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GENEVA

INTERNATIONAL PATENT COOPERATION UNION (PCT UNION)

PATENT COOPERATION TREATY (PCT) WORKING GROUP

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ELIGIBILITY CRITERIA FOR REDUCTIONS IN CERTAIN FEES

Document prepared by the International Bureau

SUMMARY

1. The Working Group is invited to consider how it may wish to proceed with regard to establishing eligibility criteria for determining the group of developing and least developed countries whose applicants should benefit from a reduction of PCT fees.

BACKGROUND

2. During its thirty-sixth session, held in Geneva in September-October 2007, the Assembly discussed proposals for amendments to the Schedule of Fees under the PCT submitted by the United States of America and Japan (document PCT/A/36/11) and by Brazil (document PCT/A/36/12). Summarizing the results of informal consultations, the Chair stated, *inter alia*, that during those consultations "there had been agreement among delegations to request the International Bureau to carry out a study on the eligibility criteria for determining the group of developing and least developed countries whose applicants should benefit from a reduction of PCT fees and to present that study to the next session of the PCT Assembly in September-October 2008" (document PCT/A/36/13, paragraph 62).

- 3. During its thirty-seventh session, held in Geneva in March 2008, the Assembly approved a 5% reduction in the international filing fee, as well as certain amendments of the Schedule of Fees which resulted in an increase from 75% to 90% in the reduction available to applicants from certain States and an extension of the reduction to make it available, pending a decision by the PCT Assembly on the eligibility criteria specified in sub-paragraph 4(a) of the Schedule of Fees under the PCT, to applicants from Antigua and Barbuda, Bahrain, Barbados, Libyan Arab Jamahiriya, Oman, Seychelles, Singapore, Trinidad and Tobago and the United Arab Emirates (document PCT/A/37/2).
- 4. During its thirty-eighth session, held in Geneva in September 2008, the Assembly considered proposals for amendment of the Schedule of Fees annexed to the PCT Regulations relating to the eligibility criteria for reductions in certain PCT fees, based on a document prepared by the International Bureau (document PCT/A/38/5).
- 5. Document PCT/A/38/5 outlined a number of criteria for determining the group of developing and least developed countries whose applicants should benefit from a reduction in certain PCT fees, notably, *criteria based on income* as an economic indicator of development used by multilateral organizations for the purposes of assessing development assistance needs, and *criteria based on the size* of a country, reasoned by size of economy, taking into account that smaller countries have fewer opportunities to benefit from economies of scale and therefore may have greater needs for assistance.
- 6. Noting the pros and cons of purely income-based and purely size-based criteria, the document considered that a mix of the two would present the most fair set of criteria and proposed that an international application should benefit from the 90% fee reduction if it is filed by an applicant who meets any one of the following criteria:
- (a) a natural person who is a national of and resides in a State that is listed as being a State whose per capita national income is below the threshold used by the World Bank for establishing the "high income" category (according to the most recent four year average per capita national income figures published by the United Nations); or
- (b) a natural person who is a national of and resides in a State that is listed as being a State whose per capita national income is not more than 50% above the threshold used by the World Bank for establishing the "high income" category (according to the most recent four year average per capita national income figures published by the United Nations) and whose gross domestic product is less than 0.1% of the world total gross domestic product (according to the most recent four year average gross domestic product figures published by the United Nations); or
- (c) a natural person or legal entity, who is a national of and resides in a State that is listed as being classified by the United Nations as a least developed country.
- 7. The Assembly's discussions at its thirty-eighth session on the proposals set out in document PCT/A/38/5 are outlined in the report of that session (document PCT/A/38/6, paragraphs 16 to 30), reproduced in the following paragraphs:

"Eligibility Criteria for Reductions in PCT Fees: Proposed Amendments of the Schedule of Fees Annexed to the PCT Regulations

