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INTERNATIONAL PATENT COOPERATION UNION
(PCT UNION)

ASSEMBLY

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MATTERS CONCERNING THE PCT UNION

Memorandum of the Director General

I. Cost of Producing the “PCT Gazette” and “Gazette du PCT”

1. The English language “PCT Gazette” and the French language “Gazette du PCT” are produced pursuant to Article 55(4) of the PCT, which provides that “The International Bureau shall publish a Gazette and other publications provided for by the Regulations or required by the Assembly” and Rule 86 of the Regulations under the PCT, which describes the contents, languages and other matters concerning the Gazette.

2. Whereas in the past the “PCT Gazette” and the “Gazette du PCT” provided the only means for an interested party to review the series of the latest published international applications, the situation has now been changed considerably by the development of various CD-ROM products which provide information concerning PCT international applications and permit rapid searching through that information:

- “ESPACE-ACCESS,” which includes the bibliographic data, the IPC symbols, the titles and abstracts in machine-readable form for all published international applications;
- “ESPACE-FIRST,” which provides facsimile images of the first page of the PCT pamphlets; and

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- “SPACE-WORLD,” which provides facsimile images of the full contents of the PCT pamphlets.

3. In the light of the existence of those new alternative means of obtaining information concerning PCT international applications, it appears appropriate to provide an indication of the costs of producing each of the publications “PCT Gazette” and “Gazette du PCT,” for consideration by the Assembly of the PCT Union.

4. Such a consideration is especially appropriate when it is noted that the size of the two Gazettes continues to grow (averaging 697 pages per bi-weekly issue in 1994, which is 5.7 times the length of the average Gazette in 1984 (122 pages), reflecting the continuing growth in the use of the PCT system, whereas at the same time the numbers of subscriptions continue to fall. Ten years ago, in 1984, there were 865 subscriptions to the “PCT Gazette,” whereas there are only 714 subscriptions in 1994, i.e., 151 less (or 17% less); of those 714 subscriptions, 642 are paid and 72 are official or free. Ten years ago, there were 227 subscriptions to the “Gazette du PCT,” whereas there are only 157 subscriptions in 1994, i.e., 70 less (or 31% less); of those 157 subscriptions, 133 are paid and 24 are official or free.

5. It is recalled that the “PCT Gazette” and the “Gazette du PCT” contain the following sections (for which the average number of pages of the first eleven regular (i.e., excluding the special) issues in 1994 are also shown):

- Section I: Published International Applications, containing data taken from the front page of the corresponding PCT pamphlet, the drawing (if any) appearing on the said front page, and the abstract (563 pages);
- Section II: Notices and Information Related to Published International Applications and/or Entries in Section I (23 pages);
- Section III: Weekly Indexes (105 pages), consisting of international publication numbers according to designated States (76 pages) plus several other indexes (totalling 26 pages); and
- Section IV: Notices and Information of a General Nature (six pages).

6. As noted in the preceding paragraph, the contents of Section I of the “PCT Gazette” (which comprises over 80% of the length of the publication) are entirely derived from the front pages of the corresponding PCT pamphlets, the said front pages containing the bibliographic data, the drawing (if any, including the translation into English of any text in that drawing whenever the language of filing is other than English) and the title and the abstract in English as well as in the language of filing (if that is not English). It thus follows that, for the production of Section I of the “PCT Gazette,” no translation work (for translating into English the title and the abstract, as well as any text in the drawing, for an international application filed in a language other than English) or data input of the title and the abstract in English is required. Furthermore, the contents of Section III of the “PCT Gazette” (which comprises over 15% of the length of the publication) are also entirely derived from the bibliographic data contained in the said front pages, and are generated by computer. The work of the International Bureau for the production of the “PCT Gazette” thus involves the production of the short Sections II and IV, plus checking the overall contents.

7. However, as regards the production of the "Gazette du PCT," the work of the International Bureau involves the translation into French of the title and the abstract (and any text in the drawing), and the corresponding data input, for all international applications filed in a language other than in French (i.e., about 95% of all international applications), and the insertion of the translation into French of any text in the drawing whenever the language of filing is other than French, plus the production of the short Sections II and IV (Section III being generated by computer), plus checking the overall contents.

8. The 26,090 international applications published in 1993 by the International Bureau were published in the following languages:

<u>Language of publication</u>	<u>Number of applications</u>	<u>Percentage</u>
English	19,056	73.04%
German	3,588	13.75%
Japanese	1,712	6.56%
French	1,444	5.42%
Russian	223	0.85%
Spanish	97	0.37%

9. It follows from the statistics on languages of publication that in 1993 (3,588 + 1,712 + 1,444 + 233 + 97 =) 7,064 international applications had to have their titles and abstracts (and any text in their drawings) translated from other languages into English, this for the purpose of producing the front pages of the PCT pamphlets, and that (19,056 + 3,588 + 1,712 + 223 + 97 =) 24,676 international applications had to have their titles and abstracts (and any text in their drawings) translated from other languages into French, this for the purpose of producing the "Gazette du PCT." In addition, the workload of the PCT Translation Section involves translating into English the International Preliminary Examination Reports (IPERs) established in languages other than English. It can be estimated that about 17.3% of the workload of the PCT Translation Section involves translations into English for the PCT pamphlets, about 60.6% of the workload involves translations into French for the "Gazette du PCT," and about 22.1% of the workload involves translating IPERs into English.

