

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 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.

A-E. 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, 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

F. Patent information

This covers the publication of patent documentation, raw data products, public information, customer services, website, conference, exhibitions and fairs.

G. Technical cooperation

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

H. 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
- 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 INPIT⁴⁵

H. Others

All other expenses not covered by the above.

⁴⁵ 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. IP affairs

B. Social security

Pension in administrative agencies

C. Housing security

Housing fund

House-lease subsidy

House-purchase subsidy

D. International affairs

International organization membership dues

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 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.