

PANORAMIC

# PRODUCT LIABILITY

China



LEXOLOGY

# Product Liability

Contributing Editors

**Mara Cusker Gonzalez, Jacqueline Harrington, Rachel Passaretti-Wu and Emily Van Tuyl**

Dechert LLP

**Generated on: March 21, 2025**

The information contained in this report is indicative only. Law Business Research is not responsible for any actions (or lack thereof) taken as a result of relying on or in any way using information contained in this report and in no event shall be liable for any damages resulting from reliance on or use of this information. Copyright 2006 - 2025 Law Business Research

# Contents

## Product Liability

### CIVIL LITIGATION SYSTEM

- The court system
- Judges and juries
- Pleadings and timing
- Pre-filing requirements
- Summary dispositions
- Trials
- Group actions
- Timing

### EVIDENTIARY ISSUES AND DAMAGES

- Pretrial discovery and disclosure
- Evidence
- Expert evidence
- Compensatory damages
- Non-compensatory damages
- Other forms of relief

### LITIGATION FUNDING, FEES AND COSTS

- Legal aid
- Third-party litigation funding
- Contingency fees
- 'Loser pays' rule

### SOURCES OF LAW

- Product liability statutes
- Traditional theories of liability
- Consumer legislation
- Criminal law
- Novel theories
- Product defect
- Defect standard and burden of proof
- Possible respondents
- Causation
- Post-sale duties

### LIMITATIONS AND DEFENCES

- Limitation periods
- State-of-the-art and development risk defence
- Compliance with standards or requirements

Other defences  
Appeals

## **SETTLEMENT AND ALTERNATIVE DISPUTE RESOLUTION**

Settlement  
Alternative dispute resolution

## **JURISDICTION ANALYSIS**

Status of product liability law and development  
Product liability litigation milestones and trends  
Climate for litigation  
Efforts to expand product liability or ease claimants' burdens

## **UPDATE AND TRENDS**

Emerging trends

# Contributors

## China

BUREN



---

Zining Zhou

[z.zhou@burenlegal.com](mailto:z.zhou@burenlegal.com)

Jan Holthuis

[j.holthuis@burenlegal.com](mailto:j.holthuis@burenlegal.com)

---

## CIVIL LITIGATION SYSTEM

### The court system

#### What is the structure of the civil court system?

The people's courts exercise judicial power on behalf of the state. In general, the civil court system comprises the Supreme People's Court, local people's courts and specialised people's courts at various levels. The local people's courts are divided into three levels, namely:

- the primary people's court;
- the intermediate people's court; and
- the high people's court.

In parallel with the local people's courts system, there are specialised people's courts set up for the trial of specialised cases, which include:

- military courts;
- railway courts;
- maritime courts;
- forestry courts;
- agricultural reclamation courts;
- financial courts;
- IP courts; and
- internet courts.

China adopts a system of courts characterised by 'four levels and two instances of trials'. 'Four levels' refers to the four levels of courts in the hierarchy above and 'two instances of trials' means that a civil case should be finally decided after two trials; however, this is subject to retrial if there are errors in the judgment.

The subject matter, nature or size of the claim will determine which level of the court it must be brought to for the first-instance trial. For example, an intermediate people's court will have jurisdiction as the court of first instance in the following types of civil cases:

- major cases involving foreign parties;
- cases with significant impact in the areas over which the court exercises jurisdiction; and
- cases that the Supreme People's Court determines come under the jurisdiction of the intermediate people's courts.

A high people's court will have jurisdiction as the court of first instance in civil cases that have a significant impact in the areas over which the court exercises jurisdiction.

The Supreme People's Court will have jurisdiction as the court of first instance in the following types of civil cases:

- cases that have a significant impact on the whole country; and

- cases that the Supreme People's Court deems it should try by itself.

For foreign-related civil and commercial cases, on 15 November 2022, the Supreme People's Court issued the 'Provisions of the Supreme People's Court on Several Issues Concerning the Jurisdiction of Foreign-Related Civil and Commercial Cases' (the provisions), which came into effect on 1 January 2023. In general, traditionally, foreign-related civil and commercial cases were mainly under the jurisdiction of intermediate courts. Now jurisdiction over most of these cases is gradually being referred to primary courts according to the provisions. Intermediate and high courts have jurisdiction over the first instance of those cases involving substantial amounts of money, with a large number of parties or having a significant impact on the jurisdiction.

The Provisions specify that the Intermediate People's Courts of Beijing, Shanghai, Tianjin, Chongqing, Jiangsu, Zhejiang, Fujian, Shandong and Guangdong have jurisdiction over foreign-related civil and commercial cases with a litigation subject matter of 40 million yuan or above, while the Intermediate People's Courts of other regions have jurisdiction over those cases with a litigation subject matter of 20 million yuan or above. The threshold for the High People's Courts to hear cases remains the same. They have jurisdiction over cases with a subject matter of 5 billion yuan or more, which was established in the 'Notice by the SPC on Adjustments to the Standard for First-Instance Civil Cases under the Jurisdiction of Intermediate People's Courts'.

**Law stated - 2 September 2024**

## Judges and juries

### What is the role of the judge in civil proceedings and what is the role of the jury?

China adopts an inquisitorial system whereby the judges take a dominant role in the trial and are actively involved in fact-finding by questioning the parties, advocates of the parties and witnesses. This is opposed to the adversarial system adopted by most common law countries where the fact-finding process is controlled by the parties and the judge or jury remains neutral and passive throughout the proceeding.

The Chinese judicial system does not provide for juries and the bench plays the roles of both fact finding and law application. If a collegiate bench is established to adjudicate a civil claim, it generally consists of purely professional judges. However, people's jurors may be appointed to the collegiate bench to participate in the hearing of:

- cases of group interest;
- cases of public interest;
- cases concerning the public; and
- cases that may have other major social impacts.

Similar to the jury, people's jurors' main responsibility in the bench is to conduct factfinding in the trial. What is different is that the people's jurors enjoy the same rights as regular judges when participating in the trial activities unless otherwise provided by the law. People's

jurors are selected from citizens who are non-legal professionals with certain requirements regarding age, education and historical record of conduct.

As there is a list of eligible people's jurors in place in every people's court, the selection process for each case will be conducted on a random basis. Further, for special cases requiring people's jurors with specific professional knowledge, the people's court may randomly select the jurors from people's jurors with the required professional knowledge.

