

## **Patent Cooperation Treaty (PCT) Working Group**

**Tenth Session  
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### **PROGRESS REPORT ON IMPLEMENTATION OF FEE REDUCTION CHANGES**

*Document prepared by the International Bureau*

#### **SUMMARY**

1. The present document provides a progress report on implementation of the new eligibility criteria for reductions in certain fees payable to the International Bureau, two years after entry into force of the new criteria, as had been requested by the seventh session of the PCT Working Group.

#### **BACKGROUND**

2. The Working Group, at its seventh session in June 2014, agreed on proposed amendments to the PCT Schedule of Fees and on proposed Directives for Updating the Lists of States Meeting the Criteria for Reduction of Certain PCT Fees, with a view to their submission to the PCT Assembly for consideration at its September 2014 session. In addition, the Working Group recommended that a progress report on the implementation of the amendments to the PCT Schedule of Fees be made two years after the implementation of the amendments (see the report of the session, document PCT/WG/7/30, paragraphs 98 to 100).

3. Based on the recommendations by the Working Group, the PCT Assembly, at its 46<sup>th</sup> session held in September 2014, adopted the proposed amendments to the PCT Schedule of Fees, resulting in the introduction of new criteria for determining the States whose nationals and residents may be eligible for a 90 per cent reduction in the international filing fee and certain other fees payable to the International Bureau. The practical effect of this change was

that, with effect from July 1, 2015, applications by natural persons who are nationals of and resident in 10 additional States became eligible for the fee reduction and applications by applicants who are nationals of and resident in two States ceased to be eligible.

4. The States whose applicants ceased to be eligible were Singapore and the United Arab Emirates.

5. The States whose applicants became eligible were the Bahamas, Cyprus, Greece, Malta, Nauru, Palau, Portugal, Saudi Arabia, Slovenia, and Suriname.

6. The present document sets out the progress report on the implementation of the new eligibility criteria two years after the implementation of the relevant amendments to the PCT Schedule of Fees, as had been requested by the Working Group.

## REPORT

7. The Annex to the present document contains tables showing the number of applications filed in the 18 months immediately preceding the change in the eligibility criteria and in the 18 months immediately following the entry into force of the new eligibility criteria, based on the indicated State of residence of the first applicant named in the international application. States which were not indicated as the State of residence of the first applicant on any application filed during this period (including Nauru, Palau and Suriname) are not shown.

8. For each State and each period, the tables show:

(a) the total number of applications filed where the first applicant is resident in that State;

(b) the number of those applications where all the applicants are natural persons and the percentage of the total which this represents; and

(c) the number of applications where the first applicant at the time of filing was resident in that State and the 90 per cent fee reduction was granted and the percentage of the total which this represents.

9. Due to limitations in the data available, these figures are not strictly directly comparable: the columns for total number and all natural persons are based on the *current* applicants (including any changes made under Rule 92*bis*); the column for the fee reductions is based on the first applicant *as filed*. However, while the differences in these definitions might affect the results for a very small number of applications, the overall effect will not be significant in most cases. Consequently, the number of reductions is shown as a percentage of the total number of applications for first applicants resident in a State; however, this needs to be recognized as an approximation only and, in a few cases where there are small numbers of applications overall from a State, leads to apparently anomalous results (such as, for example, that it appears that, in some cases, more than 100 per cent of applications were granted fee reductions).

10. The tables also show, where appropriate, the percentage change in total number of applications where the first applicant is resident in the State and in number of applications where all applicants are natural persons.

11. The tables group the States in the following order:

(a) States whose natural person residents and nationals were eligible for the fee reduction up to June 30, 2015, but not afterwards (see paragraph 4, above);

- (b) States whose natural person residents and nationals were not eligible for the fee reduction up to June 30, 2015, but became eligible after that date (see paragraph 5, above);
- (c) States whose natural person residents and nationals were eligible for the fee reduction for the entire period covered;
- (d) Least-developed countries, whose nationals and residents are eligible for the fee reduction whether they are natural persons or not; and
- (e) States whose nationals and residents were not eligible for the fee reduction for the entire period (included in the tables for the purposes of comparison of filing trends and proportion of applications by all natural persons).

