

WHITEPAPER

China's New Trademark Law and Brand Protection

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China is actively advancing the strengthening of its domestic economy through the development and promotion of its own brand companies. A key part of this strategy is the **Good Products China Plan**, developed by state broadcaster CCTV in cooperation with the **Good Products China Brand Building Office**. This plan offers extensive support to Chinese companies for brand building and brand management.

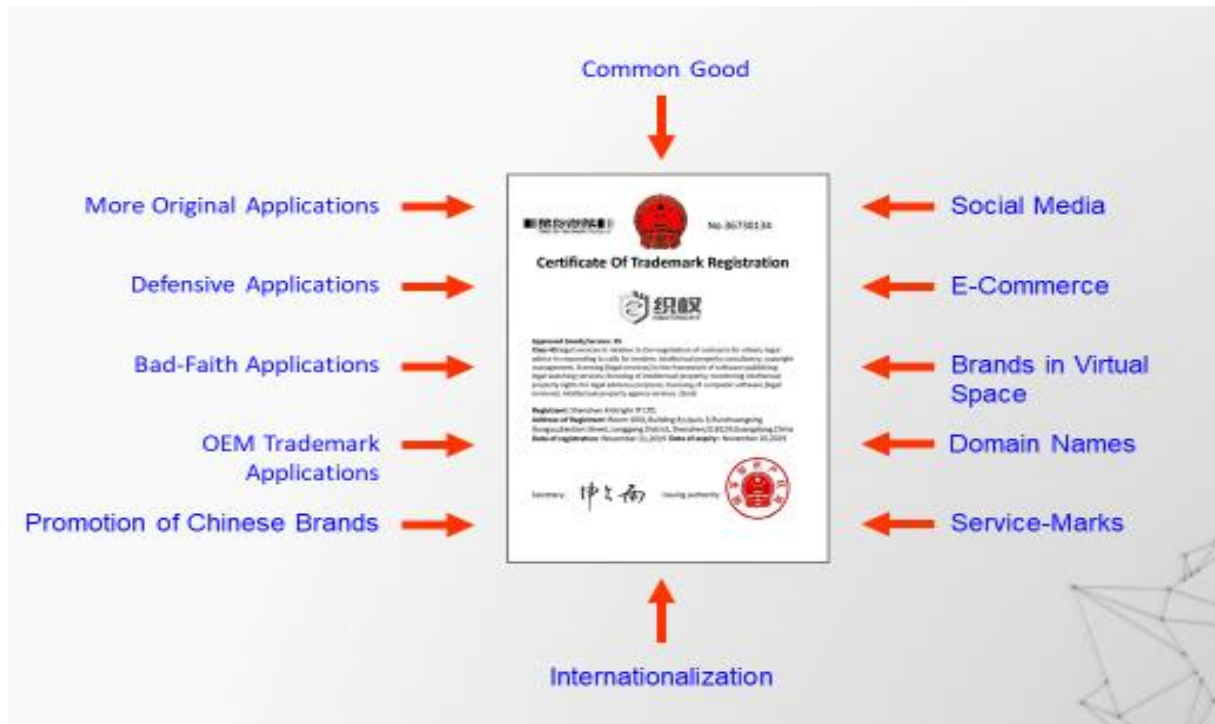
A central element of this initiative is the establishment of an online platform with integrated distribution channels designed to help Chinese brands adapt to the new economic situation and systematically expand their brand reach. Companies also receive financial support for investing in the protection and defense of their trademarks, thus ensuring the long-term security of Chinese intellectual property. Besides economic promotion, China is increasingly focusing on cooperation between businesses, government authorities, and academics. The goal is to exchange best practices in brand building and management and to strengthen the international marketing of Chinese brands.

In parallel, the government is pursuing an economic policy reorientation focusing on the common good and intensified market control. The era of unregulated capital expansion, pursued at the expense of public welfare for high returns, is intended to be ended. This is evident, among other things, in the redistribution of wealth from affluent regions and large internet corporations to consumers and employees. A significant component of this strategy is the selective promotion of companies, especially in the technology sector. Creating technology clusters inland dealing with big data, artificial intelligence, the Internet of Things, robotics, cloud computing, and clean energy aims to ensure sustainable economic development.

These developments directly impact trademark protection in China and underline that a brand's overarching purpose is becoming increasingly important. In China, the purpose of a brand now goes beyond merely selling products or services. Companies are expected to take on a societal role and make measurable contributions to society or the environment. Brands that ignore this shift risk losing competitive significance or facing regulatory hurdles. Companies must therefore increasingly pay attention to how their brand is perceived in China and the values it communicates.

