

Original Research Article

Research on the diversified dispute resolution mechanism for foreign-related intellectual property rights in Liaoning pilot free trade zone

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Abstract: Based on the latest policies such as the State Council's 2025 Regulations on Handling Foreign-Related Intellectual Property Disputes and combined with the practical context of deepened reform and opening-up in the Liaoning Pilot Free Trade Zone (FTZ), this paper systematically analyzes the institutional framework, practical models, and core challenges of the existing dispute resolution system. Liaoning has preliminarily formed a distinctive regional network for protecting foreign-related intellectual property rights (IPR). However, three distinct challenges hinder its effectiveness: first, institutional coordination remains fragmented across departments, forcing enterprises to navigate multiple entities; second, professional service capacity—Particularly bilingual legal expertise in common law IPR rules—is inadequate; third, international recognition of dispute resolution outcomes lags behind global standards. To address these, this paper proposes optimization paths encompassing strengthening legislation on diversified dispute resolution mechanisms for IPR, enhancing the systemic integration of the pluralistic resolution framework, improving the efficiency of professional resource allocation, empowering judicial confirmation, and deepening international cooperation. The aim is to provide theoretical support and practical references for Liaoning FTZ to foster an internationalized and rule-of-law-based business environment.

Keywords: Liaoning pilot free trade zone; intellectual property rights; foreign-related disputes; diversified dispute resolution mechanism

1. Introduction

Against the backdrop of the intersection of the "Belt and Road" Initiative and the Northeast China Revitalization Strategy, the Liaoning FTZ, as a vital platform for opening up in Northeast China, sees the refinement of its foreign-related IPR protection system as directly influencing the construction of a regional innovation ecosystem and international competitiveness. As Liaoning enterprises accelerate their "going global" pace, foreign-related IPR disputes involving patent infringement, trademark squatting, and trade secret misappropriation are proliferating. The traditional litigation-centric model—Once the primary means of resolving disputes—Now fails to address the complexities of modern international trade: for instance, Liaoning enterprises involved in cross-border e-commerce often face lengthy litigation processes and high costs, which are incompatible with their need for rapid dispute resolution. The 2022 Plan for Further Deepening the Reform and Opening Up of the China (Liaoning) Pilot Free Trade Zone explicitly requires "building a Dalian Northeast Asia International Commercial Legal Service Platform, establishing a public legal service system integrating lawyers, notaries, appraisals, mediation, arbitration, etc.", and emphasizes the need to "improve judicial review of arbitration," providing enterprises within the Zone with "preventive, mediation, and post-dispute settlement" services across the entire commercial legal service chain. The State Council's 2025 Regulations on Handling Foreign-Related Intellectual Property Disputes further mandates the "establishment of a mechanism to counter unfair treatment", offering a policy fulcrum for institutional innovation in the FTZ. Therefore, constructing an efficient, professional, and internationally oriented diversified dispute resolution mechanism (DRM) is not only a core task for building a rule-of-law-based business environment in the Liaoning FTZ but also a crucial institutional pillar ensuring Liaoning's deep integration into the Belt and Road construction.

2. Current status of the foreign-related IPR dispute resolution mechanism in liaoning FTZ

2.1. Legal basis for the diversified resolution mechanism

The core of the diversified resolution mechanism for foreign-related IPR disputes lies in achieving rights relief and interest balancing through non-litigious means. Its jurisprudential basis stems from the fusion of the "principle of autonomy of will" and the "value of efficiency priority." In the field of international commercial dispute resolution, Alternative Dispute Resolution (ADR) mechanisms, featuring procedural flexibility, high specialization, and confidentiality, have become the preferred path for resolving cross-border IPR disputes. Practices of the World Intellectual Property Organization (WIPO) Arbitration and Mediation Center indicate that approximately 75% of transnational IPR disputes are settled through mediation or arbitration, far exceeding the proportion resolved through litigation^[1].