- "16. Discussions were based on document PCT/A/38/5.
- "17. The Delegation of Singapore stated that, while the proposal on the eligibility criteria for the reduction of PCT fees for individual applicants from selected States set out in document PCT/A/38/5 reviewed and updated the earlier criteria established in 1997, it had also raised a number of conceptual issues which the Delegation hoped the Secretariat would be able to help clarify. The Delegation stated that, first, the Secretariat's proposal was a departure from the 1997 decision. The proposed criteria, income-based and size-based, were new parameters that had not been discussed amongst Member States. Hence, time should be given for in-depth consideration and discussion to ensure prudent decision-making. Second, the basis of the size-based criteria benchmarks ("not more than 50% above the threshold for establishing the high income category" and "not more than 0.1% of world GDP") was unclear. These benchmarks were based on borrowing concepts and measurements developed in other international organizations for other purposes. Hence, more clarity was needed in terms of the thought process and reasoning behind the proposals to use these borrowed concepts, particularly as regards the determination of the final ceilings under the Secretariat's proposal. In this regard, the Delegation stated that it would be grateful for the Secretariat's clarifications on the rationale, applicability as well as mathematical calculations or formulas in drawing the boundaries at "not more than 50% above the threshold for establishing the high income category" and "not more than 0.1% of world GDP".
- "18. The Delegation further expressed the view that, third, earlier discussions had highlighted that the overarching objective of the reduction in PCT fees for individuals was to spur innovation. The proposal's focus on economic indicators, such as GNI per capita and GDP, were not definitive in measuring or encouraging innovation. For a more complete picture, work should be done towards identifying criteria that would fulfill the objective of encouraging inventive activities. One aspect that should be explored in greater detail was that of an innovation criterion. Quoting from a study by the Organisation for Economic Co-operation and Development (OECD) (Compendium of Patent Statistics 2007, OECD), the Delegation stated that patent-based statistics provided a measure of innovation output as they reflected the inventive performance of countries. Hence, an in-depth statistical analysis of parameters, such as the level of PCT filings by individuals and patent trends, should be conducted. This approach would ensure that the reduction in PCT fees served to benefit States with lower levels of filings by encouraging innovation, and the increased usage of the PCT system in patent filings. Fourth, the decision for a 90% reduction in PCT fees for eligible countries had been made in March 2008 and had come into force only on 1 July 2008. In the case of Singapore, 11 individual applicants had already benefited from the 90% reduction over the past two months, and the impact on the PCT income was a negligible 0.008%. More time should be given to allow Member States to assess the impact of the 90% reduction on innovation levels. At least a year should be allowed to pass to allow the impact of the decision to work through the PCT system before going back to the drawing board to refine the March 2008 decision. This would permit more rounded assessments. Meanwhile, the Secretariat could explore new criteria, particularly innovation-related criteria which would provide additional and perhaps more relevant perspectives to this issue.

- "19. In conclusion, the Delegation of Singapore stated that it was of the view that a decision on eligibility criteria for fee reductions should be deferred to a later stage, as more time should be given for Member States to deliberate on the Secretariat's proposal, to better assess the impact of the recent reduction, and to explore new and conceptually robust criteria. To ensure that the reduction achieved the aim of stimulating innovation, the eventual criteria should be based on patent-based statistics and consider independent evidence, rather than borrowing concepts which may not be relevant, in order to fulfill the overarching objective of spurring innovation.
- "20. The Delegation of Algeria, speaking on behalf of the African Group, stated that the Group had taken careful note of the proposed eligibility criteria for reductions of the PCT fees. The Group supported the extension of the reductions to developing countries of all categories, including the nine States to which the reductions had been extended pending review. Moreover, it was essential that least developed countries (LDCs) should continue to benefit from the fee reductions for as long as they continued to be classified as LDCs according to the United Nations system. Finally, the Group considered that the proposal for biennial review of the lists of eligible States was too frequent and a period of five years was recommended since it could not be expected that a developing country or LDC would make substantial progress in a period as short as two years.
- "21. The Delegation of the United Arab Emirates expressed its support for the proposal made by Singapore to conduct further studies. It observed that most inventors from the United Arab Emirates were students.
- "22. The Delegation of Nigeria endorsed the statement of the African Group. The Delegation supported criteria that would be broad enough to offer fee reductions to all developing countries, including the nine which had been recently added. The Delegation considered that it was important to consider carefully and scientifically what each criterion could do in terms of improvement to the system. It was necessary to look at what could be done to ensure that all developing countries enjoyed this fee reduction. The Delegation considered that a combination of both an income and size-based approach as recommended by the Secretariat would go furthest to embracing all these countries and the Delegation endorsed such an approach. The Delegation observed that a decision might be postponed to do further scientific analysis to find the most correct approach but believed that, even if another 10 years was spent on analysis, it would be impossible to do something definite. What was needed was to apply criteria now that could help extend reductions to all countries in the developing world. This did not preclude a careful review of the criteria, but the important thing was to apply something which was broad. The Delegation reiterated the view expressed by the African Group that two years was too short for a period for review. Five years would be appropriate for this.
- "23. The Delegation of Oman observed that Oman would benefit from the criteria that came out of this study. Its authorities had not yet had the time to consider the study in detail, in particular because of the language in which the study was published. Language was, of course, a very important factor in enabling delegations to understand the documents that are published by the Organization. In relation to the study, the Delegation referred to the objectives of the fee reduction as stated in paragraph 4, that it "would contribute to increased access to the PCT system" or increase demand, and that would be a tangible benefit. With regard to the choice of criteria, the Delegation

