CHINA'S NEW TRADEMARK LAW - KEY UPDATES

On 26 June 2026, the Standing Committee of the 14th National People's Congress adopted the revised Trademark Law of the People's Republic of China (the "New Trademark Law"), promulgated under Presidential Order No. 77 and effective from **1 January 2027**.

This is the most significant reform on trademarks since 2013. The New Trademark Law expands from 73 to 87 articles and introduces a dedicated chapter on the conditions for trademark registration, restructuring the rules governing registration, use, enforcement and administrative supervision.

The reform responds to a longstanding issue in China's trademark system: the emphasis on **registration over genuine use**. The new framework shifts the balance towards **actual use, good faith and responsible trademark management**, meaning that registration alone, while still remaining the main instrument to ensure protection, will increasingly be insufficient to secure the long-term value of a brand.

For foreign companies operating in China, the reform brings both **new compliance risks and stronger protection mechanisms**. Below are the key developments businesses should be aware of.

1. A STRONGER FOCUS ON ACTUAL USE

The New Trademark Law places greater emphasis on how trademarks are actually used in the market.

The definition of trademark "use" is expressly extended to activities conducted through the internet and other information networks (Art. 2), reflecting the growing importance of **e-commerce, livestreaming, short-video platforms and social media** in brand building and sales.

At the same time, "dynamic signs" such as motion marks, are expressly recognised as registrable signs (Art. 14), opening the door to greater protection for animated logos and other digital brand elements (subject to the existing exclusions for purely functional features).

This development has a practical consequence for foreign businesses: **digital evidence of use will become increasingly important.** E-commerce store pages, advertising records, livestream recordings, orders and other online materials should be systematically preserved, particularly to defend against non-use cancellation actions and to establish reputation or infringement issues.

Conversely, the use of third-party trademarks in product listings, livestream scripts, advertising and keywords should be reviewed carefully, as online activities may more readily qualify as trademark use and create infringement risks.

2. TIGHTER CONTROLS ON BAD-FAITH REGISTRATIONS AND TRADEMARK SQUATTING

The New Trademark Law strengthens controls also at the registration stage.

Indeed, Article 19 provides for the rejection of applications filed **without the intention to actually use the trademark** and clearly exceeding the reasonable needs of normal business activities. Bad-faith applications obtained through deception or other improper means are also prohibited.

The reform further strengthens protection against trademark squatting by expanding the concept of "prior rights" suitable to receive protection, now broader defines as **"prior legitimate rights and interests"** (Art. 24). Depending on the circumstances, trade names, product names, packaging and other distinctive commercial elements may therefore support actions against abusive registrations.

This is particularly relevant where foreign brands have interacted with **Chinese distributors, agents, OEM partners or former employees**. Evidence of prior commercial contact — including contracts, correspondence, purchase orders, trade fair records and negotiations — may become critical when challenging a bad-faith application.

The New Trademark Law also introduces an independent administrative liability for certain bad-faith applications, with penalties of up to **RMB 100,000** (Art. 54). Such penalties will now apply directly to the applicant and not only to the agencies that might have helped to submit such bad faith applications.

3. REGISTRATION IS NO LONGER ENOUGH: STRONGER OBLIGATIONS AFTER REGISTRATION

The New Trademark Law restores the authority of the competent trademark administration to cancel trademarks that have not been used for **three consecutive years** on its own initiative (Art. 57).

As a result, defensive, reserve and legacy registrations will face greater scrutiny. Companies should therefore move from a reactive approach — collecting evidence only when a dispute arises — to **systematic evidence management throughout the life of the trademark**.

The reform also introduces stronger controls over *how* a registered trademark is used. Article 56 provides sanctions where a trademark is used in a manner capable of misleading the public, including fines up to five times the relevant illegal turnover. Continued non-compliance after the trademark authority notice may ultimately result in cancellation.

This means that even a validly registered trademark cannot be treated as a "safe harbour": packaging, product descriptions, e-commerce pages and livestream content should be reviewed to ensure that the way a mark is presented does not mislead consumers regarding quality, origin or manufacturing.

Indeed, Article 55 also strengthens quality-control requirements in licensing arrangements, granting licensors a statutory right to terminate in certain circumstances where licensees fail to comply with quality assurance obligations.

4. BROADER PROTECTION GRANTED, BUT FASTER ACTION IS REQUIRED

Article 21 expands protection for **well-known trademarks**, allowing certain protection beyond the registered class even where the well-known trademark is not registered in China. However, recognition remains fact-specific and requires appropriate evidence of reputation. Foreign companies should therefore continue to build and preserve evidence of market recognition, including sales, advertising investment, media coverage and previous enforcement actions.

At the same time, enforcement procedures are being accelerated. The opposition period after registration is reduced from **three months to two months** (Art. 36). **Companies will therefore have less time to identify potentially conflicting applications, gather evidence and decide whether to oppose them.**

For international businesses, an effective **trademark watch and rapid internal response mechanism** will consequently become increasingly important.

5. WHAT SHOULD FOREIGN COMPANIES DO NOW?

The New Trademark Law will enter into force on **1 January 2027**. Existing registered trademarks will remain generally valid, but the transition period offers companies an important opportunity to review their trademark strategies before the new framework takes effect.

Foreign businesses operating in China should consider:

1. **Auditing their Chinese trademark portfolio**: identifying unused, redundant or potentially problematic registrations and applications;
2. **Strengthening trademark monitoring:** adapting watch procedures to the new two-month opposition period and preparing evidence in advance;

3. **Systematically preserving evidence of use:** both online and offline, by trademark and class, including e-commerce, advertising and livestreaming materials;
4. **Reviewing packaging and digital marketing:** particularly product pages, livestream content and advertising claims that could create misleading-use risks;
5. **Updating licensing and co-branding agreements:** with appropriate quality-control, monitoring and termination provisions.

The New Trademark Law marks a clear shift from a system centred primarily on **acquiring rights through registration** towards one in which **registration, genuine use, responsible management and good-faith enforcement** are increasingly interconnected.

For foreign companies, the key message is simple: **a trademark registration should no longer be treated as the end of the protection process, but as the beginning of an ongoing brand-management strategy.**