

# W&B IP Newsletter

July of 2018, Vol. 16

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Website: [www.watsonband.com](http://www.watsonband.com)

E-mail: [mailip@watsonband.com](mailto:mailip@watsonband.com) | [mail@watsonband.com](mailto:mail@watsonband.com)

## Policies and Regulations

### **State Intellectual Property Office to Eliminate or Adjust Certain Patent Fees on August 1st, 2018**

1. SIPO will eliminate the patent registration fee, the announcement printing fee, the patent amendment fee (for amendment of patent agency and the agent entrustment relationships) for domestic patents, and eliminate the transfer fee in the PCT patent application fee (international phase).

2. Patent applicants or patentees who meet the conditions in the Measures for the Reduction of Patent Fees (Fiscal tax [2016] No. 78), may extend the period of reduced and deferred payment of patent annuities to ten years beginning on the year that the patent was approved.

3. IF an application for withdrawal of patent application is initiated between the substantive examination stage and the expiration of the reply period for the first review notice, 50% of the patent application substantive examination fee will be refunded.

(Source: Notice of the Ministry of Finance National Development and Reform Commission on Relevant Policies Concerning the Suspension, Exemption and Adjustment of Certain Administrative and Administrative Fees.)

### **Draft Amendment to Individual Income Tax Law to Include Royalty Income**

As of June 19, 2018, the draft amendment to the Individual Income Tax Law included four labor income items--wages, salaries, labor remuneration and royalties within the scope of the tax. From now on, resident individual income tax will be calculated annually. Royalty income is defined as income earned by individuals through the provision of patents, trademarks, copyrights, non-patented technology and similar sources.

(Source: June, 2018, Review Report of the Third Meeting of the Draft Amendment to the Individual Income Tax Law )

### **China, the United States, Europe, Japan and South Korea' s Intellectual Property Bureaus to Commence Patent Cooperation Treaty Collaborative Search & Reviews on July 1**

The intellectual property bureaus of China, the U.S., Europe, Japan and South Korea launched a two-year joint PCT Collaborative Search and Review (CS&R) pilot project on July 1st, 2018. An applicant may request participation in the pilot project by submitting an English language PCT international application to the P.R.C. State Intellectual Property Office (SIPO).

(Source: Report on a meeting of directors of cooperation between China, the United States, Europe, Japan and South Korea)

## Intellectual Property

### State Council Executive Meeting Held; Decides to Allow Duty-Free Import of Cancer Drugs to Encourage the Import of Innovative Drugs

1. On May 1st, 2018, import duties on common pharmaceuticals such as cancer drugs, alkaloid drugs with cancer-fighting effects and Chinese traditional patented medicines with actual imports dropped to zero.

2. Comprehensive measures will be taken to:

- adopt centralized government procurement of innovative drugs;
- speedily incorporate imported innovative drugs, especially urgently needed cancer drugs, into the medical insurance reimbursement catalogue;
- research and utilize international e-commerce channels; and
- eliminate unreasonable price increases.

3. The import and listing of innovative drugs will be accelerated. Clearance of imported chemical drugs can now be completed through enterprise inspection; batch inspections are no longer compulsory.

4. Intellectual property protection will be strengthened. A data protection period of up to six years applies to innovative chemical medicines; identical products will not be approved for listing during the protection period. Innovative drugs that simultaneously applied for listing in China and abroad are given a maximum of five years of patent protection.

5. Quality supervision will be intensified, inspections of overseas production sites for imported drugs will be strengthened, and a crack-down will be initiated on counterfeiting and sham sales.

(Source: State Council Executive Meeting of April 12, 2018)