**Law stated - 2 September 2024**

### **Pleadings and timing**

**What are the basic pleadings filed with the court to institute, prosecute and defend the product liability action and what is the sequence and timing for filing them?**

The basic pleadings are as follows.

- Civil complaint: a civil complaint is submitted by the claimant to the people's court for the filing of a lawsuit and the number of duplicate copies to be submitted is based on the number of defendants;
- Civil pleading: the defendant will be given notice of the claim, served with a copy of the civil complaint, within five days of acceptance of the case. The defendant is allowed to file a civil pleading within 15 days from receipt of notice of the claim and the court will deliver a copy of the civil pleading to the claimant within five days of the date on which it receives it.
- Civil complaint for counterclaims (if any): the defendant can file a counterclaim before the court debate ends. The period for evidence submission will be redetermined by the court based on the specific circumstances of the case.

**Law stated - 2 September 2024**

### **Pre-filing requirements**

**Are there any pre-filing requirements that must be satisfied before a formal lawsuit may be commenced by the product liability claimant?**

Generally, there are no mandatory pre-filing requirements imposed before the civil proceeding can be issued, except in limited cases, which do not include product liability disputes.

However, there are some pre-filing measures available to assist in bringing a product liability lawsuit. For example, to ensure a smooth investigation during the proceeding, the enforceability of the judgment and the suspension of damages caused to the party, the party can apply to the court for the preservation of evidence, preservation of property and relevant injunctions before the action is initiated, depending on the circumstances and in the event of an emergency.

**Law stated - 2 September 2024**



## Summary dispositions

### Are mechanisms available to the parties to seek resolution of a case before a full hearing on the merits?

Under Chinese law, judicial mediation can be considered as an alternative resolution.

When a claim is filed to the court, rather than bringing a full trial through civil proceedings, the parties concerned can request judicial mediation, provided that this is requested voluntarily and the facts are clear.

Complex civil procedures are reduced if the dispute is solved through judicial mediation, which is more effective. If a mediation agreement is reached by the parties, the court will prepare a written mediation statement confirming the agreement, which has the same effect and enforceability as a judgment.

Law stated - 2 September 2024

## Trials

### What is the basic trial structure?

The Chinese judicial system adopts an inquisitorial procedure in which the parties play a relatively minor role and the judges take the lead. The Civil Procedure Law emphasises the centralism of trials, which are led by judges and where advocates fully exercise their rights. Under articles 141 to 151 of the Civil Procedure Law, a hearing is divided into several major stages, including:

- investigation;
- debate;
- final opinions of all parties; and
- judgment.

As stipulated in article 145 of the Civil Procedure Law, mediation is available if it can be carried out before the judgment is made. Where the mediation is unsuccessful, the court will promptly make a judgment.

According to article 76 of the Civil Procedure Law, on consent by the court, a witness may testify by way of audiovisual transmission techniques (ie, live testimony), if they cannot attend court due to:

- health reasons;
- a long journey and inaccessibility;
- *force majeure* (eg, natural disaster); or
- any other justified reasons.

Although this provision was established in 2013, live testimonies appear to have become more common in local courts since 2015. In 2017, the first case of live testimony through WeChat video took place in Guangzhou City, which has since made it easier to conduct live

testimonies. Civil Procedure Law allows civil litigation to be carried out through information network platform upon the consent of the parties, stipulating that such litigation shall have the same legal effects as offline litigation.

Hearings in civil litigation proceedings are accessible to the general public, except in cases involving state secrets or issues of privacy, or issues otherwise stipulated under the law.

For divorce cases and cases concerning trade secrets, hearings may not be held in public if a prior application is filed by a party.

Court documents such as judgments and orders are available to the public via [an official website](#). There are also other websites and databases from which judgments and orders can be downloaded.

Other court documents, such as witness statements and pleadings, are not usually open to the public. On due authorisation, qualified Chinese lawyers may have access to these documents following the relevant procedural steps. Taking notes or making photocopies of these documents is allowed.

**Law stated - 2 September 2024**

### **Group actions**

**Are there class, group or other collective action mechanisms available to product liability claimants? Can such actions be brought by representative bodies?**

The Civil Procedure Law provides joint actions and representative actions for product liability claimants.

The case will be tried as a joint action, subject to the consent of the parties, if:

- either party comprises two or more people;
- the object of the action is the same or of the same category; and
- the court holds that the case can be tried as a joint action.

Representative actions are a kind of joint action. In a representative action, one party comprises numerous people and the action is brought by a representative elected among these persons. The procedural acts of the representative will be binding on all members of the party that they represent. However, the representative's modification or relinquishment of claims, recognition of the other party's claims or involvement in mediation will be subject to the consent of the parties that they represent.

Collective actions mostly occur in labour disputes – in particular, in cases of equal pay for equal work.

According to the Civil Procedure Law, where multiple consumers' rights and interests or public interests are damaged, the authorities stipulated in the law and relevant organisation may file a lawsuit. For example, representative bodies are allowed to bring public interest actions regarding product liabilities. Under article 47 of the Law on Protection of Rights and Interests of Consumers (the Consumers Rights Law), the China Consumers' Association and consumer associations established at provincial level may file a lawsuit with a people's court

for actions that harm the legitimate rights and interests of many consumers. The People's Procuratorate may also file a lawsuit when no one else files actions, which is more and more commonly seen in practice in recent years.

Law stated - 2 September 2024

### Timing

#### How long does it typically take a product liability action to get to the trial stage and what is the duration of a trial?

First-instance civil claims are generally concluded within six months from the commencement of the proceeding, which include the following stages.

- Starting the proceeding: the civil proceeding starts when the claimant's complaint is registered and filed by the court.
- Notice to the defendant and defence: the defendant will be given notice of the claim, served with a copy of the claimant's statement of claim, within five days of acceptance of the case. The defendant must file a statement of defence within 15 days of receipt of notice of the claim and the court must deliver a copy of the statement of defence to the claimant within five days of the date on which it receives it.
- Evidence submission: the period for evidence submission can be decided either by the parties subject to the court's approval or by the court (minimum of 15 days).
- Counterclaims (if any): the defendant can file a counterclaim before the end of the court debate.
- Hearing: the court will notify the parties and other participants in the action three days before the hearing. During the court hearing, the procedure is generally divided into the investigation of the facts and the presentation of arguments.
- Rendering judgment: if a judgment is issued immediately after the hearing, the written judgment will be served to the parties within 10 days. If a judgment is issued on a fixed date, the written judgment will be served to the parties immediately after the issuing.

