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An:	Weis, Hubert - ALIII -; Ernst, Christoph
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Lieber Her Weis, lieber Herr Ernst,

am 26. / 27. Mai 2014 fand die 8. Sitzung des Engeren Ausschusses des Verwaltungsrates in München statt, auf der das EPA seine grundlegenden Überlegungen zu Gebührenszenarien für das EU-Patent entlang der bereits mit dem EPA in einem vertraulichen Gespräch am 31. März 2014 in Berlin erörterten Line konkretisiert hat (Anlagen: 4 EPA-Präsentationen vom 26./27. Mai). Aus unserer Sicht gab es insofern keine Überraschungen. Die Präsentationen des EPA dienen der Vorbereitung der Diskussion zur Höhe der Verlängerungsgebühren des EU-Patents, die im Herbst richtig beginnen soll. Vom DPMA haben an der Sitzung als Gebührenspezialist Herr Dr. Heinz (Leiter Hauptabteilung Patente II) und Frau Ziegler (Referat 4.3.4.) teilgenommen. Auch Frau Rudloff-Schäffer erschien zu Beginn der Sitzung, musste diese dann aber alsbald wieder verlassen.

I. EPA Gebührenszenarien

In der Sache hat das EPA die Entwicklung der Einnahmen aus Verlängerungsgebühren für vier verschiedene Szenarien vorgestellt. Diese Szenarien betreffen Verlängerungsgebühren für das EU-Patent, die sich an der Höhe der durch die MS für europäische Bündelpatente erhobenen Gebühren wie folgt orientieren:

- TOP 3-Modell: Kumulierte nationale Gebühren für europäische Bündelpatente in den drei am häufigsten validierten teilnehmenden Mitgliedstaaten DE, FR, VK;
- TOP 5-Modell: Dito für die Gebühren der Top 3 + NL und SE;
- TOP 7 Modell: Dito für die Gebühren der TOP 5 + BE und AT;
- TOP-10 Modell: Dito für die Gebühren der TOP 7 + IRE, DK, PL.

Die Gesamtkosten über die maximale Laufzeit von 20 Jahren würden bei diesen Modellen betragen: 26.841 € (TOP 3), 43957 (TOP 5), 60244 (TOP 7) bzw. 74122 (TOP 10). Zum Vergleich: Ein deutsches Patent kostet für die Dauer von 20 Jahren rund 13.000 €. Wir hatten zusammen mit dem DPMA in unserem Gebührenpapier für den AStV im Dezember 2011 Gebühren für die Gesamtlaufzeit in Höhe von rund 35.000 € in 2,7-facher Höhe der deutsche Gebühren zur Diskussion gestellt (entspräche ungefähr TOP 4), um gleichzeitig sowohl ausreichend Gebühreneinnahmen beim EU-Patent zu erzielen und ein für die Industrie attraktives Gebührenniveau anzubieten.

In der Präsentation Nr. 3 prognostiziert das EPA auf Seite 6 die Entwicklung der Einnahmen für seine verschiedenen Szenarien. Für 2015 geht das EPA von Einnahmen aus europäischen Bündelpatenten in Höhe von 362 Mio. € aus. Die gleiche Summe steht jeweils noch einmal für die Verteilung unter den MS zur Verfügung (DE-Anteil daran rund 33 %). Für 2034 würden diese Einnahmen auf dann auf 494 Mio. € anwachsen, wenn weiterhin lediglich europäische Bündelpatente zur Verfügung stünden. Nach den Simulationen des EPA würde im Vergleich dazu das EU-Patent zu folgenden Einnahmerückgängen im Jahre 2034 führen:

- TOP 3: - 122 Mio. € (Marktanteil des EU-Patents von 50 %),
- TOP 5: - 44 Mio. € (Marktanteil des EU-Patents 28 %),
- TOP 7: - 18 Mio. € (Marktanteil des EU Patents 16 %),
- TOP 10: - 6 Mio. € (Marktanteil des EU-Patents 11 %).

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Diesem ersten Berechnungsschritt liegt ausschließlich ein ökonomischer Ansatz für die Entscheidung des Anmelders zu Grunde, beim klassischen europäischen Bündelpatent in einigen MS zu bleiben oder zum EU-Patent für 25 MS zu wechseln (Schlagwort in der Debatte: Homo Economicus). Das EPA geht dabei davon aus, dass ein Anmelder auch zukünftig immer bereits dann bei der Validierung eines europäischen Bündelpatent in einer begrenzten Anzahl von Mitgliedstaaten bleiben wird, wenn der EU-Patentschutz im Ergebnis teurer werden würde (auch wenn das EU-Patent einfacheren und umfangreicheren Schutz vermittelt). Unter dieser Betrachtung würde z. B. kein Anmelder zum EU-Patent TOP 5 wechseln, wenn er bisher üblicherweise nur in den TOP 4 sein europäisches Bündelpatent validiert hat (s. Präsentation Nr. 3, Seite 9).

Einigkeit besteht unter den MS und dem EPA aber, dass Anmelder ihr Verhalten allerdings nicht ausschließlich nach den Kosten des Schutzes ausrichten werden. Einzubeziehen sind weitere Faktoren wie z.B. der größere territoriale Schutz durch das EU-Patent, Verwaltungsvereinfachung (one stop shop), bessere Möglichkeiten der Lizenzvergabe. Auch wer heute nur in drei MS validiert, kann daher ein Interesse daran haben für einen vertretbaren Mehrbetrag einen umfassenden Schutz zu bekommen. Dementsprechend hat das EPA abweichendes Anmeldeverhalten simuliert und ein von rein ökonomischen Gesichtspunkten abweichendes Verhalten angenommen, z. B. dass Anmelder, die heute drei Validierungen vornehmen zu 50 % trotz erhöhter Kosten das EU-Patent zu TOP 5 Konditionen nehmen würden (Präsentation Nr. 4, Seite 3). Zusätzlich hat das EPA höhere (60 %) und niedrigere (30%) Quoten von Anmeldern angenommen, die zum EU-Patent wechseln. Bei diesen Szenarien, die natürlich nur auf angenommenen, plausiblen Entwicklungen beruhen, ergeben sich bei TOP 5 gegenüber der Entwicklung unter dem Homo Economicus statt – 44 Mio. € deutliche geringe Einnahmeverkürzungen bzw. sogar Einnahmezuwächse im Jahre 2034 von je nach angenommener Wechselquote - 6 bis +31 Mio. €.

Auf ausdrückliche Bitte einiger Delegationen wird das EPA parallele Berechnungen auch für ein TOP 4-Modell vorlegen, das unseren ursprünglichen Überlegungen sehr nahe kommen würde.

II. Ermäßigung für KMU

In einem ersten Meinungsaustausch nahm auch die Frage Raum ein, ob KMU eine Gebührenermäßigung erhalten sollten. Das EPA hat seinen Berechnungen bisher zu Grunde gelegt, dass es keine derartigen Ermäßigungen geben soll, wollte aber von den MS wissen, wie sie dazu stünden. Das Amt selber möchte nur mit einer einheitlichen Gebühr ins Rennen gehen während der EPA-Präsident [redacted] durchaus aufgeschlossen gegenüber einem KMU-Sondertarif wäre.

Ich habe mich für DE zusammen mit VK, DK, FIN und KRO gegen einen Sondertarif für KMU gewendet. Artikel 12 Abs. 2 der Verordnung 1257/2012 geht von einheitlichen Gebühren aus, die bereits auch für KMU attraktiv sein sollen, Eine Gebührenermäßigung für rund 30 % der erteilten Patente würde zu entsprechenden Einnahmeausfällen beim EPA und den nationalen Ämtern bzw. zu übermäßiger Belastung der übrigen Anmelder führen, auch Gesichtspunkte einer Gleichbehandlung der Unternehmen im Wettbewerb seien zu berücksichtigen, die für die gleiche Leistung auch dieselben Preise bezahlen sollten. Befürwortung einer Gebührenermäßigung aus industriepolitischer Sicht kam dagegen von FR, ROU, ITA und KOM.

III. Kurzbewertung

Der Ansatz des EPA erscheint aus BMJV Sicht vernünftig. Auch im DPMA wird diese Einschätzung geteilt. Ein Gebührenszenario im Bereich von TOP 5 scheint die notwendigen Einnahmen zu generieren und gleichzeitig bei einem Marktanteil zwischen 18 % und 41 % auf die notwendige Akzeptanz bei den Nutzern stoßen. Höhere Gebühren lassen z.B. bei TOP 10 die Nutzung des EU-Patents auf 6 % bis 13 % schrumpfen und erscheinen damit kein ausreichend attraktives Angebot, geringere Gebühren von TOP 3 führen zu übermäßigen Einnahmeausfällen von - 57 Mio. € bis -122 Mio.€ im Jahre 2034.

Die Diskussion des zusätzlichen TOP 4 Szenarios, das unseren Gebührenberechnungen entsprechen würde, erscheint sinnvoll. Nicht zuletzt auch deshalb, weil die vier meistbenannten Mitgliedstaaten DE, FR, VK und NL auch

rechnerisch exakt der durchschnittlichen geographischen Abdeckung durch ein europäisches Bündelpatent entsprechen und damit die Vorgaben von Artikel 12 Abs. 2 EU-Verordnung 1257/2012 gut widerspiegeln würden.

Auch für die Industrie dürfte die Richtung stimmen. Von dort wird eine Gebührenhöhe zwischen TOP 3 und TOP 4 gefordert. Aber das scheint mir eher eine Optimalvorstellung zu sein und TOP 4 bis 5 scheinen hinreichend attraktive Gebühren zu sein, die aber gleichzeitig die für EPA und nationale Ämter notwendigen Gebühreneinnahmen erreichen sollen. Eine genaue Vorhersage des Anmeldeverhaltens ist ohnehin nicht machbar. Die verbleibende Unsicherheit scheint aber nicht zuletzt auch deshalb beherrschbar, weil Auswirkungen auf die Gebühreneinnahmen zunächst nur in einem begrenzten Umfangs erfolgen, soweit Anmelder der zukünftig erteilten Patente zum EU-Patent wechseln. Die Einnahmen aus bereits erteilten europäischen Bündelpatent sind davon nicht berührt. Ggf. muss an Hand der Erfahrungen bei der Gebührenhöhe in der Anfangszeit des neuen Systems nachgesteuert werden.

Sonderkonditionen für KMU, auf die nach Angaben des EPA rund 30 % der Patenterteilungen entfallen, sollten aus den o.g. Gründen entsprechend unser in dieser Frage bekannten und bewährten Position vermieden werden.

IV. Weiteres Vorgehen

Die nächste Sitzung des Engeren Ausschusses findet am 24. Juni in Den Haag statt, auf der die Gelegenheit bestehen wird, zu den EPA-Präsentationen Stellung zu nehmen. Die eigentliche Diskussion zur Gebührenhöhe wird dann im Herbst beginnen.