2.2. Institutional design in liaoning FTZ

Focusing on the "Prevention-Response-Guarantee" dimensions, the Liaoning FTZ has established a multi-layered institutional framework for foreign-related IPR dispute resolution. Based on the Notice on Establishing a Response Mechanism for Overseas Intellectual Property Disputes jointly issued by the Liaoning Provincial Intellectual Property Office (IPO) and the China Council for the Promotion of International Trade (CCPIT) Liaoning Branch, an "Overseas IP Expert Consultant System" was created, involving establishing an expert database and compiling a roster of high-quality domestic and international legal service providers to offer enterprises early warning services^[2]. Local branches of the "Center for Overseas IP Dispute Response and Guidance" have been set up in the three major sections of Shenyang, Dalian, and Yingkou, providing case guidance, resource coordination, and rapid rights protection, thus forming the response mechanism. Guarantee mechanisms involve dispersing risks through financial instruments such as "Intellectual Property Infringement Liability Insurance for Overseas Risks" and establishing the "Overseas Rights Protection Mutual Assistance Fund" to build a risk-sharing system.

The Liaoning FTZ promotes the deep integration of a "Mediation-Arbitration-Litigation" trinity DRM linkage mechanism through institutional coordination and procedural innovation. A "Mediation First" policy is advocated. Yingkou Section established 10 "Administrative Reconsideration Service Points" in 2024, which handled 123 enterprise-related cases in the first half of 2025. For example, a private manufacturing enterprise in Yingkou faced an administrative dispute over trademark registration; the service point adopted "acceptance with deferred submission of non-core documents" and resolved the issue in 7 days—50% faster than the traditional process. This "city-wide accessibility" model has been praised by local SMEs for reducing their rights protection costs by 30%. Arbitration specialization has been further enhanced. In June 2025, Dalian jointly established the "Liaoning Maritime Arbitration Regional Cooperation Alliance" with coastal cities including Dandong and Jinzhou, focusing on IPR disputes in shipping and cross-border e-commerce, and creating a new mechanism featuring "interconnection, interoperability, mutual application, and mutual recognition." This alliance provides full-chain arbitration services for maritime enterprises by sharing lists of experts and unifying rules^[3]. Judicial facilitation is strengthened: The Shenyang Intellectual Property Court piloted a "Fast-Track Judicial Confirmation of Mediation Agreements," completing judicial review and confirmation within 48 hours for settlement agreements reached through commercial mediation organizations.

The Liaoning FTZ actively expands its international cooperation network and channels for ascertaining foreign law, vigorously promoting cross-border collaboration and international resource integration. For international institutional cooperation, the Dalian section introduced the "International Commercial Dispute Prevention and Settlement Organization" (ODR) to connect enterprises within the zone with mediation institutions in Northeast Asian countries such as Singapore and South Korea. A Platform for Ascertaining Foreign Law was developed. Relying on the "Intellectual South Pointer Network", it collects and updates IP systems from 52 countries, publishes country guides and typical cases, and added IP law translations in 2025 for countries along the China-Europe Railway Express like Russia and Belarus. International talent cultivation is emphasized. Liaoning University and Dalian Maritime University jointly launched the "Master of International Intellectual Property Arbitration" program, inviting WIPO arbitrators as lecturers, training the first cohort of 24 professionals to serve FTZ enterprises.

3. Existing problems and challenges in the foreign-related IPR dispute resolution mechanism of liaoning FTZ

3.1. Insufficient mechanism coordination and coverage

The existing dispute resolution mechanisms exhibit a "fragmentation" problem, mainly reflected in:

The functions of the agency are divided: Bodies like the Overseas IP Dispute Response and Guidance Centers, the Arbitration Cooperation Alliance, and court litigation-mediation centers are managed separately by the IPO, the Department of Justice, and the court system, lacking a unified command platform, forcing enterprises to interface with multiple entities.

Regional coverage is uneven: The dispute mediation success rate in Shenyang and Dalian sections reaches 68%, while it is less than 40% in Jinzhou, Dandong, etc., making access to foreign-related services more costly for enterprises in northwestern Liaoning.

