

CA/82/10

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Munich, 18.05.2010

SUBJECT: Fee Reform and Sustainable Financing
Timetable

SUBMITTED BY: President of the European Patent Office

ADDRESSEES: 1. Budget and Finance Committee (for information)
2. Administrative Council (for opinion)

SUMMARY

At the March 2010 meeting of the AC the Office presented documents on three of the emerging principles of the debate on fee reform and sustainable financing (CA/34/10, CA/38/10, CA/39/10). At the meeting numerous delegations asked for a timetable of the overall debate on fee reform and sustainable financing.

This document provides a timetable that includes the major forthcoming steps and activities of the debate on fee reform and sustainable financing.

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I. STRATEGIC/OPERATIONAL

1. Strategic.

II. RECOMMENDATION

2. The Administrative Council is requested to give its opinion on this document.

III. MAJORITY NEEDED

3. Not applicable.

IV. CONTEXT

4. In autumn 2009, four workshops on 'fee reform and sustainable financing' were organized by the Office. As a focus for further discussion the following six principles crystallised at the workshops (CA/160/09):

1. Support for evidence based policy
2. Cost coverage, yes but not everything
3. Targeted help for the 'inexperienced'
4. Continue enhancing certainty in the patenting process
5. Reward the successful
6. Predictability of national renewal fee policies

5. There was a general feeling that for most of these principles more empirical data would have to be collected in order to inform a sound political debate. Policy guidelines and concrete decisions on the structure of patent fees as well as on the level of individual fees should be built on solid empirical evidence.

6. At the March 2010 meeting of the AC the Office presented documents on three of the six emerging principles of the debate (CA/34/10, CA/38/10, CA/39/10). Two of the remaining documents (CA/36/10 and CA/33/10) are submitted together with this document. At the meeting numerous delegations asked for a timetable of the debate on fee reform and sustainable financing.

7. This document provides a timetable that includes the major forthcoming steps and activities in the debate on fee reform and sustainable financing. In particular the document considers the various studies and analyses that will be carried out in order to provide input for the debate.

V. ARGUMENTS

A. MAIN EVIDENCE

8. The Office is preparing the following in-depth analyses:
9. '**Economic Dimensions of the Fee Structure in the European Patent System**'
The objective of the study is to economically assess the current fee structure of the European Patent System and to explore feasible alternatives under welfare aspects. The final report of this study will be available in June 2010.
10. **Survey with NPOs on national renewal fees in 2010.** The Office is preparing to collect more relevant information about the set-up and the financial structure of national patent offices. The Office proposes a questionnaire based survey with questions regarding the financial and legal status of the national patent offices, activities, expenditure, income and patent statistics (cf. CA/38/10).
11. Study on '**Targeted help for the inexperienced**' (cf. CA/34/10). The objectives of the study are to develop a definition of inexperienced users of the patent system, to identify inexperienced users within the patent data and to analyse and to understand their patent filing behaviour. It is also intended to identify successful policies for 'the inexperienced' at the level of contracting states and to recommend new policies. The analysis will build on existing studies at the European and national level.
12. The Office plans to start a **quantitative and qualitative business study on the different groups and segments** of applicants, attorneys and external service providers (e.g. fee payment agencies) and on how behaviour across these different groups varies (cf. CA/36/10). A key purpose of this study will be to focus especially on those applicants, attorneys and external service providers who are responsible for a large share of the Office's income in terms of applications and fees (i.e. the Office's "key accounts"). There will also be an analysis of the impact that the behaviour of such key accounts may have on the Office's financial bottom-line.
13. Furthermore, the Office plans to carry out a **benchmarking study that will deliver a landscape of best practice incentive systems**. The benchmarking will investigate and compare incentive and reward schemes in other existing fee and pricing systems in public services and in private industry.

B. PLATFORM FOR DISCUSSION

14. The Office will report the final results from these studies to the BFC and AC. Where appropriate the format of a workshop will be proposed in order to guarantee an open discussion. The collection of all results from the different empirical evidences should lead to the formulation of fee policy guidelines.

C. TIMETABLE

Time	Principle	Deliverable/Event
May 2010	6	Survey with NPOs on national renewal fees and fee policies
June 2010		Administrative Council meeting
	2	CA/33/10 'Cost-coverage, yes, but not everywhere'
	4	CA/36/10 'Continue enhancing certainty in the patenting process'
	1-6	Timetable for 'Fee reform and sustainable financing at EPO'
	2; 6	Study 'Economic dimensions of the fee structure in the European patent system', final results
Sept. 2010	3	Start analysis ' Targeted help for the inexperienced'
Jan 2011	5	Start benchmarking report on incentive and reward schemes
	4	Start quantitative and qualitative business study on different groups and segments
Oct 2011	1-6	Report to the Administrative Council on preliminary results from the analysis
March 2012		Administrative Council meeting
	5	Presentation final benchmarking report on incentive and reward schemes
	4	Presentation final report quantitative and qualitative business study on different groups and segments
	3	Presentation final report 'Targeted help for the inexperienced'
	1-6	Council agreement on the degree of fee reform required and/or desired

Oct 2012		Administrative Council meeting
	1-6	Presentation of fee policy guidelines
2012-2013	1-6	Elaboration of concrete proposals for individual fee changes based on fee policy guidelines
Oct 2013	1-6	Target date for implementing the first major step in fee reform
2013 and beyond	1-6	Step by step implementation of a new fee structure

VI. ALTERNATIVES

15. The Office would like to move towards a sustainable fee policy. Ad hoc decisions on individual fees following the necessities created by temporary circumstances do not support this objective. A careful medium term planning of activities is required.

VII. FINANCIAL IMPLICATIONS

16. The cost of those studies eventually realized.

VIII. LEGAL BASIS

17. Not applicable.