

China, US promise better protection for business secrets

24 November 2015, by Joe McDonald

U.S. and Chinese trade envoys on Tuesday promised to work together to protect business secrets and Beijing appeared to give ground in a dispute over proposed technology security rules for its banks.

The two governments also agreed to work more closely on food security and combating illegal logging and wildlife trafficking at the two-day meeting of the U.S.-China Joint Commission on Commerce and Trade.

Attended by Cabinet-level trade, agriculture and other officials, the event was the highest-level contact between governments of the world's two largest economies since Chinese President Xi Jinping visited Washington in September and met President Barack Obama.

There was no sign of progress on larger issues such as a proposed investment treaty on which U.S. businesses are urging both sides to reach agreement.

The array of conflicts between the two sides include proposed Chinese restrictions on information security technology the country's banks are allowed to use, Washington's security review process for investments in the United States and foreign access to Chinese markets for insurance and other services.

The two governments pledged to strengthen protection of [business secrets](#), a sensitive issue for U.S. companies that accuse Beijing of failing to stop rampant violations of patents and copyrights and theft of secret industrial processes.

Beijing promised U.S. companies "better legal tools," according to a statement by the U.S. delegation. On the American side, it said lawmakers were considering legislation to make it easier to pursue a complaint in federal court about trade secrets.

China's ruling Communist Party has promised to make its economy more open but American and other business groups complain Beijing is failing to keep its promises to allow access to finance and other industries. They accuse regulators of trying to squeeze them out of promising technology industries.

China appeared to soften its position on proposed rules that would require information technology used by banks to be "safe and controllable." They were suspended in April following complaints foreign suppliers might be shut out or forced to transfer sensitive operations into China or to potential local competitors.

The two sides agreed security rules would not impose "nationality-based restrictions and conditions" on purchases of information technology, according to the U.S. statement. It said Beijing had promised to release the latest draft of its guidelines for a 30-day comment period before implementation.

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