[redacted]

Viele Grüße

Johannes Karcher

8th Meeting of the Select Committee

Presentation 1: Introduction to UP Fee Simulations

Review of the Simulation Model

Index

1. Introduction

- During the Select Committee S/C 5 on 30 October 2013, the EPO presented:
  - Key data on the current validation and maintenance practice of the European Patent (EP) and the income from National Renewal Fees (SC/27/13)
  - A modelling of the financial factors influencing the decision of the Patent Holder to opt between Unitary Patent (UP) and the classical EP (SC/28/13)
- Following the presentation made in S/C 5, the delegations indicated that different market assumptions should be considered and evaluated.
- The EPO would like to share with you now a review of the Main Principles along which the simulations have been elaborated
  - The Optimal Choice of the Patent Holder in financial terms (Pure Financial Behaviour)
  - A set of Sensitivity Analyses around the Pure Financial Behaviour, as suggested by the Delegations.

2. Review of the simulation model (1/2)

- The Model is based on the idea that the Patent Holder could be expected to take his Decision rationally on the basis of an economical analysis of quantifiable drivers ("Pure Financial Behaviour").

- The Costs of validating and maintaining patents, be it EP or UP, are generated by 4 main quantifiable drivers:

1. **Territorial Protection** corresponding to the Member States (MS) for which the patent holder is seeking for protection

2. **Maintenance** of the patent, i.e. number of years in which the patent is maintained in each MS

3. **Total Amount of Renewal Fees** to be paid in each MS

4. **Additional Costs** coming on top of the Renewal Fees
(e.g. costs of transformation/validation, administrative costs, patent attorney, etc.)

→ The proposal for modelling the decision of the Patent Holder is built on the comparison of EP cost vs. UP cost which arises from the above 4 cost drivers

2. Review of the simulation model (2/2)

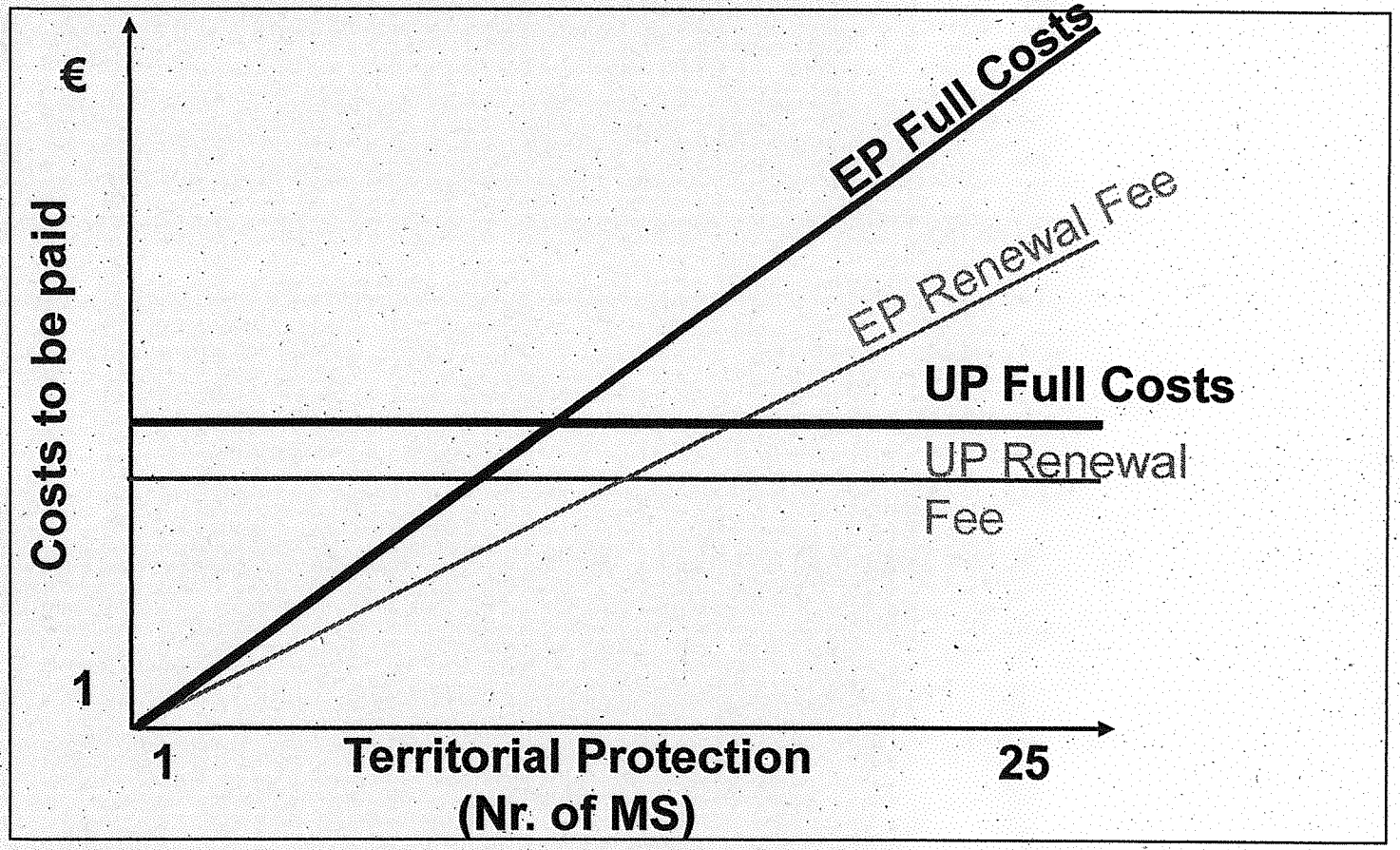
The Model aims at identifying the point of option on which, on the basis of assumptions made, the Patent Holder would switch from EP to UP.

Hence the Model allows for analysis and simulations such as:

- Assessing the financial impact of different UP Fee Scenarios for the EPO and Member States, by comparing:
  - The revenue from renewal fees after the introduction of UP
  - against a baseline assuming continuation of the EP only
- Finding a possible Fee Scenario that will allow a level of Income equivalent to the one currently expected for the EPO and MS.

2.1 Optimal choice of the patent holder (4/4)

Increase in Fee Income for the MS & EPO derived from patent holder's savings



EP Fee

UP Fee

EP Full C

UP Full C

— the red line shows the preferred option depending on the territorial protection.

Having the full cost overview of both the EP and UP routes allows to determine as from which territorial protection the UP patent becomes cheaper than the EP Patent, which is the purpose of the Model.

2.2 Sensitivity Analyses based on UP Penetration Rates

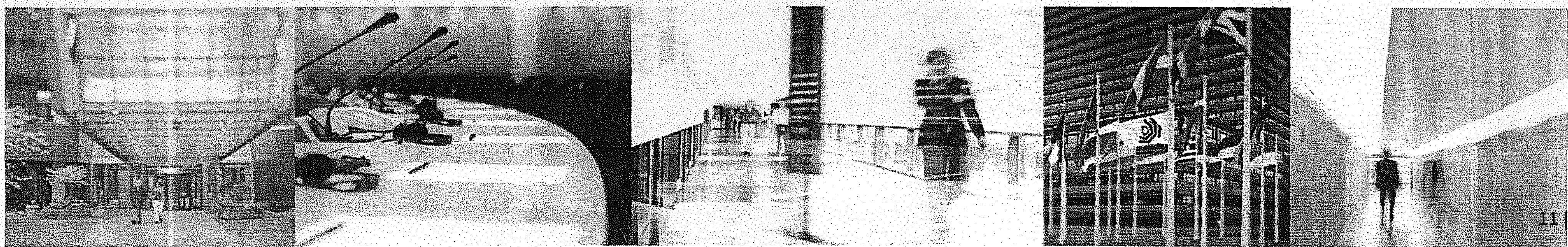
1. By default the Model assumes a Pure Financial Behaviour of the Patent Holder ("baseline scenario")

2. As indicated in October (S/C 28/13), the Model can also be used to simulate other behaviours, for instance:
   - Patent Holders willing to pay more, in order to opt to UP
   - Patent Holders willing to forego savings, in order to stay in EP
     - ➢ In both cases the potential loss for EPO & MS will be reduced, assuming the Patent Holders accept to deviate from a pure financial behaviour.

3. Finance will be presenting two types of Sensitivity Analyses:
   - What-if x% of the Patent Holders behave in deviation of a Pure Financial Behaviour (from 1 validation below or above the point of option)
   - Which x% of Patent Holders should behave contrary to a Pure Financial Behaviour, in order to restore the financial equilibrium ("No UP")

4. Finally DG5 will be presenting an analysis based on assumed penetration rates.

Thank you for your attention!



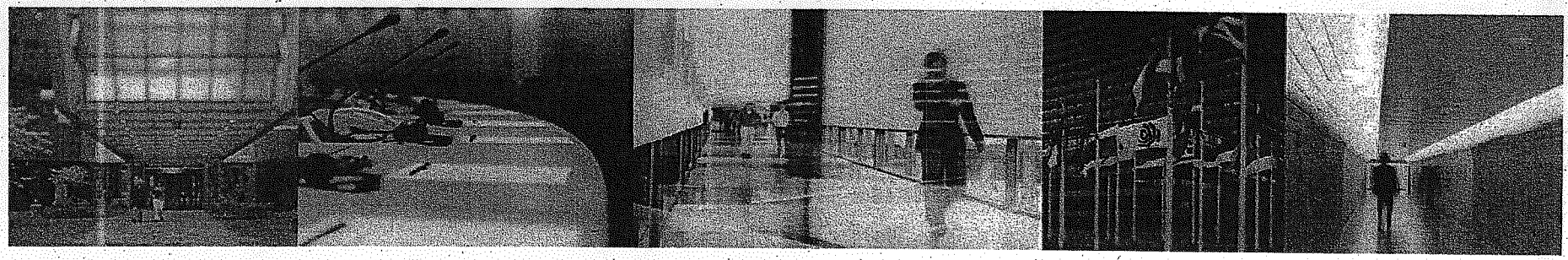
Europäisches Patentamt
European Patent Office
Office européen des brevets

8th meeting of the Select Committee

Presentation 2: Criteria and considerations to be taken into account when simulating and fixing the level of renewal fees for the Unitary Patent

DG 5

26 May 2014



1. Legal Basis

- **Unitary Patent Regulation (EU)**
  (EU Regulation No. 1257/2012 of 17 December 2012)

Article 12- Level of renewal fees

1. Renewal fees for European patents with unitary effect shall be :

(a) progressive throughout the term of the unitary patent protection;

(b) sufficient to cover all costs associated with the grant of the European patent and the administration of the unitary patent protection, and

(c) sufficient, together with the fees to be paid to the European Patent Organisation during the pre-grant stage, to ensure a balanced budget of the European Patent Organisation.

