

TRADE SECRET ADJUDICATION TRENDS OF THE SUPREME PEOPLE'S COURT IP TRIBUNAL (2025)

Observation Report

*A Systematic Analysis Based on Publicly Available
Judgments of the IP Tribunal in 2025*

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Introduction

Against the backdrop of intensifying global technological competition and an all-encompassing upgrade in intellectual property protection, trade secrets—as the critical carrier and foundational asset of an enterprise’s core competitive strength—occupy a position of paramount importance. The intensity, precision, and breadth of their judicial protection bear directly on the effectiveness of China’s innovation-driven development strategy.

Following the jurisdictional adjustment, the IP Tribunal of the Supreme People’s Court (“SPC IP Tribunal”) ceased accepting new non-major trade secret and technical secret cases from November 2023 onward. This made 2025 the pivotal year in which the SPC IP Tribunal intensively adjudicated, processed, and concluded the remaining complex and significant legacy cases.

In late January 2026, China Judgments Online published a series of trade secret judgments rendered by the SPC IP Tribunal in 2025. Upon careful examination, we observed that during this transitional period—marked by the shift in jurisdiction and the winding down of a historic mandate—the Supreme People’s Court exhibited a clear, robust, and systematized adjudicatory trend in trade secret disputes. Beyond substantially increasing damages awards across the board, the Court established authoritative new judicial benchmarks in the substantive shifting of the burden of proof, severe sanctions for evidence spoliation, full-chain piercing of infringing party liability, and the recognition of civil proceedings’ independence from criminal proceedings.

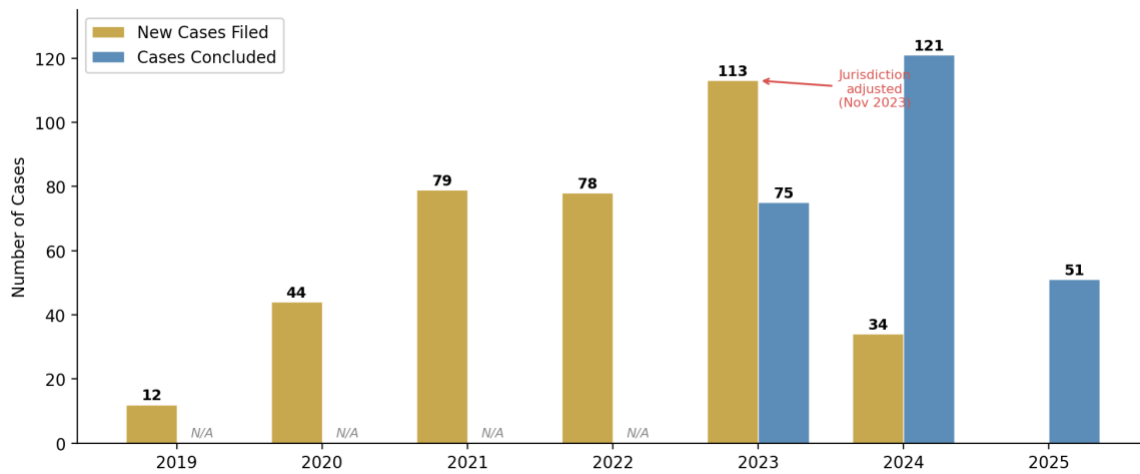
This report compiles the relevant judgments and the SPC IP Tribunal’s annual reports, offering observations and commentary on the year’s adjudication overview, infringement patterns, and the evolution of judicial trends.

I. Background: The SPC IP Tribunal’s Trade Secret Jurisdictional Landscape

A review of the historical data on cases accepted and concluded since the establishment of the SPC IP Tribunal vividly illustrates the trajectory of growth and increasing structural complexity in technology-related trade secret disputes in China.

The table below presents the trend in the number of trade secret (technical secret) cases adjudicated by the SPC from 2019 to 2025:

Figure 3 · SPC IP Tribunal: Trade Secret Caseload (2019-2025)



Year	New Cases Filed	Notes
2019	12	Inaugural year of the IP Tribunal (concluded cases not published)
2020	44	Concluded cases not published in annual report
2021	79	Concluded cases not published in annual report
2022	78	Concluded cases not published in annual report
2023	113	75 cases concluded
2024	34	121 cases concluded
2025	—	51 substantive technical secret cases concluded (all legacy)

With the jurisdictional adjustment, the peak intake has passed. The significance of this batch of 2025 judgments lies precisely in this context: they represent the IP Tribunal’s final calibration of trade secret adjudication standards as it completes its historic mandate—a calibration that will exert far-reaching influence on judicial practice across all levels of courts going forward.

II. Publication Status of the Judgments

Judicial transparency is a crucial pathway for unifying adjudication standards nationwide and for the Supreme Court's exercise of its case-guidance function. However, since technical secret cases inherently involve the most proprietary technologies of enterprises, the publication of many judgments implicates not only the commercial interests of the parties but, in some instances, the industrial security of nationally critical core technologies. Accordingly, the SPC has adopted a cautious approach and stringent desensitization standards in publishing sensitive judgments online.

As of March 2, 2026, China Judgments Online had published a total of 11 trade secret judgments concluded by the SPC IP Tribunal in 2025, representing an overall publication rate of approximately 22%. For comparison, 29 trade secret judgments rendered in 2024 were published as of the same date, yielding a publication rate of roughly 24%.

