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## Annuity Payments Under Indonesia's New Patent Law

Indonesia's new Patent Law, which was enacted on August 26 of this year changes how annuity payments are calculated. Annuity payments are now due at the beginning of the protection period, in order to receive protection for the following period. This change from the past system, under which annuity payments were due at the end of each protection period, left patent owners with many questions about how their payments would be impacted under the new law.

The Directorate General of Intellectual Property Rights in Indonesia has issued a new circular that clarifies how the authorities will handle annuity payments for patents that were granted before the enactment of the new Patent Law. All owners of existing Indonesian patents will need to make additional annuity payments before the end of this year to ensure compliance.

Under the circular, any unpaid annuities for patents registered before August 26 of this year, which are due on or after this date, must be paid according to the rules set out in the new Patent Law. The circular sets up a transitional period for payments to be made between August 26 and December 30, 2016, for annuity payments that cover 2016 to 2017. Failure to submit an annuity payment by December 30 will result in the patent being cancelled. Critically, this means that all patent owners who want to maintain their patents must pay an annuity by **December 30, 2016**.

There are three important scenarios for patent owners to consider regarding annuity payments. The first scenario is a patent application that was granted before August 26, 2016. The table below is an example of calculations of payment deadlines under the circular.

### Scenario 1: Patent Granted Before August 26, 2016

Patent Application Filing Date: 20 Sep 2007  
Patent Granted Date: 13 Dec 2013

Annuity Year	Protection Period	Payment Due Date
1	20 Sep 2007 to 20 Sep 2008	Payment due dates prior to August 26, 2016—therefore, payment deadlines are in accordance with the old patent law
2	20 Sep 2008 to 20 Sep 2009	
3	20 Sep 2009 to 20 Sep 2010	
4	20 Sep 2010 to 20 Sep 2011	
5	20 Sep 2011 to 20 Sep 2012	
6	20 Sep 2012 to 20 Sep 2013	
7	20 Sep 2013 to 20 Sep 2014	
8	20 Sep 2014 to 20 Sep 2015	
9	20 Sep 2015 to 20 Sep 2016	30 Dec 2016 (Former deadline: 13 Dec 2016)
10	20 Sep 2016 to 20 Sep 2017	30 Dec 2016 (Former deadline: 13 Dec 2017)

In the table above, the annuity payment of year 10 for the protection period of 2016 to 2017, which was formerly due on December 13, 2017, is now due on December 30, 2016. The annuity payment should be paid before the protection period begins.

Subsequent payments that are due in accordance with the new Patent Law are shown in the following table.

Annuity Year	Protection Period	Payment Due Date
11	20 Sep 2017 to 20 Sep 2018	20 Aug 2017
12	20 Sep 2018 to 20 Sep 2019	20 Aug 2018
13	20 Sep 2019 to 20 Sep 2020	20 Aug 2019
14	20 Sep 2020 to 20 Sep 2021	20 Aug 2020
15	20 Sep 2021 to 20 Sep 2022	20 Aug 2021
16	20 Sep 2022 to 20 Sep 2023	20 Aug 2022
17	20 Sep 2023 to 20 Sep 2024	20 Aug 2023
18	20 Sep 2024 to 20 Sep 2025	20 Aug 2024
19	20 Sep 2025 to 20 Sep 2026	20 Aug 2025
20	20 Sep 2026 to 20 Sep 2027	20 Aug 2026

The annuity payments must now be paid one month before the start of the corresponding protection period. The annuity payments must be concluded prior to the end of the 19th year of the protection period. If the applicant is not able to pay the annuity by the deadline, a request for extension must be filed within seven working days before the deadline. The extension will incur a 100 percent penalty fee. If an extension is not filed, the patent would be cancelled.

The second scenario involves a patent granted before August 26, 2016, for which annuities have not yet been paid and are due for 2015 to 2016, as shown in the table below.

### Scenario 2: Patent Granted Before August 26, 2016

#### Annuities Due But Not Yet Paid

Patent Application Filing Date: 20 Sep 2010

Patent Granted Date: 13 Dec 2015

Annuity Year	Protection Period	Payment Due Date
1	20 Sep 2010 to 20 Sep 2011	30 Dec 2016 (Former deadline: 13 Dec 2016)
2	20 Sep 2011 to 20 Sep 2012	
3	20 Sep 2012 to 20 Sep 2013	
4	20 Sep 2013 to 20 Sep 2014	
5	20 Sep 2014 to 20 Sep 2015	
6	20 Sep 2015 to 20 Sep 2016	30 Dec 2016 (Former deadline: 13 Dec 2016)
7	20 Sep 2016 to 20 Sep 2017	30 Dec 2016 (Former deadline: 13 Dec 2017)
8	20 Sep 2017 to 20 Sep 2018	20 Aug 2017

If the annuities in years 1 to 5 are not paid by December 30, 2016, the patent will be cancelled. Subsequent payments are due one month before the end of the protection period—in this case, August 20 of every year until 2029.

The third scenario involves a patent granted after August 26, 2016. Annuity payments will follow the new Patent Law, per the table below.

### Scenario 3: Patent Granted After August 26, 2016

Patent Application Filing Date: 20 Sep 2010

Patent Granted Date: 13 Dec 2016

Annuity Year	Protection Period	Payment Due Date
1	20 Sep 2010 to 20 Sep 2011	1st to 8th annuities are due by 13 June 2017
2	20 Sep 2011 to 20 Sep 2012	
3	20 Sep 2012 to 20 Sep 2013	
4	20 Sep 2013 to 20 Sep 2014	
5	20 Sep 2014 to 20 Sep 2015	
6	20 Sep 2015 to 20 Sep 2016	
7	20 Sep 2016 to 20 Sep 2017	
8	20 Sep 2017 to 20 Sep 2018	20 Aug 2018
9	20 Sep 2018 to 20 Sep 2019	

Subsequent payments are due one month before the end of the protection period—in this case, August 20 of every year until 2029.

In light of the changes, every owner of an Indonesian patent should urgently review their patent portfolio to assess the annuity payments that need to be made, in order to ensure that their granted patents are not cancelled under the new law. 🚀