

# [EU launches WTO case against China's unfair technology transfers](#)

Commissioner for Trade Cecilia **Malmström** said: *“Technological innovation and know-how is the bedrock of our knowledge-based economy. It’s what keeps our companies competitive in the global market and supports hundreds of thousands of jobs across Europe. We cannot let any country force our companies to surrender this hard-earned knowledge at its border. This is against international rules that we have all agreed upon in the WTO. If the main players don’t stick to the rulebook, the whole system might collapse.”*

European companies coming to China are forced to grant ownership or usage rights of their technology to domestic Chinese entities and are deprived of the ability to freely negotiate market-based terms in technology transfer agreements.

This is at odds with the basic rights that companies should be enjoying under the WTO rules and disciplines, in particular under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement).

The case initiated today by the EU targets specific provisions under the Chinese regulation on import and export of technologies (known as “TIER”) and the regulation on Chinese-foreign equity joint ventures (known as “JV Regulation”) that discriminate against non-Chinese companies and treat them worse than domestic ones.

These provisions violate WTO obligations to treat foreign companies on an equal footing with domestic ones, and to protect intellectual property like patents and undisclosed business information.

If consultations requested today do not reach a satisfactory solution within 60 days, the EU will be able to request that WTO sets up a panel to rule on the matter.

While the EU’s request is similar to the one brought recently to the WTO by the US, it also identifies further potential violations of WTO rules.

## **For More Information**

[EU submission to the WTO](#)

[WTO dispute settlement in a nutshell](#)

[EU trade policy and intellectual property](#)

[EU trade relations with China](#)