

Annex 1

DEFINITIONS FOR OFFICES EXPENDITURES

EPO EXPENSES UNDER IFRS (Fig. 2.2)

The EPO uses a new distribution of the expenses. The full costs are distributed to 8 types of EPO products. Of these, five 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 and publication, technical cooperation and the European patent academy.

Direct costs immediately related to one product are entirely allocated to this product. The business support and other indirect costs are distributed to the products. All indirect costs are distributed according to staff and usage keys.

Business support and other indirect

- Salaries and allowances of permanent staff as well as temporary staff, pensions, long-term care, death, invalidity and sickness coverage as well as pension taxation (taking due account of post-employment liabilities).
- Shift of tax adjustment liability from contracting states to the EPO.
- Training, recruitment, transfer and leaving costs, medical care, staff welfare.
- Depreciation for buildings, IT equipment and other tangible and intangible assets, including the depreciation component of financial leases.
- Operating costs related to the maintenance of Electronic Data Processing hardware and software, purchases below capitalization threshold (EUR 750), licenses, programming costs of self-developed systems as far as they do not qualify for capitalization.
- Operating costs related to the maintenance of buildings, technical installations, equipment, furniture and vehicles, such as rent, cleaning and repairs, electricity, gas, water.

Patent information and publication

Publication of patent documentation, raw data products, public information, customer services, website, conference, exhibitions and fairs.

Technical cooperation

Cooperation with contracting states including support to national Patent offices, assistance to third countries, Trilateral and IP5 activities, European qualifying examination.

European patent academy

Professional representatives, conference costs, associations.

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

Internationalisation 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. National Center for Industrial Property Information and Training operation

H. Others

All other expenses not covered by the above.

KIPO EXPENDITURES (Fig. 2.4)

A. Salaries and benefits

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

B. General operating expenses

Expenditure on the operation of organization.

C. External support

Support for promoting activities of private organizations.

D. Equipment

Expenditure on the purchase of property that normally may be expected to have a period of service of a year or more.

E. Other expenses

All other expenses not covered by the above.

SIPO EXPENDITURES (Fig. 2.5)

A. Patent Examination

B. Social Security

Pension in administrative agencies

C. Housing Security

Housing fund

House-lease subsidy

House-purchase subsidy

D. Other expenses

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. Rent and Utilities:

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

C. Contracts and Services:

Services acquired by contract from non-Federal sources (that is, the private sector, foreign governments, State and local governments, Native American/Native Alaskan tribes), as well as, from other units within the Federal Government. This consists of three types of services:

- Management and professional support services.
- Studies, analyses, and evaluations.
- Engineering and technical services.

D. Other expenses:

All other expenses not covered by the 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.