1. Legal Basis

2. The level of the renewal fees shall be set, taking into account, among others, the situation of specific entities such as SMEs with the aim of:

(a) facilitating innovation and fostering the competitiveness of European businesses;

(b) reflecting the size of the market covered by the patent; and

(c) being similar to the level of the national renewal fees for an average European patent taking effect in the participating Member States at the time the level of the renewal fees is first set.

3. In order to attain the objectives set out in this Chapter, the level of renewal fees shall be set at a level that :

(a) is equivalent to the level of the renewal fee to be paid for the average geographical coverage of current European patents;

(b) reflects the renewal rate of current European patents

(c) reflects the number of requests for unitary effect.

2. Main objectives set out in Article 12

Renewal fees of the Unitary Patent should be set at a level which takes into account all parameters (some purely technical, others more political) contained in Article 12.

The level should be low enough to be attractive to users but high enough to ensure a balanced budget for the EPO.

The following presentation will focus on the implications of different behaviour of patent holders and their financial implications for the budget of the EPO.

3. How to reflect the criteria for fixing the level ?

It is proposed to use the Model developed (cf presentation 1) for financial simulations

- **different fees scenarios can be modelled**
- **financial results can be obtained throughout the lifetime of the Unitary patents with the objective to compare the financial situation for the EPO in a steady state between**
  - **a scenario of coexistence of Unitary Patents / Classic European Patents**
  - **a hypothetic scenario under which only Classic European Patents but no Unitary Patents are available**
- **the comparison will demonstrate the potential financial losses or gains for the EPO under the two scenarios 20 years after the Unitary Patent will have started to operate.**

4. Which fees scenarios to be simulated ?

In order to reflect the criteria set out in Article 12 paragraphs 1(a) progressivity , 2(b) size of the market , 3(a) geographical coverage of current European patents:

It is proposed to simulate levels of fees corresponding to the sum of national renewal fees for the countries in which European patents are most often validated.

Four scenarios can be simulated corresponding to the sum of:

- **3 countries in which EP are most often validated: DE,FR,GB**
- **5 countries in which EP are most often validated: DE,FR,GB,NL,SE**
- **7 countries in which EP are most often validated: DE,FR,GB,NL,SE,BE,AT**
- **10 countries in which EP are most often validated: DE,FR,GB,NL,SE,BE,AT, IE,DK,PL**

4. Which fees scenarios to be simulated ?

Summing up the national renewal fees has however a major drawback as it would result in the level of renewal fees for the first 3-5 years to being extremely low given that in some countries national renewal fees for these years are very low or do not even exist:

- **The very low level or non-existence of renewal fees for both national and European patents for years 3-5 is motivated by the fact that normally during this period the patent application is still pending.**
- **However such a low level would not be justified for the Unitary Patent which concerns a European patent which is already granted.**

Therefore it is proposed to use for the simulation the level of the Internal Renewal Fees at the EPO (IRF) for the years 3 to 5 during which a European patent application is normally still pending .

A renewal fee for the year 2 is proposed for the (extraordinary) cases of ultra rapid grant of a European patent.

4. Which fees scenarios to be simulated ?

The 4 Fees scenarios to be simulated will be identified by " TOP X " and reflect :

- **the Internal Renewal Fees for year 3 – year 5**
- **with a smooth transition to**
- **the sum of the fees for "x" countries in which most patents are validated**

- **TOP 3: Year 2 + Year 3-4 IRF + Year 5-20 DE,FR,GB**
- **TOP 5: Year 2 + Year 3-5 IRF + Year 6-20 DE,FR,GB,NL,SE**
- **TOP 7: Year 2 + Year 3-5 IRF + Year 6-20 DE,FR,GB,NL,SE,BE,AT**
- **TOP 10: Year 2 + Year 3-5 IRF + Year 6-20 DE,FR,GB,NL,SE,BE,AT,IE,DK,PL**

5. Different levels of simulations : level 1

- The model has be designed to simulate the behaviour of the patent holders as regards the choice to be made between the EP and the UP, by purely financial considerations. The model aims at identifying the point at which on the assumptions made the patent holder would switch from the EP to the UP

- Level 1 of the simulation: Purely financial behaviour
  It is assumed that the patent holder decides to opt for the UP when the total costs of the UP (fee + external costs) are lower than the current costs for EP.

  - above the break-even point, 100 % patent holders opt for the UP
  - below the break-even point, 0 % patent holders opt for the UP

5. Different levels of simulations : level 2

The study commissioned by ESAB " *Economic Analysis of the Unitary Patent and Unified Patent Court* " has been published in April (publicly available on the EPO website and sent by the Council secretariat to the members of the SC). The results of the study clearly show that :

- **The expected take-up of the unitary patent is clearly dependent on the level of the renewal fees, however patent holders will not base their choice between UP and EPs on financial grounds alone,**
- **An immediate benefit of the Unified Patent Court lies in avoiding multiple patent litigation in different jurisdictions in Europe, but other aspects will be also important for patent holders, in particular to retain the possibility to opt out from the jurisdiction of Unified patent court,**
- **Some applicants will accept to pay more for the UP than for the classic EPs to obtain a broader geographical scope , ie improved licensing opportunities, improved opportunities to secure investments and to use the UP as security, improved protection at the EUs external borders,**
- **Some applicants will accept not to benefit from cost savings from the UPP and continue to pay higher renewal fees for the classic EPs: the European patents validated in high number of countries are the "Crown Jewels" which patent holders, at least in the early years, will not want to entrust to the exclusive jurisdiction of the UPC.**

5. Different levels of simulations : level 2

On the basis of the first results of the modelling on purely financial behaviour , it is proposed to simulate at a level 2, some (mathematical) sensitivity analyses :

what are the financial implications if x% of all patent holders behave differently from a purely financial behaviour ?

For example if the level of UP renewal fees is fixed at a level equivalent to TOP 7 , a sensitivity analysis can be carried out.

Example scenario where :

- **20 % of the patent holders who currently validate the EP in 6 countries accept to pay more in order to obtain a UP,**

  and

- **20 % of the patent holders who currently validate the EP in 7 or more countries accept to forego costs savings in order to maintain EPs.**

5. Different levels of simulations : level 3

- The study commissioned by ESAB and the workshop which has been organised on this topic conclude also that the behaviour of the patent holders can be very different depending on the size of the firm, its geographical origin, its technical fields of activity.

- Some specific behaviour can, however, be highlighted:

  - For patent holders currently validating in few countries (i.e 3 or 4), it can be assumed that some would accept to pay more for the UP expecting a more efficient protection as regards border injunctions, the simplification of the administration or the improved licencing opportunities.

5. Different levels of simulations : level 3

- For patent holders currently validating in 4 to 6 countries, it can be assumed that half of them would opt for the UP (in particular for the protection of incremental inventions). The remaining patent holders would stay with the classic EP in order to keep the maintenance flexibility , ie the flexibility to abandon the patent progressively country by country over the lifetime of the patent, or to opt out from the jurisdiction of Unified Patent Court.

- For applicants currently validating in 7 to 25 countries, it can be assumed that a majority would opt in principle for the UP. However a non negligible number of patent holders would prefer to stay with the classic EP in order to opt out from the UPC and to avoid a centralised revocation/limitation of the patent with effect for 25 countries. The inventions protected in 25 MS are normally pioneer inventions which generate tremendous revenues (the "crown jewels" or blockbusters in pharmacy and other industries).

5. Different levels of simulations : level 3

On the basis of these expected various behaviours of patent holders concerning their choice between the UP and the classic EP, it is proposed to simulate at a level 3,

some assumed penetration rates for the UP taking into consideration the number of countries in which European patents are currently validated.

5. Different levels of simulations : level 3

As an example, if the level of the UP renewal fees are fixed at the current sum of X* countries in which EP are mostly validated, a simulation of various assumed penetration rates can be carried out as follows :

low penetration rates :

30% of the patent holders who currently validate EP in X-2 countries will opt for UP

medium penetration rates :

50% of the patent holders who currently validate EP in X-1 countries will opt for UP

50% of the patent holders who currently validate EP in X countries will opt for UP

50% of the patent holders who currently validate EP in X+1 countries will opt for UP

high penetration rates :

65% of the patent holders who currently validate EP in X+2 countries will opt for UP

65% of the patent holders who currently validate EP in more than X+2 countries will opt for UP

This scenario of assumed low, medium and high penetration rates for the UP will constitute the Baseline for different levels of simulation.

(* X= the point at which patent holders switch from the EP to the UP based on a purely financial behaviour)

5. Different levels of simulations : level 3

In order to cover comprehensive scenarios of behaviour, two additional scenarios diverging from the baseline can be simulated, one more pessimistic , one more optimistic than the baseline

	More pessimistic than Baseline	**Baseline**	**More optimistic** than Baseline
X-3 Validations	0%	0%	0%
X-2 Validations	10%	30%	40%
X-1 Validations	30%	50%	60%
X Validations	30%	50%	60%
X+1 Validations	30%	50%	60%
X+2 Validations	50%	65%	75%
more than X+2 Validations	50%	65%	75%

6. Situation for specific entities such as SMEs

- Article 12 (2) of Regulation No. 1257/2012 foresees that the level of the renewal fees shall be set, taking into account, among others, the situation of specific entities such as SMEs. However Article 12 does not stipulate expressly a specific reduction of the renewal fees for SMEs and similar entities.

- It has to be borne in mind that the introduction of the Unitary Patent will provide in itself a reduction of external costs for SMEs associated to the payment of renewal fees.

- Currently SMEs use their own patent attorney and his network of local attorneys for the maintenance procedures and the payment of renewal fees before each NPO.

- The UP with the payment of one centralised renewal fee will limit the need for SMEs to use the network of local attorneys and reduce the external costs for this group of patent holders.

6. Situation for specific entities such as SMEs

- The reduction of external costs will be less important for large enterprises which have already in place internal departments dealing directly with the payment of renewal fees or which use specialised companies achieving economies of scale due to the high number of payments.

- In addition to these reduction of external costs, European SMEs will profit from the additional financial support via the compensation scheme.

- The question arises whether in addition to the reduction of external costs a specific fee reduction shall be foreseen for SMEs.

- On the one hand, such fee reduction for SMEs would have to be compensated by an increase of the renewal fees for large enterprises and on the other hand a lower level of the renewal fees for all patent holders would benefit SMEs and large enterprises alike.

6. Situation for specific entities such as SMEs

- **Advice is sought from the Select Committee on**

  - **the possibility of the introduction of a differentiate level of the fees for different groups (SMEs, Universities, etc. *vs* large enterprises).**

  - **shall this reduction for SMEs be introduced from the outset, or only in light of the experience made with the unitary patent scheme.**

  - **the level of such possible reduction (in % of the normal level) *and/or* the period of such a reduction (10, 12 , 20 years ?)**

Thank you for your attention!