Trademark Proliferation

The Chinese market remains crucial for international brands, but companies increasingly face the challenge of protecting their trademark rights in a highly dynamic and complex environment. China's trademark landscape is characterized by extreme growth, with several million new trademark applications annually and over 42 million registered trademarks. This development has created an overloaded system affected by trademark squatters, fraudulent registrations, and increasing regulation. The recent revision of China's trademark law introduced far-reaching changes affecting brand owners, particularly in defensive strategies, trademark monitoring, and protection against bad-faith registrations. Consequently, companies must adjust their trademark strategies and increasingly rely on proactive protection mechanisms.



Drivers of Trademark Applications in China

Drivers of Trademark Registrations in China A significant issue in the Chinese market is the large number of bad-faith trademark registrations. It frequently happens that trademarks are registered by third parties without any intention of use, aiming to sell them later at high prices to the legitimate owners. This practice presents substantial legal and economic challenges for many companies.

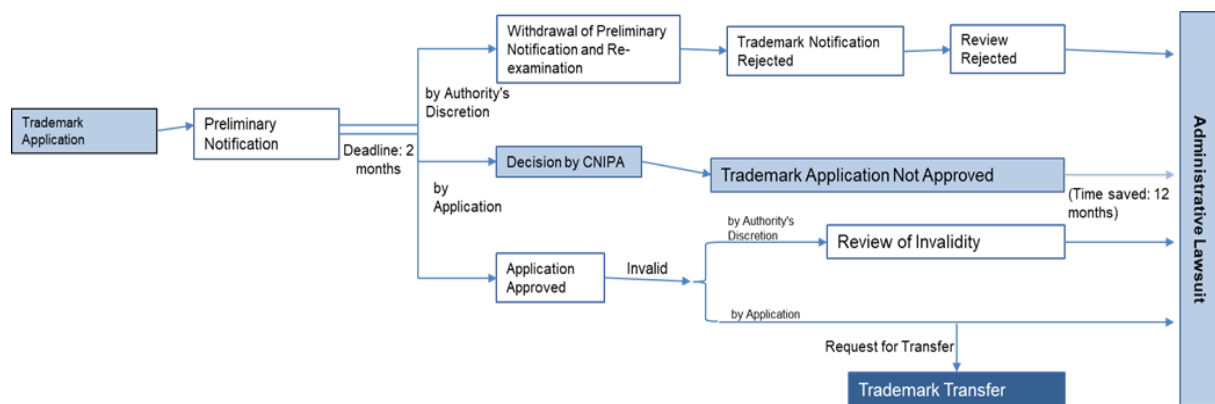
Proof of Trademark

Use In response to this issue, lawmakers introduced new provisions requiring trademark owners to regularly submit declarations proving trademark use. Failure to provide such evidence within five years risks trademark cancellation. This provision aims to reduce the trademark zombie issue by removing unused or speculatively registered trademarks from the system. However, this means that companies must rethink their trademark strategy, particularly regarding defensive trademark applications made to protect against squatters.

Additionally, new regulations have been introduced to combat serial registrations. These aim to prevent a single party from registering numerous similar or identical trademarks without demonstrating clear prospects for use. In practice, companies can no longer easily register extensive defensive trademarks and must optimize their protection strategy specifically. We support companies in systematically reviewing and adjusting their portfolios to ensure adequate protection while complying with new regulations.

Our advisory services include identifying trademarks worthy of protection, strategic registration in relevant product and service classes, and integrating effective trademark monitoring to detect potential infringements early.

A crucial part of the legislative amendments is the proof of trademark use. Applicants must regularly submit declarations of trademark usage. Following trademark registration approval, applicants have twelve months to either demonstrate usage of the trademark for the approved goods or provide valid reasons for non-use. If they fail to do so, the trademark will be deleted by CNIPA after a six-month grace period. This evidence must be renewed every five years. CNIPA is authorized to randomly verify the authenticity of trademark use declarations. If the usage declaration is found untrue, CNIPA will revoke the trademark.



The new regulations also provide stricter control over trademark infringements online. Legislation adjusts the definition of trademark use to include new technologies and digital applications. This makes it easier to combat trademark infringement on e-commerce platforms and social networks. Moreover, the period for filing an opposition against a trademark has been reduced from three to two months. If a trademark is not registered, the rights holder can take the matter to court or alternatively request the transfer of a maliciously registered trademark to their name.

In summary, trademark protection in China is becoming increasingly professionalized and more complex for foreign companies. While new legislative changes offer better protection against bad-faith trademark registrations, they also demand a more active and strategic approach to brand management.

Our advisory approach includes holistic support for companies in strategic trademark registration and management, monitoring, and enforcement of trademark rights. By leveraging advanced technologies and extensive local expertise, we enable companies to effectively protect themselves against trademark infringement and secure their market position in China long-term. A proactive approach is essential to minimize legal risks while fully leveraging opportunities in the Chinese market.

For Further Informations

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