considered that those proposed in the document, based on income and size, were not sufficient. There should be different criteria, such as creativity, which was a key factor. Creativity was, of course, key to development, and that was why it was important to look into that matter as one of the eligibility criteria. The Delegation considered that enlarging the number of different criteria would be useful in finding a sustainable longterm solution, rather than a temporary approach under which the criteria would have to be reviewed frequently. The Delegation hoped that the study would help to find a long term sustainable solution which would only need to be reviewed every three or four years. Such a review should take into account the increasing demand and, importantly, development in the beneficiary countries. The Delegation finally reiterated the importance of language. For countries which were just getting to grips with a new system, it was essential to have effective means of communicating in their own languages. If the benefits of treaties and agreements were going to be felt, it was necessary to receive all of the documents for those treaties in a language that enabled the authorities to understand the fine technical niceties of the agreements so that States would be able to have a fruitful dialog.

- "24. The Delegation of Barbados stated that the Member States of WIPO were, in this matter, engaging in a norm setting activity, seeking to establish the modalities on the criteria for eligibility for a PCT fee reduction. In that regard, the Delegation wished to congratulate the International Bureau for its attempt to move away from a "one size fits all" approach with respect to the application of the eligibility criteria, and for attempting to provide an appropriate solution for patent applicants in small States which would either not be eligible or which would soon lose their eligibility for the fee reduction if income were the only criterion. The Delegation considered that Member States were beginning to see the emergence of the effect of the development agenda in the work of the International Bureau.
- "25. The Delegation of Barbados further stated that, notwithstanding its appreciation for the work of the International Bureau, it had concerns about the appropriateness of the criterion suggested in paragraph 28(b) of document PCT/A/38/5 as it applied to patent applicants from high income, small, vulnerable economies. The Delegation wished to elaborate on why such economies did require special and differential treatment with respect to eligibility for a PCT fee reduction, and why a "one size fits all" approach, based on *per capita* income, was inappropriate. The Delegation expressed the view that, in determining which countries should benefit from a PCT fee reduction, one could not afford simply to look at *per capita* income in isolation; otherwise, one would end up with an inequitable result for patent applicants in high income, small, vulnerable economies, such as Barbados. Rather, one had to look at the various circumstances existing in a given country and the challenges which patent applicants in that country faced in the manufacture of an invention, the sale of that invention in the domestic market as well as the export of that product to the markets of other countries, in order to determine whether there was a need for the applicant to benefit from a fee reduction. One had to look at the full picture. The PCT system was not an end in itself but a means to an end. It was one of the mechanisms through which intellectual property could make a contribution to the economic development of a country. If one looked only at the per capita income, one ended up in the situation whereby patent applicants in certain middle-income countries, where the conditions were more favorable to the manufacture and sale of inventions, were in reality in a far better position than applicants in high income, small, vulnerable economies barred from a PCT fee reduction.