8th meeting of the Select Committee
Presentation 3: Simulation of UP Fee levels and their impact on EPO Income on the basis of Pure Financial Behaviour and Sensitivity Analyses

Index

1a. Overview of the UP Fee level of the Scenarios simulated

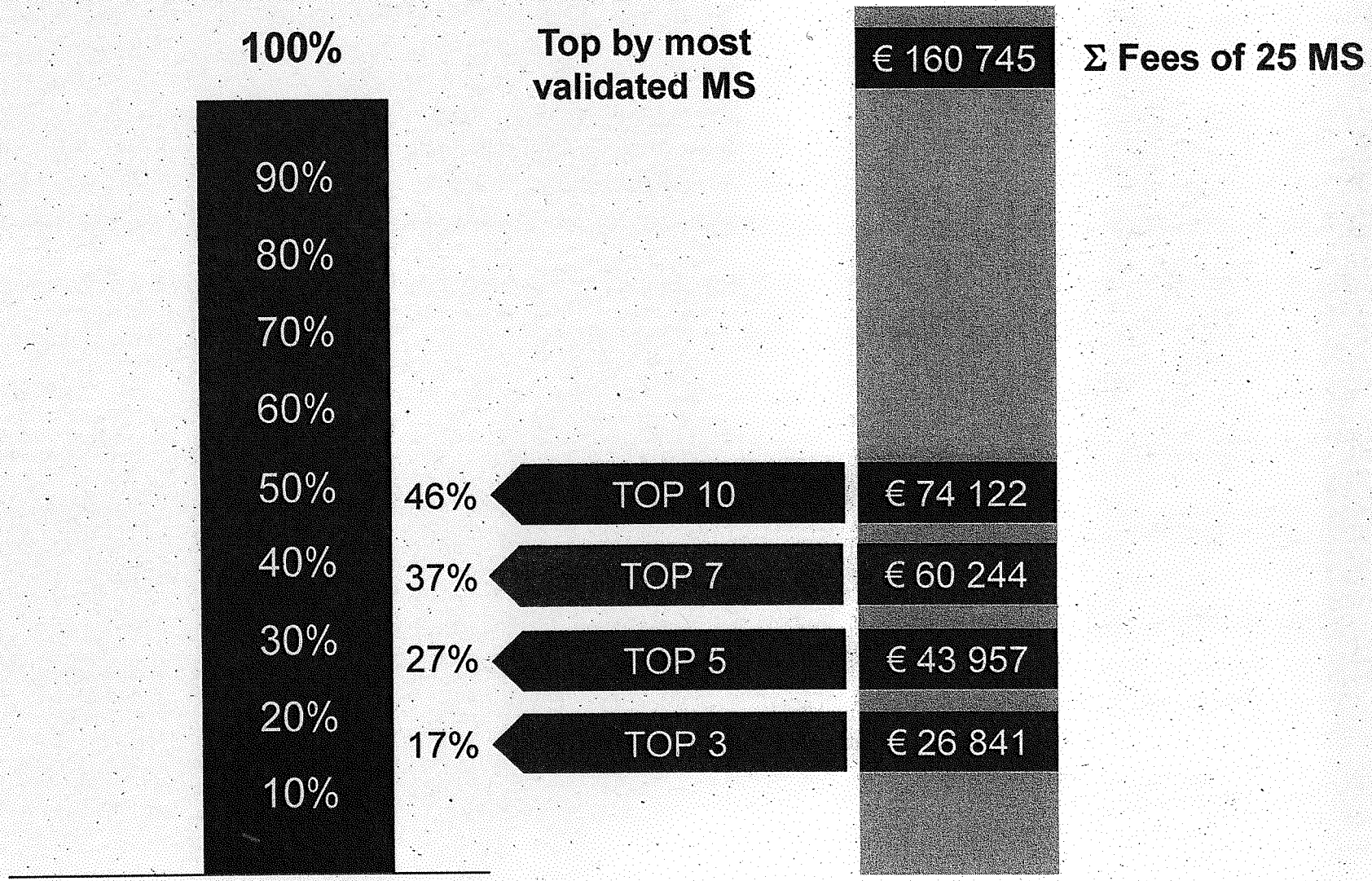
- It is proposed to set the Fee Scenarios:
  - in continuity with the Internal Renewal Fees for the first years, until reaching the years 4-5 where most grants take place
  - in relation with the sum of fees for the Most Validated (= "Top") Countries for the years thereafter (years 5/6 to 20)

  - TOP 3 (Year 3 – 4 IRF + Year 5 – 20 DE/GB/FR)
  - TOP 5 (Year 3 – 5 IRF + Year 6 – 20 DE/GB/FR/NL/SE)
  - TOP 7 (Year 3 – 5 IRF + Year 6 – 20 DE/GB/FR/NL/SE/BE/AT)
  - TOP 10 (Year 3 – 5 IRF + Year 6 – 20 DE/GB/FR/NL/SE/BE/AT/IE/DK/PL)

- The Market Assumptions on the above Fee Scenarios:
  - Pure Financial Behaviour of the Patent Holders
  - Sensitivity Analyses to varying UP Penetration Rates

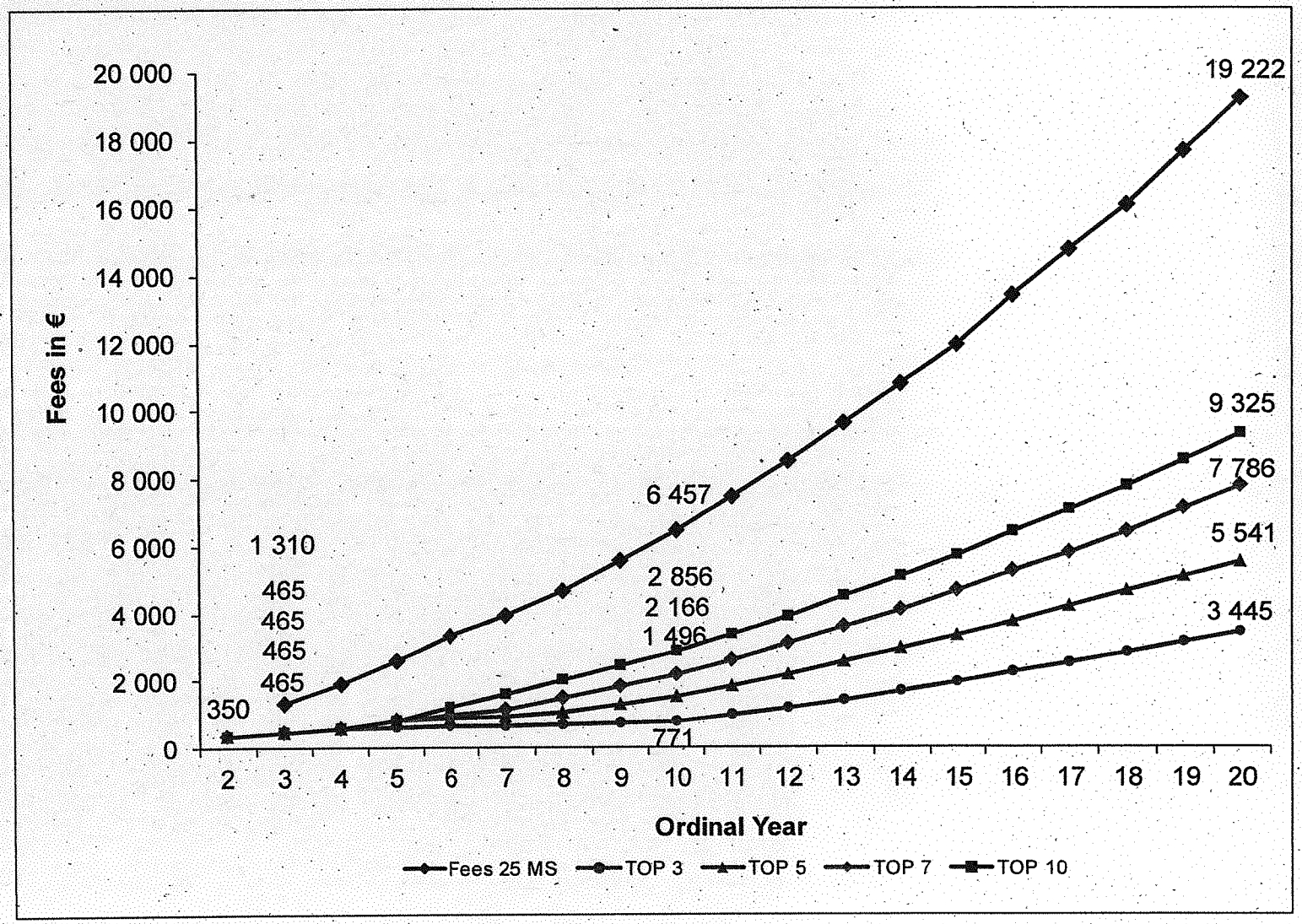
- The comparisons are made against a fee scenario in which there would be "status quo", which is called No UP scenario.