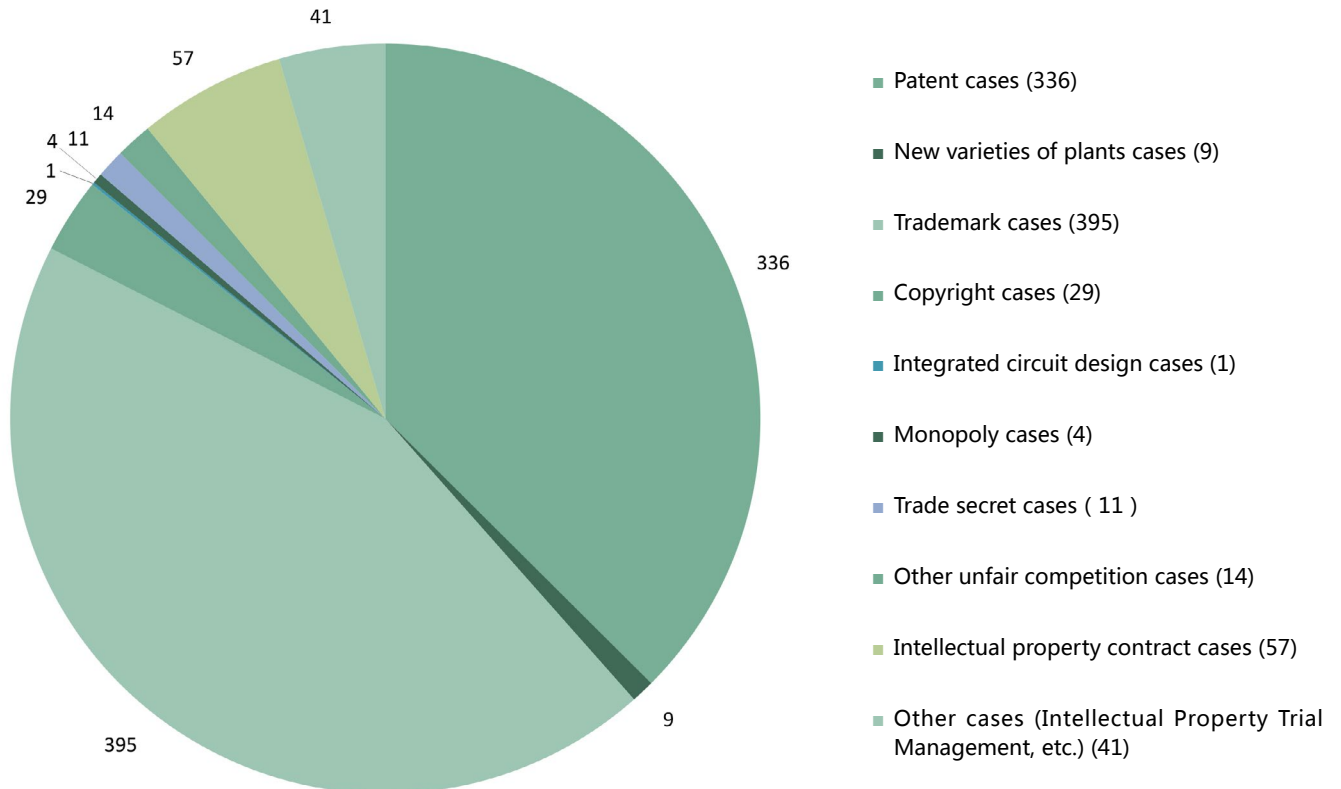
### Statistics for 2017 P.R.C. Patent Examination and Registration/Intellectual Property Administrative Law Enforcement Cases

Type		Number of Cases	
Patent examination and registration	Patent application	Invention patent applications	1,382,000
		Utility model patent applications	1,687,000
		Design patent applications	629,000
	Trademark registration application acceptances		5,748,200
	Annual trademark registration review		4,252,000
	Copyright registration	Registered works	2,001,000
Registered computer software under copyright		745,000	
Intellectual property administrative law enforcement	Patent administrative law enforcement	Patent disputes	28,157
		Investigation and enforcement against counterfeit patents	38,492
	Trademark supervision and law enforcement		30,130

(Source: P.R.C. 2017 Annual Report on the Rule of Law)

## Intellectual Property

### Number of Intellectual Property Cases in 2017 (Total: 897)



(Source: 2017 Annual Report of the Supreme People's Court on Intellectual Property Cases )

## Copyright

### Shanghai Intellectual Property Court Severely Punished Software Piracy; Orders Infringers to Pay 15.5 Million Yuan

On June 29, 2018, the Shanghai Intellectual Property Court issued a first-instance judgment in a case involving the infringement of computer software copyright. Defendant Shanghai Science and Technology Co., Ltd., installed the software without the permission of plaintiff Dassault Systemes Co., Ltd.. The CATIA V5 series computer software copyrighted by the plaintiff was installed on computers in defendant's business premises, thereby infringing the plaintiff's right of reproduction. The defendant was ordered to cease its infringement and to compensate the plaintiff for damages and reasonable expenses in the amount of 15.5 million yuan, thereby safeguarding the copyright holder's lawful rights and interests.

(Source: Shanghai Intellectual Property Court)