Under exceptional circumstances, an extension of six months may be granted, subject to the approval of the president of the court. For a further extension, the approval of the higher-level court is required.

However, these time limits do not apply to trials of foreign-related civil cases.

Law stated - 2 September 2024

## EVIDENTIARY ISSUES AND DAMAGES

### Pretrial discovery and disclosure

What is the nature and extent of pretrial preservation and disclosure of documents and other evidence? Are there any avenues for pretrial discovery?

Similar to pretrial discovery and disclosure, the Civil Procedure Law and its interpretations have established a set of evidence-focused rules for the pretrial stage. This is called the 'pretrial exchange of evidences' (PEE).

PEE is designed for both parties to produce, exchange and cross-examine evidence to unravel disputed issues. PEE also serves as a tool to expedite and better manage litigation proceedings. PEE can be held when the court permits a party's application or in more complicated and high-profile cases, where the courts should convene PEE.

During the PEE, the courts will hear and keep a record of the facts and evidence on which the parties have no objection, and those that the parties dispute. A party may submit rebuttal evidence in response to the evidence submitted by the other party. Further exchanges may be arranged at the courts' discretion. In general, PEE should not be held more than twice, unless the case is particularly significant or complicated and the courts deem that an additional PEE is necessary.

Evidence can also be preserved through interim relief if it can be demonstrated to the courts' satisfaction that without this, evidence is more likely to be tempered with by the other party and thus pervert the course of justice. Whether interim relief can be granted at the pretrial stage depends on the urgency and necessity of the circumstances. Conditions may also be imposed before interim relief is granted (eg, the courts may request applicants to provide a certain amount of guarantees).

**Law stated - 2 September 2024**

## **Evidence**

### **How is evidence presented in the courtroom and how is the evidence cross-examined by the opposing party?**

Pursuant to the Civil Procedure Law, the evidence accepted by Chinese courts can be categorised into:

- personal statements;
- documentary evidence;
- physical objects;
- audiovisual materials;
- electronic data;
- witness testimony;
- examination reports; and
- investigation records.

Of these, documentary evidence is the most commonly used one.

During a trial, the claimant should first present its evidence to the court, followed by a cross-examination conducted by the defendant. It is then the defendant's turn to present its evidence and for the claimant to cross-examine.

For each item of evidence, cross-examination should be focused on:

- authenticity;
- legality; and
- relevance.

The parties are expected to give their views on each of these aspects and the reasons why the evidence in question is falsified, illegally obtained or irrelevant.

People who have knowledge of the facts are obligated to testify in court as witnesses. The courts have the power to summon witnesses to testify at the trial and, when requested, witnesses must do so accordingly. Under certain circumstances and if the courts permit it, a witness may testify by way of:

- written testimony;
- audiovisual transmission techniques;
- audiovisual materials; or
- other means.

**Law stated - 2 September 2024**

## Expert evidence

### May the court appoint experts? May the parties influence the appointment and may they present the evidence of experts they selected?

Instead of appointing experts, Chinese law and practice has developed another system, which bears similar features to experts but is operated differently. This is called 'judicial appraisal'.

Judicial appraisal has been widely adopted by Chinese courts in civil and commercial litigation. In general, a list of institutes – either companies or organisations – with recognisable qualifications and experience in a particular field is provided, from which the claimant or defendant may choose a party to conduct the judicial appraisal procedure and present reports to support its claims.

Mutual appointment is also acceptable. However, if no consensus can be reached between both parties, the courts are empowered to appoint an institute from the list. In some courts, this is achieved through a judicial lottery system. As the name indicates, the judicial lottery system enables a qualified judicial appraisal institute to be chosen randomly through a lottery machine.

In any case, the courts have discretion and can act on their own accord to initiate the judicial appraisal procedure, if they deem it necessary.

The results of the judicial appraisal are often set out in an official report. This report is then presented to the courts for cross-examination and further consideration. If the courts deem it necessary, an inspector from the chosen institute – who is in charge of the judicial appraisal and often the signatory of the report – can be summoned to testify and be cross-examined by all parties. During cross-examination, the parties may, if the courts permit, have a specialised expert ask specific and technical questions to the inspector of the judicial appraisal institute.

## Compensatory damages

### What types of compensatory damages are available to product liability claimants and what limitations apply?

Compensatory damages available to product liability claimants generally include:

- bodily injury;
- damage to property; and
- moral damages.

Article 44 of the Product Quality Law sets forth detailed compensatory damages in relation to bodily injury and damage to property.

If the defective product causes bodily injury, the responsible party must compensate for:

- medical and nursing expenses during medical treatment; and
- loss of income due to absence from work and other reasonable expenses.

If the bodily injury results in the claimant being permanently disabled, the responsible party must also cover the costs of:

- self-supporting equipment;
- living allowances;
- disability compensation; and
- living expenses of any dependants of the disabled person.

If the defective product causes death, the responsible party must compensate for:

- funeral expenses;
- death compensation; and
- living expenses of any dependants.

If the defective product causes damage to property, the responsible party must:

- restore the property to the original condition; or
- provide compensation.

Compensatory damages for psychological injury are available when there is an injury or damage to the claimant's life, health or body.

Such damages are subject to the test of seriousness. If the injury is not serious, the claim may not be supported, in which case, the courts may – depending on the circumstances – give alternative orders to:

- cease infringement;
- restore reputation;

- eliminate the effects; or
- issue an apology.

However, if the consequences are sufficiently serious, the courts may, in addition to the orders above, order an appropriate amount of compensatory damages to the injured party reflecting the psychological injury.

These positions are reiterated under article 1183 of the Civil Code.

**Law stated - 2 September 2024**

### **Non-compensatory damages**

#### **Are punitive, exemplary, moral or other non-compensatory damages available to product liability claimants?**

Punitive compensation is available to product liability claimants under Chinese law. This is mainly enshrined in the Civil Code.

According to article 1207 of the Civil Code, where a manufacturer or supplier manufactures or sells a product knowing that it is defective and, as a result, causes death or serious injury, the injured party is entitled to claim punitive compensation.

Following the promulgation of the Law on Protection of Rights and Interests of Consumers (the Consumer Rights Law) in 2014, the maximum amount of punitive compensation has been confined to two times the amount of (the consumers) losses.

