

Poststelle (BMJV)

Von: Makoski, Bernadette
Gesendet: Freitag, 5. September 2014 18:14
An: Poststelle (BMJV)
Cc: Pakuscher, Irene; Karcher, Johannes; Jacobi, Axel
Betreff: WG: Costs and Fees for the UPC
Anlagen: Indicative Costs for the UPC - Assumptions used - v2 Aug 2014.docx; UPC costs UK DE agreed 5 Sept.xls

PG EuPatent

I. Poststelle m. d. B. um Ausdruck der nachfolgenden E-Mail mit Anlagen

II. GG

III. Vorab per E-Mail
 Frau Dr. Pakuscher
 Herrn Karcher
 Herrn Jacobi
 z.K.

Bundesministerium der Justiz	
Abt.	Ref. 1/5 60 - R/f
08.09.2014 10:11	
Anlagen	
geheftet	<input checked="" type="checkbox"/> Doppel

IV. WV (Herrn Jacobi n.R.)

I.V. Bernadette Makoski
 Referentin

Referat III B 4
 Telefon: [redacted]

u.
 Nach Vorlage heute 2 Rück-
 sprachen mit Ref. III:
 1. Ref.: bitte um Erfassung
 2. WV: Herrn Karcher n.2. 15f.
 (Vorlage UPLER? J. Ü. sodann
 WV Herrn Jacobi n.2.)
 9/9 i.H. Mek
 u.g.
 Herrn Jacobi: J 24/9
 24/9

-----Ursprüngliche Nachricht-----

Von: Jacobi, Axel
 Gesendet: Freitag, 5. September 2014 16:24
 An: Makoski, Bernadette
 Betreff: FW: Costs and Fees for the UPC

From: Tracey Webb
 Sent: Friday, September 05, 2014 4:23:19 PM (UTC+01:00) Amsterdam, Berlin, Bern, Rome, Stockholm, Vienna
 To: Jean Francois Magana
 Cc: Emily Jones; Ian Webber; Jacobi, Axel; Karcher, Johannes; MACHART Helene; 'MISCHLER Caroline'
 Subject: Costs and Fees for the UPC

Dear Jean-Francois

I hope this finds you well and rested after a good summer break?

U/g:
 Z. d. A

*J 24.9.
 III 04*

3330/23-3-1-31 595/2014

As you know, I sent an indicative costs model around to the Sub-Group for comment in August. The deadline for initial comments has now passed (we had none) and I wondered if you would like to distribute this version to the full Working Group please? These costs have already been used for early fees modelling and any changes can be incorporated in later versions.

On a different topic, you will know that I hope to meet with Helene Machart, Johannes Karcher and Axel Jacobi to discuss the Court Fees consultation on 1 October. Amongst the issues to discuss will be a short paper for the November Preparatory Committee – the Committee wanted early information on our plans for the Consultation. Axel and I will start drafting this paper over the next few weeks and we will obviously share drafts with you. It is not intended for the paper to go into detail on fee policies, many of which we still need to agree at Working Group level. However the consultation document will need to do so, so it would be good to progress discussions on these early in the Autumn. Are you still planning a Working Group meeting for October?

With kind regards

Tracey

From: Tracey Webb

Sent: 11 August 2014 13:14

To: 'RIVIERE Denis'; 'schacht-hu'; 'salvatoresebastiano.vizzini'; 'liisa.huhtala'; 'anne.goedert'; 'jean-francois.magana'; 'regis.massant'; 'Caroline.MISCHLER'; 'karcher-jo'; 'jacobi-ax'

Cc: Ian Webber; Emily Jones

Subject: Estimated figures for the establishment of the UPC

Dear all

With thanks to Ian and Axel (Hubertus' replacement), I now attach a revised indicative costs model. This takes into account the discussion at our Sub-Group meeting in June. As requested I also attach a document which defines the various assumptions used. As you know, these costs are just meant to be fairly rough estimates, this is not an agreed budget for the Court.