- "26. The Delegation of Barbados further noted that the *per capita* income of Barbados was high. According to the figures provided by the International Bureau for 2006, Barbados was 175 Swiss francs above the threshold for the high income category. However, while the *per capita* income might be high, the cost of living was also high. The cost of living in Barbados was a factor that ought not to be ignored. In addition, the cost of production was high and, because of the small market, production often suffered from diseconomies of scale. The result was that the level of competitiveness with larger economies was low, which had implications for the export and sale of the manufactured invention to persons in other countries. It was therefore rather difficult for a patent applicant in Barbados to recoup what he had invested in bringing his invention to the stage of patentability. In the view of the Delegation of Barbados, the challenges which patent applicants in Barbados faced with respect to the manufacture and sale of their inventions nullified the benefits of a higher per capita income. A patent applicant in Barbados was, in reality, in the same or a worse position than that of patent applicants in certain middle-income countries. The criterion to be suggested for high income, small, vulnerable economies, as well as the duration of that criterion, should therefore not be arbitrary in nature but should reflect reality and exist as long as the special challenges which patent applicants faced remained.
- "27. The Delegation of Barbados further stated that many small economies were least developed countries, whose needs for special and differential treatment were already addressed in paragraph 28(c) of document PCT/A/38/5. The needs of a number of middle income small economies were addressed under paragraph 28(a) of that document, as their *per capita* income fell below the threshold for the high income category. What needed to be done was to find an appropriate solution for patent applicants in high income, small, vulnerable economies, such as Barbados; otherwise, inequity would result, a fact which had to be underscored. The Delegation of Barbados therefore proposed that, in light of the need to address the challenges faced by patent applicants in high income, small, vulnerable economies, there should be an additional economic criterion in paragraph 28 of document PCT/A/38/5, to read as follows:
 "... an international application should benefit from the 90% fee reduction if it is filed by an applicant who is a natural person and who is a national of and resides in a State that is classified as a small, vulnerable economy".
- "28. As to the question of how to determine which country belonged to the group of small, vulnerable economies, the Delegation of Barbados expressed the view that significant progress had been made in the World Trade Organization's Non-Agricultural Market Access (WTO/NAMA) negotiations on this issue. In the United Nations Conference on Trade and Development (UNCTAD), there was a broader category of countries known as the Structurally Weak Vulnerable Small Economies, which included all the least developed countries, as well as some Latin American and Caribbean countries and others, but more work needed to be done on that issue. The Delegation stated that, in WIPO, Member States had to be creative. The International Bureau could propose the additional criteria and report back to Member States at the next PCT Assembly, or Member States could use the WTO/NAMA criteria as set out in paragraph 23 of the study. In NAMA, a small vulnerable economy was defined as one that had a share of less than 0.1% of the World NAMA trade for the reference period of 1999 to 2001; a different reference period could be used. The International Bureau, by referring to the NAMA trade-related criterion in the study, had not gone on to explore this criterion because, according to paragraph 24 of the document, it would not be possible to classify all States whose applicants could potentially benefit form the PCT

fee reduction as some WIPO Member States were not members of the WTO. In that regard, the Delegation of Barbados wished to point out that the figures used by the WTO were, as stated in WTO document TN/MA/S/18, from the United Nations Comtrade database and could be accessed by the International Bureau from that database. The Delegation stated that it would not like this criterion determined by a percentage of world trade to be rejected out of hand simply because some WIPO Member States were not members of the WTO. It encouraged the International Bureau to address the special challenges which individual patent applicants in high income, small, vulnerable economies faced in the manufacture and sale of their inventions both in the domestic market and abroad. These challenges would not necessarily go away should Barbados's *per capita* income reach 50% above the threshold used by the World Bank for establishing the "high income" category. The duration of the criteria that were proposed should be one which was linked to the existence of these challenges.

- "29. In conclusion, the Delegation of Barbados stated that, while it welcomed the efforts of the International Bureau to take into account not only the concerns of patent applicants in large and medium-sized developing economies but also those of applicants in small economies, it was unable to join any consensus on the criteria as proposed in paragraph 28 of the study. The Delegation expressed the view that what was needed were more appropriate criteria which took into account and addressed the challenges faced by patent applicants in high income, small, vulnerable economies such as Barbados.
 - "30. Following a proposal by the Director General-elect, the Assembly agreed that the issue should be placed on the agenda of the PCT Working Group in 2009."
- 8. As agreed by the Assembly, the issue has been placed on the agenda of the present session of the Working Group.
- 9. Following the September 2008 session of the Assembly, the Secretariat has had informal discussions with certain members of the Working Group with a view to identifying possible alternative criteria for determining the group of developing and least developed countries whose applicants should benefit from a reduction of certain PCT fees. To date, however, those discussions have not been fruitful. In particular, there do not appear to be any internationally accepted measures of levels of innovation. Measures of patent filing activity by nationals of a particular State may be one guideline, but those measures would appear to suffer from some of the same issues as those which apply to volumes of world trade: a small State will always have a low proportion of total patent filings, even if, *per capita*, it actually has a high level of research and patent filings. Any criteria based solely on such measures would almost inevitably extend the benefits of a fee reduction to small States which could not be considered vulnerable or in need for a special stimulus to encourage innovation.

