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13 September 2012

via e-mail: [SACEPO@epo.org](mailto:SACEPO@epo.org); [fgauye@epo.org](mailto:fgauye@epo.org)

Dear Fabienne

**SACEPO WPR – Written consultation – Invitation to comment on proposed amendments to Arts. 9(1) and 11(b) RFees**

**Your ref.: 120/243 54.11 A9(1) A11(b) 54.5.1.3 – Our ref. PP17/12**

Thank you for the opportunity to make a further submission to this consultation.

The IP Federation represents the views of a wide range of industries operating in the UK, Europe and internationally in intellectual property (IP) matters, both policy and practice, including patents. Its members are listed at the end of this letter.

The IP Federation discussed the proposals made in the document SACEPO WPR 13/11 and responded to those proposals by e-mail from Richard Wilding, dated 16 January 2012 (a copy of which I attach to this letter) and orally during the SACEPO WPR meeting of 3 February 2012. The IP Federation maintains its previous position as set out in the e-mail and wishes to make the following additional comments:

During the discussions which took place at the SACEPO WPR meeting of 3 February 2012, it became clear that the EPO's position is motivated by an additional matter, which is not referenced in document WPR 13/11. As a result, users arrived at the February meeting having neither prepared to discuss that additional matter nor consulted about it within their respective associations. Given the apparent importance of this matter to the EPO, it is all the more surprising that it is not explicitly discussed within the new consultation paper, WPR XX/12, either. My understanding is that this matter concerns the uncertainty surrounding potential future reimbursements and the inconsistency of such uncertainty with the international accounting standard, IFRS. Since the exact nature of this problem has not been written down in any document and has only been alluded to in oral discussions, my understanding may well be incomplete.

Users request that the EPO explain the precise nature of this IFRS problem in order that they may comment on it properly. Users also wish to point out that the reimbursements which the EPO proposes to abolish relate to fees paid for work which the EPO has not done. Regardless of any practicalities, many users consider it to be improper for the EPO to retain such money and consider that such a practice may, itself, also be inconsistent with the IFRS accounting standard.

The explicit reason given by the EPO in the consultation documents for wishing to abolish the reimbursements relates to the inability to identify clear cut-off dates which terminate the refunds. To this point, both during the SACEPO WPR meeting

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of 3 February 2012 and prior to it in writing, several different users presented a clear cut-off event which would terminate the ability to receive a refund of the search fee and a 75% refund of the examination fee. These are the date of transmission of the search report and the date of transmission of the first examination report, respectively. The second of these is referred to in the e-mail of 16 January. No response to these proposals has been received from the EPO. If the EPO considers these not to represent legally clear triggers, then please could it present its reasons, in writing, so that users can understand the EPO's position.

Some users also feel strongly that the EPO is already rewarded for inactivity by means of the renewal fees, which automatically become payable to the EPO every year from the second anniversary of the filing date. Whether or not that impression is correct, the EPO's current proposals will be viewed by some users as providing an additional reward to the EPO for, in effect, doing nothing. Users consider this to be inequitable and strongly oppose the EPO's proposals for this additional reason.

Lastly, the statistical data that the EPO has provided can be viewed from many angles. It is evident from it that the EPO will retain Euro 18.5 million which was previously refunded, if the proposals are effected. Although the EPO does not appear to think so, many people would regard this as a lot of money. As pure profit, it might be the equivalent of about Euro 100 million of product sales. More importantly, from the perspective of an SME, it represents hard earned money, paid to the EPO to conduct a search and examination, for which no service has been provided.

I strongly urge the EPO to reconsider its stance on these refunds and to provide an explanation of both the IFRS problem and the EPO's position on the suitability of the date of mailing of the search report and examination report as triggers, well in advance of the October 2012 SACEPO WPR meeting.