1b. Overview of the UP Fee level of the Scenarios simulated



For details: See Annex 2

2. UP Fee levels Year 2 to Year 20 of the Scenarios to be simulated



Total accumulated in €

€ 160 745

€ 74 122

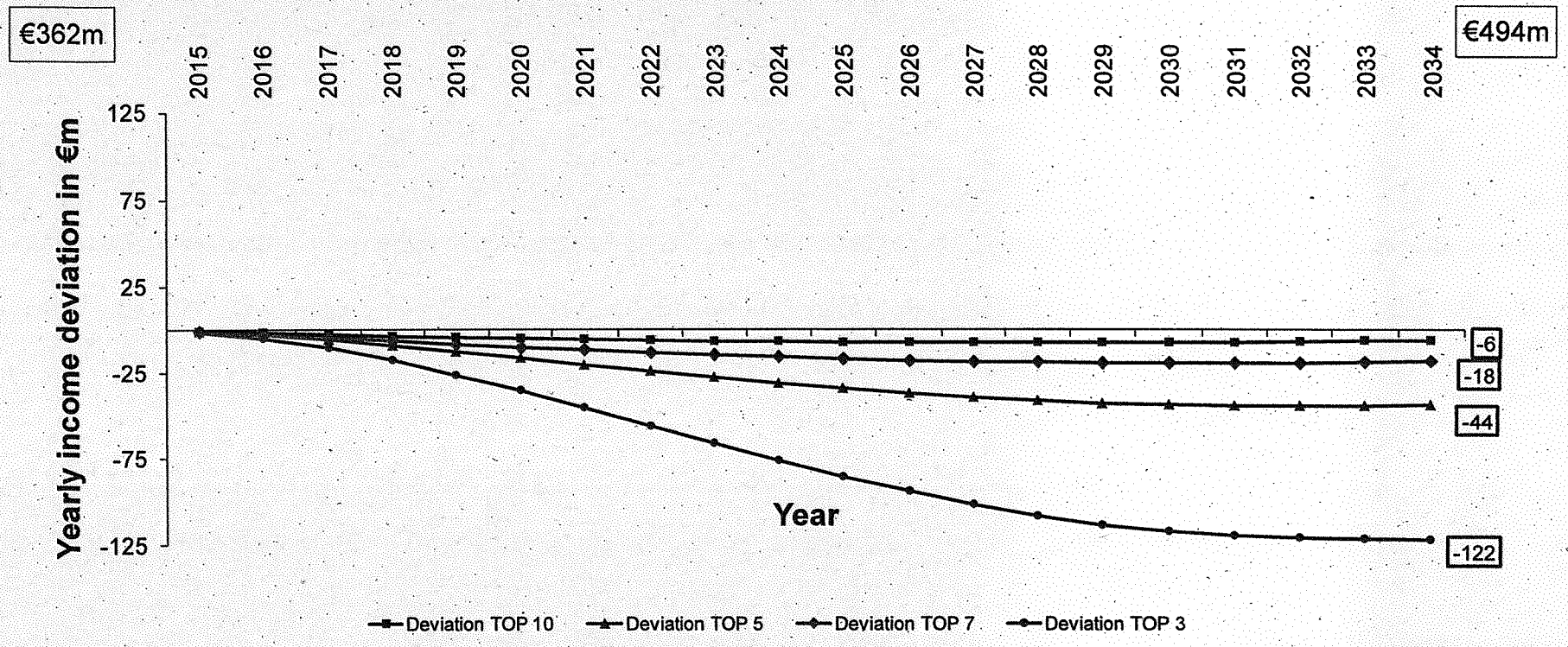
€ 60 244

€ 43 957

€ 26 841

see Annex 1.

3. Results of simulated UP Fee Scenarios (assuming Pure Financial Behaviour)



m€	2015	2016	2017	2018	...	2031	2032	2033	2034		Totals 2015-2034		UP Market Share
Baseline (No UP)	362	371	379	387	...	479	484	489	**494**	**100%**	**8 688**	**100%**	**0%**
Scenarii with financial behaviour of applicants:													
Deviation TOP 3	-2	-5	-11	-18	...	-120	-121	-122	**-122**	**-25%**	**-1 453**	**-17%**	**50%**
Deviation TOP 5	-1	-3	-6	-9	...	-45	-45	-44	**-44**	**-9%**	**-572**	**-7%**	**28%**
Deviation TOP 7	-1	-3	-5	-7	...	-20	-19	-19	**-18**	**-4%**	**-280**	**-3%**	**16%**
Deviation TOP 10	-1	-2	-3	-4	...	-7	-7	-7	**-6**	**-1%**	**-120**	**-1%**	**11%**

Basic result in the analyses is the deviation at Steady State (2034) from the "No UP" Scenario.

4. Sensitivity Analyses to varying UP Penetration Rates

- The Scenarios presented previously assumed that the patent holder will opt between EP and UP on financial grounds only (Pure Financial Behaviour)

- Other cases could take place :
  - Patent Holders who would be willing to pay more, in order to opt to UP
  - Patent Holders who would be willing to forego savings, in order to stay in EP

- For this reason, two Sensitivity Analyses will been presented for each Scenario:

  - What-if 10 – 20 or 30% of the Patent Holders behave differently from financial reasoning (from 1 validation below the point of option and for all validations beyond this point: e.g. if the point of option is 5, for all validations between 4 and 25) ?

  - What percentage of Patent Holders would need to behave differently from financial reasoning, in order to come back to financial equilibrium ?

4a. Sensitivity Analysis TOP 3

(Pure Financial Behaviour, 10%/ 20% or 30% behave differently)

Fee Scenario	IRF 3-4 / Top3				
Validation Class	Pure Financial Behaviour	What if 10%	What if 20% behave differently	What if 30%	What % needed for equilibrium
1 Validations	0%	0%	0%	0%	0%
2 Validations	0%	0%	0%	0%	0%
3 Validations	0%	10%	20%	30%	85%
4 Validations	100%	90%	80%	70%	15%
5 Validations	100%	90%	80%	70%	15%
6 Validations	100%	90%	80%	70%	15%
7 Validations	100%	90%	80%	70%	15%
8 Validations	100%	90%	80%	70%	15%
9 Validations	100%	90%	80%	70%	15%
≥ 10 Validations	100%	90%	80%	70%	15%
Yearly Financial Impact in 2034	-122 m€	-108 m€	-94 m€	-80 m€	-1 m€

- E.g. if 20% of all patent holders with 3 Validations accept to pay more in order to go UP, and 20 % of all patent holders with 4 or more Validations accept to forego savings in order to stay EP, the loss is reduced to 94m€.
- 85% of all Patent holders with 3 or more Validations would have to deviate from the financial behaviour for EPO and MS to come close to financial equilibrium.

4b. Sensitivity Analysis TOP 5

(Pure Financial Behaviour, 10%/ 20% or 30% behave differently)

Fee Scenario	IRF 3-5 / Top5				
Validation Class	Pure Financial Behaviour	What if 10%	What if 20% behave differently	What if 30%	What % needed for equilibrium
1 Validations	0%	0%	0%	0%	0%
2 Validations	0%	0%	0%	0%	0%
3 Validations	0%	0%	0%	0%	0%
4 Validations	0%	10%	20%	30%	40%
5 Validations	100%	90%	80%	70%	60%
6 Validations	100%	90%	80%	70%	60%
7 Validations	100%	90%	80%	70%	60%
8 Validations	100%	90%	80%	70%	60%
9 Validations	100%	90%	80%	70%	60%
≥ 10 Validations	100%	90%	80%	70%	60%
Yearly Financial Impact in 2034	-44 m€	-33 m€	-23 m€	-12 m€	-2 m€

- E.g. if 20% of all patent holders with 4 Validations accept to pay more in order to go UP, and 20 % of all patent holders with 5 or more Validations accept to forego savings in order to stay EP, the loss is reduced to 23m€.
- 40% of all Patent holders with 4 or more would have to deviate from the financial behaviour for EPO and MS to come close to financial equilibrium.

4c. Sensitivity Analysis TOP 7

(Pure Financial Behaviour, 10%/ 20% or 30% behave differently)

Fee Scenario	IRF 3-5 / Top7				
Validation Class	Pure Financial Behaviour	What if 10% behave differently	What if 20% behave differently	What if 30% behave differently	What % needed for equilibrium
1 Validations	0%	0%	0%	0%	0%
2 Validations	0%	0%	0%	0%	0%
3 Validations	0%	0%	0%	0%	0%
4 Validations	0%	0%	0%	0%	0%
5 Validations	0%	0%	0%	0%	0%
6 Validations	0%	10%	20%	30%	35%
7 Validations	100%	90%	80%	70%	65%
8 Validations	100%	90%	80%	70%	65%
9 Validations	100%	90%	80%	70%	65%
≥ 10 Validations	100%	90%	80%	70%	65%
Yearly Financial Impact in 2034	-18 m€	-14 m€	-9 m€	-4 m€	-2 m€

- E.g. if 20% of all patent holders with 6 Validations accept to pay more in order to go UP, and 20 % of all patent holders with 7 or more Validations accept to forego savings in order to stay EP, the loss is reduced to 9m€.
- 35% of all Patent holders with 6 or more Validations would have to deviate from the financial behaviour for EPO and MS to come close to financial equilibrium.

4d. Sensitivity Analysis TOP 10

(Pure Financial Behaviour, 10%/ 20% or 30% behave differently)

Fee Scenario	IRF 3-5 / Top10				
Validation Class	Pure Financial Behaviour	What if 10%	What if 20% behave differently	What if 30%	What % needed for equilibrium
1 Validations	0%	0%	0%	0%	0%
2 Validations	0%	0%	0%	0%	0%
3 Validations	0%	0%	0%	0%	0%
4 Validations	0%	0%	0%	0%	0%
5 Validations	0%	0%	0%	0%	0%
6 Validations	0%	0%	0%	0%	0%
7 Validations	0%	0%	0%	0%	0%
8 Validations	0%	10%	20%	30%	25%
9 Validations	100%	90%	80%	70%	75%
≥ 10 Validations	100%	90%	80%	70%	75%
Yearly Financial Impact in 2034	-6 m€	-4 m€	-1 m€	1 m€	-0,2 m€

- E.g. if 20% of all patent holders with 8 Validations accept to pay more in order to go UP, and 20 % of all patent holders with 9 or more Validations accept to forego savings in order to stay EP, the loss is reduced to 1m€.
- 25% of all Patent holders with 8 or more Validations would have to behave contra financially for EPO and MS to come close to financial equilibrium.

5. Recap of Simulations and Sensitivity Analyses

m€	Pure Financial Behaviour	What if 10%	What if 20% behave differently	What if 30%
Top 3	-122	-108	-94	-80
Top 5	-44	-33	-23	-12
Top 7	-18	-14	-9	-4
Top 10	-6	-4	-1	1