- 10. For ease of reference, the following information is reproduced in the Annexes to this document:
 - (i) Schedule of Fees Annexed to the PCT Regulations (Annex I);
 - (ii) Applicability of 90% reduction in certain PCT fees (status on 20 March 2009) under the current Schedule of Fees (Annex II);
 - (iii) Reductions of the international search and preliminary examination fees applied by certain International Searching and Preliminary Examining Authorities (Annex III).
 - 11. The Working Group is invited to discuss how it may wish to proceed with regard to establishing eligibility criteria for determining the group of developing and least developed countries whose applicants should benefit from a reduction of PCT fees.

[Annexes follow]

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ANNEX I

SCHEDULE OF FEES ANNEXED TO THE PCT REGULATIONS

Fees **Amounts** International filing fee: 1 1,330 Swiss francs plus (Rule 15.2) 15 Swiss francs for each sheet of the international application in excess of 30 sheets 2. Supplementary search handling fee: 200 Swiss francs (Rule 45bis.2) 3. Handling fee: 200 Swiss francs (Rule 57.2)

Reductions

- 4. The international filing fee is reduced by the following amount if the international application is, as provided for in the Administrative Instructions, filed:
 - (a) on paper together with a copy in electronic form, in character coded format, of the request and the abstract:

100 Swiss francs

(b) in electronic form, the request not being in character coded format:

100 Swiss francs

(c) in electronic form, the request being in character coded format:

200 Swiss francs

(d) in electronic form, the request, description, claims and abstract being in character coded format:

300 Swiss francs

- 5. The international filing fee under item 1 (where applicable, as reduced under item 4), the supplementary search handling fee under item 2 and the handling fee under item 3 are reduced by 90% if the international application is filed by:
 - (a) an applicant who is a natural person and who is a national of and resides in a State whose per capita national income is below US\$3,000 (according to the average per capita national income figures used by the United Nations for determining its scale of assessments for the contributions payable for the years 1995, 1996 and 1997) or, pending a decision by the PCT Assembly on the eligibility criteria specified in this sub-paragraph, one of the following States: Antigua and Barbuda, Bahrain, Barbados, the Libyan Arab Jamahiriya, Oman, the Seychelles, Singapore, Trinidad and Tobago and the United Arab Emirates; or
 - (b) an applicant, whether a natural person or not, who is a national of and resides in a State that is classed as a least developed country by the United Nations;

provided that, if there are several applicants, each must satisfy the criteria set out in either subitem (a) or (b).

[Annex II follows]

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ANNEX II

Applicability of 90% Reduction in Certain PCT Fees1 (status on 20 March 2009)

1. Where the international application is filed by an applicant who is a *natural person* and who is a national of and resides in one of the following States:3

(a)	States	which	are l	РСТ	Contracting	States:
(a)	States	WILL	are i		Contracting	States.

Democratic Republic of the Congo

Djibouti

Eritrea

Democratic People's Libyan Arab Jamahiriya Albania Senegal Algeria Republic of Korea Lithuania Serbia Angola Seychelles Dominica Madagascar Antigua and Barbuda Dominican Republic Malawi Sierra Leone Armenia Ecuador Malaysia Singapore Azerbaijan Slovakia Egypt Mali Rahrain El Salvador Mauritania South Africa Barbados **Equatorial Guinea** Mexico Sri Lanka Belarus Mongolia . Estonia Sudan Belize Gabon Montenegro Swaziland Benin Gambia Morocco Svrian Arab Bosnia and Herzegovina Georgia Mozambique Republic Botswana . Tajikistan Ghana Namibia Brazil Grenada Nicaragua The former Bulgaria Guatemala Yugoslav Republic Niger Burkina Faso Nigeria of Macedonia Guinea Cameroon Guinea-Bissau Oman Togo Central African Republic Honduras Papua New Guinea Trinidad and Chad Chile4 Hungary Peru₅ Tobago Tunisia India **Philippines** China Colombia Indonesia Poland Turkey Comoros Kazakhstan Republic of Moldova Turkmenistan Congo Kenya Romania Uganda Costa Rica Kyrgyzstan Russian Federation Ukraine Lao People's Democratic Côte d'Ivoire Saint Kitts and Nevis United Arab Croatia Republic Saint Lucia **Emirates** Cuba Saint Vincent and the United Republic of Latvia Czech Republic Lesotho Grenadines Tanzania Uzbekistan Liberia Sao Tome and Principe Viet Nam Zambia Zimbabwe States which are not PCT Contracting States:6 Afghanistan Ethiopia Mauritius Timor-Leste Argentina Fiji Micronesia Tonga Bangladesh Tuvalu Guyana Myanmar Bhutan Haiti Nepal Uruguay Iran (Islamic Republic of) Vanuatu Bolivia Pakistan Burundi Venezuela Iraq Panama Cambodia Jamaica (Bolivarian Paraguay Cape Verde Jordan Republic of) Rwanda

