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VOLUNTARY CONTRIBUTIONS CONCERNING
THE PATENT COOPERATION TREATY (PCT)

Report by the Director of BIRPI

1. This document deals with the question of voluntary contributions towards the cost of the work in connection with the Plan for a Patent Cooperation Treaty (PCT). It traces the history of this question and sums up the situation as it now stands (see paragraphs 2, 3, and 4 to 10, respectively), and finally requests, in brief:

- (i) that contributions be pledged for 1968 (see paragraph 12),
- (ii) that contributions be pledged for 1969 (see paragraph 16),
- (iii) that the question of the pledges required for 1970 be studied (see paragraph 19).

Request Made in 1967

2. In a document submitted by the Director of BIRPI to the Second Ordinary Session of the Conference of Representatives of the Paris Union (CR/II/5), it was pointed out that, in view of the fact that the costs of the preparation of detailed plans for the implementation of the Patent Cooperation Treaty (hereinafter referred to in abbreviated form as "the PCT") and of setting

up the executive organs of the PCT could not be covered by the mandatory contributions of member countries towards the expenses of the Paris Union, these costs would have to be met out of voluntary contributions (see paragraph 15 of document CR/II/5). It was further stated that the starting date of the "lead period" of the PCT would depend on the amounts of these contributions and the rate at which they would be made available to BIRPI (see paragraph 12(d) of document CR/II/5). The reasons for which the planning period should not merely be started but should reach a fairly advanced stage were also indicated (see paragraph 13(a) of document CR/II/5). It was specified that the planning would entail, inter alia, statistical studies, financial studies, studies of office procedure, and legal studies (see paragraph 14(b) of document CR/II/5). The cost of these studies was estimated at \$50,000 for 1968 and \$100,000 for 1969, while the estimate of the sum necessary for 1970 was reserved (see paragraph 14(c) of document CR/II/5).

3. In the same document, the Director of BIRPI proposed that the said amounts be covered by voluntary contributions from member countries of the Paris Union belonging to contribution classes I or II and that, having regard to various factors, these contributions might correspond to the amounts shown below (in thousands of US dollars):

	<u>1968</u>	<u>1969</u>
Soviet Union	10	20
United States of America	10	20
Federal Republic of Germany	7	14
Japan	7	14
France	5	10
United Kingdom	5	10
Canada	3	6
Italy	3	6
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Total:	50	100

(see paragraph 15(a) of document CR/II/5).
The countries belonging to classes other than I and II were also invited to pay voluntary contributions (see paragraph 15(b) of document CR/II/5).

Contributions Pledged and Paid

4. The reactions of the representatives of several of the States members of the Conference of Representatives during its December 1967 session are recorded in paragraph 19 of the report on the session (document CR/II/15).¹⁾

5. It emerges that firm pledges for exact amounts were made for 1968 by four countries only. These countries, all of which have already paid their voluntary contributions, are the following:

Federal Republic of Germany	\$7,000
United Kingdom	\$5,000
Canada	\$3,000
Switzerland	\$2,315

6. It should be noted that the United States of America pledged cash or services to the values suggested. To date, a contribution in the form of services has been furnished: a specialist from the US Patent Office has been sent at the expense of that Office from Washington to Geneva, where he has worked recurrently for a total period of more than three months with the Industrial Property Division of BIRPI on legal studies and studies of office procedure. The travel expenses, subsistence allowances and salary of this official for the period concerned are estimated at a total of approximately \$8,000.

7. The Soviet Union pledged cash or services the value of which was to be determined later. At the time of writing this report, the Soviet Union has not yet specified the amount of its contribution and has not yet furnished cash or services.

8. In May 1968, the Director of BIRPI sent a written reminder on the question of voluntary contributions to the national

1) The Representative of France suggested that BIRPI should study the possibility of making contributions mandatory. BIRPI studied this suggestion and does not feel able to submit proposals. It does not, in fact, seem possible to make contributions mandatory unless they are based on an existing treaty. The PCT, however, does not yet exist and the Paris Convention contains no reference to it.