The table below shows the judgment dates and publication dates of the 11 published cases from 2025:

Case Number	Judgment Date	Publication Date
(2022) Zui Gao Fa Zhi Min Zhong No. 445	Sep. 11, 2025	Jan. 28, 2026
(2023) Zui Gao Fa Zhi Min Zhong No. 642	Oct. 15, 2025	Jan. 27, 2026
(2023) Zui Gao Fa Zhi Min Zhong No. 655	Feb. 8, 2025	May 30, 2025
(2023) Zui Gao Fa Zhi Min Zhong No. 868	Oct. 29, 2025	Jan. 20, 2026
(2023) Zui Gao Fa Zhi Min Zhong No. 1228	May 14, 2025	Sep. 26, 2025
(2023) Zui Gao Fa Zhi Min Zhong No. 1503	Aug. 22, 2025	Dec. 9, 2025
(2023) Zui Gao Fa Zhi Min Zhong No. 1669	Apr. 18, 2025	Jun. 3, 2025
(2023) Zui Gao Fa Zhi Min Zhong No. 2039	Dec. 25, 2025	Jan. 26, 2026
(2023) Zui Gao Fa Zhi Min Zhong No. 2467	Dec. 26, 2025	Jan. 26, 2026
(2023) Zui Gao Fa Zhi Min Zhong No. 2880	Dec. 25, 2025	Jan. 26, 2026
(2023) Zui Gao Fa Zhi Min Zhong No. 3118	Dec. 26, 2025	Jan. 26, 2026

Although only approximately 20% of judgments have been published, these 11 decisions provide a sufficiently robust sample for meaningful analysis. In particular, the comparable publication ratios between 2024 and 2025 enable a revealing longitudinal comparison. This report therefore takes these 11 judgments as its foundation for a preliminary observation and analysis of the SPC IP Tribunal's trade secret adjudication in 2025.

III. Typology of Trade Secret Infringement Patterns

Across the 11 judgments rendered in 2025, the defendants' infringement patterns are highly concentrated and can be broadly categorized into two types: departing employees or affiliated personnel "carrying secrets out the door," and contractual partners breaching trust by "burning bridges."

A. Post-Employment Infringement by Former Employees or Executives

This pattern accounts for the overwhelming majority—9 of the 11 cases—and can be further subdivided into several specific modalities.

1. Wholesale Departure of Core Teams to Replicate the Former Employer's Products

The hallmark of these cases is the collective departure of senior executives or core R&D personnel who produce highly similar competing products within an implausibly short timeframe.

[No. 3118 • CBCT Medical Equipment]

The former general manager of Company A departed to establish Company B, recruiting multiple core software and hardware engineers. Leveraging misappropriated CBCT technology secrets, they claimed to have completed R&D in under six months and even filed patents based on the stolen trade secrets.

[No. 655 • High-Temperature Submersible Pumps]

A former sales VP established a competing firm and lured 15 core personnel from the original company with premium salaries. These individuals brought proprietary blueprints and not only manufactured infringing equipment but directly plagiarized the original company's tender documents for competitive bidding.

[No. 1503 • Fingertip Recognition AI]

The former CTO departed to set up Company B, recruiting key technical personnel as shareholders. Within an extraordinarily short period after incorporation, the company deployed the original employer's algorithm source code and training data to launch an infringing product with identical functionality.

[No. 1228 • Chemical Production Line]

A former executive established a new company and engaged a construction firm that had previously accessed confidential layout drawings during construction for the trade secret holder. The contractor directly replicated the drawings to construct an identical facility.

[No. 445 • Long-Chain Dicarboxylic Acid]

An external investor established a company and used equity, premium salaries, and even real estate as inducements to lure the trade secret holder's VP and core technician. The VP, while still formally employed, submitted engineering proposals containing the former employer's trade secrets on behalf of the new company.

[No. 2467 • Quartz Glass]

The defendant, formerly the trade secret holder's general manager, possessed core technology for drawing quartz glass fiber. Despite having reached a settlement agreement, he disclosed the proprietary technology to a company in which he held equity for commercial-scale production—a textbook case of deliberate defiance.

2. Premeditated Mass Download and Defection to a Competitor

[No. 2039 · CNC Machine Tools]

A senior designer, in the month before his departure, systematically exploited a system vulnerability to download 37,340 confidential drawings and technical documents covering 160 models. A mere four days after resigning, he joined a competitor under a pseudonym as deputy project manager, leveraging the trove to assist in developing glass-processing machines and filing patents.

[No. 1669 · Automotive A/C Compressors]

An R&D department manager and multiple technicians departed to join a competitor, unlawfully providing core rotary-vane compressor drawings they had accessed during their employment for use in the competitor's production and sales.

3. Direct Sale of Trade Secrets as a Commodity

[No. 868 · Packaging Steel Strip]

A former equipment department director illicitly took a complete set of drawings for “high-strength color-coated packaging steel strip automated production technology” upon departure, then sold them to a third party for RMB 350,000 as a technology transfer, assisting in the construction of an infringing production line.

B. Breach of Trust by Contractual Partners

In this pattern, the infringer was originally a legitimate business partner—such as a contract manufacturer, construction contractor, JV shareholder, or engineering contractor—who had lawful access to trade secrets in the course of cooperation but subsequently breached confidentiality obligations by disclosing the technology to third parties.