12. As can be seen from the information provided in the tables, the total numbers of applications by residents of some of the States affected by the change in eligibility have risen. For other such States it has fallen. However, the differences do not appear to be obviously attributable to the changes in eligibility for fee reductions. For most of the States concerned, the differences in application numbers are within the levels of historical fluctuations in application numbers across other years.

13. There was a large rise in applications where the State of residence of the first applicant named in the application was Malta; however, this rise would appear entirely unconnected to the availability of the fee reduction since, as can be seen from the information provided in the tables, during the period concerned there were no applications at all filed solely by natural persons who were both resident in and nationals of Malta (the three applications indicated as filed by natural persons of which the first was resident in Malta each had at least one applicant who was either resident in or a national of a State not eligible for the fee reduction).

14. A large percentage fall in applications filed by applicants eligible for the fee reduction from the Bahamas corresponds to the relatively small number of applications filed in total, which is believed to reflect mainly a change in the filing activities of a small number of companies. There were no applications benefitting from the fee reduction filed at all in the period of 18 months following the introduction of the new eligibility criteria and making the fee reduction available to natural persons who are residents and nationals of the Bahamas.

15. As regards applications filed by applicants eligible for the fee reduction from Singapore, a slight reduction in the overall number of applications filed was accompanied by a significant reduction in the number of applications filed solely by natural persons who were nationals of and resident in Singapore.

16. Overall, the International Bureau can make no finding on the effects of the changes in eligibility criteria beyond observing that:

- (a) the availability of the fee reduction would appear to affect the tendency to file international applications in the name of a natural person where possible; but
- (b) any change in *overall* number of filings as a result of the fee reduction appears often to be much smaller than the effects of other factors occurring in the economic and policy space of the countries concerned.

*17. The Working Group is invited to note this report.*

[Annex follows]

## ANNEX

## CHANGES IN FILING

The following tables show the numbers of international applications filed in the 18 month periods immediately prior to and following the changes in eligibility for fee reductions which came into force July 1, 2015.

**(a) States whose natural person residents and nationals were eligible for the fee reduction up to June 30, 2015, but not afterwards**

ST.3 Code	State	Applications in 18m Prior to Changes			Applications in 18m Following Changes			Change	
		Total	All Natural Persons	With Reduction	Total	All Natural Persons	With Reductions	Total	All Natural Persons
AE	United Arab Emirates	135	41 (30%)	27 (20%)	118	35 (30%)		-13%	-15%
SG	Singapore	1,394	104 (7.5%)	85 (6.1%)	1,325	50 (3.8%)		-5%	-52%

**(b) States whose natural person residents and nationals were not eligible for the fee reduction up to June 30, 2015, but became eligible after that date**

ST.3 Code	State	Applications in 18m Prior to Changes			Applications in 18m Following Changes			Change	
		Total	All Natural Persons	With Reduction	Total	All Natural Persons	With Reductions	Total	All Natural Persons
BS	Bahamas	17	1 (5.9%)		7			-59%	-100%
CY	Cyprus	78	5 (6.4%)		69	9 (13%)	7 (10%)	-12%	+80%
GR	Greece	185	95 (51%)		176	92 (52%)	73 (41%)	-5%	-3%
MT	Malta	100	4 (4%)		129	3 (2.3%)		+29%	-25%
PT	Portugal	246	36 (15%)		256	34 (13%)	25 (9.8%)	+4%	-6%
SA	Saudi Arabia	533	33 (6.2%)		428	55 (13%)	38 (8.9%)	-20%	+67%
SI	Slovenia	202	28 (14%)		109	26 (24%)	22 (20%)	-46%	-7%