Services for micro, small and medium-sized enterprises are lacking: SMEs accounted for 73% of Liaoning's foreign-related IPR dispute cases in 2024, but their utilization rate of ADR mechanisms was only 29%.

3.2. Professional service capability and international recognition need enhancement

The talent pool is weak: There are fewer than 50 bilingual lawyers proficient in common law IPR rules, and some arbitrators lack practical experience in cross-border cases.

The cross-border enforcement of the arbitral award was blocked: Arbitral awards rendered by Liaoning arbitration institutions have relatively low recognition in Belt and Road countries; in 2024, only 43% were enforced in Southeast Asian nations, far below the 85% enforcement rate of the Singapore International Arbitration Centre (SIAC).

Mediation Rules Lacking International Alignment: Most mediation organizations in the province have not adopted the framework of the United Nations Convention on International Settlement Agreements Resulting from Mediation (the Singapore Convention), resulting in a lack of guaranteed cross-border enforceability for settlement agreements.

4. Paths for improving the foreign-related IPR Dispute resolution mechanism in liaoning FTZ

4.1. Strengthen legislation on diversified IPR dispute resolution mechanisms

To align with international best practices, the Civil Procedure Law (CPL)—A key item on the National People's Congress's 2025 legislative agenda—Should be amended to explicitly include provisions encouraging extrajudicial dispute resolution. For instance, support for arbitration can be expanded by clarifying the enforceability of interim measures and reducing unnecessary judicial intervention in arbitration proceedings. Additionally, the CPL should clarify the legal status of mediation agreements to ensure their enforceability under the Singapore Convention on Mediation. This would fill a critical gap: most settlements from Liaoning's mediation organizations currently lack international enforceability, leaving parties with no effective means to enforce agreements across borders—Especially problematic for foreign enterprises operating in the FTZ.

For example, the CPL could integrate support for arbitration into civil litigation procedures, incorporate the effects of private and administrative mediation into its regulatory scope, and establish court-annexed ADR (Alternative Dispute Resolution) mechanisms. These steps would rationalize the mix of dispute resolution methods and enhance coordination between litigation and non-litigious alternatives, making the system more user-friendly for both domestic and foreign parties^[4].

4.2. Enhance systemic integration of the diversified dispute resolution mechanism

4.2.1. Address fragmentation of dispute resolution bodies

To tackle the "fragmentation" of dispute resolution bodies, a provincial-level "Command Center for Foreign-Related IP Dispute Response" should be established under the Liaoning Provincial Intellectual Property Office. This center will serve as a "one-stop" hub, integrating resources from Guidance Centers, the Arbitration Alliance, and court litigation-mediation centers to streamline case acceptance and distribution. For example, mediation agreements filed with the Center can be directly submitted to the court for judicial confirmation, with the review period shortened from 15 days to 7 days—Cutting down on procedural delays that

often frustrate enterprises.

Procedural linkage rules also need clarification: if a party is dissatisfied with an administrative ruling, they may file a lawsuit with the Shenyang IP Court, but enforcement should not be suspended during litigation to avoid delaying rights protection. To reinforce arbitration's primacy in cross-border disputes, courts should decline to hear cases where a valid arbitration agreement exists—Encouraging enterprises to opt for arbitration, which is more widely recognized internationally.

4.2.2. Leverage administrative organs in dispute resolution

Administrative agencies handling civil disputes are a unique feature of China's IPR protection system and have long played a key role in resolving such disputes. To maximize their effectiveness, we should enhance their dispute-handling capacity and impartiality. This includes integrating IP administrative agencies under a vertical management system from central to local levels, establishing a unified IP dispute resolution department, and forming a professional team of dispute handlers. Clear delineation of each agency's scope and functions is essential to avoid buck-passing or jurisdictional conflicts^[5].

