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BUREAUX INTERNATIONAUX
RÉUNIS POUR LA PROTECTION
DE LA PROPRIÉTÉ INTELLECTUELLE
GENÈVE, SUISSE

BIRPI

UNITED INTERNATIONAL
BUREAUX FOR THE PROTECTION
OF INTELLECTUAL PROPERTY
GENEVA, SWITZERLAND

UNION DE PARIS: COMITÉ EXÉCUTIF, CINQUIÈME SESSION
PARIS UNION: EXECUTIVE COMMITTEE, FIFTH SESSION

(Genève, 22-26 septembre 1969)
(Geneva, September 22 to 26, 1969)

CONTRIBUTIONS FOR SPECIAL "PCT" WORK

Report by the Director of BIRPI

Background

1. It was at the last (1967) session of the Conference of Representatives of the Paris Union that the need for covering at least part of the expenses of BIRPI arising from its work on the plan for the conclusion of the Patent Cooperation Treaty (PCT) was noted. BIRPI sought, for 1968 and 1969, the amounts of \$50,000 and \$100,000 respectively (CR/II/5, paragraph 15), whereas, for 1970, the last (1968) session of the Executive Committee of the Paris Union noted that the amount to be requested would be equal at least to the amount requested for 1969, that is, \$100,000 (CEP/IV/7, paragraph 19, and CEP/IV/18, paragraph 30).

2. The said amounts were and are needed for the work of planning only and do not include the cost of setting up the administration of the Treaty itself during the so-called "lead period." For studying the financial repercussions of the "lead period," the Executive Committee decided to set up the "PCT Financing Working Group" (CEP/IV/7, paragraph 19(b), and CEP/IV/18, paragraph 31), which, however, has not been convened so far since, contrary to expectations at the time of the last session of the Executive Committee,

the diplomatic conference for the adoption of the PCT will not be convened in 1969. The Working Group is now expected to be convened in 1970 to deal with the financing of the lead period.

3. The contributions actually received in 1968 are set out in Annex A to this document, whereas the contributions actually received in or pledged for 1969 are set out in Annex B.

Contributions for 1970

4. For 1970, the amount sought is \$100,000 to be covered by special PCT contributions.

5. This amount would serve to pay the extra staff needed for

(i) further study of the statistical, financial, procedural, and legal questions described to the Conference of Representatives of the Paris Union (CR/II/5, paragraph 14),

(ii) carrying out a study of the scientific documentation problems described in paragraph 7, below, and

(iii) providing some of the extra services the Industrial Property Division and the Reproduction and Correspondence Service of BIRPI are called upon to furnish on account of the PCT.

This work program and extra staff will be needed irrespective of the date of the diplomatic conference.

6. It is to be noted that the direction of all the work on the PCT, as well as the intellectual and material work of preparing the drafts, translating them, organizing and servicing meetings, maintaining contacts with Governments and organizations, and reproducing and distributing documents, would continue, in 1970, as in the past and at present, to be carried out by the permanent staff of BIRPI, whose costs are covered by the ordinary revenues of the Paris Union.

7. The study of the documentation problems referred to in paragraph 5, above, would be designed to examine the present ability of the prospective International Searching and Preliminary Examining Authorities to handle the so-called minimum documentation and consider means for cooperation among them in order to overcome or reduce the problems created by the differences in languages, classifications, coverage of non-patent literature, and retrieval methods.

8. It would be necessary to employ five professionals (three at grade P.4 level, and two at grade P.3 level), one of whom would work on the statistical, etc., studies, three of whom would work on the documentation study, and one of whom would be a temporary addition to the Industrial Property Division. The staff costs (salary, social charges, recruitment costs) of those five persons would be \$82,000.

9. In the non-professional ("general services") category, it would be necessary to employ two secretaries to assist the five professionals and one clerk who would be a temporary addition to the Reproduction and Correspondence Service. Two of these posts would be at G.4 and the other at G.3 level and the staff costs would amount to \$18,000.

10. Thus, the staff costs (including recruitment costs) of the eight persons in question would amount to \$100,000.

Suggested amounts for contributions

11. In the past, specific amounts of PCT contributions were suggested for only eight States, which were believed to have the maximum interest in the PCT, whereas all other States were invited to contribute without suggesting specific amounts (CR/II/5, paragraph 15). In view of the fact that all the member countries of the Paris Union were invited to the last PCT Committee of Experts (December 1968) and interest in the PCT may be regarded as general or largely so, the present document suggests specific amounts for each of the 39 member countries in Classes I to V according to the choice it has made under Article 13(8) and (9) of the Paris Convention. As far as the countries in

Class VI are concerned, no specific amounts are suggested but contributions are invited and would be welcome.