The implication of this is, for example, if consumers (ie, those who purchase products for their own consumption only) were to be found dead or have their health seriously damaged because of the defects of the products concerned, of which the sellers had prior knowledge, the consumers would be entitled to claim for punitive damages for no more than twice the amount of their losses. These losses are defined under articles 49 and 51 of the Consumer Rights Law, which includes:

- reasonable expenses for treatment and rehabilitation;
- loss of income;
- assisted living facilities and disability compensation in the event of disability; and
- funeral expenses and death compensation in the event of death.

**Law stated - 2 September 2024**

### **Other forms of relief**

#### **May a court issue interim and permanent injunctions in product liability cases? What other forms of non-monetary relief are available?**

There are no specific regulations on interim or permanent injunctions issued by a court for product liability cases.

The forms of non-monetary relief provided by Chinese law in product liability cases mainly include:

- the repair, replacement or return of the product; and
- product recall (ordered by State Administration of Market Regulation and its local counterparts).

The new Implementation Rules on the Law on the Protection of Consumer Rights and Interests, which came into force on 1 July 2024, set general requirements on product recall. It stipulates that consumers who find that the products or services provided by the business operator may be defective and may threaten the safety of persons or property are encouraged to notify the business operators or relevant administrative departments.

**Law stated - 2 September 2024**

## LITIGATION FUNDING, FEES AND COSTS

### Legal aid

**Is public funding such as legal aid available? If so, may potential defendants make submissions or otherwise contest the grant of such aid?**

Under Chinese law, legal aid plays a limited role and public funding is not available in product liability litigation.

Under article 31 of the Legal Aid Law, a claimant who is unable to afford an attorney due to financial hardship may only may apply for legal aid when claiming:

- state compensation;
- social insurance benefits or social assistance;
- a pension or relief fund;
- alimony, upbringing or dependent support;
- confirmation of an employment relationship or labour remuneration;
- determination of a person's incapacity or limited capacity for civil conducts;
- compensation for personal injury resulting from work-related accidents, traffic accidents, food or drug safety incidents or medical malpractice;
- compensation for damages due to environmental pollution or ecological destruction;
- or
- any other situations prescribed by laws, regulations or rules.

In product liability litigation, claimants who claim compensation from food or drug safety incidents can refer to paragraph 7 of article 31 to apply for legal aid.

The Supreme People's Court Provisions regarding the Judicial Assistance to Parties with Economic Difficulties provide that any party to litigation that faces genuine economic difficulties can defer payment of, reduce or be exempt from litigious costs subject to the decision of the court.



Notably, according to article 41 of Implementation Rules on the Law on the Protection of Consumer Rights and Interests, the Chinese Consumers Association and the consumer associations established in provinces, autonomous regions and municipalities directly under the central government may bring a lawsuit in a people's court against acts that infringe upon the lawful rights and interests of numerous consumers.

Article 2 of the Supreme People's Court Interpretation on Consumer Civil Public Interest Litigation Cases further stipulates the following circumstances in which consumer associations are able to bring a public interest lawsuit:

- the goods or services provided are flawed, violating the lawful rights and interests of unspecified consumers;
- the goods or services provided might endanger the safety of consumers' persons or property and truthful explanations and clear warnings have not been made and not explaining and indicating the correct methods for using goods or for receiving services as well as methods for preventing damage; or had false or misleading promotion regarding information such as the quality, character, use, effective period of goods or services;
- hotels, shopping centres, restaurants, banks, airports, stations, ports, cinemas and theatres, scenic spots, entertainment venues and other sites of business operation contain danger that endangers the safety of consumers' persons or property;
- standard terms, notices, declarations, on-site posters or other means, are used to eliminate or restrict consumer rights, to reduce or avoid the responsibilities of proprietors, to increase the responsibilities of consumers or to make other such unreasonable and unfair rules against consumers; and
- other conduct that violates the lawful rights and interests of unspecified consumers or is harmful to the public interest such as endangering consumers' persons or property.

**Law stated - 2 September 2024**

### **Third-party litigation funding**

#### **Is third-party litigation funding permissible?**

Third-party litigation funding is neither prohibited under Chinese law nor sufficiently developed.

In recent years, some Chinese commercial organisations have begun to practice third-party litigation funding at an exploratory stage. For example, in 2015 [Bangying](#) was established to provide legal consulting and litigation funding. However, there is still no unified norm or common practice regarding third-party litigation funding. As the legislation has not yet caught up with the market, there is also a lack of supervision on market entrance.

Third-party litigation funding is neither prohibited under Chinese law nor sufficiently developed. However, a recent judgment has shown a negative attitude towards third-party litigation funding. In 2022, the Shanghai No. 2 Intermediate People's Court concluded the first case concerning the validity of a litigation investment agreement. The agreement was entered into among two companies and a law firm, where one company shall invest in the

litigation of the other, covering litigation fees and lawyer fees, and retrieve gains from the litigation. The agreement was ruled invalid for undermining the order of litigation, distorting the public nature of the judiciary, contravening the core value of resolving disputes and violating public policy and good morals.

**Law stated - 2 September 2024**

## **Contingency fees**

### **Are contingency or conditional fee arrangements permissible?**

In civil cases involving property, a contingency fee (also referred to as the 'risk agency charging method') can be agreed between attorneys and clients. The contingency fee means that:

- there is no fee if the client loses; and
- lawyers charge a relatively high proportion of the amount awarded when they win a case; however, the maximum amount must not exceed certain percentage of the amount specified in the risk agency contract.

Contingency fees are strictly prohibited in criminal, administrative and state compensation cases. As for civil cases concerning property, law firms are permitted to adopt contingency fees except for:

- marriage and inheritance cases;
- social insurance and minimum life allowances claims;
- alimony, maintenance, bereavement, welfare benefits and worker's injury insurance claims; and
- labour remuneration claims.

**Law stated - 2 September 2024**

## **'Loser pays' rule**

### **Can the successful party recover its legal fees and expenses from the unsuccessful party?**

Under article 29 of the Measures on Litigation Fee Payment, the successful party can recover its court costs from the unsuccessful party, unless the successful party voluntarily bears these costs.

Generally, the successful party cannot recover its attorney fees and other expenses under the court's orders unless:

- the parties have agreed in a contract that the lawyer fees generated for the winning party will be borne by the losing party and a dispute arises relating to the contract, in which case the court orders the lawyer fees as agreed; or
- when the law explicitly prescribes that the losing party must bear (reasonable parts but not all of) the lawyer fees of the winning party; such cases include:

- personal injury compensation cases;
- copyright, trademark or patent infringement cases;
- unfair competition cases;
- contract disputes in which the creditor has exercised the right of revocation; and
- legal aid cases.