(c) States whose natural person residents and nationals were eligible for the fee reduction for the entire period covered

ST.3 Code	State	Applications in 18m Prior to Changes			Applications in 18m Following Changes			Change	
		Total	All Natural Persons	With Reduction	Total	All Natural Persons	With Reductions	Total	All Natural Persons
AL	Albania	3	3 (100%)	3 (100%)					
AM	Armenia	6	6 (100%)	5 (83%)	12	11 (92%)	6 (50%)	+100%	+83%
AR	Argentina	44	17 (39%)	2 (4.5%)	65	29 (45%)	9 (14%)	+48%	+71%
AZ	Azerbaijan				6	3 (50%)	3 (50%)		
BA	Bosnia and Herzegovina	6	6 (100%)	6 (100%)	6	4 (67%)	4 (67%)		-33%
BB	Barbados	260	1 (.38%)	1 (.38%)	170			-35%	-100%
BG	Bulgaria	87	39 (45%)	34 (39%)	70	31 (44%)	35 (50%)	-20%	-21%
BH	Bahrain	6	6 (100%)	3 (50%)	7	3 (43%)	2 (29%)	+17%	-50%
BR	Brazil	797	309 (39%)	301 (38%)	899	349 (39%)	326 (36%)	+13%	+13%
BW	Botswana				1	1 (100%)	1 (100%)		
BY	Belarus	19	13 (68%)	19 (100%)	18	16 (89%)	21 (117%)	-5%	+23%
BZ	Belize	5	1 (20%)		5				-100%
CG	Congo				2	1 (50%)	1 (50%)		
CI	Cote d'Ivoire	2	2 (100%)	2 (100%)	3	3 (100%)	1 (33%)	+50%	+50%
CL	Chile	214	61 (29%)	49 (23%)	289	84 (29%)	73 (25%)	+35%	+38%
CM	Cameroon	1	1 (100%)	1 (100%)	2	2 (100%)	2 (100%)	+100%	+100%
CN	China	38,080	5,025 (13%)	4,608 (12%)	60,147	11,164 (19%)	10,179 (17%)	+58%	+122%
CO	Colombia	144	34 (24%)	30 (21%)	145	44 (30%)	37 (26%)	+1%	+29%
CR	Costa Rica	14	3 (21%)	2 (14%)	6	2 (33%)	2 (33%)	-57%	-33%
CU	Cuba	6			2			-67%	
CZ	Czechia	271	52 (19%)	48 (18%)	307	50 (16%)	41 (13%)	+13%	-4%
DM	Dominica				1				
DO	Dominican Republic	4	4 (100%)	4 (100%)	10	6 (60%)	5 (50%)	+150%	+50%
DZ	Algeria	11	10 (91%)	10 (91%)	23	14 (61%)	11 (48%)	+109%	+40%
EC	Ecuador	10	5 (50%)	2 (20%)	10	2 (20%)	3 (30%)		-60%
EE	Estonia	46	6 (13%)	10 (22%)	35	4 (11%)	3 (8.6%)	-24%	-33%
EG	Egypt	85	72 (85%)	66 (78%)	69	60 (87%)	57 (83%)	-19%	-17%
FM	Micronesia (Federated States of)				2				
GA	Gabon				1	1 (100%)			
GE	Georgia	3	2 (67%)	2 (67%)	17	14 (82%)	12 (71%)	+467%	+600%
GH	Ghana	1	1 (100%)	1 (100%)	2	2 (100%)	2 (100%)	+100%	+100%



