

International Patent Cooperation Union (PCT Union)

Assembly

Fifty-Sixth (32nd Extraordinary) Session Geneva, July 9 to 17, 2024

REVIEW OF CRITERIA FOR PCT FEE REDUCTIONS FOR APPLICANTS FROM CERTAIN COUNTRIES AND MODIFICATION OF DIRECTIVES FOR UPDATING THE LISTS OF STATES MEETING THE CRITERIA

Document prepared by the International Bureau

SUMMARY

1. The Assembly is invited to review the criteria for establishing the lists of States whose nationals and residents are eligible for the Patent Cooperation Treaty (PCT) fee reductions; according to the PCT Schedule of Fees, such a review by the Assembly is to be carried out at least every five years. The Assembly is also invited to adopt the proposed modifications to the Directives for Updating the Lists of States Meeting the Criteria for Reduction of Certain PCT Fees (“the Directives”) (see Annex II to the Report of the forty-sixth session of the Assembly, document PCT/A/46/6) for making future updates to the lists of States meeting the criteria referred to in items 5(a) and (b) of the Schedule of Fees following the change in meeting time of the Assembly during the year.

BACKGROUND

2. The Assembly, at its forty-sixth session, held from September 22 to 30, 2014, adopted amendments to the Schedule of Fees annexed to the PCT Regulations (see Annex I to document PCT/A/46/6), setting out new criteria defining the lists of States whose nationals and residents are eligible for a fee reduction according to item 5(a) and/or (b) of that Schedule. The Assembly also adopted the Directives on the procedures for updating the lists every five years

and required that the criteria be reviewed by the Assembly at least every five years. The criteria adopted by the Assembly in 2014 are as follows:

“5. The international filing fee under item 1 (where applicable, as reduced under item 4), the supplementary search handling fee under item 2 and the handling fee under item 3 are reduced by 90% if the international application is filed by:

“(a) an applicant who is a natural person and who is a national of and resides in a State that is listed as being a State whose per capita gross domestic product is below US\$ 25,000 (according to the most recent 10-year average per capita gross domestic product figures at constant 2005 US\$ values published by the United Nations), and whose nationals and residents who are natural persons have filed less than 10 international applications per year (per million population) or less than 50 international applications per year (in absolute numbers) according to the most recent five-year average yearly filing figures published by the International Bureau; or

“(b) an applicant, whether a natural person or not, who is a national of and resides in a State that is listed as being classified by the United Nations as a least developed country;

“provided that, at the time of filing of the international application, there are no beneficial owners of the international application who would not satisfy the criteria in sub-item (a) or (b) and provided that, if there are several applicants, each must satisfy the criteria set out in either sub-item (a) or (b). The lists of States referred to in sub-items (a) and (b) shall be updated by the Director General at least every five years according to directives given by the Assembly. The criteria set out in sub-items (a) and (b) shall be reviewed by the Assembly at least every five years.”

3. According to the Directives, five years after the establishment of the first list of States which meet the criteria referred to in items 5(a) and (b) of the Schedule of Fees, and every five years thereafter, the Director General is required to update the lists of States based on the following information:

“(i) item 5(a) of the Schedule of Fees according to the most recent 10-year average per capita gross domestic product figures from the United Nations and according to the most recent five-year average yearly PCT filing figures by the International Bureau, respectively, published at least two weeks prior to the first day of the session of the Assembly in September/October of that year;

“(ii) item 5(b) of the Schedule of Fees according to the most recent list of countries classified as least developed countries by the United Nations published at least two weeks prior to the first day of the session of the Assembly in September/October of that year...”

4. To update the lists under the Directives, the Director General prepares draft lists and makes them available to PCT Contracting States and States entitled to observer status in the Assembly for comment before the end of that session of the Assembly. The Director General then establishes new lists that apply from January 1 the following year.

5. The Director General last updated the lists of States whose applicants are eligible for fee reductions under item 5 of the Schedule of Fees in 2019. The updated lists entered into force on January 1, 2020.

6. A further update to the lists is therefore required in 2024, five years after the previous update. Accordingly, a revised version of the lists will be prepared shortly before the Assembly and be open for comment until the end of the Assembly on July 17, 2024, noting that the

session of the Assembly in 2024 will take place in July rather than September/October, as referred to in the Directives. The updated lists will take effect from January 1, 2025. Document PCT/WG/17/5 Rev., prepared for the seventeenth session of the PCT Working Group that took place from February 19 to 21, 2024, contains provisional information on the expected results of this update.

7. As required under the Schedule of Fees, the Assembly, at its fifty-first session in September/October 2019, reviewed the criteria set out in items 5(a) and (b). The Assembly decided to maintain the criteria and to review these criteria again in five years' time, as required by the Schedule (see document PCT/A/51/3 and paragraphs 18 to 20 of the Report of the session, document PCT/A/51/4).