Law stated - 2 September 2024

## SOURCES OF LAW

### Product liability statutes

#### Is there a statute that governs product liability litigation?

The main product liability statutes in the context of product liability litigation include:

- Product Quality Law;
- Civil Code; and
- Law on the Protection of Rights and Interests of Consumers.

The Product Quality Law is a unified statute that governs product liability claims. Article 41 of the law imposes strict liability on the producer of a defective product. This means that a producer may be held liable without finding a fault (negligence or tortious intent), provided that the existence of a defective product, the damages thereof and the causality between the defect and the damages can be established. The subjective fault of the producer will not be taken into account. Producers can only be exempted from liability under one of the following statutory circumstances stipulated in paragraph 2, article 41 of the Product Quality Law:

- the product has not been put into circulation.
- the defect causing the damage did not exist when the product was put into circulation; and
- the level of science and technology at the time that the product was put into circulation was not sufficient to detect the existence of the defect.

In comparison, article 42 of the Product Quality Law imposes a fault-based liability on the seller of a defective product under which the intent or negligence on the part of the seller must be established to hold it liable. However, although a lack of fault by the seller can be established, article 42 further stipulates that if the seller is unable to identify the producer of the defective product or is unable to identify the supplier thereof, it must bear the liability for compensation.

The Product Quality Law does not provide exclusive legal grounds for product liability claims against a producer or seller. A damaged party can seek other causes of action based on the Civil Code or Consumer Rights Law.

Specifically, for product liability, article 1202 of the Civil Code stipulates that if a defective product causes damage to others, the manufacturer shall bear tort liability. For general

product liability, the infringed may seek compensation from the manufacturer or seller of the product according to articles 1203 of the Civil Code.

In addition, the Civil Code has also stipulated the scope of application of punitive damages for product liability. According to article 1207 of the Civil Code, the infringed party has the right to seek appropriate punitive damages from those who knowingly produce or sell products that are defective, or fail to take effective remedial measures in accordance with article 1206, resulting in death or serious damages to the health of others.

Besides, certain product liability is stipulated in particular legal departments. For example, the Drug Administration Law sets special and stricter liability regimes or compensation schemes for medical products. The Vaccine Administration Law regulates the liabilities of both public and private sectors functioning in the whole process from market access to vaccines injection.

**Law stated - 2 September 2024**

### **Traditional theories of liability**

#### **What other theories of liability are available to product liability claimants?**

Chapter 4 of Part VII Liability for Tort of the Civil Code sets out the provisions on product liability. Article 1202 stipulates that the manufacturers will bear tort liability in the event of product defects that have caused others to suffer damages. Pursuant to article 42, tort liability will only be borne by the seller in the events of product defects as a result of its negligence that have caused others to suffer damages. However, the seller must bear tort liability if it fails to specify the manufacturer and distributor of the defective products.

The product liability claimant may also bring a claim based on a breach of contract where a contractual relationship is formed. Article 610 of the Civil Code stipulates that where the subject matter does not meet quality requirements and, as a result, it is impossible to realise the purposes of the contract, the purchaser may refuse to accept the subject matter or may rescind the contract.

**Law stated - 2 September 2024**

### **Consumer legislation**

#### **Is there a consumer protection statute that provides remedies, imposes duties or otherwise affects product liability litigants?**

The Consumer Rights Law is the main legislation protecting the rights and interests of consumers who purchase and use commodities or receive services for living consumption and imposes duties on business operators (including producers and sellers). Under article 40 of the Consumer Rights Law, where a consumer suffers personal or property damage resulting from the defects of a commodity purchased, they can claim compensation directly from either the seller or the producer.

The Implementation Rules on the Law on the Protection of Consumer Rights and Interests further clarify the product liabilities stipulated in the Consumer Rights Law. In particular, article 17 stipulates that business operators cannot unreasonably restrict the choice of

litigation or arbitration to resolve consumer disputes through standard terms. Moreover, article 49 delineates specific circumstances where punitive damages under article 55 of the Consumer Rights Protection Law do not apply to defects that do not affect the quality of goods or services and fraudulent behaviour by consumers, such as attempting to obtain compensation or extortion to business operators.

**Law stated - 2 September 2024**

## **Criminal law**

### **Can criminal sanctions be imposed for the sale or distribution of defective products?**

Section 1, Chapter 3 of the Special Part of Criminal Law sets out the crimes relating to the production and sale of counterfeit and inferior commodities, including 11 provisions covering nine crimes committed by producers or sellers that are subject to sanctions. Depending on the type and seriousness of the crime committed, the sanctions imposed include:

- monetary penalties;
- imprisonment with a maximum of life imprisonment; and
- the death penalty.

**Law stated - 2 September 2024**

## **Novel theories**

### **Are any novel theories available or emerging for product liability claimants?**

There are no novel theories available or emerging.

**Law stated - 2 September 2024**

## **Product defect**

### **What breaches of duties or other theories can be used to establish product defect?**

Pursuant to article 46 of the Product Quality Law, the term 'defect' refers to the posing of an unreasonable danger in a product that threatens personal safety or the safety of third-party property. Where a product is regulated by national or industrial standards for the protection of personal health or personal or property safety, the term 'defect' refers to the non-compliance of the product with such standards. According to judicial practices, product defects can be categorised into:

- design defects;
- manufacturing defects;
- warning defects; and

- installation defects.

Law stated - 2 September 2024

### **Defect standard and burden of proof**

**By what standards may a product be deemed defective and who bears the burden of proof? May that burden be shifted to the opposing party? What is the standard of proof?**

According to the Product Quality law, where national or industrial standards for the protection of personal health or personal or property safety govern and regulate a product, the product will be deemed defective when it does not comply with those standards. If no national or industrial standard available can be relied on, the defect in a product will be established based on the general statutory definition of a 'defect', which refers to the posing of an unreasonable danger in the product that threatens personal safety or the safety of third-party property. Whether unreasonable danger exists in a product is generally determined by the court on an individual case-by-case basis. According to judicial practice, the consumer expectation test is normally adopted, which refers to the expectation of safety that a reasonable consumer will have when such a product is in normal use, within its general scope of purpose for use.