We would like to get these costs to the rest of the Working Group for comment fairly soon, so can I ask for any immediate thoughts/concerns by 1 September? If this deadline is too short, further comments can be made when I put both documents out to the rest of the Working Group for another 2-3 weeks in early September.

With kind regards


Tracey

Tracey Webb

UPC Taskforce - Finance Policy.

Intellectual Property Office | 4 Abbey Orchard Street, London SW1P 2HT | 
<mailto: > | t: +44 207 034  | Mobile: 07917 

Please note I work part-time - Monday to Thursday and finish at 3pm on a Tuesday and 2pm on a Thursday.

**Indicative Costs for the UPC
Supporting paper on the assumptions used**

August 2014

Introduction

The tables below explain the various assumptions used in the 3 spreadsheets (Judges, Costs, & Workload) produced as estimates of the operating costs of the UPC from year one to steady state. The fourth spreadsheet - operating statement - brings the 3 elements together and is not an entry worksheet, so uses no new assumptions.

These models have been pulled together to help with MS domestic procedures for ratification and early modelling for court fees. They are meant to be indicative only and will be improved upon once further data is available and prior to production of the first year's budget (anticipated by December 2014).

Unless specified all figures originated from UK and DE estimates, many of which were adjusted following detailed discussions with the UPC Finance Working Group Sub-Group on 17 June 2014.

Certain core assumptions used throughout the spreadsheet these are:

Steady state - will begin at year 10.

Currency - all figures are assumed in Euros and no allowance is made for any adjustment necessary for non-Euro states.

Employment - as no consensus has yet been reached on secondment of judges or other staff, it is assumed for these purposes that all judges and relevant administrative staff are employed by the Court.

Inflation - all figures are at constant prices.

Judges

This model provides 2 options to calculate judges' salaries:

Option 1 - countries are split into 2 categories - High Countries or other and each category holds weighting value

Option 2 - all countries are identified individually and have their own weighting value.

The weighting value is taken from EU salary scales based on each MS's purchasing power.

Category	Assumption & Explanation
Judges' salaries	Illustrative using as a benchmark remuneration of a Munich based member of the EPO Boards of Appeal (BoA). This is then used as a base rate to which we apply EU salary weighting scales for the judges' country of residence to calculate the rates for the remaining listed countries.
High countries/others	As it is unclear which countries will host courts we have broken the group into high countries which have a baseline of over 100 and others.
Judges' panels	Will comprise one lead judge/rapporteur and either 2 or 4 (for appeal cases) other judges.
Registrars	There will be 2 registrars
Full Time Equivalent	<ul style="list-style-type: none"> Although it is recognised that part-time judges will be used, particularly in the early years, all judges' estimates are calculated as Full Time Equivalents. Not all host countries will require one FT judge. Arrangements will need to be made for emergency hearing for injunctions etc
Reserve judges	10 "floating" or reserve judges have been included for each year. This number is considered a "worst case scenario" particularly for the early years and may be reduced.

Costs

Category	Assumption & Explanation
Administrative Staff	<ul style="list-style-type: none"> 8.5 staff from Y1 to do basic admin functions plus 3 higher paid specialists to cover IT, HR & Procurement/Legal. Increases slowly to 15 and 3 and then after year 7 (when the UPC assumes responsibility for all court admin staff) increases to 47 and 3.
Social security	31.5% based on the EPO.
Pension	Field currently left blank as pension costs are included in social security but can be specified separately when pension arrangements are agreed.
Secondees	Currently left blank as assumption is that all staff will be employed by the Court but can be populated when policy decision agreed.
Travel	<ul style="list-style-type: none"> Includes travel for panel judges not based in the host country. Assumes all judges from non host countries will travel on a case by case basis at a costs of 700 € per trip. Judges will not be re-located.
IT System	Initial estimates based on leasing and adapting an existing system and includes maintenance and support.
Web site	Initial estimates based on average UK IPO costs.
Pension Admin	Estimate for contracting administration of pension system based on UK IPO equivalent.
Payroll Admin	Estimate for contracting administration of payroll system based on UK IPO equivalent.
Interpreters (court administration)	For any interpretation necessary during meetings of Governing bodies etc of the UPC. Assumes 12 meetings a year.
Legal Aid rate	3% of cases will require Legal Aid. Original DEU estimate of 1.5% was doubled to take account of the greater costs to use the UPC. Does not include any assumptions on eligibility criteria, currently being considered by the Legal Group.
Legal Aid cost	44,000 € per case – based on a DEU assumption.
Office supplies per capita	This assumes use of consumables not supplied by Member States.
Telecom per capita	Per capita estimate assuming court does not have leased lines.
Representation	Assumes 2 meetings per year.
Mediation Centre	Covers the mediation centre in Slovenia and arbitration centre in Portugal. Includes the expenses of 131,000 € for 1 chief (higher assignment) of the Centre, 2 employees and 2 negotiators (lower assignment, each). They also comprise the costs for running the Centre of 84,000 €.
Cars	Assumes leased cars for the two registrars.