REVIEW OF THE CRITERIA

8. The Schedule of Fees requires that the criteria for eligibility for the fee reductions also be reviewed by the Assembly at least every five years. The previous review took place in 2019, so the Assembly is required to review the criteria in 2024.

9. The International Bureau does not have any recommendations at this time for changes to the criteria for determining eligibility for these reductions. Given the relatively minor changes to the lists following the previous review, there are no obvious patterns to be discerned from the effect of a country being added to or removed from the lists. The International Bureau would simply note that the effect of taking 10-year averages of gross domestic product and five-year averages of filing figures has been effective, as intended, at smoothing changes in eligibility requirements and avoiding sudden loss in eligibility from a single year of growth.

10. The PCT Working Group reviewed the current criteria at its seventeenth session from February 19 to 21, 2024 and recommended to the Assembly that the criteria under item 5 of the Schedule of Fees be maintained and reviewed again in five years' time (see document PCT/WG/17/5 Rev. and paragraph 34(i) of the Summary by the Chair of the session, document PCT/WG/17/21).

MODIFICATION OF THE DIRECTIVES FOR UPDATING THE LISTS OF STATES MEETING THE CRITERIA FOR REDUCTION OF CERTAIN FEES

11. Following the change in the time of year that the Assembly meets, the PCT Working Group, at its seventeenth session from February 19 to 21, 2024, agreed to recommend to the Assembly to adopt the proposed modifications to the Directives to refer to the session of the Assembly that is part of the annual series of meetings of the Assemblies of the Member States of WIPO instead of a specific time during the year (see paragraph 19 and Annex II of document PCT/WG/17/5 Rev., and paragraph 34(ii) of the Summary by the Chair of the session, document PCT/WG/17/21). The Annex sets out the proposed modifications as recommended by the Working Group.

12. *The Assembly is invited:*

(i) to decide, having reviewed the criteria set out in item 5 of the PCT Schedule of Fees, that those criteria be maintained and reviewed again by the Assembly in five years' time, as required by that Schedule; and

(ii) to adopt the proposed modifications to the Directives for Updating the Lists of States Meeting the Criteria for Reduction of Certain PCT Fees set out in the Annex of document PCT/A/56/1.

[Annex follows]

DIRECTIVES FOR UPDATING THE LISTS OF STATES
MEETING THE CRITERIA FOR REDUCTION OF CERTAIN PCT FEES¹

The Assembly establishes in the following terms the directives referred to in the Schedule of Fees, it being understood that, in the light of experience, the Assembly may at any time modify these directives:

1. Five years after the establishment of the first list of States which meet the criteria referred to in items 5(a) and (b) of the Schedule of Fees, and every five years thereafter, the Director General shall prepare draft lists of States which appear to meet the criteria referred to in:

(i) item 5(a) of the Schedule of Fees according to the most recent 10-year average per capita gross domestic product figures from the United Nations and according to the most recent five-year average yearly PCT filing figures by the International Bureau, respectively, published at least two weeks prior to the first day of the session of the Assembly ~~in September/October~~ of that year that is part of the annual series of meetings of the Assemblies of the Member States of WIPO;

(ii) item 5(b) of the Schedule of Fees according to the most recent list of countries classified as least developed countries by the United Nations published at least two weeks prior to the first day of the session of the Assembly ~~in September/October of that year~~ referred to in paragraph (i), above;

and shall make those lists available to the PCT Contracting States and States entitled to observer status in the Assembly for comment before the end of that session of the Assembly.

2. Following the end of that session of the Assembly, the Director General shall establish new lists, taking into account any comments received. The revised lists shall become applicable on the first day of the calendar year subsequent to that session and shall be used to determine, in accordance with Rules 15.3, 45*bis*.2(c) and 57.3(d), the eligibility for the fee reduction under items 5(a) and (b), respectively, of the Schedule of Fees of any relevant fee payable. Any revised list shall be published in the Gazette.

3. Where any State is not included in a particular list but subsequently becomes eligible for inclusion in that list due to the publication, after the expiration of the period of two weeks prior to the first day of the session of the Assembly referred to in paragraph 1, above, of revised per capita gross domestic product figures by the United Nations or revised PCT filing figures by the International Bureau, or of a revised list of States that are being classified as least developed countries by the United Nations, that State may request the Director General to revise the relevant list of States so as to include that State in the relevant list. Any such revised list shall become applicable on a date to be specified by the Director General, that date being no more than three months from the date of receipt of the request. Any revised list shall be published in the Gazette.

[End of Annex and of document]

¹ Proposed additions and deletions are indicated, respectively, by underlining and striking through the text concerned.