

W&B IP Newsletter



October of 2017, Special Issue on Patent Funding Measures

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Shanghai Patent Funding Measures

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W&B News

W&B Named a “2014-2015 Shanghai Trademark Agency Integrity Unit”

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Shanghai Patent Funding Measures

I. General Funding

The General Patent Funding Measures originated in Shanghai and established an entire patent funding system for three patent categories in mainland China (invention patents, utility models and design patents); patents from Hong Kong, Macao and Taiwan; and foreign invention and design patents. Additionally, a variety of legal standards continue to apply, including regulations involving fund management, special funds management and application guidance.

1. Policy Changes

Shanghai Patent Funding Measures (2007 Version)	2012 revised version (current)	The new measures took effect on July 1, 2017 and expire on June 30, 2022
Full funding	Partial funding	
Funding available upon application	Funding available upon authorization	
Full funding	Funding applied mainly to invention patents and overseas applications	

2. Funding Targets

The individually-owned enterprises, institutions and social groups registered in Shanghai, and individuals holding Shanghai census registration or a residence permit are targeted for general funding. Former funding targets excluded individuals who held Shanghai census registration or residence permits; however, these parties are now eligible for funding. If a patent is applied for by a group of applicants, these applicants should apply for funding together, and first applicant must have a Shanghai address.

3. Funding Types, Amounts and Expiration

1) Funding amounts for invention patents (divided into three phases)

Phases	Types	Funding Amount (RMB)	Expiration
Application	Application fees (including notification, addition and priority fees)	80% of official fees	Within six months of the payment date of application fees
After authorization	Practical examination and authorization fees	Full amount	Within six months of the date that authorization fees are paid.
	Inventions	≤ 2000 RMB funding for agency service fees	
Annual authorization fee	Authorization fees for second and third years	80% of official fees	Within six months of the first day of the second/third anniversary of the patent application date

2)Funding for utility models and design patents

Phases	Types	Funding Amount (RMB)	Expiration
Only with authorization (the actual amount of the examination and authorization fees)	Utility models	50% of official fees	Within six months of the date of payment of authorization fees
	Design patents	60% of official fees	

3)Funding application for overseas patents

Regions	Types	Funding Amount/ No. of Countries	Funding Limit (RMB)	Expiration
Hong Kong, Macao and Taiwan	Patents	≤5,000 RMB each	Less than 1,000,000 per year for each funding applicant	Within one year of the date that the patent certificate is issued
Overseas	Invention Patents	≤30,000 RMB/per country		
		≤5 countries each		
	Design Patents	≤3,000 RMB per country		
≤3 countries each				

4.Comments

1)It remains difficult to implement funding policies for overseas patents because the names of identical patents in different countries are confusingly diversified.

2)The number of design patents is relatively small; perhaps 20 to 30 patents per year. Otherwise, funding applications for overseas patents is increasing each year. 1,560 PCT applications were handled by SIPA last year, representing an annual increase of over 50% (1,060 PCT applications were received in 2015), higher than the domestic average.

3)The total Shanghai general funding amount was nearly 86,000,000 RMB in 2016. Nevertheless, patent authorization quantities have increased so dramatically, to over 105,000,000 RMB, that the budget was insufficient to support funding. The remaining 20,000,000 RMB was finally paid off in 2017. The funding amount increased by 20% in the first quarter of 2017. This steady increase indicates that next year will be a difficult one for patent funding.

5.Time and Place for Application Acceptance

Monday to Thursday, 9: 00-11: 30 AM ;12: 00-16: 00 PM

Monday to Thursday, 9: 00-11: 30 AM ;12: 00-16: 00 PM

Consulting call 23110885; 23110864; 23110868

II. Special Funding

“Special funding” refers to funding for pilot and demonstration units that is designed to develop their patent activities. There is a slight difference between the newly added special funding in the 2012 Shanghai Patent Funding Measures (Revised Version) and the former special investments.