[No. 2880 · Dry Desulfurization]

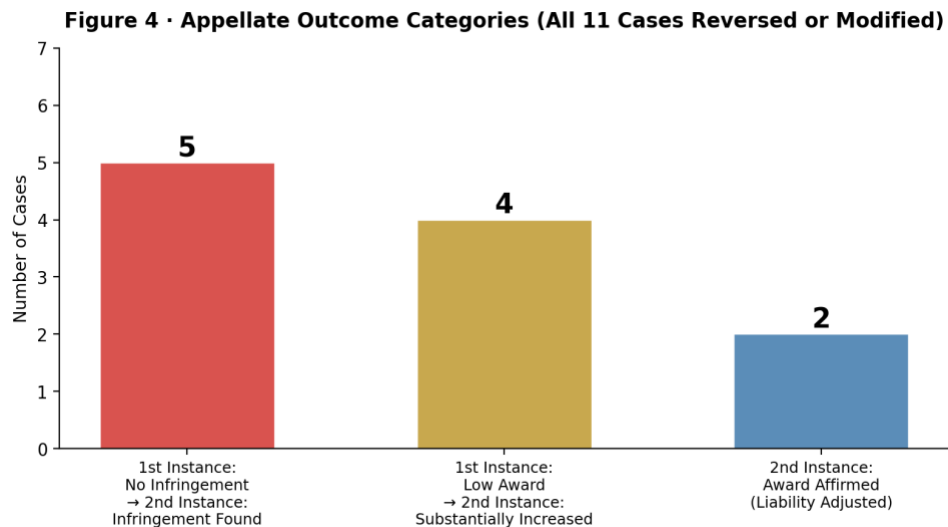
Company A provided its complete blast-furnace gas dry-desulfurization process flow and reactor dimensional parameters to Company B for a joint project. Company B then breached the confidentiality agreement by not only filing patents on the technology but disclosing it to two other companies within less than a year for a project valued in excess of RMB 300 million.

[No. 642 · Pharmaceutical Intermediate]

An individual simultaneously serving as shareholder of the trade secret holder, de facto controller of an export agent, and legal representative of a contract manufacturer extracted the latest improved process drawings under the pretext of “disclosing the process to overseas customers,” then directed a company under his control to commence production—effectively ousting the trade secret holder from the supply chain entirely.

IV. Overall Outcome Trends: Dramatically Strengthened Protection on Appeal

All 11 published cases were reversed or substantially modified on appeal—an extraordinarily rare occurrence in the history of judgment publication that signals the SPC IP Tribunal’s unambiguous intent. The outcomes can be classified into three categories.



A. First Instance: No Infringement → Second Instance: Infringement Found (5 Cases)

In five cases, the first-instance courts dismissed all of the plaintiff’s claims—either due to overly stringent standards for secrecy determination, excessively high evidentiary requirements, or concerns about duplicative litigation. The SPC corrected all five, directly finding infringement and awarding damages.

[No. 1503]

The first-instance court held that the plaintiff’s evidence was insufficient to demonstrate misappropriation. The appellate court employed an innovative comparison-testing methodology to reverse the finding, holding five defendants jointly and severally liable for RMB 500,000.

[No. 1669]

The first-instance court dismissed the claims, accepting the defendants’ independent R&D defense. The appellate court reexamined the R&D logic and drawing comparisons, identified logical fallacies in the defense, and ordered RMB 1 million in joint and several damages.

[No. 2880]

The first-instance court found certain secret points did not constitute trade secrets and dismissed all claims. The appellate court protected the technical information as an integrated whole, reversed the finding, and awarded RMB 50.3 million (including 2× punitive damages).

[No. 868]

The first-instance court dismissed all claims. The appellate court found clear willful infringement and serious circumstances, awarding RMB 10.47 million (including 2× punitive damages).

[No. 445]

The first-instance court dismissed the case as duplicative litigation. The appellate court corrected this finding and ordered the defendants to pay approximately RMB 28.87 million in damages.

B. First Instance: Infringement Found, Low Award → Second Instance: Award Substantially Increased (4 Cases)

In four cases, although the first-instance courts found infringement, they adopted conservative approaches to damages calculation. The SPC refined the computation of infringing profits or actual losses and applied punitive damages multipliers, dramatically increasing the awards.

[No. 2039]

First-instance award: RMB 12.8 million. The appellate court corrected the technology contribution rate to 100% and applied a 3× punitive damages multiplier for post-amendment conduct, increasing the award to RMB 381.63 million.

[No. 642]

First-instance statutory damages: RMB 5.1 million. The appellate court corrected the failure to apply punitive damages, using actual losses as the base with a 3× multiplier, increasing the total to over RMB 80.32 million.

[No. 1228]

First-instance discretionary award: RMB 5 million. The appellate court found evidence spoliation, applied refined calculations, and granted the plaintiff's full claim of RMB 60 million.

[No. 3118]

First-instance award based on valuation report: RMB 21.97 million. The appellate court found willful infringement and evidence spoliation, applied estimated sales volumes with a 1× punitive multiplier, and increased the award to over RMB 198.95 million.

C. Second Instance: Award Amount Affirmed (2 Cases)

In two cases, the appellate court adjusted certain aspects of liability allocation (e.g., scope of individual joint liability) but maintained the total damages amount determined at first instance.