10. The cost in 1993 of the salaries of the staff of the PCT Translation Section, the outside translators working for them under special service agreements, and other translation costs (notably 114,000 francs as the cost of the Japanese Institute of Inventions and Innovation translating abstracts from Japanese into English), totalled 2,403,000 francs. Since 60.6% of the workload relates to the translations into French for the "Gazette du PCT," the corresponding cost of that translation work amounted to about (2,403,000 x 0.606 =) 1,456,000 francs in 1993.

11. The cost in 1993 of the salaries of the staff inputting into the computer system the text of the French titles and abstracts, for the "Gazette du PCT," was some 375,000 francs.

12. The material appearing in Section II is produced in both English and French by the staff of the PCT Publications Section; since the workload involves only about 1.5 days of work every two weeks for both the "PCT Gazette" and the "Gazette du PCT," an estimate is not made of the relatively small associated cost.

13. The material appearing in Section IV is produced in English and then translated into French by staff of the PCT Legal Division and of the Languages Division. In the light of the small amount of such translation, an estimate has not been made of the associated cost for the translation into French and for the input of the English and French texts.

14. The system for producing the pages of the "PCT Gazette" and the "Gazette du PCT," which was used until the May 26, 1994, issue, involved an outside contractor producing the photocomposed pages (apart from the drawings in Section I) from a computer tape. Staff of the PCT Publications Section then inserted on the appropriate Section I pages the drawings along with any text in the drawings. The masters are sent to an outside printer for printing, binding and mailing the "PCT Gazette" and the "Gazette du PCT" to the subscribers. The production of the said photocomposed pages in 1993 cost 370,000 francs for the "PCT Gazette" and 370,000 francs for the "Gazette du PCT." The cost in 1993 of the salaries of the staff inserting the drawings along with the corresponding text was about 169,000 francs for the "PCT Gazette" and 169,000 francs for the "Gazette du PCT." The paper, printing, binding and mailing cost in 1993 was 528,000 francs for the "PCT Gazette" and 336,000 francs for the "Gazette du PCT." (With the DICAPS system now fully operational for the production of the masters of the pages for the "PCT Gazette" and "Gazette du PCT," those masters are produced directly by that system, including their drawings and corresponding text, and the operating costs of that system and the associated staff costs are expected to be significantly less (possibly 50% less) than those of the previous operations. The DICAPS system does not introduce any change as regards printing, binding and mailing.) The postage cost at surface postage ("Surface air lifted") rates in 1993 was 137,000 francs for the "PCT Gazette" and 25,000 francs for the "Gazette du PCT; subscribers wishing to receive their copies by air mail pay a higher subscription amount which covers the much higher cost of air mail.

15. In addition to the above-mentioned direct costs, there are indirect costs involving supervisory staff, office accommodation and other administrative support costs; those are not included in the present costings.

16. The direct costs in 1993 of producing the "PCT Gazette" and the "Gazette du PCT" can be summarized as follows:

	<u>"PCT Gazette"</u> (000 francs)	<u>"Gazette du PCT"</u> (000 francs)
Translation of titles, abstracts and text in drawings	-	1,456
Input of abstracts	-	375
Photocomposition	370	370
Inserting drawings with corresponding text	169	169
Paper, printing, binding and mailing	528	336
Surface postage	<u>137</u>	<u>25</u>
Totals:	<u>1,204</u>	<u>2,731</u>

17. For the 714 subscriptions to the "PCT Gazette" in 1993, the average cost per subscription for 1993 was $(1,204,000 : 714 =)$ 1,686 francs. Since the subscription price is 500 francs (for surface mail), it can be seen that the average direct cost of producing each subscription to the "PCT Gazette" was approximately three times higher than the subscription income. (With the DICAPS system expected to save about 50% of the costs associated with photocomposition, and insertion of drawings with corresponding text, the impact of its introduction--had that already been in 1993-- would have been to have saved about $(0.5 \times (370,000 + 169,000) =)$ 270,000 francs, thus reducing the average cost per subscription to about 1,308 francs.)

18. . For the 157 subscriptions to the "Gazette du PCT" in 1993, the average cost per subscription for 1993 was $(2,731,000 : 157 =)$ 17,395 francs. Since the subscription price is 500 francs (for surface mail), it can be seen that the average direct cost of producing each subscription to the "Gazette du PCT" was approximately 35 times higher than the subscription income. (With the DICAPS system expected to save about 50% of the costs associated with photocomposition, and insertion of drawings with corresponding text, the impact of its introduction--had that already been in 1993-- would have been to have saved about $(0.5 \times (370,000 + 169,000) =)$ 270,000 francs, thus reducing the average cost per subscription to about 15,675 francs.)