1. Application Requirements for Pilot Units

Order	Requirements
1	≥1 patent worker(s)
2	5 valid invention patents (20 for institutions)
3	>50% effective rate for implementing invention patents (≥20% for institutional applications, ≥10% for more than 300 applications) over the last three years
4	≥40% proportion of total revenue attributable to patent licenses, patent transfers and patent product sales
5	≥60% training rate for management and technical employees, >40% for staff
6	No intellectual property infringement determinations by administrative or judicial authorities within the last three years

2. Application Conditions for Demonstration Units

Order	Requirements
1	≥1 patent engineer(s)/patent agent(s)
2	10 valid invention patents (30 for institutions)
3	≥60% of total revenues attributable to patent licensing, transfers and product sales
4	Effective invention patent implementation rate of >70% (≥30% for Institutions, ≥20% for more than 300 applications) over the past three years
5	≥80% training rate for management and technical employees, >60% for staff
6	No intellectual property infringement determinations by administrative and judicial authorities within the last five years

3. Funding Amounts

Approvals of pilot and demonstration units may amount to no more than 70% of the total. The remaining funding will be dispatched after the expiration of a two-year pilot demonstration period.

Funded Units	Funding Amount (RMB/Per)
Pilot Units	≤400,000
Demonstration Units	≤600,000

4. Work Scope

The scope of work of pilot and demonstration enterprises includes the standardized execution of intellectual property management, patent strategy planning, patent database establishment, patent rights protection, licensing and transfers, patent training, etc.

5. Application Period

130 pilot and demonstration units have been selected since the application procedure concluded on March 27th, 2017.

The application period will begin sometime after the Spring Festival (Chinese New Year). Watch the official website of the Shanghai Intellectual Property Administration to find out when applications are permitted.

III. Establishment of Pilot Demonstration Zones

The Pilot Demonstration Zones will use grants to develop intellectual property-related activities such as intellectual property trusteeships and commissioned services for SMEs.

IV. Registration Funding for Integrated Circuit Layout Design

The P.R.C. State Intellectual Property Office is responsible for integrated circuit design, and it will be supported by local intellectual property offices. After the registration of integrated circuit layout designs, all fees including registration, certificate and agency fees, among others, will be capped at 2,500 RMB.

V. The Shanghai Invention Patent Award

This award is given out every three years to individuals and enterprises, and up to 1,600,000 RMB is available.

Patent Type		Amount (RMB)
Invention Patent Awards	First Prize	100,000
	Second Prize	50,000
	Third Prize	20,000
Utility Model Awards		20,000
Design Patent Awards		10,000

Via the Shanghai Intellectual Property Administration

W&B Named a “2014-2015 Shanghai Trademark Agency Integrity Unit”



In May 2017, Watson & Band was named a “2014-2015 Shanghai Trademark Agency Integrity Unit” by the Shanghai Trademark Association.

Watson & Band has won this award every year since 2006, when the Shanghai Trademark Association first began offering this honor to trademark agents. Ever since it was founded, Watson & Band has dedicated itself to the philosophy of “Integrity, Strategy, Professionalism and Dedication.” Never resting on its laurels, Watson & Band always puts its clients’ interests first. The “Integrity” prong of its philosophy complies with the requirements of the Trademark Association, and our adherence to it has been recognized and confirmed by the Trademark Association as well as our clients.

One unique feature of Watson & Band’s trademark team is that its members include experienced lawyers and trademark attorneys who can provide full-scale, comprehensive legal services to its clients all the way from the granting of a trademark to subsequent enforcement activities.

The selection for the award was organized by the Shanghai Trademark Association and supported by the Shanghai Administration for Industry and Commerce. The purposes of the award are to help implement the new Trademark Law; to promote the healthy development of the Shanghai trademark agency industry; to perfect the professional regulation and activities of trademark agents; and to encourage honesty, market order and fair competition. The association examines application materials, conducts spot inspections, visits clients, and processes preliminary examinations from applicants. An evaluation board composed of representatives of trademark associations, the AIC and industry enterprises make the final decision on the award.