[No. 655]

First-instance discretionary award: RMB 10 million plus RMB 150,000 in reasonable expenses. The appellate court affirmed the total, modifying only the scope of joint and several liability for certain defendants.

[No. 2467]

First-instance award via 1× punitive damages: approximately RMB 202 million across all defendants individually. The appellate court increased the punitive multiplier to 3× and converted individual liability to joint and several liability but, because the plaintiff had not appealed on the amount, maintained the total at over RMB 202 million.

Corroborating Macro-Level Data:

This vigorous corrective posture is amply confirmed by annual macro-level statistics. In 2024, the SPC's overall civil case reversal rate was 23.3%. By 2025, the annual report disclosed that the reversal rate for substantive civil cases—the category encompassing most trade secret cases—had climbed further to 26.3%. The fact that trade secret cases exhibit a reversal rate and damages

escalation far exceeding these averages profoundly reflects the SPC's systematic and fundamental correction of the previously prevalent tendency toward undervaluation and under-protection of trade secrets.

V. Nine Key Adjudicatory Trends

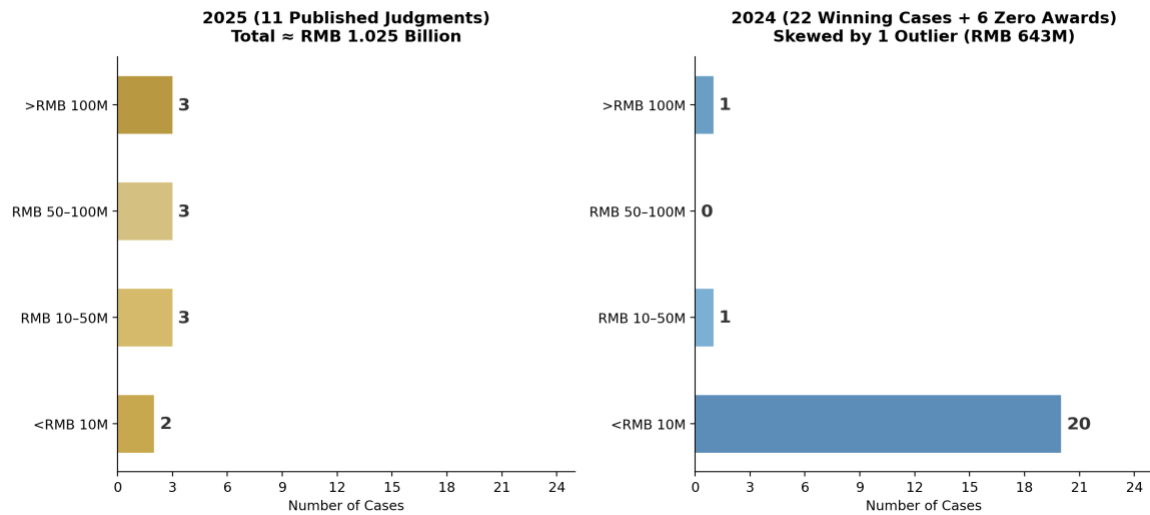
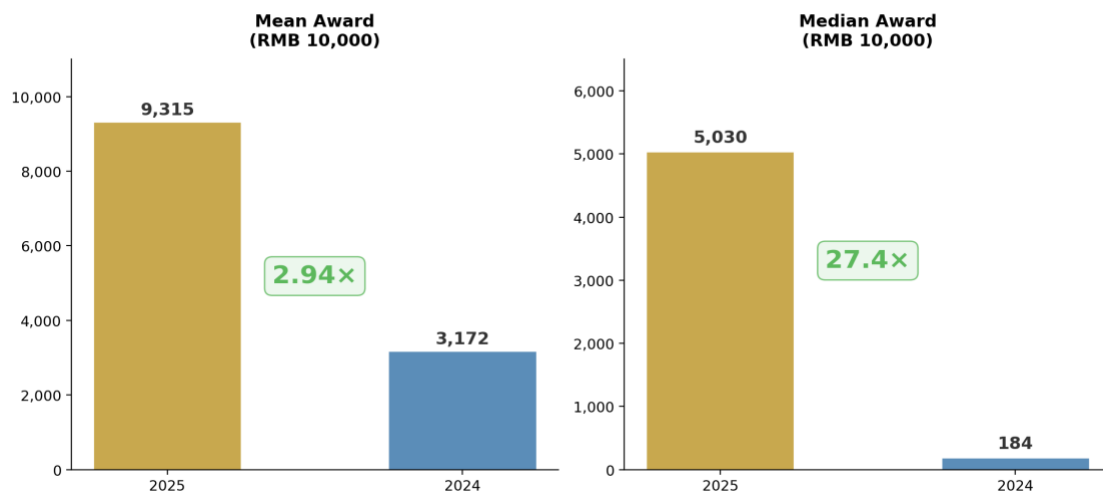
Beyond the evident reversal trend, the judgments reveal a systematized and structurally coherent evolution of adjudicatory rules. Drawing on the relevant judicial documents and judgment texts, we have synthesized this evolution into nine core trends.

Trend 1: Quantum Leap in Damages Awards—High-Value Compensation Becomes the Norm

Compared with 2024, the overall level of damages awarded in 2025 has undergone an order-of-magnitude escalation. High-value awards are no longer exceptional outliers but have become a systemic norm.