.../ cont'd

Costs

Audit	Based on German estimate with most work contracted out, may be lower in early years.
Training	Assumes 1,000 € in on-going training and associated costs for judges. Does not include the up-front training costs.
Court Translation/interpretation	For regional/local courts where the local language is not one of the core languages. Assumes 10% at 1,000 € per case.
Additional cost	3 extra lines included as reserves for any new cost as yet unidentified.

Workload

This is a basic infrastructure provided as an example to model UPC fees it needs to be populated with types of fees, estimated rates etc. Some examples of volume and fees are included for illustrative purposes only.

Category	Assumption & Explanation
Number of cases	<ul style="list-style-type: none"> Assumes we will achieve steady state after 10 years. Begins at 10% and increases at a straight line rate from year 1 to 10. Steady State was originally based on a DE figure but reduce to allow for some cases to be moved to national courts.
Judges' working days per year	Each full time judge (lead or non-lead) will work 200 days/year.
Time spent per case	<ul style="list-style-type: none"> Each lead judge/rapporteur will spend 6 days on each infringement case and 8 on revocation and appeals. "Non lead" judges will spend 2 days per case.

Judges

The number of judges may be entered either in bands of lower or higher cost judges or :

Means a value may be entered in a field

The current salary is based on the DE paper using an EPO Munich grade
This then is converted using EU salary scales depending where a judge is based.

All EU states are included and the example is purely illustrative.

Cost

Most of the costs are based on the DE model

Means a value may be entered in a field

It should be noted we have added a number of new costs for support services which will
We have also increased the percentage of cases seeking legal aid

A reserve has been added in the first two years as a buffer against late payments or ove

Volumes_Cases

This sets the infrastructure to model fees

The number and pricing of fees is still to be determined and can be added together with

Volume bands and fees are included but again for illustrative purposes.

Means a value may be entered in a field

Operating Statement

This brings the elements together and is not an entry worksheet

Row 25 states if the number of judges is sufficient to meet demand in each year and prc

against individual countries

depend on decisions made later.

or estimates of demand

SME discounted fees

provides a warning if not.