In general, as the claimant, the injured party bears the burden of proof with respect to the statutory constituent elements establishing the product liability (ie, defect, damages and causality between the two), while the producer as the defendant bears the burden of proof with respect to the statutory exemption circumstances provided in article 41 of the Product Quality Law or the seller as the defendant bears the burden of proof with respect to its lack of fault and the identification of the producer or supplier of a defective product. Failure to fulfil the burden of proof will result in the loss of the case. However, in judicial practice, considering that the claimant normally lacks expert knowledge and information about the product – especially in cases where the product is manufactured with complex technical processes and with advanced technology – the court may lower the standard of proof on the claimant's side. In this case, a reasonable connection between the defect in the product and the damages incurred will suffice.

Once a party has satisfied its burden, the other party wishing to rebut those claims bears the burden of proof for their rebuttal. If the claimant has fulfilled the initial burden of proof, the defendant will be ordered by the court to furnish evidence to prove the non-existence of the defect in the product or its satisfaction with the statutory exemption circumstances.

As an exception, article 23 of the Consumer Rights Law stipulates that for business operators providing durable goods (eg, motor vehicles, computers, televisions, refrigerators, air-conditioners, washing machines) or renovation services, where a consumer discovers a defect within six months of the date of receipt of the goods or services and there is a claim, the business operator will bear the burden of proof regarding the defect.

According to paragraph 1, article 108, Supreme People's Court's Judicial Interpretation of the Civil Procedural Law, a party with the burden of proof must show that the fact its evidence supports is highly probable. High probability is not defined in law or judicial interpretation but the normal practice is that evidence must be at least 75 per cent probable. Evidence of parties submitting rebuttals must be good enough to persuade the presiding judge that

the opposing party did not reach the high probability standard. In product liability cases, where there may be great disparity between the technical knowledge and weight of evidence between the parties, the court is more likely than in other cases to exercise its power to lower the standard of proof for the claimant. For example, if normal use of the product would not usually cause this type of accident, the court might presume the existence of defects and of damage (where neither has been proven to the required standard) if this type of defect will normally result in this kind of damage.

**Law stated - 2 September 2024**

### **Possible respondents**

**Who may be found liable for injuries and damages caused by defective products? Is it possible for respondents to limit or exclude their liability?**

Both the manufacturers and the sellers (including the direct seller, importer and distributor) may be held liable for injuries and damage caused by defective products. Article 43 of the Product Quality Law and article 1203 of the Civil Code both extend the subject scope of product liability to all sellers engaged in commercial sales.

Respondents may contractually limit or exclude their liability to the extent limited by Chinese law. Under Chinese law, if a standard clause operates to exclude the liabilities of the party proposing the standard clause, to increase the liabilities of the other party or to remove important rights enjoyed by the other party, this clause shall be without effect. The clauses that exclude the liability relating to personal injuries sustained by the other party and property losses caused by gross negligence shall be without effect.

Notably, in accordance with the new draft of the Product Quality Law released for public opinions that has not been implemented, there is a trend that the liability extends to third-party organisations such as e-commerce platform service providers, product quality inspection and testing organisations and certification agencies.

**Law stated - 2 September 2024**

### **Causation**

**What is the standard by which causation between defect and injury or damages must be established? Who bears the burden and may it be shifted to the opposing party?**

'Preponderance of the evidence' is the standard of proof based on which the causation between the defect and injury or damages must be established. Generally, the claimant (the injured party) should bear the burden of proof with respect to the causation. However, in judicial practice, considering that the injured party, compared to the defendant (producer or seller), normally lacks professional knowledge of and information on the product concerned, a reasonable connection between the defect and the damage established by the injured party would be deemed sufficient by the court. Thereafter, the defendant must provide evidence to prove the non-existence of the product defect or its satisfaction with the statutory exemption circumstances.

Law stated - 2 September 2024

### Post-sale duties

#### What post-sale duties may be imposed on potentially responsible parties and how might liability be imposed upon their breach?

Article 1205 of the Civil Code stipulates that where a product endangers the personal or property safety of others owing to defects, the injured party has the right to request that the manufacturer and seller bear tort liability (eg, cessation of infringement, elimination of obstruction or danger).

Article 1206 of the Civil Code also obliges the producers and sellers to promptly adopt remedial measures (eg, stopping sale, warnings or product recalls) where product defects are discovered after the products are put into circulation. In the event that damages are aggravated as a result of failure to adopt remedial measures promptly or failure to adopt effective remedial measures, the manufacturer and the seller will bear tort liability.

The Implementation Rules on the Law on the Protection of Consumer Rights and Interests provides general rules for recalling defective products. Under article 8, business operators are required to react promptly when finding potential defects that may endanger physical or property safety. Meanwhile, operators who sell, rent or fix the goods, as well as those in charge of manufacturing and component suppliers, are required to assist with product recalls.

Law stated - 2 September 2024

## LIMITATIONS AND DEFENCES

### Limitation periods

#### What are the applicable limitation periods?

As per the Product Quality Law, the limitation period for claims of damage compensation owing to alleged product defects is two years from the date on which the claimant became aware or should have known that his or her rights have been infringed. The Civil Code formally implemented in 2021 prolonged the limitation period to three years as the general rule and stipulated that the longest limitation period shall be 20 years starting from when the right is infringed upon, which caused confusion regarding which rule shall govern. The Supreme People's Court announced that the Civil Code limitation period shall prevail in its official publications on the interpretations of the Liability for Tort Part of the Civil Code. The draft for public opinions of the Product Quality Law released in 2023 is consistent with the Civil Code in the limitation period.

Law stated - 2 September 2024

### State-of-the-art and development risk defence

#### Is it a defence to a product liability action that the product defect was not discoverable within the limitations of science and technology at the time



## of distribution? If so, who bears the burden and what is the standard of proof?

The state-of-the-art and development risk defence is available under article 41 of the Product Quality Law. Pursuant to this, the manufacturer may be exempted from liability if it is able to prove any of the following:

- the defective product has not been put into circulation;
- the defect did not exist when the product was put into circulation; or
- the defect was not discoverable within the limitations of science and technology at the time that it was put into circulation.

To be successful in using this defence, the manufacturer bears and should therefore discharge the burden of proof.

**Law stated - 2 September 2024**

## Compliance with standards or requirements

### Is it a defence that the product complied with mandatory (or voluntary) standards or requirements with respect to the alleged defect?

Compliance with mandatory or industrial standards is generally considered an influential factor in determining whether the products were defective or not. When defining the term 'defect', pursuant to article 46 of the Product Quality Law, this should refer to an unreasonable danger in the products that threatens personal safety or the safety of third-party property. Where a product is governed by national or industry standards for the protection of health, personal safety or the safety of property, the term 'defect' should mean non-compliance with these standards.

