Circular of the Ministry of Finance of the People's Republic of China and the National Development and Reform Commission Concerning the Issuing of *Measures on Patent Fee Reduction*

C. SH. [2016] No. 78

The State Intellectual Property Office, the finance departments (bureaus), development and reform commissions, price bureaus, intellectual property offices of provinces, autonomous regions, municipalities directly under the Central Government and municipalities with independent planning status; the Bureau of Finance and Development and Reform Commission of Xinjiang Production and Construction Corps;

In order to thoroughly implement relevant requirements of Several Opinions of the State Council on Accelerating the Building of an Intellectual Property Power in the New Situation (G. F. [2015] No. 71), better support the country's paten development, and mitigate the patent application and maintenance burden on enterprises and individuals, we have developed Measures on Patent Fee Reduction (see the appendix) in accordance with relevant provisions of Rules on the Implementation of the Patent Law of the People's Republic of China (State Council Order No. 569) and hereby print and distribute the Measures to you for your conscientious implementation.

Appendix: Measures on Patent Fee Reduction

Ministry of Finance, National Development and Reform Commission July 27, 2016

Appendix Measures on Patent Fee Reduction

Article 1 These Measures are formulated in order to thoroughly implement the requirements of Several Opinions of the State Council on Accelerating the Building of an Intellectual Property Power in the New Situation (G. F. [2015] No.71) in accordance with relevant provisions of Rules on the Implementation of the Patent Law of the People's Republic of China.

Article 2 Patent applicants or patent owners may request reduction of the following patent fees:

i. Application fee (excluding announcement and printing fee, and additional application fee).

ii. Substantial examination fee for invention patent applications.

iii. Annual fee (annual fee for six years from the year when the patent right is granted).

iv. Reexamination fee.

Article 3 Meeting any of the following conditions, a patent applicant or patent right owner may apply to the (SIPO) for reduction of the above fees:

Being an individual whose average monthly income is less than 3500 yuan (42000 yuan annually) in the previous year.

ii. Being an enterprise whose tax amount payableis lower than 300000 yuan in the previous year.

iii. Being a public institution, a social organization, or a non-profitable scientific research institute.

Where two or more individuals or units are the joint patent applicant or joint patent right owner, they shall meet the provisions in the preceding paragraphs -62 ---

respectively.

Article 4 Where the patent applicant or patent right owner is an individual or a unit, they only need to pay 85% of the fees prescribed in Article 2.

Where two or more individuals or units are a joint patent applicant or joint patent right owner, they only need to pay 70% of the fees prescribed in Article 2.

Article 5 Patent applicants or patent owners can request reduction of fees that are not yet due. The request for application fee reduction shall be made along with patent application, and requests for reduction of other fees may be made along with patent application or two and a half months before the date of expiration of payment term of relevant fees. In case a patent applicant or patent right owner fails to submit the reduction request within the set time limit as required, the patent applicant or patent right owner will not be approved of fee reduction.

Article 6 Where a patent applicant or patent right owner requests for patent fee reduction, the patent applicant or patent right owner shall submit a request for patent fee reduction and relevant certifying materials. Where a patent applicant or patent right owner submits the request for patent fee reduction and is approved of it, which is kept on record, and applies for patent fee reduction the second time in a natural year, the patent applicant or patent right owner needs to submit a request for patent fee reduction, no more relevant certifying materials.

Article 7 Where an individual requests for patent fee reduction, he shall truthfully fill his annual income in the letter of request for patent fee reduction, while submitting an annual income certificate that is issued by his employer; if such individual does not have a regular job, he shall submit a certificate on his financial difficulty that is issued by the county– level civil administration department or the town people's government (sub–district office) of his place of domicile or habitual residence.

Where an enterprise requests for patent fee reduction, it shall truthfully fill its financial difficulty in the letter of request for patent fee reduction, while submitting the duplicate copy of its annual corporate income tax table in the previous year. In the period of final settlement, the enterprise shall submit the duplicate copy of its annual corporate income tax of the year before the previous year.

Where public institutions, social organizations or non-profitable scientific research institutions request for patent fee reduction, they shall submit duplicate copies of their certificates of corporation.

Article 8 After receiving requests for patent fee reduction, the SIPO shall examine the requests and make the decision on whether to approve them or not, and notify the patent applicants or patent owners concerned.

Article 9 When having any of the following circumstances, a request for patent fee reduction will not be approved:

i. Failing to use the letter of request for patent fee reduction that is made by the SIPO.

ii. The letter of request for patent fee reduction is not signed or stamped a seal. iii. The request for patent fee reduction does not conform to the provision of Article 2 or Article 3 of these Measures.

iv. The individual or unit requesting patent fee reduction does not provide certifying materials prescribed in Article 7 herein.

v. The name or appellation of the patent applicant or patent right owner, or the name of patent for invention in the letter of request for patent fee reduction is inconsistent with corresponding contents in the patent application or patent rolls.

Article 10 Patent applicants or patent owners shall pay the patent fees at the approved amount payable within the prescribed period after their requests for patent fee reduction are approved by the SIPO. In case of any change in patent applicants or patent owners after their requests for patent fee reduction are approved, for patent fees not yet paid, the patent applicants or patent owners after the change shall make the request for patent fee reduction anew.

Article 11 In case the SIPO finds some mistake in a decision to approve a request for patent fee reduction after the decision is made, the SIPO shall correct the mistake, and notify the patent applicant or patent right owner in a timely way of the correction decision.

Should a patent applicant or patent right owner provide false information or false certifying materials when requesting for patent fee reduction, the SIPO, after verifying the situation, shall revoke the decision to approve the patent fee reduction, and notify the patent applicant or patent right owner to pay the patent fees already deducted within a set time limit, and deprive such patent applicant or patent right owner of the qualification for patent fee reduction within

five years since the current year. Should the patent applicant or patent right owner fail to pay the patent fees already deducted or pay them in full, it shall be handled as insufficient payment of patent fees.

Should a patent agency or patent agent help, instigate, or incite patent applicants or patent owners to conduct the above behavior, such patent agency or patent agent shall be punished according to relevant provisions.

Article 12 These Measures shall enter into force from September 1, 2016. In case of inconsistence between previous regulations and these Measures, these Measures shall prevail.