Base judge DE 162000

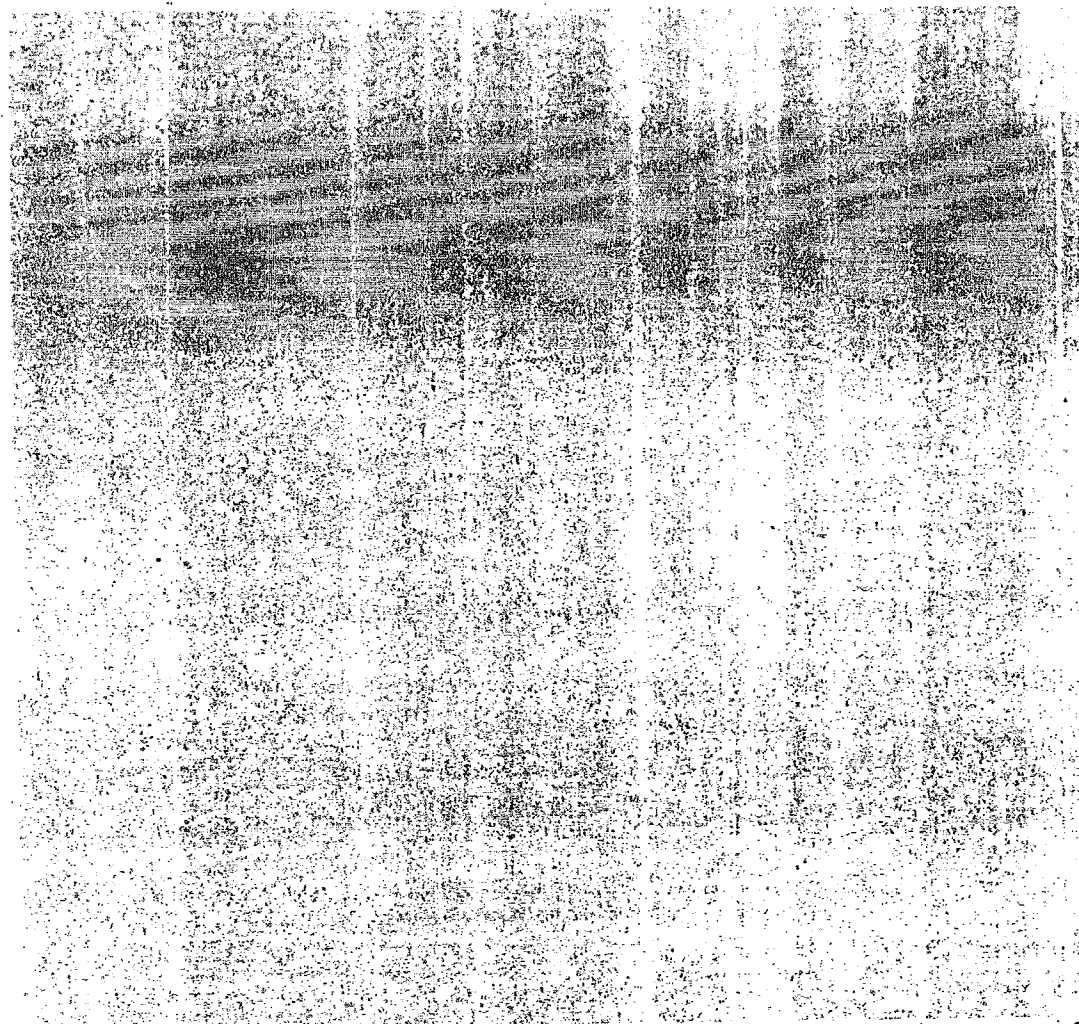
		Rate	Year 1	Year 2
Registrar		242.000	2	2
High countries	114,86	180.303	15	20
Other	82,90	130.134	5	10



BU	60,6	95.128
CZ	85,2	133.744
DK	134,2 *	210.663
DE	103,2 *	162.000
EE	75,4	118.360
GR	92,2	144.733
ES	97,4	152.895
FR	116,4 *	182.721
IE	109,6 *	172.047
IT	104,8 *	164.512
CY	83	130.291
LA	74,4	116.791
LI	72,7	114.122
HU	83,5	131.076
MT	82,7	129.820
NL	102,8 *	161.372
AT	105 *	164.826
PL	80,5	126.366
PT	84	131.860
RO	72,7	114.122
SL	86,2	135.314
SK	78,8	123.698
FI	120,5 *	189.157
SE	124,1 *	194.808
UK	128 *	200.930
BE	100	156.977
LU	100	156.977

Total Number	Registrar	2	2
Total Number	Judges	20	30
Total Cost	Registrar	484.000	484.000
Total Cost	Judges	3.355.221	4.907.407

Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
2	2	2	2	2	2
25	30	35	40	45	50
15	20	25	30	35	40



2	2	2	2	2	2
40	50	60	70	80	90
484.000	484.000	484.000	484.000	484.000	484.000
6.459.593	8.011.779	9.563.965	11.116.151	12.668.337	14.220.523