19. In analyzing the contents of, and the cost of producing, the "PCT Gazette" and "Gazette du PCT," the International Bureau has noted that the index of international publication numbers according to designated States, which averages 76 pages per Gazette issue in 1994, could be discontinued. That index was required at the beginning of PCT operations since the designated Offices needed a listing of international applications which designated the State or States for which they acted. However, the PCT computer system now generates, for each designated Office, listings containing, in addition to the international publication number, also the international application number of each application for which the Office acts as designated Office, rather than the numbers of all the international applications designating a certain State. (In addition, the "ESPACE-WORLD" CD-ROMs permit the easy and timely retrieval of all international applications designating a certain State.) The said index was only provided for in the Guidelines for Publication under the Patent Cooperation Treaty (see paragraphs 125(ii) and 127) upon request by the designated Offices when the Guidelines were elaborated in 1977-78; it can be discontinued without

any need to change the Regulations or the Administrative Instructions under the PCT. The International Bureau will discontinue the publication of the said index as of January 1995.

20. Discontinuing the publication of the said index will reduce the volume of each regular Gazette in English and French by about 11%, which will provide savings in paper, printing and postage of about 110,000 francs per year.

21. Other than as concerns the index referred to in the preceding two paragraphs, the International Bureau does not propose to draw any conclusions from the above information at the present time; in particular, it does not propose any other change in the contents and layout of the Gazettes, whether in English or French. It is, in fact, believed that one should wait for a year or two to experience the full impact of developments of computer technology, in particular, as concerns new types of CD-ROMs.

22. *The Assembly is invited to note the contents of paragraphs 1 to 21, above.*

II. Maximum Number of Designation Fees Payable

23. It is recalled that in any international application, the States in which the applicant wishes the international application to have effect must be designated.

24. Subject to three kinds of exceptions, a designation fee has to be paid for the designation of each State. As indicated in the next paragraphs, the effect of the exceptions is that the number of the designation fees to be paid is less than the number of the designated States.

25. The first exception is that when, in the international (PCT) application, a regional (rather than a national) patent is requested, the request for that regional patent counts as one designation, irrespective of the number of the States which, among the States to which the regional patent system applies, are designated in the international (PCT) application. Thus, if a European patent is requested, only one designation fee is payable, irrespective of the number of the States which, among the 17 States members of the European Patent Organisation (EPO), are designated in the international application for the European patent. Also, only one designation fee is payable if an OAPI patent (14 States) or an ARIPO patent (four States) is requested.

26. The second exception is that when Switzerland and Liechtenstein are designated, only one designation fee is payable since those States can only be designated together.

27. The third exception is that if the number of the designations exceeds 10, only 10 designation fees are payable. In calculating the number of designations, the exceptions referred to in the preceding two paragraphs are (when they apply) to be taken into account.

28. The "ten maximum" was established in 1984 to stimulate applicants to use the PCT in respect of more countries (see document PCT/A/XII/4, paragraphs 6 and 11). At that time, the number of the States bound by the PCT was 35, and, because of the then prevailing status of the exceptions described in paragraphs 25 and 26, above, the maximum number of designations (applicable when all 35 States were designated) was 26.

29. Today, the corresponding figures are 73 (instead of 35) and 55 (instead of 26). Thus, in the ten years since the establishment of the “ten maximum,” there has been an increase of 109% in the number of the Contracting States and an increase of 112% in the number of possible designations. It therefore appears reasonable that the ceiling of 10 be increased.

30. Proportionally, the increase should be 110%, to a maximum of 21 instead of 10. But, in order to make the impact on the fees less, it is proposed, at least as long as the general financial situation of the PCT permits it, that the maximum number of designation fees payable be 15 (instead of 10), in respect of international applications filed on or after January 1, 1995. The Schedule of Fees annexed to the PCT Regulations would be amended accordingly as shown in the Annex to this document.

31. The Assembly is invited to adopt the proposal contained in paragraph 30, above.

[Annex follows]

ANNEX

SCHEDULE OF FEES

Fees	Amounts
1. Basic Fee: (Rule 15.2(a))	
(a) if the international application contains not more than 30 sheets	762 Swiss francs
(b) if the international application contains more than 30 sheets	762 Swiss francs plus 15 Swiss francs for each sheet in excess of 30 sheets
2. Designation Fee: (Rule 15.2(a))	
(a) for designations made under Rule 4.9(a)	185 Swiss francs per designation, provided that any designation made under Rule 4.9(a) in excess of <u>15</u> shall not require the payment of a designation fee
(b) for designations made under Rule 4.9(b) and confirmed under Rule 4.9(c)	185 Swiss francs per designation
3. Confirmation Fee: (Rule 15.5(a))	50% of the sum of the designation fees payable under item 2(b)
4. Handling Fee: (Rule 57.2(a))	233 Swiss francs

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