Samoa

Somalia

Thailand

Solomon Islands

Yemen

Kiribati

Lebanon

Maldives

Marshall Islands

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	n is filed by an applicant, whether a na classed as a least developed country by		national of and resides
(a) States which are PCT Contracting	States:		
Angola	Gambia	Madagascar	Senegal
Benin	Guinea	Malawi	Sierra Leone
Burkina Faso	Guinea-Bissau	Mali	Sudan
Central African Republic	Lao People's Democratic	Mauritania	Togo
Chad	Republic	Mozambique	Uganda
Comoros	Lesotho	Niger	United Republic of
Equatorial Guinea	Liberia	Sao Tome and Principe	Tanzania
·		·	Zambia
(b) States which are not PCT Contract	cting States:6		
Afghanistan	Democratic Republic of the	e Kiribati	Solomon Islands
Bangladesh	Congo	Maldives	Somalia
Bhutan	Djibouti	Myanmar	Timor-Leste
Burundi	Eritrea	Nepal	Tuvalu
Cambodia	Ethiopia	Rwanda	Vanuatu
Cape Verde	Haiti	Samoa	Yemen

- The International filing fee (including the fee per sheet over 30) and the handling fee.
- 1) 2) If there are several applicants, each must satisfy the criteria set out in 1 or 2 at least one of them must be national of and/or reside in a PCT Contracting State.
- That is, States whose per capita national income is below USD 3,000 (according to the average per capita national income figures used by the United Nations for determining its scale of assessments for the contributions payable for the years 1995, 1996 and 1997), as well as following States: Antigua and Barbuda, Bahrain, Barbados, the Libyan Arab Jamahiriya, Oman, the Seychelles, Singapore, Trinidad and Tobago and the United Arab Emirates.
- Will become bound by the PCT on 2 June 2009. Will become bound by the PCT on 6 June 2009.
- Applicants from these States must file the PCT application together with an applicant who is a national of and/or resides in a PCT Contracting State, and in order to benefit from the 90% reduction, the State concerned must be one of the States indicated under 1(a) (if the applicant concerned is a natural person) or 2(a) (whether the applicant is a natural person or not).

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ANNEX III

REDUCTIONS OF THE INTERNATIONAL SEARCH AND PRELIMINARY EXAMINATION FEES APPLIED BY CERTAIN INTERNATIONAL SEARCHING AND PRELIMINARY EXAMINING AUTHORITIES

At present, two International Searching and Preliminary Examining Authorities provide fee reductions of the international search and/or preliminary examination fee for nationals and residents of certain States, as follows:

EUROPEAN PATENT OFFICE (EPO)

- (1) The fees for the international search and for the international preliminary examination carried out on international applications under Article 2, items 2 and 19, of the Rules relating to Fees shall be reduced by 75% if the international application or the demand for international preliminary examination is filed by a natural person who is a national of and resident in a state which is not a contracting state to the European Patent Convention, and which, on the date of filing of the application or of the demand, is listed as a low-income or lower middle- income economy by the World Bank.
- (2) If there are several applicants, each must satisfy the criteria set out in paragraph (1).

SPANISH PATENT AND TRADEMARK OFFICE (SPTO)

For international applications filed with the SPTO, a 75% reduction in the search fee and additional search fee payable to the Authority is provided if the applicant, or if there are more than two applicants, each applicant, is a natural person or a legal entity and is a national of and resides in a State which is not party to the European Patent Convention, and which is listed as a low-income, lower-middle-income, or upper-middle-income economy by the World Bank.

[End of Annex III and of document]