4.2.3. Promote the "Three crossings and Three full-processes" model

Drawing on Yingkou's successful experience with administrative reconsideration, we should refine the "Cross-Regional, Cross-Level, Cross-Department + Full Tracking, Full Coordination, Full Feedback" model to cover civil and commercial disputes. This model would facilitate collaboration between different regions, levels of government, and departments, ensuring that disputes are resolved efficiently and consistently.

4.2.4. Innovate mechanisms for the digital era

To adapt to the digital age, a "Liaoning Foreign-Related IPR ADR Online Platform" should be developed to offer functions such as online dispute assessment, intelligent institution matching, and cross-border document transmission. Blockchain technology can be used for evidence preservation, enabling real-time cross-border retrieval of electronic evidence—Significantly reducing rights protection costs for SMEs, which often lack the resources to handle complex cross-border disputes.

4.3. Enhancing professional resource allocation efficiency

4.3.1. Specialized IPR dispute resolution institutions

Prioritize establishing dedicated arbitration bodies and non-governmental organizations for IP disputes. Industry associations and IP intermediaries should expand resolution services, concurrently optimizing their organizational frameworks and staffing structures.

4.3.2. Talent pool development

Implement the Foreign-Related IP Elite Program, selecting 30 lawyers annually for advanced training at WIPO Academy and HKIAC. Arbitration institutions shall increase arbitrator recruitment from Northeast Asia, targeting 20% regional representation.

4.3.3. Innovative insurance-financial Tools

Expand coverage of Overseas Intellectual Property Infringement Liability Insurance and pilot three key products:

Arbitration Cost Insurance

Award Enforcement Insurance

Provincial governments will subsidize premium payments.

4.3.4. Key industry think tanks

Establish expert committees for Liaoning's strategic sectors, releasing industry-specific IP dispute response guidelines.

4.4. Empowering judicial confirmation effectiveness

4.4.1. Non-litigation mechanism reinforcement

Courts should proactively encourage out-of-court IP dispute resolution, respecting decisions from alternative dispute resolution (ADR) bodies during judicial review. Scrutiny should focus primarily on procedural legality and party voluntariness, deferring to industry standards and administrative norms. Notably, Dalian FTZ recently collaborated with local courts to launch Northeast China's inaugural "Mediation-Confirmation" Model, forging an integrated IP governance framework.

4.4.2. Judicial guidance function

Litigation must unify legal application, fill regulatory gaps, and establish precedents. By publishing landmark

rulings, courts enable embedded judicial principles to reference ADR practices. This facilitates negotiated settlements while conserving institutional resources.

4.5. Deepening international cooperation & Rules alignment

4.5.1. Arbitration rule internationalization

The Liaoning Maritime Arbitration Regional Cooperation Alliance will fully adopt UNCITRAL Rules, incorporating Emergency Arbitrator Procedures and Interim Measures.

4.5.2. Convention system integration

Provincial authorities should promote mediation organizations' accession to the Singapore Convention, ensuring settlement agreement enforceability across 92 signatory states.

4.5.3. Extraterritorial network expansion

Spearhead the Northeast Asia IPR ADR Cooperative with KIPO and JETRO to develop:

- Joint case databases
- Multinational expert rosters
- Cross-border mediation protocols

5. Conclusion

Refining Liaoning FTZ's diversified foreign-related IP dispute resolution mechanism constitutes a critical legal safeguard for high-level economic openness. Through institutional innovation and international resource integration, Liaoning has established a distinctive "Prevention-Response-Guarantee" framework. Nevertheless, challenges persist in institutional synergy, professional capacity, and international recognition. Future efforts must:

- Dismantle institutional barriers via systemic reform.
- Elevate dispute resolution through judicial empowerment.
- Enhance service tiers via global talent strategies.
- Strengthen cross-border enforceability through regulatory alignment.

This builds a resilient IP protection ecosystem, evidenced by 22% higher enforcement rates in pilot sectors (2024 DLFTZ report). The "Liaoning Solution" offers replicable insights for FTZs across Northeast China, though sustainable success requires addressing talent retention through incentive schemes.

About the author

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