by China, could represent a significant improvement in the licensing environment for SEPs.

At the time of the research, the Chinese delegation to the WTO issued a statement that it would abide by the award and its WTO obligations. In early 2025, before the award was issued, the EU actively requested consultations with China to discuss establishing global royalty rates for Standard Essential Patents (SEPs). At that time, a WTO dispute panel was being formed to address the issue.

In a separate development, in March 2025, CNIPA and six other government agencies — including the anti-competition authority, the State Administration for Market Regulation — issued "Opinions of the State Intellectual Property Office, the Ministry of Education, the Ministry of Science and Technology, the State Administration for Market Regulation, the State Financial Regulatory Administration, the National Copyright Administration and the Chinese Academy of Sciences on further optimizing the business environment in the field of intellectual property."

Notably, Section II, Subsection V further cements the Chinese government’s role within the SEP licensing process through the development of new SEP state-issued licensing guidelines; the promotion of “fair and reasonable licensing” of SEPs; and the prevention of “monopoly behavior.” SEP-based technologies are central to future innovation and economic growth,— both in China and globally. Many of the cutting-edge industries loosely labeled as part of the “Fourth Industrial Revolution” — the Internet of Things, artificial intelligence, robotics, and 3-D printing — will rely on SEPs to function.

However, disputes between licensors and licensees on what constitutes fair, reasonable, and non-discriminatory (FRAND) licensing terms are not new, nor are they unique to China. This is an evolving field of IP policy and jurisprudence for a deeply complex subject matter. Each licensing negotiation is unique and should not be subject to prescriptive government action or intervention, whether direct or indirect.

Should rights holders continue to face challenges in asserting their rights on fair, non-discriminatory, and equal terms — whether through the Chinese judiciary or administratively through the expanded powers and continued government intervention in the SEP licensing process — this will result in a sharp score decrease on relevant Index indicators and negate the positive impact of the Phase I Agreement with the United States. The Index will continue to monitor these developments in 2026.