

Mr Chair,

Further to the earlier discussions on fee reductions, group B would like to provide the following comments on the two main issues that are under discussion:

(a) first – on the issue of the fee-reduction for SME's, universities and non-for-profit research institutes:

- Group B is of the view that it might be useful to have at the disposal of the WG at its next meeting a document prepared by the secretariat which will present the variety of definitions of SME's in relation to fee reduction for IP/patent applications that exist currently at national or regional level.

- The document should also entail a description of the mechanism already in place in some countries concerning fee reductions for SME's, universities and non-for-profit research institutes.

- Third, group B would welcome further study-work by the chief economist on the elasticity of fee reduction for universities and non-for-profit research institutes.

- Finally, we remain of the view that such reductions should be financially sustainable and income neutral for WIPO.

(b) On the second issue of fee reductions for applicants in certain countries.

- Group B is of the view that further work and discussion is urgently needed, in order to develop a system of fee reductions that is dynamic and can take into account, providing regular review, the changes that occur in the development of the economy worldwide.

- For these reasons group B is of the view that a system of fee reductions that is based on a mixed criteria of income and innovation shall be further discussed at our next meeting, since the combination of the two criteria as described in document PCT/WG/6/10 has the potential of enabling to grasp the different elements of the socio-economic development of a country that should justify a fee reduction for its applicants.

- When the criteria will be fixed, the decisive discussion we will then need to undertake will be the choice/level of the threshold. The secretariat has already provided interesting information on that regard showing how they can be fixed in order to ensure proper justification in the application of the fee reduction taking into account the socio-economic reality of the country concerned.

- The objective of a system of fee reduction is to ensure that the PCT system is attractive and affordable for applicants in all parts of the world, and in particular for least-developed countries and developing countries which are currently using the system infrequently while ensuring a sustainable level of revenue for WIPO. We all know indeed that the PCT fees are not only financing PCT activities, but many other important activities in the Organization as well, including development activities and technical assistance. This should be preserved.

- We would therefore ask the secretariat to prepare a document for our next meeting that will further examine a system that will combine the two criteria of income and innovation and make a projection on the possible thresholds. This will enable us to have a thorough discussion on the possibility to identify new beneficiary countries that do currently not benefit from the fee reduction.