ST.3 Code	State	Applications in 18m Prior to Changes			Applications in 18m Following Changes			Change	
		Total	All Natural Persons	With Reduction	Total	All Natural Persons	With Reductions	Total	All Natural Persons
OM	Oman	1	1 (100%)	1 (100%)	11	8 (73%)	6 (55%)	+1,000%	+700%
PA	Panama	27	2 (7.4%)	2 (7.4%)	63	4 (6.3%)	3 (4.8%)	+133%	+100%
PE	Peru	25	16 (64%)	17 (68%)	43	31 (72%)	31 (72%)	+72%	+94%
PH	Philippines	48	35 (73%)	31 (65%)	43	32 (74%)	29 (67%)	-10%	-9%
PK	Pakistan	1			2	2 (100%)		+100%	
PL	Poland	534	76 (14%)	75 (14%)	589	139 (24%)	114 (19%)	+10%	+83%
PY	Paraguay	1							
RO	Romania	50	29 (58%)	24 (48%)	54	36 (67%)	31 (57%)	+8%	+24%
RS	Serbia	34	22 (65%)	17 (50%)	30	17 (57%)	14 (47%)	-12%	-23%
RU	Russian Federation	1,279	713 (56%)	669 (52%)	1,371	728 (53%)	634 (46%)	+7%	+2%
SC	Seychelles	12	1 (8.3%)		9	1 (11%)		-25%	
SK	Slovakia	81	29 (36%)	22 (27%)	77	23 (30%)	20 (26%)	-5%	-21%
SV	El Salvador	4	2 (50%)	2 (50%)	1	1 (100%)	1 (100%)	-75%	-50%
SY	Syrian Arab Republic	2	2 (100%)	3 (150%)	3	3 (100%)	2 (67%)	+50%	+50%
SZ	Swaziland	1	1 (100%)	1 (100%)	1	1 (100%)	1 (100%)		
TH	Thailand	123	50 (41%)	37 (30%)	232	85 (37%)	68 (29%)	+89%	+70%
TN	Tunisia	13	9 (69%)	7 (54%)	8	6 (75%)	5 (63%)	-38%	-33%
TO	Tonga								
TR	Turkey	1,286	374 (29%)	352 (27%)	1,640	399 (24%)	375 (23%)	+28%	+7%
TT	Trinidad and Tobago	5	5 (100%)	1 (20%)	38	38 (100%)		+660%	+660%
UA	Ukraine	204	155 (76%)	144 (71%)	238	219 (92%)	195 (82%)	+17%	+41%
UY	Uruguay	12	2 (17%)		17	11 (65%)	1 (5.9%)	+42%	+450%
UZ	Uzbekistan	8	7 (88%)	5 (63%)	3	3 (100%)	2 (67%)	-63%	-57%
VC	Saint Vincent and the Grenadines	1							
VE	Venezuela, Bolivarian Republic	1	1 (100%)		1	1 (100%)			
VN	Viet Nam	14	10 (71%)	9 (64%)	25	20 (80%)	14 (56%)	+79%	+100%
ZA	South Africa	449	177 (39%)	183 (41%)	458	183 (40%)	182 (40%)	+2%	+3%
ZW	Zimbabwe	1	1 (100%)	1 (100%)	3	3 (100%)	3 (100%)	+200%	+200%

**(d) Least developed countries, whose nationals and residents are eligible for the fee reduction whether they are natural persons or not**

ST.3 Code	State	Applications in 18m Prior to Changes			Applications in 18m Following Changes			Change	
		Total	All Natural Persons	With Reduction	Total	All Natural Persons	With Reductions	Total	All Natural Persons
AO	Angola	2	2 (100%)		1	1 (100%)	1 (100%)	-50%	-50%
BD	Bangladesh	2							
BI	Burundi				2				
CD	Democratic Republic of the Congo	1	1 (100%)	1 (100%)	1	1 (100%)			
LA	Lao People's Democratic Republic	1			4	2 (50%)		+300%	
LR	Liberia	2							
MG	Madagascar	2	2 (100%)	2 (100%)					
MW	Malawi				1	1 (100%)	1 (100%)		
MZ	Mozambique				1	1 (100%)	1 (100%)		
NE	Niger	1	1 (100%)						
SD	Sudan	8	5 (63%)	3 (38%)	1	1 (100%)		-88%	-80%
SN	Senegal	18	18 (100%)	3 (17%)	8	8 (100%)	4 (50%)	-56%	-56%
TZ	United Republic of Tanzania				2	1 (50%)	1 (50%)		
UG	Uganda	4	1 (25%)	1 (25%)					
VU	Vanuatu	1	1 (100%)						
WS	Samoa	8		2 (25%)	3			-63%	
YE	Yemen				1	1 (100%)	2 (200%)		