Case Number	1st Instance (RMB 10k)	2nd Instance (RMB 10k)	Multiplier
No. 2039	1,280	38,163	≈29.8×
No. 642	510	8,032	≈15.7×
No. 1228	500	6,000	12.0×
No. 3118	2,197	19,896	≈9.0×
No. 2467	20,242	20,242	Affirmed
No. 655	1,015	1,015	Affirmed
No. 2880 (1st: dismissed)	0	5,030	From zero
No. 445 (1st: dismissed)	0	2,887	From zero
No. 868 (1st: dismissed)	0	1,047	From zero
No. 1669 (1st: dismissed)	0	100	From zero
No. 1503 (1st: dismissed)	0	50	From zero

Aggregate statistics: Total damages across 11 cases: approximately RMB 1.025 billion; mean award: approximately RMB 93.15 million; median award: RMB 50.3 million. Three cases exceeded RMB 100 million, three fell between RMB 50–100 million, three between RMB 10–50 million, and only two were below RMB 10 million.

Figure 1 · Damages Distribution by Tier: 2025 vs. 2024**Figure 2 · Mean and Median Damages Awards: 2025 vs. 2024**

Year-on-year comparison: In 2024, excluding one extreme outlier at RMB 643 million (the Weima v. Geely case), the vast majority of winning cases (20 out of 22) had awards compressed below RMB 6 million, with most clustering in the range of a few hundred thousand to approximately RMB 2 million. The 2024 median was a mere RMB 1.84 million. By contrast, the 2025 median surged approximately 27-fold (from RMB 1.84 million to RMB 50.3 million), and the mean increased nearly 3-fold. Some 27% of published cases had awards at or near RMB 200 million, 54% exceeded RMB 50 million, and a full 81% exceeded RMB 10 million. This across-the-board normalization of high awards demonstrates that the SPC’s commitment to “strict intellectual property protection” has moved beyond policy rhetoric to become tangible judicial reality.

Trend 2: The Damages Leap Is Primarily Driven by Appellate Reversals

First-instance awards generally remained in the range of millions to low tens of millions of RMB, relatively stable overall. The SPC's appellate reversals are the core driver of this round of dramatic damages escalation. Among the four cases where existing awards were increased, the amplification ranged from a minimum of 9× to a maximum of approximately 29.8×. The five cases reversed from complete dismissal achieved a turnaround from total defeat to multi-million-RMB awards.

This structural pattern indicates that, at the present stage, the degree of protection afforded to trade secret holders depends to a significant extent on whether the case can be elevated to the SPC level. First-instance courts continue to exhibit a relatively conservative tendency in secrecy determination, evidence review, and damages calculation.

Trend 3: Sanctions for Evidence Spoliation Are a Direct Cause of High Awards

In multiple cases, defendants refused to produce financial books, sales data, or technical drawings in their possession. The courts expressly characterized such conduct as “evidence spoliation” (juzhenng fang'ai), using it as a trigger to substantially increase damages or directly apply punitive multipliers.

[No. 1228]

During the appellate proceedings, the court ordered the defendant to submit corporate income tax returns and payment certificates; the defendant failed to respond. The court found evidence spoliation and calculated infringing profits using the plaintiff's highest annual profit margin (45.33%) and the defendant's self-reported maximum unit price (RMB 300,000/ton), granting the full RMB 60 million claim.

[No. 3118]

The defendant expressly refused to produce production and sales records in both instances. The court used the defendant's externally reported expected sales volume as the base and applied a 1× punitive multiplier, granting the full RMB 198 million claim.

[No. 642]

The first-instance court ordered the defendant to produce sales contracts; the defendant failed to comply within a reasonable period. The appellate court found evidence spoliation and applied a 3× punitive multiplier on actual losses, awarding over RMB 80.32 million.

[No. 2039]

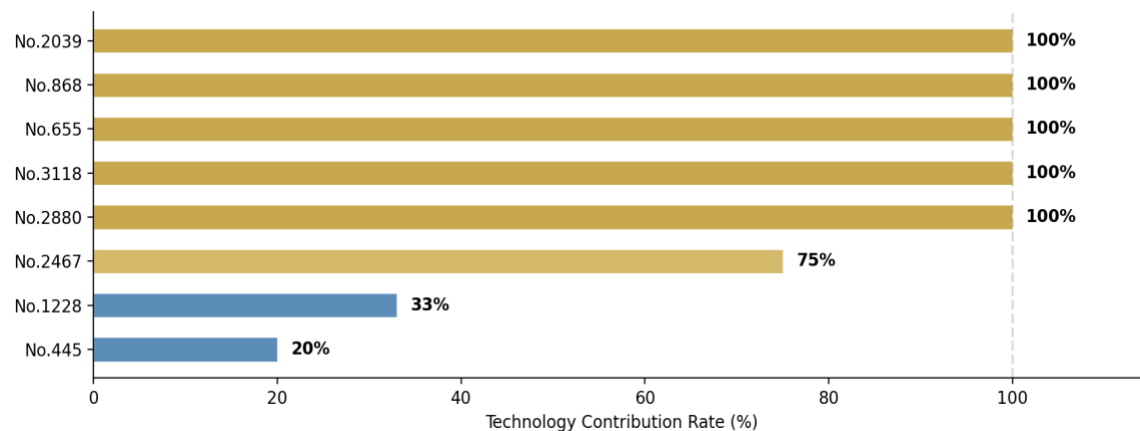
The defendant refused without justification to produce technical materials and deliberately obfuscated the record at the appellate stage. The court found evidence spoliation compounded by bad-faith litigation conduct, applying a 3× punitive multiplier and ultimately awarding over RMB 381 million.