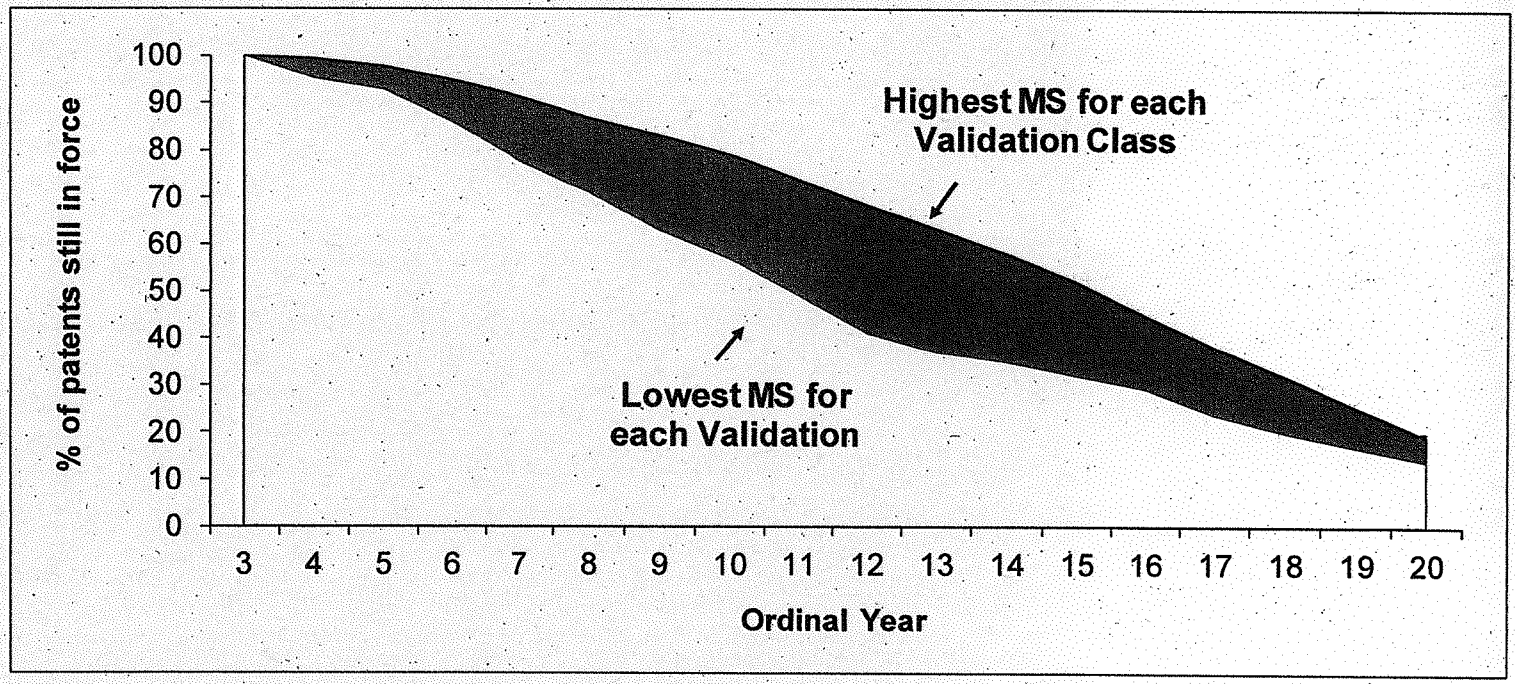
6a. Main Parameters underpinning the model: EP Parameters

One-off Validation Costs for Patent Holders	According to best available market information (see Annex 1)
Additional Costs per payment of Renewal Fee	
For SMEs (1)	variable, 50% of fee
For LEs (2)	fix, 40€ per fee case
SME Share	30%

(1) SME = Small Medium Enterprises, Universities, Public Research Centre, Physical Persons
(2) LE = Large Enterprises

6b. Main Parameters underpinning the model: EP Parameters

Maintenance Rate of the 25 MS in 2011 (for details see Annex 4)



6c. Main Parameters underpinning the model: UP Parameters

External Costs	
LE : one-off cost (at exercise of UP option)	500€
SME : one-off cost (at exercise of UP option)	1 000€
Additional Costs per payment of Renewal Fee: Possible range [50% of Fee for SMEs or fix 40€ per payment for LEs]. For sake of simplicity assumed at:	40€

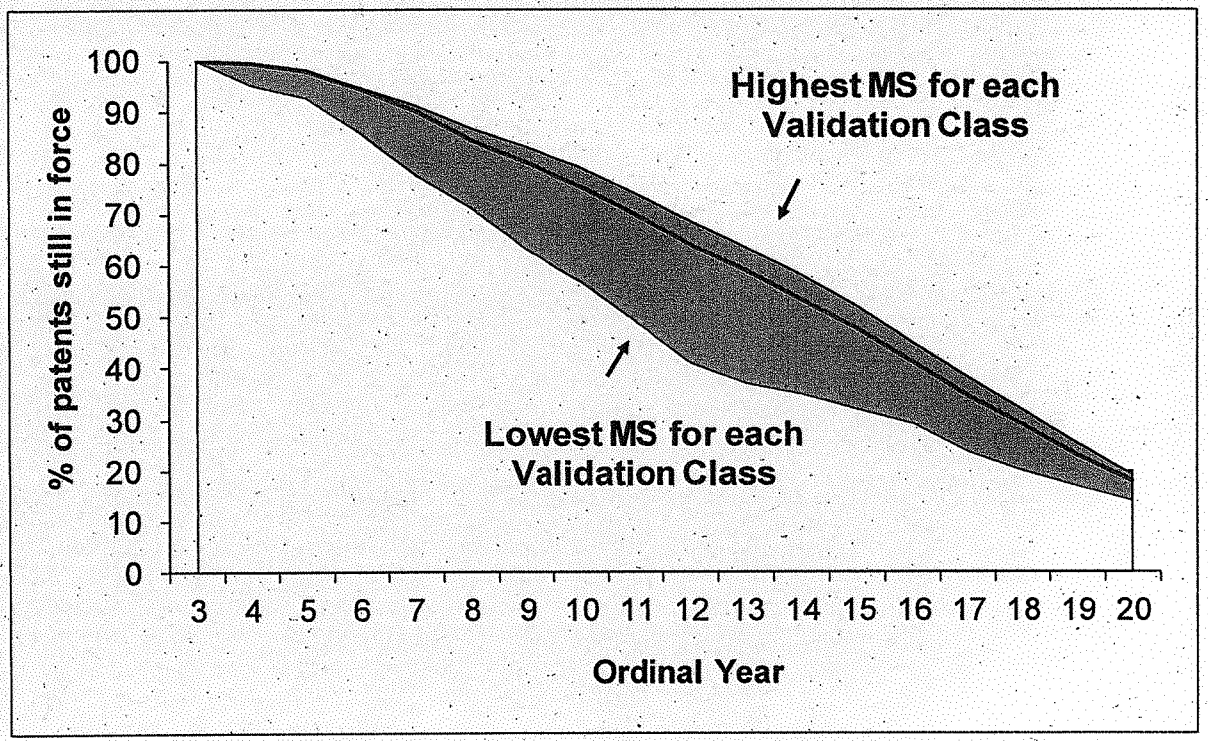
Note: Mandatory provision of translations during the transitional phase is considered as having no significant impact on the simulations, at steady state (2034)

Compensation of Translation Costs (SC/35/13 Rev. 1)	
Compensation for SMEs, Possible range [300€ - 500€ - 1000€]. Assumed here at (3):	500€
Eligible SMEs in % of all SMEs (European SMEs having filed the application in a language other than DE,FR,EN)	20%

6d. Main Parameters underpinning the model: UP Parameters

Maintenance Rate

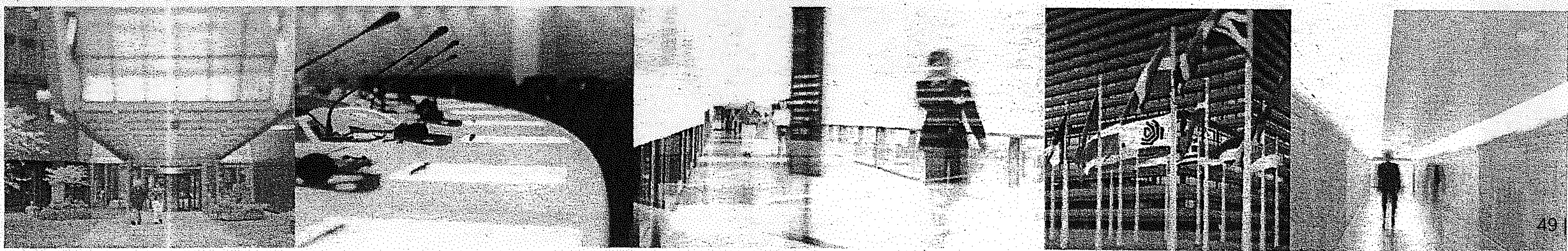
Assumed at the Average Weighted Maintenance Rate of Most Validated MS in 2011



6e. Main Parameters underpinning the model: UP Parameters

Overall Patents Granted:	
Assumed number of grants in 2015	68 000
Assumed yearly increase 2016-2035 (except 2020 and 2015)	1%
Assumed yearly UP increase in 2020 and 2025 due to higher attractiveness of UP	5%

Thank you for your attention!



Annex 1: EP Parameters - Current Market Information on One-off Validation Costs for European Patents

SME	Validation (one off)			Total one off
	Translation	Publication	Attorney	
DE	0	0	0	0
FR	0	0	0	0
GB	0	0	0	0
NL	360	30	440	830
SE	460	220	480	1 160
BE	1 360	0	610	1 970
AT	1 360	430	730	2 520
IE	0	0	0	0
DK	530	150	410	1 090
FI	400	400	480	1 280
PL	1 700	60	590	2 350
PT	1 680	80	700	2 460
CZ	1 650	80	610	2 340
GR	1 540	350	660	2 550
LU	0	0	0	0
HU	360	340	440	1 140
SK	1 350	90	610	2 050
RO	1 400	140	640	2 180
SI	430	100	370	900
BG	1 550	150	610	2 310
CY	0	100	360	460
EE	1 750	50	610	2 410
LT	320	50	340	710
LV	380	40	330	750
MT	0	0	0	0

LE	Validation (one off)			Total one off
	Translation	Publication	Attorney	
DE	0	0	0	0
FR	0	0	0	0
GB	0	0	0	0
NL	290	30	210	530
SE	390	220	250	860
BE	800	0	150	950
AT	800	430	270	1 500
IE	0	0	0	0
DK	460	150	180	790
FI	330	400	250	980
PL	1 350	60	140	1 550
PT	1 330	80	250	1 660
CZ	1 300	80	150	1 530
GR	1 190	350	210	1 750
LU	0	0	0	0
HU	290	340	210	840
SK	1 000	90	150	1 240
RO	1 050	140	190	1 380
SI	360	100	140	600
BG	1 200	150	150	1 500
CY	0	100	130	230
EE	1 400	50	150	1 600
LT	160	50	110	320
LV	310	40	100	450
MT	0	0	0	0