12. As in the case of the special contributions for ICIREPAT (CEP/V/6), it is suggested that, in establishing the share of each of the 39 countries in the total amount of \$100,000, the volume of the patent applications and patents should be the starting point for calculation, on the basis of the median figure of the number of patent applications filed and the number of patents granted. Inventors' certificates would be counted as patents. Numbers would be taken from the latest available yearly statistics (1966 for South Africa, 1967 for all other countries) furnished by the national Offices of the countries themselves and published in Industrial Property. (In the case of computing the ICIREPAT contributions, the fact whether the national Office carries out full examination is also a factor. It is not so in the case of the PCT, which is of interest not only to national Offices but also to applicants and their competitors irrespective of whether their home country has a full examination system or not.)

13. As in the case of the special contributions for ICIREPAT (CEP/V/6), and in order to simplify the system, it is proposed to divide the 39 participating countries into three groups according to whether the median figure exceeds 40,000 (Group A), is between 40,000 and 10,000 (Group B), or is under 10,000 (Group C).

14. It is proposed that the proportion between the contributions of each of the three Groups be the same as that between the totals of the median figures of each Group.

15. Finally, it is proposed that each member of any given Group contribute the same amount.

16. Applying the principles laid down in paragraphs 12 to 15, on the basis of the said statistics, to the amount of US \$100,000, the computation is as indicated in the following paragraphs.

17. The median figures, in thousands, are as follows:

	<u>Applica- tions</u>	<u>Grants</u>	<u>Median</u>	<u>Group Total</u>
<u>GROUP A</u>				
1. France	49	47	48.0	
2. Germany (Fed. Rep.)	67	20	43.5	
3. Japan	85	21	53.0	
4. Italy	30	62	46.0	
5. Soviet Union	112	25	68.5	
6. United Kingdom	59	39	49.0	
7. United States	88	66	<u>77.0</u>	385.0
<u>GROUP B</u>				
1. Australia	16	6	11.0	
2. Austria	12	8	10.0	
3. Belgium	17	17	17.0	
4. Canada	30	26	28.0	
5. Netherlands	18	2	10.0	
6. Spain	14	11	12.5	
7. Sweden	18	9	13.5	
8. Switzerland	18	22	<u>20.0</u>	122.0
<u>GROUP C</u>				
1. Algeria	0	0	0.0	
2. Argentina	7	6	6.5	
3. Brazil	8	1	4.5	
4. Bulgaria	2	1	1.5	
5. Czechoslovakia	9	4	6.5	
6. Denmark	7	2	4.5	
7. Finland	4	1	2.5	
8. Greece	3	3	3.0	
9. Hungary	3	1	2.0	
10. Indonesia	0	0	0.0	
11. Iran	1	1	1.0	
12. Ireland	2	1	1.5	
13. Israel	2	1	1.5	
14. Mexico	7	10	8.5	
15. New Zealand	4	0	2.0	
16. Norway	5	2	3.5	
17. Poland	6	2	4.0	
18. Portugal	1	1	1.0	
19. Rumania	3	4	3.5	
20. South Africa	8	6	7.0	
21. Turkey	1	0	0.5	
22. Uganda	0	0	0.0	
23. United Arab Republic	1	1	1.0	
24. Yugoslavia	3	1	<u>2.0</u>	<u>68.0</u>

18. Thus, the participation of each of the Groups in the amount of US \$100,000 would be as follows:

Group A: $(385.0 \div 575) \times 100,000 = \$66,957$
Group B: $(122.0 \div 575) \times 100,000 = \$21,217$
Group C: $(68.0 \div 575) \times 100,000 = \$11,826$

19. Dividing each Group's contribution by the number of members in the Group, the contribution of each member in the various Groups would be as follows:

in Group A: $66,957 \div 7 = \$9,565$ (or 41,321 Swiss francs)
in Group B: $21,217 \div 8 = \$2,652$ (or 11,457 Swiss francs)
in Group C: $11,826 \div 24 = \$493$ (or 2,130 Swiss francs)

20. Annex B shows the amounts suggested for 1969, the amounts actually received or pledged for 1969, and the amounts suggested for 1970. It results from that Annex that the amounts suggested for 1970 are lower than the amounts suggested for 1969 for every country except Italy, which pledged \$6,000 for 1969 and is asked to pledge \$9,600 for 1970. Furthermore, it results from the same Annex that the amounts suggested for 1970 are lower than the amounts paid or pledged for 1969 for every country except the following six: Australia (difference: \$300), Canada (difference: \$1,200), Italy (difference: \$3,600), Switzerland (difference: \$300), Soviet Union (difference: \$2,600, not counting loan of personnel), United States (difference: \$9,600, not counting loan of personnel).

