

China Law Update

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[China Revamps Its Outdated Copyright Pledges System](#)

The State Copyright Bureau recently released a new set of copyright pledges registration rules to replace its current system. The "Measures for Registration of Copyright Pledges" (the "Measures") will become effective on January 1, 2011. Copyrights, like other property rights, can be pledged as a financial security. China has not updated its current copyright pledges registration system since it went into effect on September 23, 1996. The key provisions of the Measures are highlighted below.

Unification of the Issuing Agency

Under the old system, the State Copyright Bureau had the authority to designate a special agency with the sole responsibility of registering pledges and issuing certificates. The Measures simplified the process by eliminating the intermediary and directly declaring that the State Copyright Bureau is the agency responsible for registering copyright pledges.

Creation of a Register of Copyright Pledges

The Measures now require the parties to jointly apply to the State Copyright Bureau to record the pledge in the Register of Copyright Pledges (the "Register"). The registration becomes effective only if it appears in the Register, which is a public record. The Register contains comprehensive information regarding the pledge, including any changes to assignments of the pledge. If a dispute arose between the parties, the information in the Register will prevail as fact, unless either party presents evidence that the information in Register was inaccurately recorded.

Centralizing Copyright Pledge Registration

Under China's current system of pledge registration and the relevant property law provisions, the parties' pledge contract served as the sole document upon which the registration is effectuated. The Measures streamlined the process so that the contract relating to the pledge must be included as part of the application materials, but the Register plays the central role in determining the effective date of the registration. Having the registration become effective upon entry into the Registry facilitates uniformity and accuracy of information when members of the public search for copyright pledges.

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