Practical implication: In trade secret cases, a defendant's passive response to court-ordered evidence production does not merely fail to mitigate liability—it directly becomes the critical evidence upon which the court finds “subjective bad faith and serious circumstances,” triggering the maximum punitive damages multiplier.

Trend 4: Full Attribution of Technology Contribution Rate—Breaking the Value-Apportionment Logic

In determining the damages base, the “contribution rate of trade secrets to product profits” has long been a highly contentious issue. Prior decisions sometimes mechanically borrowed the “value-apportionment” logic from patent infringement cases, reducing the contribution rate to as low as 10–15%. In 2025, the SPC demonstrated a keen appreciation of the essential nature of trade secrets and comprehensively implemented the standard that where trade secrets directly determine commercial opportunity, the contribution rate is presumed to be 100% or requires no deduction.

Figure 5 · Technology Contribution Rates Applied in Damages Calculation



Case Number	Rate Applied	Rationale
No. 2039	100%	Holistic use; could not have been independently developed in the timeframe
No. 868	100%	Core technology without which production line could not be built
No. 655	100%	Infringement directly secured commercial opportunities; full bid profits attributed
No. 3118	100%	Defendant’s product technology principally derived from plaintiff
No. 2880	100%	Trade secret directly determined project opportunity; full profits attributed
No. 2467	75%	Production line may incorporate other IP contributions; adjusted to 75%
No. 1228	≈33%	Considered in light of differences from public-domain technology and value sources
No. 445	20%	Reflecting proportion of secret points and their value within overall process

Overarching principle: Wherever the trade secret directly enabled the infringer to enter the market, capture a specific commercial opportunity, or launch a competing product within an implausibly short period, the Court favors a 100% contribution rate or calculates damages based on

the infringer's full profits. Only where the trade secret is demonstrably one of multiple technological contributors is a downward adjustment warranted.

Trend 5: Substantive Shifting of the Burden of Proof—Lowering the Rights Holder’s Threshold

The long-standing “difficulty in proving” trade secret cases has been a persistent pain point for rights holders. By activating Article 32 of the Anti-Unfair Competition Law, the SPC in this batch of cases has substantively shifted the burden of proof in multiple cases, markedly lowering the plaintiff’s litigation threshold.

Rule 1: Appropriately Lowering the Requirement for Direct Evidence of Infringement

[No. 1669]

The Court expressly noted that, given the inherent secrecy of trade secrets and the covert nature of misappropriation, “requiring the plaintiff to provide direct evidence proving the defendant’s implementation of infringement is rather difficult.” Once the plaintiff demonstrates any of the “access plus substantial similarity” circumstances, the burden shifts to the defendant.

Rule 2: Further Reducing the Evidentiary Burden Where Multiple Defendants Are Involved

[No. 642]

The Court held that where the plaintiff has presented evidence indicating a high probability of joint infringement by multiple defendants, the trade secret holder’s burden of proof regarding the infringing acts should be further reduced. In such circumstances, if the defendants fail to demonstrate non-infringement, infringement is generally established.

Rule 3: Reverse Inference of Underlying Technical Identity Through Product Functionality Comparison

[No. 1503]

Because the plaintiff could not directly access the defendant’s underlying training code, the Court directed both parties’ products to undergo point-reading tests with the same test subjects and materials. Through comparing the “highly consistent performance” of both products in recognition, positioning, phonetic reading, and even error patterns, the Court inversely inferred that the defendant had used the plaintiff’s algorithm model and training data.

Trend 6: Penetrating Scrutiny to Dismantle Fabricated “Independent R&D” Defenses

Once the plaintiff establishes the prima facie “access + substantial similarity” case, defendants’ most common litigation strategy is to proffer evidence of “independent R&D.” In past practice, a sheaf of stamped internal experiment reports or design drawings often sufficed to persuade the court. In the 2025 judgments, however, the SPC abandoned superficial formalistic review, instead subjecting defendants’ evidence to comprehensive, penetrating scrutiny of R&D timeline reasonableness, the logical chain of experimental progression, and general empirical rules.

Dimension 1: Whether the R&D Timeline Conforms to Objective Norms

[No. 1503]

The plaintiff invested 19 months and substantial human resources to develop its AI model, whereas the defendant launched a product with identical functionality within less than two months of

incorporation. The Court held that, absent sufficient training data, such a compressed R&D cycle “clearly does not conform to ordinary empirical rules.”

[No. 642]

The defendant claimed to have independently developed a complex “one-pot esterification-rearrangement” process, but the elapsed time from initial bench-scale testing to pilot production was barely over one month—“contrary to general R&D norms.”

Dimension 2: Whether Experiment Records and Drawings Are Authentic, Complete, and Logically Coherent

[No. 642]

The defendant’s experiment notebooks exhibited suspiciously clean handwriting with no corrections, the very first experiment was declared successful, and multiple submitted versions showed inconsistencies between copies and originals, with evidence of backdating. The Court found the independent R&D claim to be manifestly unsupported.