21. Each country member of the Paris Union is invited to specify and announce its contribution to BIRPI for the year 1970.

22. Such announcement should be made preferably in a letter addressed to the Director of BIRPI before the opening of the fifth session of the Paris Union Executive Committee on September 22, 1969, or orally in the meetings of the said session.

23. The Executive Committee is invited to incorporate the list of contributions in a recommendation.

24. The recommendation could be worded as follows:

"The Executive Committee of the International (Paris) Union for the Protection of Industrial Property,

"Considering that the ordinary contributions to the budget of the Paris Union are insufficient to cover BIRPI's expenses connected with the work for the preparation of the Patent Cooperation Treaty,

"Taking as a basis the volume of work in the respective national Offices in the field of patents and inventors' certificates,

"Recommends the following amounts as the cash contributions of the member countries of the Paris Union for the year 1970:

"Here would follow the list of countries and the amounts, possibly as indicated in paragraph 17, above, and an invitation, without specifying the amounts, to countries belonging to Class VI under Article 13(9) of the Paris Convention."

End of document CEP/V/5
Follow the Annexes

ANNEX A

PCT Contributions Suggested and Paid for 1968
(Rounded to nearest hundred US Dollars)

Country	Amount Suggested	Amount Paid
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Austria	NS	700
Belgium	NS	1,000 (paid in 1969)
Canada	3,000	3,000
Czechoslovakia	NS	700
Denmark	NS	700 (paid in 1969)
France	5,000	---
Germany (FR)	7,000	7,000
Italy	3,000	800
Japan	7,000	---
Netherlands	NS	2,000
Poland	NS	1,000
Portugal	NS	700 (paid in 1969)
Sweden	NS	3,000
Switzerland	NS	2,400
USSR	10,000	+
UK	5,000	5,000
USA	10,000	++
Yugoslavia	NS	400
	<u> </u>	<u> </u>
	§ 50,000 =	§ 28,400 =
	Sfr 216,000	Sfr 122,688

Notes

NS : No specific amount suggested.

+ : The Soviet Union contributed the loan of one person at an estimated cost of \$3,000.

++ : The United States contributed the loan of persons at an estimated cost of \$10,000.

ANNEX B

PCT Contributions Suggested, Paid or Pledged for
1969, and Suggested for 1970
(Rounded to nearest hundred US Dollars)

Group	Country	Suggested for 1969	Paid or Pledged for 1969	Suggested for 1970
C	Algeria	NS	--	500
C	Argentina	NS	--	500
B	Australia	NS	2,400	2,700
B	Austria	NS	--	2,700
B	Belgium	NS	--	2,700
C	Brazil	NS	--	500
C	Bulgaria	NS	--	500
B	Canada	6,000	1,500	2,700
C	Czechoslovakia	NS	700	500
C	Denmark	NS	1,400	500
C	Finland	NS	--	500
A	France	10,000	10,000	9,600
A	Germany (FR)	14,000	14,000	9,600
C	Greece	NS	--	500
C	Hungary	NS	--	500
C	Indonesia	NS	--	500
C	Iran	NS	--	500
C	Ireland	NS	1,400	500
C	Israel	NS	--	500
A	Italy	6,000	6,000	9,600
A	Japan	14,000	14,000	9,600
C	Mexico	NS	--	500
B	Netherlands	NS	4,000	2,700
C	New Zealand	NS	--	500
C	Norway	NS	--	500
C	Poland	NS	--	500

Group	Country	Suggested for 1969	Paid or Pledged for 1969	Suggested for 1970
C	Portugal	NS	--	500
C	Rumania	NS	--	500
C	South Africa	NS	--	500
B	Spain	NS	--	2,700
B	Sweden	NS	--	2,700
B	Switzerland	NS	2,400*	2,700
C	Turkey	NS	--	500
C	Uganda	NS	--	500
A	USSR	20,000	7,000**	9,600
C	United Arab Rep.	NS	--	500
A	UK	10,000	10,000	9,600
A	USA	20,000	--***	9,600
C	Yugoslavia	NS	900	500
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Total		100,000	75,700	100,000
		Sfr =432,000	=327,024	=432,000

Notes

NS : No specific amount suggested.

* : Probable sum (CEP/IV/18, para. 27).

** : The Soviet Union is currently contributing the loan of one person for 7 months (estimated cost for seven months 1969: \$10,500).

***: The United States is currently contributing the loan of one person on half time (estimated cost for 12 months: \$ 9,000).