Yours sincerely

Bobby Mukherjee  
European Patent Attorney  
President, IP Federation

Enc. copy of e-mail from Richard Wilding, dated 16 January 2012

**From:** Wilding, Richard  
**Sent:** 16 January 2012 16:35  
**To:** 'COMBEAU, Jacques'; [SACEPO@epo.org](mailto:SACEPO@epo.org)  
**Cc:** Tangena, Antonius Gerardus; [i.kontreas@business-europe.eu](mailto:i.kontreas@business-europe.eu); [estohr@epo.org](mailto:estohr@epo.org); [ssstrob@epo.org](mailto:ssstrob@epo.org); [crabbetts@epo.org](mailto:crabbetts@epo.org); [patentlaw@epo.org](mailto:patentlaw@epo.org); [g.leisslerg@hoefer-pat.de](mailto:g.leisslerg@hoefer-pat.de); [sigmar.lampe@uni.lu](mailto:sigmar.lampe@uni.lu); [chrismercer@ntlworld.com](mailto:chrismercer@ntlworld.com); [francis.leyder@total.com](mailto:francis.leyder@total.com); [eric.leforestier@ficpi.org](mailto:eric.leforestier@ficpi.org); [james.hayles@pfizer.com](mailto:james.hayles@pfizer.com); [mail@mbp.de](mailto:mail@mbp.de); Macchetta Francesco; [hpihlajamaa@epo.org](mailto:hpihlajamaa@epo.org)  
**Subject:** RE: Written consultation - invitation to comment on proposed amendments to Arts. 9(1) and 11(b) RFees

Dear Isabel

Thank you for the opportunity to make a submission to this consultation. This matter was discussed at the IP Federation Council meeting last Friday and the following response was agreed:

1. The IP Federation **can agree to the change to Art.9(1) RFees.**
2. The IP Federation does not agree to the change to Art.11(b) RFees, which would remove the possibility for applicants to receive a 75% refund for the examination fee. Some member companies make the point that, in their areas, examination may not commence until many years after a patent application has been filed and that it would be unfair on applicants for a refund to be unavailable if the application is withdrawn after such a long time in cases where an examination report has not yet been received.

With one exception, an alternative, objectively identifiable trigger to close the door on a refund of the examination fee is difficult to identify. The exception is the date of mailing of the examination report to the applicant. This trigger is at the opposite extreme to the EPO's suggestion of deleting the refund altogether and, at first glance, may appear to be unfair to the EPO. However, on reflection, I believe that it can be viewed as a fair proposal. The reasons for this are as follows:

- (a) Under most circumstances, I submit that the request to withdraw the application will not overlap with the period in which the examiner examines the case in question, so the EPO will receive 25% of the examination fee without an examination having been performed. I do not have any data on this point, but statistically it seems likely that this would be the case.
- (b) Occasionally, based on the same reasoning, there will be an overlap – the request to withdraw the case will be received by the EPO during the period in which examination is taking place. In such cases, the EPO may lose some money, although that is not clear cut, because it will still receive 25% of the examination fee. I additionally wish to point out that, for cases which are more than three years' old, the EPO also receives renewal fees, so, even if the EPO is not compensated directly for any "loss" that it makes on the few cases in question, it receives additional money for the cases which are examined late in the day. If, for example, a patent application is not examined for 7 or 8 years, as occurs in some technical areas, then the EPO will receive 4-5 renewal fees during the period of inactivity after year 3. Those payments to the EPO result from processes which are outside an applicant's control, but within the EPO's control and the EPO benefits financially from them. It seems particularly necessary for cases which are examined later, that a rebalancing of the

additional cost to applicants be available by means of a 75% refund of the examination fee.

In summary, **we request that Art.11(b) RFees be amended to state that a 75% refund of the examination fee be available until the date on which the examination report is mailed to the applicant.**

I would be happy to discuss this matter further.

Thanks and regards

Richard Wilding

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## **IP Federation members 2012**

The IP Federation represents the views of UK industry in both IPR policy and practice matters within the EU, the UK and internationally. Its membership comprises the innovative and influential companies listed below. Its Council also includes representatives of the CBI, and its meetings are attended by IP specialists from three leading law firms. It is listed on the joint Transparency Register of the European Parliament and the Commission with identity No. 83549331760-12.

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GlaxoSmithKline plc  
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