Offices of the following countries:

Argentina	Japan
Australia	Netherlands
Belgium	Poland
Brazil	Soviet Union
France	Sweden
Italy	United States of America

9. It is recalled that the Conference of Representatives recommended, at its December 1967 session, that the amounts proposed (see paragraph 3, above), if not already pledged, should be pledged as soon as possible, and in any case not later than at the 1968 session of the Executive Committee of the Paris Union. It further recommended that the countries not mentioned by name in the said paragraph should, if they had not already done so (the case of Switzerland), pay voluntary contributions if they were interested in the PCT plan and intended actively to participate in the preparatory work (see document CR/II/15, paragraph 19(f)).

10. At the end of the December 1967 session of the Conference of Representatives, the Secretariat announced that the sums pledged were less than had been expected and that this fact would slow down the preparatory work (see document CR/II/15, paragraph 19(e)). Indeed, pledges made by member countries for 1968 represent only 35% (\$17,315) of the amount proposed (\$50,000).

The Year 1968

11. It is hoped that, pursuant to the recommendation of the Conference of Representatives, countries will make specific pledges at the September 1968 session of the Executive Committee regarding the amounts of their voluntary contributions for the current year (that is, 1968).

12. The Executive Committee is invited to hear the pledges made by interested countries for the year 1968.

The Year 1969

13. In the light of the sum paid to date for the year 1968 (\$17,315 or 74,736 Swiss francs), the budget for 1969 makes provision, under the heading of voluntary contributions, for the sum of only 200,000 francs, that is, a little more than double the amount of contributions actually paid to date for 1968. It would seem justified to provide for double the 1968 amount, since the contributions originally suggested for 1969 were double the 1968 contributions and the pledges received in this connection from the Federal Republic of Germany and the United Kingdom at least, are firm.

14. It should be noted, however, that this sum of 200,000 Swiss francs (or \$46,000) would represent only 46% of the amount proposed for 1969 and that the slowing down of the preparatory work would continue. In order to reverse the process, BIRPI would have to obtain the sum suggested in 1967 (that is, \$100,000) and not the sum provided for in the 1969 budget (that is, \$46,000).

15. It is therefore to be hoped that, in accordance with the recommendation of the Conference of Representatives, countries will make specific pledges at the September 1968 session of the Executive Committee regarding the amounts of their voluntary contributions concerning the PCT for 1969.

16. The Executive Committee is invited to hear the pledges made by interested countries for 1969.

The Years 1970 and Beyond

17. In view of the slowing down of the planning studies, the latter will probably continue at least until 1971. Provision will therefore require to be made for voluntary contributions to finance planning also in 1970, and perhaps even beyond that date.

18. The question of the cost of the lead period, which will require a more substantial investment (see document CR/II/15, paragraph 19(e)), would soon have to be dealt with in detail,

as the work in connection with the practical application of the PCT will demand considerable time and effort. The cost of this work could only be financed by the voluntary contributions of interested countries, which in this case would probably mean the signatory countries.

19. The Director of BIRPI is making no definite proposals as yet concerning (1) the voluntary contributions necessary for bringing the planning period to a conclusion or (2) the investments required for the lead period, as he prefers to await the results of the 1968 Committee of Experts, which should make it possible to establish a time schedule with more precision. The Director of BIRPI takes this opportunity, however, to make the following two proposals, that is to say:

(a) that the Executive Committee and interested countries take note of the fact that voluntary contributions, the amounts of which will be equal at least to those requested for 1969 (see paragraph 3, above), will be requested for 1970, and possibly also for 1971, to cover the cost of the planning period, and

(b) that the Executive Committee set up a "PCT Financement Working Group" to study, with the Director of BIRPI, the financial repercussions of the "lead period," and that the Director of BIRPI should be able to communicate the first reports of this Working Group to interested countries, if necessary even before submitting them to the next session of the Executive Committee.

20. The Director of BIRPI proposes that this Working Group be composed of representatives of countries belonging to contribution classes I and II of the Paris Union and any other country paying voluntary contributions concerning the PCT.