

5 KEY TAKEAWAYS

China IP Update: AI Disputes & Competition Cases (September 2026)

This month’s update covers China’s standing in WIPO’s 2026 ranking of innovation clusters, two sets of SPC typical cases on antitrust and unfair competition, new Supreme People’s Court (SPC) guidance on artificial intelligence disputes, and a prosecutorial initiative on technical evidence in IP cases. The headline development is the SPC’s Opinions on AI disputes, which reach deepfakes, “AI hallucination” and model training, among other issues. The SPC’s two sets of typical cases (典型案例), model decisions the SPC publishes to guide lower courts) round out a month focused on competition enforcement.

Here are the 5 key strategic takeaways.

1

China Holds 25 Of WIPO’s Top 100 Innovation Clusters

The World Intellectual Property Organization (WIPO) has released its 2026 ranking of the top 100 global innovation clusters. China placed 25 clusters (a count that excludes clusters in Taiwan), one more than last year, and has led the ranking by cluster count for four consecutive years. The Shenzhen-Hong Kong-Guangzhou cluster held the No. 1 spot; Beijing, Shanghai-Suzhou, Hangzhou and Nanjing all placed in the top 15; and Ningde rose fastest, from 99th to 75th. The United States ranked second with 20 clusters.

2

Courts Target Restricted Dealing and Unfairly High Prices

On September 10, the SPC released six typical antitrust cases. They address three issues:

- (1) abuse of a dominant market position through restricted dealing (限定交易), requiring counterparties to deal only with the dominant firm or its designees), discriminatory treatment and unfairly high pricing;
- (2) the identification of horizontal monopoly agreements;
- (3) and judicial review of antitrust administrative penalties and administrative guidance.

The cases span consumer-facing industries (agricultural wholesale, motor vehicle inspection, cement and concrete) and production-support services (electroplating wastewater treatment and pipeline steam supply). None arises from IP licensing, but the same abuse theories are available against a dominant licensor, so rights holders with significant market share in China should take note.

3

Spc AI Rules Cover Deepfakes and Model Training

On September 7, SPC Vice President Tao Kaiyuan released the SPC’s Opinions on Lawfully Hearing Cases Involving Artificial Intelligence Disputes. The Opinions set substantive and procedural rules for the AI issues drawing the most public attention: AI face swapping and voice cloning, torts caused by “AI hallucination,” online doxxing (网络开盒), big-data price discrimination (大数据杀熟), charging existing customers more based on their own data), autonomous driving and model training. Because model training is expressly within scope, U.S. developers that train on Chinese-language content or deploy models in China should review the Opinions for how Chinese courts will approach those disputes.

4

Nine Unfair-Competition Cases Address Trade Secrets and AI

The SPC also released nine typical unfair-competition cases. They address passing off that causes confusion, infringement of technical secrets (technology-related trade secrets), commercial disparagement, false advertising, online unfair competition, and application of the Anti-Unfair Competition Law’s general clause. The cases span both traditional consumer sectors and emerging ones, including artificial intelligence, new energy and the platform economy. Because typical cases are published to guide lower courts, foreign companies litigating trade-secret or platform disputes in China should read these decisions as the SPC’s current baseline.

5

Prosecutors Bring Technical Experts to Bear on IP Cases

The Supreme People’s Procuratorate (SPP), China’s top prosecution authority, published five typical cases on technical support in IP prosecutorial work, compiled jointly by its IP Procuratorial Office and its Procuratorial Technology Information Research Center. The cases span criminal and civil procuratorial functions and address technically difficult questions: patent infringement determinations, whether a trade secret is “not known to the public,” copyright technical protection measures, and deep linking (盗链) as a form of online dissemination. For U.S. rights holders weighing a criminal referral of trade-secret theft in China, the cases show prosecutors building technical capacity on secrecy, the element that often decides those cases.