In this sense, products failing to meet established standards would be considered as defective products, but merely meeting established standards may not be a sufficient condition to be used as a defence against the alleged defect, as the product may still contain an unreasonable danger threatening personal safety or the safety of third-party property.

**Law stated - 2 September 2024**

## Other defences

### What other defences may be available to a product liability defendant?

Other defences available to a product liability defendant include the claimant's fault and the action of a third party.

However, under certain circumstances, defences such as 'action of a third party' may only be available on a procedural front. For example, article 1204 of the Civil Code sets forth the rights to seek legal recourse when the defects were caused by the negligence of third parties (eg, transportation and warehousing companies). The manufacturers and sellers should first compensate the injured party and then seek legal recourse against the transportation and warehousing companies.

Law stated - 2 September 2024

## Appeals

### What appeals are available to the unsuccessful party in the trial court?

In summary, the Chinese judicial system is a two-tier system. The losing party in the first instance may appeal to higher courts, whether that is an intermediate court (if the trial court is a district court) or a high court (if the trial court is an intermediate court). If, in a high-profile case, the trial court is a high court, then the appeal must be filed to the Supreme Court.

The appeal must be filed within 15 days or 30 days (in the case of a foreign party) of the date on which the written judgment of the first instance is served. The appeal may be based on issues of both law and fact. As a general rule, after the appeal court gives its judgment, the case is closed. Under the circumstance that the party deems the trial to be wrong, the party may resort to the higher court or initial court for retrial, formally known as the supervision proceeding on trials. The proceeding of retrial shall be contingent upon whether the proceeding of the initial trial is first trial or second trial.

Law stated - 2 September 2024

## SETTLEMENT AND ALTERNATIVE DISPUTE RESOLUTION

### Settlement

#### What rules and procedures govern the settlement of product liability cases?

In the case of consumer goods, according to article 39 of the Consumer Rights Law, disputes over consumer rights and interests between consumers and business operators may be resolved through the following two settlement approaches:

- negotiating a settlement with the business operator; or
- requesting mediation through a consumer association or any other mediation organisation established pursuant to the law.

Law stated - 2 September 2024

### Alternative dispute resolution

#### Is alternative dispute resolution required or advisable before or instead of proceeding with litigation? How commonly is ADR and arbitration used to resolve claims?

In the case of consumer goods, article 39 of the Consumers Rights Law regulates several forms of alternative dispute resolution (ADR), including lodging a complaint with the relevant administrative authorities and requesting arbitration based on the arbitration agreement entered into with the business operator.

Meanwhile, according to the Civil Procedure Law, people's courts may carry out mediation in the trial of civil cases pursuant to the principle of voluntary participation by litigants.

Compared to litigation, ADR and arbitration are still far less commonly used in China to resolve product liability claims.

Law stated - 2 September 2024

## JURISDICTION ANALYSIS

### **Status of product liability law and development**

**Can you characterise the maturity of product liability law in terms of its legal development and utilisation to redress perceived wrongs?**

The Civil Code and the Product Quality Law form the basis for the regulatory regime of Chinese product liability, which also includes:

- the Law on Protection of Rights and Interests of Consumers;
- the Food Safety Law;
- the Law on Quality and Safety of Agricultural Products;
- the Drug Administration Law;
- the Vaccine Administration Law;
- the Law on Import and Export Commodity Inspection;
- the Implementation Rules on Law on Protection of Rights and Interests of Consumers;
- the Implementation Rules for the Food Safety Law of the People's Republic of China;
- the Administrative Regulations on the Recall of Defective Automotive Products;
- the Regulations on Quality Responsibility for Industrial Products;
- the Regulation on the Supervision and Administration of Medical Devices;
- the Measures for the Implementation of the Regulation on the Administration of the Recall of Defective Auto Products;
- the Administrative Measures for Medical Device Recalls;
- the Interim Measures on Supervision and Administration on the Quality and Safety of Food-related Products; and
- the Provisions on Administration of Motor Vehicle Emission Recalls;
- the Interim Provisions on Administration of Consumer Product Recalls;
- other regulations with respect to product recall and regulating product liabilities of special products.

Although product liability claims are relatively infrequent among civil claims, there appears to be a rising trend of product liability claims redressed in the judicial way, particularly for food safety and medical equipment claims. Concurrently, the laws continue to develop and evolve to enhance protection standards and coverage. In April 2019, the State Administration for Market Regulation (SAMR) announced its plan to overhaul the Product Quality Law. On

18 October 2023, the SAMR released a draft of the revised Product Quality Law for public suggestions.

The new Administrative Measures on Supervision of Quality Safety of Selling Edible Agricultural Products in Markets was enacted on 1 December 2023. Measures contained in this amendment emphasise the responsibilities of both businesses operators and sellers. Market operators must maintain records of sellers, establish contracts with them and conduct regular inspections. Sellers, on the other hand, are required to verify the quality of products, perform regular inspections and ensure proper labeling. Notably, sellers are explicitly prohibited from using specific lighting equipment to alter the natural colour of agricultural products to mislead consumers. For those selling ready-to-eat products that have been peeled or cut, effective measures must be taken to ensure food safety and prevent cross-contamination. Additionally, the measures specify that a quality certificate is a valid proof of verification when procuring edible agricultural products. Sellers are encouraged to prioritise purchasing products with such certificates and display them in the market.

In 2024, the Implementation Rules on the Law on the Protection of Consumer Rights and Interests came into effect on 1 July. The regulation further strengthens consumer rights protection by imposing stricter obligations on businesses, particularly in regulating marketing practices. It mandates that even free gifts must be safe, reinforcing the principle that 'free does not mean exempt from liability'. The regulation also addresses misleading advertising, prohibiting the fabrication or exaggeration of the therapeutic, health or wellness benefits to entice elderly consumers, thus, safeguarding their retirement funds. Additionally, it protects consumers' right to privacy by restricting unsolicited marketing messages and calls. The regulation emphasises governmental efforts by detailing relevant responsibilities, such as promptly handling complaints, issuing consumer warnings, enhancing regulatory enforcement and providing legal compliance guidance to businesses. These measures are designed to strengthen the government's role in the coordination and protection of consumers. The regulation bolsters social oversight by mandating the public disclosure of consumer complaints, thereby integrating this into the legal framework. It also innovates the credit system in the consumer sector, turning 1.4 billion consumers into a pervasive supervisory force.

