

SPC Guiding Case No. 262: [X] Technology Co., Ltd. v. [X] Culture Media Co., Ltd. (Unfair Competition Dispute)

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Unofficial English translation prepared for reference only. The official Chinese text prevails.

Discussed and adopted by the Judicial Committee of the Supreme People's Court; issued on August 28, 2025.

Keywords

Civil / unfair competition / data aggregation / data porting / operational interests

Holding

Where the operational interests formed by a network platform operator in its data aggregation are infringed, the operator may request the people's court for protection in accordance with the law. With respect to acts of obtaining and providing to the public relevant data without permission, substantively substituting for the network platform's products or services, disrupting the market competition order, and harming the lawful rights and interests of the network platform operator or other rights holders, the people's court may apply the relevant provisions of the Anti-Unfair Competition Law of the People's Republic of China and find that the acts constitute unfair competition.

Basic Facts

[X] Technology Co., Ltd. ("[X] Technology Company") was the operator of APP A. [X] Culture Media Co., Ltd. ("[X] Culture Company") was the operator of APP B. Between November 2018 and May 2019, 50,392 short videos on APP B were identical to short videos on APP A, and the short videos contained code proprietary to APP A. The short videos in issue contained the nicknames and avatars of 19,079 registered users, of which 15,924 were identical to those on APP A; 127 items of comment content, order, and punctuation were identical to those on APP A. Upon investigation, approximately 40% of the short videos were original and constituted works; the remaining short videos had certain value but were not original and belonged to audio-visual recordings.

[X] Technology Company brought a lawsuit over an unfair competition dispute, alleging that [X] Culture Company had, without permission, directly scraped and ported the data in issue from APP A and displayed and disseminated them on APP B, constituting an act of unfair competition. Therefore, it requested the court to order [X] Culture Company to eliminate the impact and compensate for economic losses of RMB 40 million.

[X] Culture Company argued that the short videos in issue fell within the scope of protection of the Copyright Law of the People's Republic of China, and that [X] Technology Company did not enjoy rights and interests in the short videos uploaded by users to APP A. APP B, developed by [X] Culture Company, was a platform providing users with short video upload services, and its business model was legitimate.

Judgment

The Haidian District People's Court of Beijing rendered the civil judgment (2019) Jing 0108 Min Chu No. 35902 on December 31, 2020, ordering [X] Culture Company to publish a statement in the non-gutter position of the China Intellectual Property News to eliminate the impact of the unfair competition in issue for [X] Technology Company; and ordering [X] Culture Company to compensate [X] Technology Company for economic losses of RMB 5 million. After the judgment was pronounced, [X] Culture Company appealed. The Beijing Intellectual Property Court rendered the civil judgment (2021) Jing 73 Min Zhong No. 1011 on March 16, 2023: the appeal was dismissed and the original judgment was affirmed.

Reasoning

There were two focuses of dispute in this case: first, what rights and interests [X] Technology Company enjoyed in the data aggregation formed by aggregating short videos, user comments, and user information; and second, whether [X] Culture Company's acts of obtaining and using the data in issue constituted an act of unfair competition.

First, [X] Technology Company enjoyed operational interests in the data aggregation in issue. The Copyright Law protects original intellectual achievements and audio-visual recordings that have certain value but are not original. In this case, the short videos in issue with originality constituted works, and the remaining short videos constituted audio-visual recordings, both of which were protected by the Copyright Law. However, [X] Technology Company, as the aggregator of the data, was not the producer of the short videos in issue, and its aggregation of the short videos merely classified them according to the categories of "video, live stream, and music" common on network platforms; its selection and arrangement did not reflect originality and did not constitute a compilation work. Therefore, when others ported large quantities of the short videos aggregated on its platform, [X] Technology Company could not claim rights and interests or seek legal remedies under the Copyright Law.

However, the data aggregation in issue was collected and aggregated by [X] Technology Company. In addition to short videos, it also included the registration information (nicknames and avatars) published by users in accordance with user agreements when uploading and using short videos, as well as user comments. In general, the data aggregation in issue was formed through the interaction between users and the platform, with users following the platform rules and relying on the technical support provided by the platform; it was large in scale and high in commercial value. [X] Technology Company substantively invested human, material, and financial resources in the formation and accumulation of the data aggregation, and attracted a large amount of user traffic through its operations, causing the data aggregation to generate additional economic value independent of individual short videos. Therefore, the operational interests generated by [X] Technology Company's holding, use, and operation of the short video data aggregation should be protected by law. Of course, this did not affect short video producers' assertion of rights under the Copyright Law.

Second, [X] Culture Company's acts of obtaining and providing to the public relevant data without permission were sufficient to substantively substitute for the products and services provided by [X] Technology Company, and constituted an act of unfair competition in accordance with the law. In production and business activities, operators shall follow the principles of voluntariness, equality, fairness, and good faith, and shall abide by laws and business ethics. Paragraph 2 of Article 2 of the Anti-Unfair Competition Law provides: "The term 'act of unfair competition' as used in this Law refers to acts by which an operator, in production or business activities, violates the provisions of this Law, disrupts the market competition order, and harms the lawful rights and interests of other operators or consumers." Article 1 of the Interpretation of the Supreme People's Court on Several Issues Concerning the Application of the Anti-Unfair Competition Law of the People's Republic of China (Fa Shi [2022] No. 9) provides: "Where an operator disrupts the market competition order and harms the lawful rights and interests of other operators or consumers, and the act falls outside the circumstances provided for in Chapter II of the Anti-Unfair Competition Law and the Patent Law, the Trademark Law, the Copyright Law, and other laws, the people's court may apply Article 2 of the Anti-Unfair Competition Law to make a finding."

In this case, [X] Culture Company, without permission, scraped and ported large quantities of user information, short videos, and user comments in the data aggregation in issue for use on APP B, causing APP B and APP A to be highly homogeneous in content; network users could watch the same content through APP B without using APP A, substantively substituting for the products and services of APP A operated by [X] Technology Company. Therefore, [X] Culture Company's acts of scraping and porting the data in issue and using them on APP B damaged [X] Technology Company's operational interests.

In summary, [X] Culture Company's acts in issue disrupted the market competition order and harmed the lawful rights and interests of other operators and consumers. However, the acts in issue did not fall within the acts of unfair competition provided for in Chapter II of the Anti-Unfair Competition Law, and the operational interests enjoyed by [X] Technology Company in the data aggregation in issue could not be protected under the Copyright Law and other provisions; therefore, the people's court applied Article 2 of the Anti-Unfair Competition Law in accordance with the law and found that [X] Culture Company's acts in issue constituted an act of unfair competition.

It should be noted that, on June 27, 2025, the 16th Session of the Standing Committee of the 14th National People's Congress made a second amendment to the Anti-Unfair Competition Law, making a special provision in paragraph 3 of Article 13 concerning acts of unfair competition infringing data rights and interests. Accordingly, after the amended Anti-Unfair Competition Law came into effect on October 15, 2025, the people's court shall apply paragraph 3 of Article 13 of the Anti-Unfair Competition Law and the relevant provisions to accurately determine in accordance with the law whether relevant acts constitute unfair competition.

Relevant Legal Provisions

Article 2 of the Anti-Unfair Competition Law of the People's Republic of China.

Articles 3, 15, and 44 of the Copyright Law of the People's Republic of China (this case applied Articles 3, 14, and 42 of the Copyright Law of the People's Republic of China, 2010 Amendment).

Article 1 of the Interpretation of the Supreme People's Court on Several Issues Concerning the Application of the Anti-Unfair Competition Law of the People's Republic of China (Fa Shi [2022] No. 9).

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