Steady state

2
60
50



1400
09/10
100 31.03.10 20
20

2
109

484.000
17.169.677

	700	1500			
10/11	11/12	12/13	13/14		
	20	20	20	20	
	20	20	1	20	19

Income	Base	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Steady state	
Judges		20	30	40	50	60	70	80	90	108	
Registrar		2	2	2	2	2	2	2	2	2	
		3,839,221	5,391,407	6,943,593	8,495,779	10,047,865	11,600,151	13,152,337	14,704,523	17,653,677	
Admin Staff	46000 100000	85 3	10 3	11 3	12 3	13 3	14 3	15 3	17 3	17 3	
		708000	780000	828000	876000	924000	972000	1020000	2558000	2558000	
Social Security	%	31.5	31.5	31.5	31.5	31.5	31.5	31.5	31.5	31.5	
Pension	%	0	0	0	0	0	0	0	0	0	
Secondess (rate)	50000 60000 70000 80000 90000 100000 110000 120000 130000	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	
Travel No Judges	3 2 1	700 700 700	18 45 120	30 90 240	46 135 360	60 180 480	75 225 600	90 270 720	105 315 840	120 360 960	160 480 1,200
		178500	357000	535500	714000	892500	1071000	1249500	1428000	1785000	
IT System	Capital Running	2647000 1700000	1700000	1700000	1700000	1700000	1700000	1700000	1700000	1700000	
Web Site	Capital Running	200000 50000	50000	50000	50000	50000	50000	50000	50000	50000	
Pensions Admin.		4400	6400	8400	10400	12400	14400	16400	18400	22200	
Payroll Admin		4020	5400	6720	8040	9360	10680	12000	17040	18320	
Interpretation / Translation Meeting for governance etc	Rate	8 18000	8 18000	8 18000	8 18000	8 18000	8 18000	8 18000	8 18000	8 18000	
Legal Aid rate	0.09	5.4	10.8	16.2	21.6	27	32.4	37.8	43.2	54	
Legal Aid Cost	44000										
Office supplies per capita		500	500	500	500	500	500	500	500	500	
Telecom per capita		250	250	250	250	250	250	250	250	250	
Representation	Event Price	2 15000	2 15000	2 15000	2 15000	2 15000	2 15000	2 15000	2 15000	2 15000	
	other	20000	20000	20000	20000	20000	20000	20000	20000	20000	
Mediation Centre		215000	215000	215000	215000	215000	215000	215000	215000	215000	
Admin support (IT, payments etc)		0	0	0	0	0	0	0	0	0	
Cars		8400	8400	8400	8400	8400	8400	8400	8400	8400	
Audit		178000	178000	178000	178000	178000	178000	178000	178000	178000	
Bank charges		10000	10500	11025	11576	12155	12763	13401	14071	20000	
Training		20000	30000	40000	50000	60000	70000	80000	90000	109000	
Court interpretation and translation in 10% case		12000	24000	36000	48000	60000	72000	84000	96000	120000	
Additional cost (to be specified)											
Additional cost (to be specified)											
Additional cost (to be specified)											
Misc		10000	10000	10000	10000	10000	10000	10000	10000	10000	
Reserve		3000000	2000000								

Volumes and fees

Type	Fee	Judge day	No judges	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Court of First Instance	0	3,33	3	120	240	360	480	600	720	840
Revocation	0	4,00	3	45	90	135	180	225	270	315
Appeal	0	3,20	5	15	30	45	60	75	90	105
Other										
Other										
Other										
Other										
Other										
Other										

Minimum no judges based on

Value	200 days	10	20	30	40	50	60	70
Band A	0	1	2	3	4	5	6	7
Band B	0	1	2	3	4	5	6	7
Band C	0	1	2	3	4	5	6	7
Band D	0	1	2	3	4	5	6	7

Avg. days Lead

	Other	Other	Other
Court of First Instance	3,33	6	2
Revocation	4,00	8	2
Appeal	3,20	8	2
Other	Not applicable		
Other	Not applicable		
Other	Not applicable		
Other	Not applicable		
Other	Not applicable		