**Law stated - 2 September 2024**

### **Product liability litigation milestones and trends**

Have there been any recent noteworthy events or cases that have particularly shaped product liability law? Has there been any change in the frequency or nature of product liability cases launched in the past 12 months?

There have been none.

**Law stated - 2 September 2024**

### **Climate for litigation**

## **Describe the level of 'consumerism' in your country and consumers' knowledge of, and propensity to use, product liability litigation to redress perceived wrongs.**

China has witnessed a significant increase in consumer rights awareness in recent years. Further, the sanctions imposed on law breakers are increasing.

In addition, more and more consumers are taking up judicial weapons to protect their legal rights and interests with a positive success rate. With new laws regarding consumer rights protection in place, the legal regime has also paved the way for public interest actions initiated by the China Consumers Association on behalf of consumers.

**Law stated - 2 September 2024**

## **Efforts to expand product liability or ease claimants' burdens**

### **Describe any developments regarding 'access to justice' that would make product liability more claimant-friendly.**

The limitation period has been prolonged to three years. In 2016, the Supreme People's Court issued a judicial interpretation in relation to the trial of collective actions of consumer public interests, which provided clearer and more detailed rules for the China Consumers Association to bring collective actions against defective products causing damage to indefinite consumers in the marketplace. In 2024, the Implementation Rules on the Law on the Protection of Consumer Rights and Interests designates China Consumer Associations and its branches at provincial level to be able to resort to people's court for the massive consumers.

**Law stated - 2 September 2024**

## **UPDATE AND TRENDS**

### **Emerging trends**

#### **Are there any emerging trends or hot topics in product liability litigation in your jurisdiction?**

Food safety gathering public attention

Food safety remains a hot topic of product liability litigation. On 15 March 2024, the Supreme People's Court released typical judicial cases on the protection of food safety for minors, addressing product liability in relation to everyday food and school meals. The court affirmed that the consumers are entitled to claim tenfold punitive damages in the case of excessive use of food additives failing to meet applicable safety standards. On the same day, the Supreme People's Procuratorate published typical litigation cases concerning public interests, which focused on consumer rights protection, particularly highlighting severe food safety concerns. These cases include issues such as the use of medicine in animals and the illegal addition of industrial formaldehyde to animal blood products, underscoring the commitment to addressing social concerns. Moreover, six ministries from

central government, including the State Administration for Market Regulation, jointly issued a notice titled 'On Strengthening the Regulation of Pre-processed Food Safety to Promote High-Quality Industry Development' on 21 March 2024. This notice, for the first time at national level, clearly defines the scope of pre-processed foods, outlining standards for raw materials, processing techniques and more. It also emphasises the primary responsibility of pre-processed food production and operation enterprises, advocating for transparency in the use of such foods in the catering industry to ensure that consumers' rights to information and voluntary choice are protected.

#### Continued popularity of e-commerce and livestream sales

In the field of e-commerce, the rise of livestream sales has led to a significant increase in product liability litigation. In cities such as Beijing, Guangzhou and Hangzhou, product liability disputes arising from defective products purchased through e-commerce platforms that harm personal or property rights are under the centralised jurisdiction of the Internet Courts. Based on the data released by Beijing Internet Court, by 31 December 2023, it had handled 1,780 product liability disputes over the past five and a half years, revealing a year-on-year upward trend in the total number of e-commerce cases. According to statistics from the State Administration for Market Regulation, the livestream sales market has grown 10.5 times over the past five years, while complaints and reports have surged 47.1 times, significantly outpacing traditional e-commerce.

In civil litigation, issues related to livestream sales have become a focal point. In March 2023, the Beijing Internet Court released typical cases concerning consumer disputes in livestream sales, clarifying principles for determining product liability in this context. For example, deliberately concealing significant defects in product quality during livestreams shall constitute a breach of contract. Besides, if a business operator misleads consumers by intentionally providing false information or concealing material facts during a livestream for sales, the sellers' actions are considered fraudulent and subject to punitive damages. Moreover, when a livestream platform acts as an information service provider, product liability is determined based on the fault liability principle. It is stated that when the platform acts as a livestream platform under the E-commerce Law, whether the platform fulfils corresponding obligations shall be scrutinised in determining liability.

In response to the issues arising from livestream sales, the Implementation Rules on the Law on the Protection of Consumer Rights and Interests enacted in 2024 further regulates livestream sales by requiring clear disclosure of seller information, improving dispute resolution mechanisms and aligning with advertising laws to ensure transparency and regulatory compliance.

#### E-commerce return policies without stated reasons

Convenient return and exchange mechanism is the driving force behind the boom of online shopping. It serves as an important after-sales obligation for businesses and a crucial means of providing relief for consumers. However, such policies bring about disputes from time to time between e-commerce sellers and consumers. The Consumer Rights Law enables consumers to return goods for refund within seven days upon receipt of the goods without any reason. Nevertheless, the goods for return shall remain intact. Meanwhile, there are restrictions as stipulated in Consumer Rights Law regarding exceptions for the policy:

- goods customised by consumers;
- goods fresh and perishable;
- goods digitally downloaded or opened audio-visual products, computer software and other digital goods;
- delivered newspapers and periodicals; and
- other goods whose nature is not suited for return.

The SAMR revised the Interim Measures on Seven-Day No Reason Return Policy of Online Purchases in 2020, listing three types of goods that can be excluded from the Policy upon confirmation by the consumers:

- goods that, once opened, are likely to pose a risk to personal safety and health, or to change in the quality;
- goods that, once activated or used, depreciate significantly in the value; and
- goods with an imminent expiration date or defects that have been clearly indicated to the consumer at the time of sale.

The Implementation Rules on the Law on the Protection of Consumer Rights and Interests enacted in 2024 further strengthens and completes these provisions by clearly defining the scope of products eligible for no-reason returns, emphasising the obligation for business operators to mark and explicitly confirm items not eligible for no-reason returns. Additionally, it clarifies the condition of 'being intact' for returned products, thereby, protecting consumers' rights to return goods. On 14 March 2024, the Beijing Internet Court released typical cases related to the 'Seven-Day No-Reason Return' policy in consumer disputes. These cases clarify that the 'Seven-Day No-Reason Return' policy applies to luxury goods, second-hand digital products and blind-box items and deny the legal effect of standard terms excluding the reference to the 'Seven-Day No-Reason Return' policy without proper noticing or arbitrarily excluding certain products from the 'Seven-Day No-Reason Return' policy by the sellers.

**Law stated - 2 September 2024**