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WORLD INTELLECTUAL PROPERTY ORGANIZATION GENEVA

PATENT COOPERATION TREATY

WORKING GROUP ON BUDGETARY QUESTIONS

First Session

Geneva, February 28 to March 4, 1977

DRAFT PRINCIPLES

based on the provisional decisions of
the Working Group

Principle No. 1: All countries at present making contributions (i.e., the countries included in the relevant recommendation of the Executive Committee of the Paris Union for 1977 plus Spain) will pay, as "basic" contributions, for the years 1978 and 1979, the amounts of 1,795,000 Swiss francs and 1,935,000 Swiss francs, respectively, which have been tentatively shown for those years in the triennial budget, and for the year 1980, the amount of 2,012,000 Swiss francs (which is 4% above the amount for 1979). Such amounts will be distributed among the said countries according to the same principles as have been applied to the PCT contributions for 1977 and prior years, but according to the 1975 statistics. Although the contributions of countries which are not Contracting States are voluntary, the contribution of the Contracting States are calculated on the assumption that the voluntary contributions will be paid.

Principle No. 2: In each of the said three years, a "supplementary" contribution will be paid by those countries which will have deposited their instruments of ratification prior to or during that year. The supplementary contributions will cover the deficit attributable to the years 1978 to 1980 and not covered by the basic contributions; its total amount for the three-year period is estimated to be 450,000 francs; it will be payable at the rate of 150,000 francs per year. The amount of the supplementary contribution will be distributed among the countries concerned provisionally in the same proportion as there is between the numbers of their outgoing applications, as shown in the WIPO statistics for the year 1975, but ultimately in accordance with principle No. 5 below. In the first year of its paying contributions, the share will be proportionate to the time during which the State was a Contracting State.

Principle No. 3: If a country that is not in the list of basic contributors becomes a Contracting State, it will pay, for the year in which it deposits its instrument of ratification and any subsequent year of the said three years, an amount which will be the same as the contribution of a State which, having the same statistical parameters, has to pay under principles Nos. 1 and 2. (The calculations will be made with the necessary extrapolations). Since the number of

countries falling into this category will probably be very small, if not nil, their contributions will be additional to (and will not diminish) the contributions of the countries covered by principles Nos. 1 and 2.

Principle No. 4: Authority will be given to the International Bureau to contract loans to cover the deficiency in funds available to meet its expenditure in any year.

Principle No. 5: Once the break-even point is reached, the supplementary contributions will be recalculated in proportion to the total number of international applications emanating from the Contracting States during the period supplementary contributions were paid (international applications filed with a national Office being regarded as "emanating" from the State of which that Office is the national Office, and international applications filed with a regional Office being regarded as "emanating" from the State of the applicant's residence). Any Contracting State which has paid supplementary contributions totalling more than its recalculated share will receive a corresponding refund and those States which have paid less will be required to make a corresponding additional payment.

Principle No. 6: The above principles will apply for 1978, 1979 and 1980. Even during that period, the financial situation will be reviewed at least once a year and necessary adjustment will be proposed. Should deficits continue beyond 1980, a modification of the principles will be proposed in time.

Principle No. 7: Contributions paid under principles Nos. 1, 2 and 3 will be reimbursed from any excess of income over expenditure after the break-even point is reached. Such reimbursement shall be made by instalments after the recalculation of supplementary contributions under principle No. 5, as decided by the Assembly of the PCT Union. Each Country's share in each instalment shall be proportionate to its share in the total of the said contributions.

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Note: The Report will invite the Director General to study the question whether interest should be paid and, if so, at what rate.

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