Annex 2: Maintenance Rates 2011 per MS / UP Assumption

OY	DE	FR	GB	NL	SE	BE	AT	IE	DK	FI	PL	PT	CZ	GR	LU	HU	SK	RO	SI	BG	CY	EE	LT	LV	MT	UP Ass.
3	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
4	99	99	100	100	100	99	95	99	99	100	99	99	100	99	98	99	99	99	99	99	98	99	99	98	99	100
5	98	98	100	97	97	96	98	94	95	96	96	96	96	97	93	95	95	94	94	94	95	93	93	93	94	98
6	95	94	96	92	91	90	94	88	90	91	90	89	89	92	86	88	88	88	89	88	88	87	88	88	86	94
7	91	90	91	87	86	85	84	81	85	84	86	82	84	86	79	81	83	81	82	81	82	82	82	83	78	90
8	87	84	85	81	77	76	76	76	79	77	78	75	75	77	72	75	76	76	75	76	75	74	77	76	71	84
9	83	80	80	76	73	72	71	70	74	72	69	70	72	71	65	70	70	70	69	70	68	68	68	67	63	80
10	79	74	75	69	67	66	66	64	69	66	63	65	65	65	59	63	65	63	63	66	61	64	62	60	57	75
11	74	69	69	64	62	60	60	58	63	62	54	57	56	58	52	54	56	55	54	57	55	55	53	52	49	70
12	69	64	63	56	54	52	51	51	54	53	43	49	45	49	43	43	44	43	43	45	45	44	42	41	39	64
13	63	59	58	51	50	48	48	47	50	50	40	46	42	46	40	40	41	40	40	42	41	41	39	39	36	59
14	58	53	53	44	45	42	42	43	45	45	42	41	44	41	38	42	44	42	42	44	40	43	41	40	38	53
15	52	47	47	39	38	37	35	37	39	39	36	37	37	37	32	36	37	36	36	38	34	37	35	35	33	48
16	45	41	41	34	33	32	31	35	34	35	32	32	34	33	29	33	34	33	33	34	31	33	32	31	29	41
17	38	34	35	27	26	25	25	29	27	29	27	25	28	27	24	27	28	27	27	28	25	27	26	26	24	35
18	32	29	29	23	22	21	21	23	23	25	23	22	24	22	20	23	24	23	23	24	22	24	23	22	21	29
19	25	23	23	18	18	17	17	21	20	24	23	20	24	20	18	23	24	23	23	24	22	23	23	22	21	23
20	19	18	18	15	15	14	14	18	17	21	20	15	21	17	15	20	20	20	20	21	19	20	19	19	18	18

Annex 3: Fee level per participating MS as at 01.01.2014

Fees in €	DE	AT	NL	HU	FI	GR	SE	DK	CZ	BG	PT	RO	GB	FR	LV	EE	SI	SK	IE	LT	BE	CY	PL	LU	MT	Full Market 25 MS
2																										
3	70	-	-	59	200	20	61	67	37	26	-	150	-	36	123	64	30	66	60	82	35	50	39	33	35	1 343
4	70	-	40	295	155	50	111	147	37	26	-	160	-	36	185	77	34	83	90	94	50	60	61	41	47	1 947
5	90	-	100	369	170	80	144	168	73	77	51	180	83	36	205	96	42	100	114	118	65	80	73	52	58	2 624
6	130	100	160	498	195	90	177	188	73	103	77	200	107	72	216	115	50	116	134	141	85	100	85	66	70	3 348
7	180	200	220	498	245	100	199	214	73	129	103	220	131	92	247	134	60	133	150	165	100	120	97	82	82	3 973
8	240	300	280	498	290	115	244	241	73	154	154	240	155	130	308	153	70	149	176	188	125	140	109	99	93	4 726
9	290	400	340	498	320	140	277	275	110	206	308	260	178	170	370	179	80	166	194	212	145	160	134	115	105	5 631
10	350	500	400	498	360	190	310	308	147	257	360	280	202	210	462	205	110	199	220	235	170	180	158	131	116	6 559
11	470	600	500	498	425	240	343	342	220	308	360	300	226	250	462	243	154	232	242	294	195	200	182	148	128	7 563
12	620	700	600	498	485	300	377	375	294	360	411	320	250	290	462	281	200	266	265	294	220	240	195	165	140	8 606
13	760	800	700	517	540	400	421	409	367	411	463	340	297	330	462	320	234	299	285	294	250	280	219	180	151	9 728
14	910	900	800	517	600	500	454	442	440	463	514	370	345	380	462	358	274	332	311	294	290	320	231	198	163	10 867
15	1 060	1 000	900	517	650	600	487	482	514	514	565	400	416	430	462	403	310	365	335	294	330	360	255	213	175	12 038
16	1 230	1 100	1 000	517	700	700	521	523	587	565	565	500	487	490	616	447	390	398	356	353	370	420	280	230	186	13 532
17	1 410	1 200	1 100	535	750	800	554	563	661	617	669	500	547	550	616	492	510	465	382	353	410	480	304	246	198	14 910
18	1 590	1 300	1 200	535	800	900	598	603	734	668	668	500	606	620	616	537	654	531	408	353	455	540	328	262	210	16 217
19	1 760	1 500	1 300	553	850	1 000	631	643	807	771	720	500	666	690	616	582	870	597	438	353	500	600	353	281	221	17 802
20	1 940	1 700	1 400	553	900	1 100	665	684	881	874	720	500	713	760	616	626	1 100	664	468	353	545	660	377	300	233	19 331
Total OY 3 - 20	19 170	12 300	11 040	8 452	8 635	7 325	6 575	6 674	6 128	6 528	6 708	5 920	5 409	5 572	7 510	5 311	5 172	5 157	4 628	4 468	4 340	4 990	3 480	2 842	2 411	160 745

For Reference:

Fees in €	Top 3 (DE/GB/FR)	Top 5 (DE/GB/FR/NL/SE)	Top 7 (DE/GB/FR/NL/SE/BE/AT)	Top 10 (DE/GB/FR/NL/SE/BE/AT/IE/DK/PL)
3	106	167	202	368
4	106	257	307	605
5	209	453	518	873
6	309	646	831	1 238
7	403	822	1 122	1 584
8	525	1 048	1 473	2 000
9	638	1 255	1 800	2 403
10	762	1 472	2 142	2 829
11	946	1 789	2 584	3 350
12	1 160	2 136	3 056	3 891
13	1 387	2 508	3 558	4 471
14	1 635	2 889	4 079	5 063
15	1 906	3 294	4 624	5 696
16	2 207	3 728	5 198	6 356
17	2 507	4 161	5 771	7 020
18	2 816	4 615	6 370	7 709
19	3 116	5 047	7 047	8 481
20	3 413	5 478	7 723	9 251
Total OY 3 - 20	24 151	41 766	58 406	73 188

Annex 4: Fee levels Year 2 to Year 20 per Fee Scenario

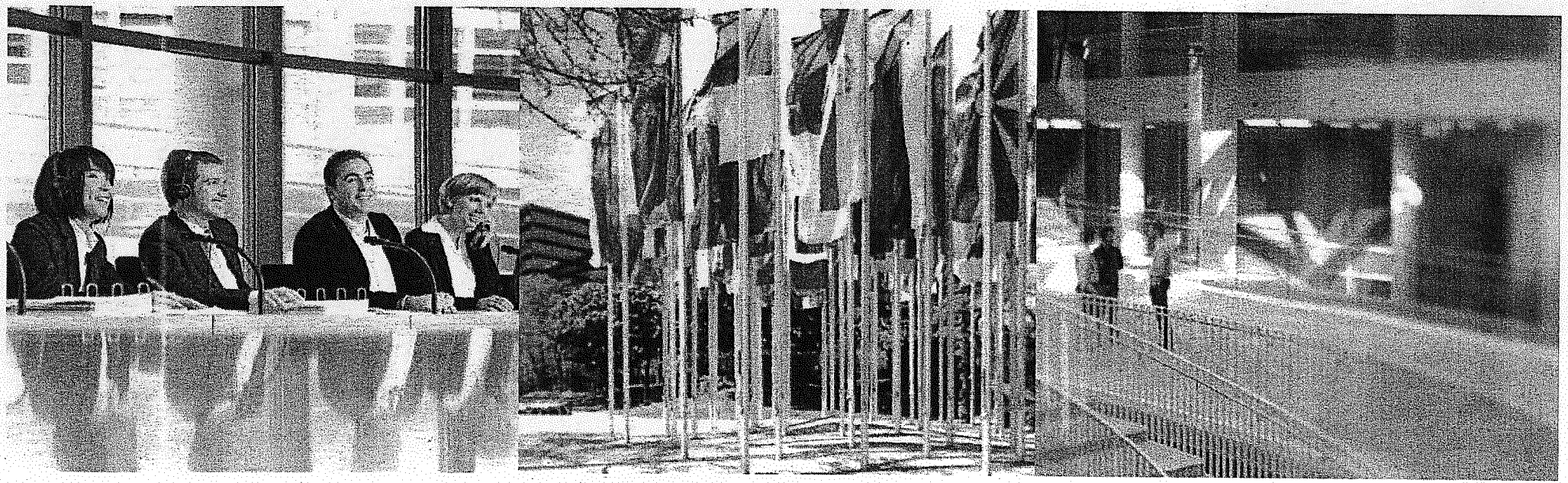
OY	TOP 3 (Year 3 – 4 IRF + Year 5 – 20 DE/GB/FR)	TOP 5 (Year 3 – 5 IRF + Year 6 – 20 DE/GB/FR/NL/SE)	TOP 7 (Year 3 – 5 IRF + Year 6 – 20 DE/GB/FR/NL/SE/BE/AT)	TOP 10 (Year 3 – 5 IRF + Year 6 – 20 DE/GB/FR/NL/SE/BE/AT/IE/DK/PL)	EPO Internal Renewal Fees	Full Market 25 MS
2	350	350	350	350	0	0
3	465	465	465	465	465	1 343
4	580	580	580	580	580	1 947
5	612	810	810	810	810	2 624
6	644	880	974	1 206	1 040	3 348
7	676	950	1 138	1 602	1 155	3 973
8	708	1 066	1 491	2 021	1 265	4 726
9	740	1 276	1 821	2 428	1 380	5 631
10	771	1 496	2 166	2 856	1 560	6 559
11	956	1 816	2 611	3 382	1 560	7 563
12	1 171	2 165	3 085	3 925	1 560	8 606
13	1 400	2 541	3 591	4 510	1 560	9 728
14	1 650	2 926	4 116	5 107	1 560	10 867
15	1 925	3 335	4 665	5 745	1 560	12 038
16	2 229	3 774	5 244	6 410	1 560	13 532
17	2 531	4 211	5 821	7 079	1 560	14 910
18	2 843	4 669	6 424	7 772	1 560	16 217
19	3 145	5 106	7 106	8 549	1 560	17 802
20	3 445	5 541	7 786	9 325	1 560	19 331
Total	**26 841**	**43 957**	**60 244**	**74 122**	**23 855**	**160 745**

Annex 5: Glossary

- Ordinal Year (OY) = Nb. of Year since 1st filing (priority date)
- Validation = First payment of a National Renewal Fee in a given Member State (MS)
- Fee Case = Yearly payment of a National Renewal Fee in a given MS
- Validation Class = Nb. of MS where at least one National Renewal Fee has already been paid for a given Granted Patent
- Maintenance Rate = For a specific Ordinal Year, number of Paid Fee Cases divided by the number of initial Validations
- Penetration Rate = Percentage of Patents per Validation Class which opt for UP

8th meeting of the Select Committee

Presentation 4: Simulation of UP Fee levels and their impact on EPO income on the basis of Assumed Penetration Rates