[No. 1669]

Certain work instruction documents (dated 2012) predated the corresponding product design drawings (dated 2013)—when normal R&D logic “typically proceeds from design drawings to assembly instructions.” The Court found an obvious logical fallacy in the defendants’ evidence.

Dimension 3: Whether Core Evidence Demonstrates Continuity of the R&D Process

[No. 2039]

The defendant could never produce complete machine design and assembly drawings and even admitted in court to having destroyed all infringing glass-machine drawings (both paper and electronic). The Court noted the inherent contradiction: claiming independent R&D while simultaneously asserting that all drawings had been destroyed “defies common sense and cannot establish a lawful source.”

Trend 7: The “Holistic Comparison” Principle—Rejecting “Salami-Slicing” Non-Public-Knowledge Defenses

Defendants frequently employ a “salami-slicing” strategy, disaggregating the plaintiff’s complex process flow or equipment structure into isolated technical features and separately citing different published references to argue that each component constitutes common knowledge. The SPC in this batch of cases firmly established the “holistic comparison principle,” responding on three levels.

Level 1: The Presence of Some Public-Domain Technology Does Not Negate Overall Secrecy

[No. 445]

The SPC stated explicitly: “When determining whether an integrated technical information package constitutes a trade secret, one cannot deny its secrecy merely because it contains some commonly used technologies or process combinations. Rather, the analysis must examine from an overall perspective whether the key information of the package is generally known to or readily obtainable by persons in the relevant field.”

[No. 2880]

The first-instance court analyzed each secret point individually and dismissed all claims. The SPC reversed, holding that the plaintiff’s complete dry-desulfurization process “forms a specific process flow as an integrated whole.” Even if certain individual points involved public-domain technology, so long as there was no evidence that the seven-point-based overall design was publicly known, the whole maintained its secrecy.

Level 2: Adherence to the “Single-Reference Comparison Principle”—Prohibiting Mosaic Combinations

[No. 1228]

The Court stated that determinations of secrecy “should ordinarily adhere to the single-reference comparison principle: in principle, only one reference document may be cited for comparison against the content of the trade secret’s identified secret points.” The defendant’s reliance on at least three combined references paradoxically demonstrated that the secret point content was not readily obtainable by skilled persons in the field.

Level 3: Correcting Expert Opinions That Improperly Disaggregate Secret Points

[No. 642]

The first-instance expert opinion had isolated the “hot n-heptane extraction process” and classified it as general knowledge. The SPC directly corrected this, noting that the plaintiff’s trade secret was an “integrated, indivisible complete production process” encompassing the one-pot esterification-rearrangement, hot n-heptane extraction, and crystallization techniques. The expert’s approach had “severed the close interconnection between the secret-point processes,” rendering its conclusion on non-public-knowledge status erroneous.

Trend 8: Piercing the Corporate Veil to Reach the Mastermind—Expanding Liability Boundaries

In this batch of cases, the SPC adopted a distinctly “substance-over-form” orientation in liability determinations, refusing to allow the true decision-makers to shelter behind the corporate veil.

1. Joint and Several Liability for the Actual Controller Behind the Scenes

[No. 642]

As the mastermind who simultaneously served as shareholder, de facto controller, and legal representative of multiple entities, the individual was held jointly and severally liable with two infringing companies for the full RMB 80 million in damages.

[No. 445]

The investor who used substantial inducements to lure senior management into stealing secrets was found to have used the company as a “tool for implementing the accused infringing conduct.” He was held jointly and severally liable for the entire RMB 28.87 million in damages.

[No. 3118]

Despite holding no formal position in the infringing company, the individual had transferred large sums to a partner’s account and was addressed as a “shareholder” in WeChat group chats, effectively participating in management. The Court found he had committed aiding infringement and ordered joint and several liability within RMB 5 million.

2. Holding Purchasers, Investors, Contractors, and Principals Accountable

The SPC further established that trade secret protection is by no means limited to the direct misappropriator. Any party in the infringement chain who provides funding (investors), channels for monetization (purchasers/principals), or physical infrastructure (contractors)—so long as they acted with intent or gross negligence, objectively facilitated the infringing outcome, and derived benefit therefrom—must bear corresponding joint and several liability.

[No. 868 · Technology Purchaser]

The purchaser acquired and used the drawings to build a production line despite knowing the seller had acknowledged the technology originated from the plaintiff, and continued operations even after the seller’s criminal conviction. The Court found clear willful infringement and applied a 5× punitive multiplier, ordering RMB 10.27 million in damages and dismantling of the infringing line.

[No. 1228 · Construction Contractor]

The contractor, a professional firm that had previously accessed the trade secret holder’s confidential drawings, “turned a blind eye” to the striking similarity of drawings when contracted for the infringer’s facility construction. The Court found gross negligence and imposed joint and several liability within RMB 20 million.

[No. 2880 · Co-Contractors and Principal]

Facing a project valued in excess of RMB 300 million, two companies failed to exercise due diligence regarding the technology’s provenance and derived substantial project revenues. The Court apportioned joint and several liability at RMB 22.29 million and RMB 13.38 million respectively.