**(e) States whose nationals and residents were not eligible for the fee reduction for the entire period**

ST.3 Code	State	Applications in 18m Prior to Changes			Applications in 18m Following Changes			Change	
		Total	All Natural Persons	With Reduction	Total	All Natural Persons	With Reductions	Total	All Natural Persons
AD	Andorra	5	4 (80%)		9	6 (67%)		+80%	+50%
AT	Austria	2,069	228 (11%)		2,148	249 (12%)		+4%	+9%
AU	Australia	2,493	445 (18%)		2,771	487 (18%)		+11%	+9%
BE	Belgium	1,748	60 (3.4%)		1,871	73 (3.9%)		+7%	+22%
BN	Brunei Darussalam	2			8	1 (13%)		+300%	
CA	Canada	4,434	593 (13%)		3,720	569 (15%)		-16%	-4%
CH	Switzerland	6,271	244 (3.9%)		6,720	238 (3.5%)		+7%	-2%



ST.3 Code	State	Applications in 18m Prior to Changes			Applications in 18m Following Changes			Change	
		Total	All Natural Persons	With Reduction	Total	All Natural Persons	With Reductions	Total	All Natural Persons
CK	Cook Islands	1			1			-	
DE	Germany	26,903	1,201 (4.5%)		27,264	1,097 (4%)		+1%	-9%
DK	Denmark	1,915	43 (2.2%)		2,039	49 (2.4%)		+6%	+14%
ES	Spain	2,413	581 (24%)		2,253	522 (23%)		-7%	-10%
FI	Finland	2,632	80 (3%)		2,307	67 (2.9%)		-12%	-16%
FR	France	12,389	463 (3.7%)		12,754	516 (4%)		+3%	+11%
GB	United Kingdom	7,827	599 (7.7%)		8,136	611 (7.5%)		+4%	+2%
IE	Ireland	633	61 (9.6%)		699	76 (11%)		+10%	+25%
IL	Israel	2,458	389 (16%)		2,597	388 (15%)		+6%	-0%
IS	Iceland	69	3 (4.3%)		74	6 (8.1%)		+7%	+100%
IT	Italy	4,587	750 (16%)		4,926	894 (18%)		+7%	+19%
JP	Japan	65,032	701 (1.1%)		66,453	725 (1.1%)		+2%	+3%
KR	Republic of Korea	19,817	2,984 (15%)		23,381	3,168 (14%)		+18%	+6%
KW	Kuwait	1	1 (100%)		7	3 (43%)		+600%	+200%
LI	Liechtenstein	350	3 (.86%)		371	1 (.27%)		+6%	-67%
LU	Luxembourg	657	10 (1.5%)		743	6 (.81%)		+13%	-40%
MC	Monaco	53	14 (26%)		22	8 (36%)		-58%	-43%
NL	Netherlands	6,310	123 (1.9%)		7,018	148 (2.1%)		+11%	+20%
NO	Norway	1,013	68 (6.7%)		1,013	64 (6.3%)			-6%
NZ	New Zealand	505	96 (19%)		495	93 (19%)		-2%	-3%
QA	Qatar	27	7 (26%)		28	8 (29%)		+4%	+14%
SE	Sweden	5,928	196 (3.3%)		5,556	163 (2.9%)		-6%	-17%
SM	San Marino	4	1 (25%)		9	2 (22%)		+125%	+100%
US	United States of America	88,917	5,986 (6.7%)		85,467	5,425 (6.3%)		-4%	-9%

[End of Annex and of document]