3

3

Other

Not applicable

Year 8 Steady state

960 1200

360 450

120 150

80 99

8 10

8 10

8 10

8 10

Income and Expenditure	Year 1	Year 2	Year 3
Court of First Instance	0	0	0
Revocation	0	0	0
Appeal	0	0	0
Other	0	0	0
Other	0	0	0
Other	0	0	0
Other	0	0	0
Other	0	0	0
Other	0	0	0
Value Band			
Band A	0	0	0
Band B	0	0	0
Band C	0	0	0
Band D	0	0	0
Total Income	0	0	0

Expenditure

Judges	3.839.221	5.391.407	6.943.593
Admin staff	708.000	780.000	828.000
Social Security	1.432.375	1.943.993	2.448.052
Pension	0	0	0
Secondees	0	0	0
Travel	178.500	357.000	535.500
IT system	4.347.000	1.700.000	1.700.000
Web Site	250.000	50.000	50.000
Pensions Admin	4.400	6.400	8.400
Payroll Admin	4.020	5.400	6.720
Meeting Translation	144.000	144.000	144.000
Legal Aid	237.600	475.200	712.800
Office Supples	16.750	22.500	28.000
Telecoms	8.375	11.250	14.000
Representation	50.000	50.000	50.000
Mediation Centre	215.000	215.000	215.000
Admin support (IT, payments etc)	0	0	0
Cars	8.400	8.400	8.400
Audit	178.000	178.000	178.000
Bank charges	10.000	10.500	11.025
Training	20.000	30.000	40.000
Court interpretation and translation in 10% c	12.000	24.000	36.000
Additional cost (to be specified)	0	0	0
Additional cost (to be specified)	0	0	0

Additional cost (to be specified)	0	0	0
Misc	10.000	10.000	10.000
Reserve	3.000.000	2.000.000	0
Total Expenditure	14.673.641	13.413.050	13.967.490
Deficit	-14.673.641	-13.413.050	-13.967.490
Cost per case	81.520	37.258	25.866
Without reserve	39.700	29.039	

Year 4	Year 5	Year 6	Year 7	Year 8
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
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0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0

8.495.779	10.047.965	11.600.151	13.152.337	14.704.523
876.000	924.000	972.000	1.020.000	2.556.000
2.952.110	3.456.169	3.960.228	4.464.286	5.437.065
0	0	0	0	0
0	0	0	0	0
714.000	892.500	1.071.000	1.249.500	1.428.000
1.700.000	1.700.000	1.700.000	1.700.000	1.700.000
50.000	50.000	50.000	50.000	50.000
10.400	12.400	14.400	16.400	18.400
8.040	9.360	10.680	12.000	17.040
144.000	144.000	144.000	144.000	144.000
950.400	1.188.000	1.425.600	1.663.200	1.900.800
33.500	39.000	44.500	50.000	71.000
16.750	19.500	22.250	25.000	35.500
50.000	50.000	50.000	50.000	50.000
215.000	215.000	215.000	215.000	215.000
0	0	0	0	0
8.400	8.400	8.400	8.400	8.400
178.000	178.000	178.000	178.000	178.000
11.576	12.155	12.763	13.401	14.071
50.000	60.000	70.000	80.000	90.000
48.000	60.000	72.000	84.000	96.000
0	0	0	0	0
0	0	0	0	0

0	0	0	0	0
10.000	10.000	10.000	10.000	10.000
0	0	0	0	0
16.521.956	19.076.449	21.630.972	24.185.524	28.723.799
-16.521.956	-19.076.449	-21.630.972	-24.185.524	-28.723.799
22.947	21.196	20.029	19.195	19.947

Steady state

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17.653.677

2.556.000

6.366.048

0

0

1.785.000

1.700.000

50.000

22.200

19.320

144.000

2.376.000

80.500

40.250

50.000

215.000

0

8.400

178.000

20.000

109.000

120.000

0

0

0
10.000

0

33.503.395

-33.503.395

18.613

3

3