Trend 9: Substantive Separation of Criminal and Civil Proceedings—Civil Remedies Unshackled from Criminal Prerequisites

For a considerable period, the extreme difficulty of evidence gathering in civil proceedings led rights holders to develop a pronounced “criminal-first, civil-second” path dependency, attempting to rely entirely on public security authorities’ criminal investigative powers for core evidence. However, the exacting criminal standard of “beyond reasonable doubt” often resulted in cases being declined at the investigation stage for “insufficient evidence,” terminating the rights holder’s enforcement pathway. In the 2025 judgments, the SPC fundamentally clarified the boundaries between criminal conviction and civil tort, dramatically affirming the independence and agency of civil adjudication in applying evidentiary rules.

Scenario 1: No Criminal Filing, Yet High Civil Damages Awarded

[No. 1228]

The rights holder filed a criminal complaint, but the county public security bureau issued a “decision not to file a case,” stating that “upon review, no criminal activity is found to have occurred.” In civil proceedings, the SPC applied civil evidentiary rules and granted the full RMB 60 million claim.

[No. 642]

Hangzhou Municipal Public Security Bureau declined to file due to “insufficient evidence.” The civil court independently ascertained the facts, combined evidence-spoliation findings, and applied a 3× punitive multiplier, ordering joint and several liability of RMB 80 million.

Scenario 2: Civil Protection Scope and Awards Far Exceeding Prior Criminal Judgments

[No. 868]

The related criminal case ordered the defendant to disgorge RMB 700,000 to the rights holder (based on profits from selling the production line). The SPC expressly distinguished: the civil action pursued the infringing enterprise’s unlawful profits from using the production line to manufacture and sell products (with punitive damages overlay)—a different head of loss that does not constitute double recovery. Final civil award: RMB 10.27 million.

[No. 2039]

The criminal investigation had only assessed certain technical information for some machine models. The first-instance court accordingly restricted civil protection to the scope of the criminal appraisal. The SPC emphatically corrected this: the scope of criminal investigative appraisal “does not necessarily equate to the scope of trade secrets for which the rights holder claims protection in civil proceedings.” Civil protection was defined to encompass all 37,340 unlawfully taken drawings and documents, on which a 3× punitive multiplier was applied for a total award of RMB 381.63 million.

VI. Conclusion: A Defining Calibration with Enduring Benchmark Significance

This batch of 2025 judgments represents the SPC IP Tribunal's final concentrated expression in the trade secret arena before concluding its era of broad-based jurisdiction. Their significance extends beyond individual case outcomes to encompass a series of mutually reinforcing, logically coherent adjudicatory rules that convey an unmistakable judicial signal to society.

Throughout these judgments, one can discern a bold and resolute guiding thread: to annihilate the infringer's economic incentive through maximum-level monetary penalties; to dismantle the organizational and collaborative infrastructure of misappropriation through piercing joint and several liability; and to eliminate the rights holder's enforcement barriers through flexible burden-of-proof shifting.

These judgments collectively point to a core proposition: the civil protection of trade secrets has transitioned from a passive model—dependent on criminal proceedings for evidentiary support and on statutory damages as a fallback—to a proactive protection system characterized by precision allocation of the burden of proof, robust activation of punitive damages, and the thoroughgoing application of the holistic-protection principle.

For trade secret holders, the paramount takeaway from this batch of judgments may be this: thorough preparation and meticulously articulated claims are more likely than ever to yield proportionate judicial responses. For potential infringers, the deterrence value is equally significant: the legal shield of the actual controller has been rendered ineffective, the liability boundaries for culpable affiliates continue to expand, and the price of evidentiary non-cooperation may directly trigger the maximum punitive damages multiplier.

It is our expectation that this defining calibration will establish an enduring benchmark for the protection of trade secrets in China.

— End of Report —

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Zhao Ye is recognized as one of China’s foremost intellectual property and antitrust litigation attorneys. He specializes in complex, high-stakes patent, trademark, unfair competition, and IP-related antitrust matters, with particular depth in standard essential patent (SEP) litigation, FRAND rate determination, and anti-suit injunction proceedings.

With a career spanning landmark SEP cases from 2008 to the present, Mr. Zhao has played a pivotal role in shaping China’s SEP judicial framework. He has represented clients in the first SEP antitrust case, the first SEP royalty rate determination, the first anti-suit injunction, and the first global SEP royalty rate case in China. Five cases he led were selected for the Supreme People’s Court’s “Top 10 Cases” in their respective years, with one named by People’s Daily as a “Top 10 Legal Milestone Case.”

Mr. Zhao’s practice encompasses SEP/FRAND disputes, patent infringement and validity litigation, trade secret litigation, cross-border IP strategy, anti-suit and anti-anti-suit injunctions, IP-related antitrust disputes, and technology licensing negotiations. His interdisciplinary training in law, technology, and economics, combined with extensive experience managing multi-jurisdictional disputes across China, the United States, Europe, and other forums, makes him uniquely positioned to advise clients navigating the increasingly complex global IP landscape.

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Chambers and Partners: Band 1, IP Litigation (2021–2026) | **The Legal 500:** Recommended Lawyer (2022–2025) | **IAM Strategy 300:** World’s Leading IP Strategists | **Managing IP:** IP Star (2022–2025) | **Benchmark Litigation Asia Pacific:** Dispute Resolution Star

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