

Annex 1

DEFINITIONS FOR OFFICES EXPENDITURES

EPO EXPENSES UNDER IFRS (Fig. 2.2)

The full costs are distributed to eight types of EPO products (labelled A to H in Fig. 2.2). Of these, five types are directly related to processing of patent applications: filing, search, examination, opposition, and appeal. The other three types are related to different tasks performed by the EPO: patent information, technical cooperation and the European patent academy.

Direct costs immediately related to one product are entirely allocated to this product. The indirect costs are distributed to the products according to staff and usage keys, with information technology costs being distributed according to their catalogue of services.

A-E. Business support and other indirect

- Salaries and allowances of the concerned permanent staff as well as temporary staff, including the yearly variation of liabilities for pensions, long-term care, death, sickness (“current service costs”), and partial tax compensation
- Training, recruitment, transfer and leaving costs, medical care, welfare of these staff
- Their share of depreciation for buildings, IT equipment and other tangible and intangible assets, including the depreciation component of financial leases
- Their share of operating costs related to the maintenance of electronic data processing hardware and software, licenses, programming costs of self-developed systems as far as they do not qualify for capitalization
- Their share of operating costs related to the maintenance of buildings, technical installations, equipment, furniture and vehicles, such as rent, cleaning and repairs, electricity, gas, water
- The relevant business support shared costs that mostly include management, human resources, finance, legal advice and communication functions

F. Patent information

This covers the publication of patent documentation, raw data products, public information, customer services, website, conference, exhibitions and fairs. The product lines bear the full cost of operating such activities.

G. Technical cooperation

Cooperation with contracting states including support to national patent offices, assistance to third countries, Trilateral and IP5 activities, EPOQUE Net. The product lines bear the full cost of operating such activities.

H. European patent academy

The product lines bear the full cost of operating such activities including professional representatives and European qualifying examination support, conference costs.

JPO EXPENDITURES (Fig. 2.3)

Expenses for JPO's business

Expenses for business processing

A. General processing work

- Existing personnel (including increase and transfer)
- General administration
- Various councils
- Encouragement of guidance including patent management
- External rented offices
- Internationalization of industrial property administration
- Project for supporting medium and small company's applications

B. Examination and appeals/trials, etc.

- Infrastructure improvement for examination and appeals/trials
- Disposition of examination and appeals/trials
- Execution of PCT
- Patented micro-organisms deposition organization

C. Information management

Management of information for use in examination and appeals/trials

D. Publication of Patent Gazette, etc.

E. Computers for patent processing work

F. Facility improvement

G. Operating subsidies for INPIT⁵⁰

H. Others

All other expenses not covered by the above.

⁵⁰ This term is explained in the glossary that is available with the web-based version of the report, www.fiveipoffices.org/statistics/statisticsreports.html

KIPO EXPENDITURES (Fig. 2.4)

A. Personnel resources

Compensation for the services of employees or the inclusive expenditure of the services of employees: salaries, bonuses, and remuneration of temporary staff.

B. Internal business

Internal business includes Public-employee pension, balance, and transaction between the accounts.

C. Primary business expenses

Primary business expenses include expenditures on the development, operation, and private transfer which mainly related to the business of private organizations or affiliated organizations, including expenses on the business and task.

D. Other expenses

All other expenses not covered by the above.

SIPO EXPENDITURES (Fig. 2.5)

A. Administrative Operation

B. Patent Examination

C. Social and Housing security, Pension

Pension of staff in administrative agencies
Infrastructure-related expenses.

D. Others

All other expenses not covered by the above.

USPTO EXPENDITURES (Fig. 2.6)

A. Salaries and Benefits

Compensation directly related to duties performed for the Government by Federal civilian employees. Also included are benefits for currently employed Federal civilian personnel.

B. Equipment

C. Rent and Utilities

Payments for the use of land, structures, or equipment owned by others and charges for communication and utility services.

D. Printing

Costs incurred for printing and reproduction services including related composition and binding operation.

E. Other expenses

All other expenses not covered by the above (heading for equipment and printing are above) including but not limited to:

- **Equipment:** Property of a durable nature, which is defined as property that normally may be expected to have a period of service of a year or more, after being put into use, without material impairment of its physical condition or functional capacity. Also included is the initial installation of equipment when performed under contract.
- **Printing:** Printing and reproduction obtained from the private sector, or from other Federal entities.
- **Supplies and Materials:** Commodities that are ordinarily consumed or expended within one year after they are put into use, converted in the process of construction or manufacture, used to form a minor part of equipment or fixed property, or other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.