Level 3. Assumed Penetration Rates

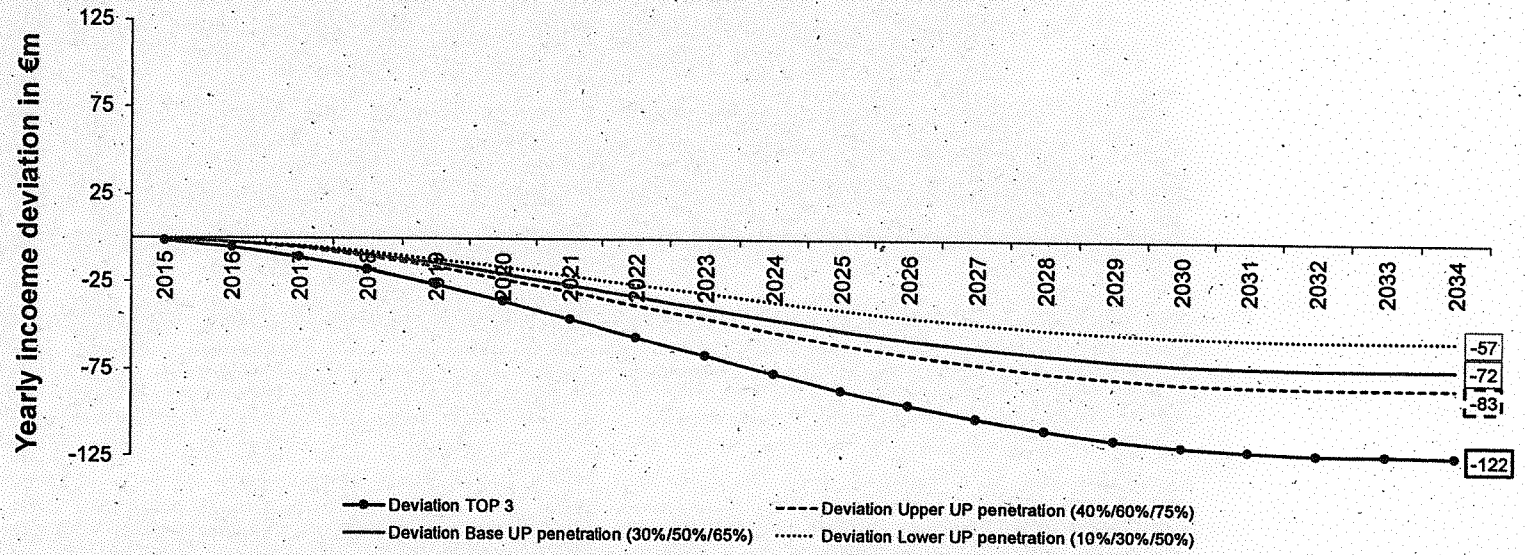
- Overview of Assumed Penetration Rates
- Results of Fee Scenario TOP 3
  (Pure Financial Behaviour, Lower/ Base/ Upper UP Penetration)
- Results of Fee Scenario TOP 5
  (Pure Financial Behaviour, Lower/ Base/ Upper UP Penetration)
- Results of Fee Scenario TOP 7
  (Pure Financial Behaviour, Lower/ Base/ Upper UP Penetration)
- Results of Fee Scenario TOP 10
  (Pure Financial Behaviour, Lower/ Base/ Upper UP Penetration)
- Recap of Simulations

Overview of Assumed Penetration Rates

For each Fee Scenario three scenarios of UP penetration rates are considered:

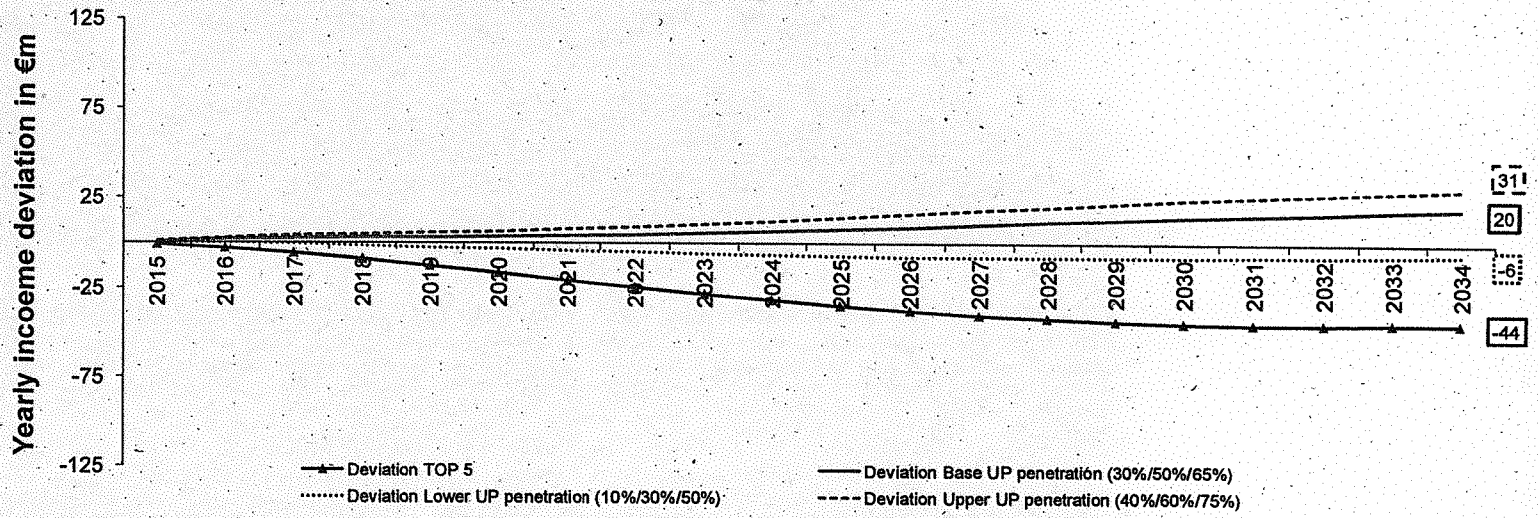
Fee Scenario	Top 3			Top 5			Top 7			Top 10		
Validation Class	Lower UPP Penetration	Base UPP Penetration	Upper UPP Penetration	Lower UPP Penetration	Base UPP Penetration	Upper UPP Penetration	Lower UPP Penetration	Base UPP Penetration	Upper UPP Penetration	Lower UPP Penetration	Base UPP Penetration	Upper UPP Penetration
1- 2 Validations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3 Validations	30%	50%	60%	10%	30%	40%	0%	0%	0%	0%	0%	0%
4 Validations	30%	50%	60%	30%	50%	60%	10%	30%	40%	0%	0%	0%
5 Validations	50%	65%	75%	30%	50%	60%	10%	30%	40%	10%	30%	40%
6 Validations	50%	65%	75%	30%	50%	60%	30%	50%	60%	10%	30%	40%
7 Validations	50%	65%	75%	50%	65%	75%	30%	50%	75%	30%	50%	60%
8 Validations	50%	65%	75%	50%	65%	75%	30%	50%	75%	30%	50%	60%
9 Validations	50%	65%	75%	50%	65%	75%	50%	65%	75%	30%	50%	60%
≥ 10 Validations	50%	65%	75%	50%	65%	75%	50%	65%	75%	50%	65%	75%

Results of Fee Scenario TOP 3
(Pure Financial Behaviour, Lower/ Base/ Upper UP Penetration)



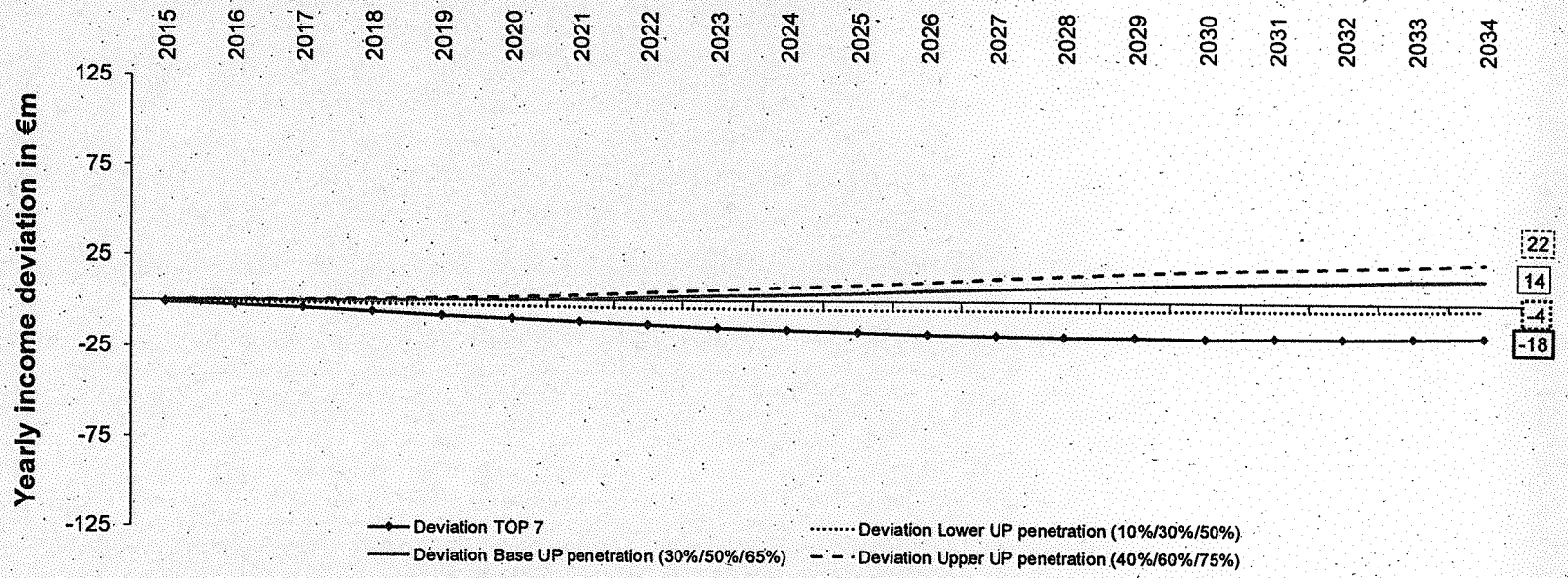
m€	2015	2016	2017	2018	...	2031	2032	2033	2034		Totals 2015-2034		UP Market Share
Baseline (No UP)	362	371	379	387	...	479	484	489	494	100%	8 688	100%	0%
Scenarii with different penetration rates:													
Deviation TOP 3 from Baseline													
Lower UP penetration (30%/50%)	-1	-2	-4	-8	...	-56	-56	-56	-57	-11%	-672	-8%	29%
Base UP penetration (50%/65%)	-1	-2	-5	-9	...	-72	-72	-72	-72	-15%	-861	-10%	43%
Upper UP penetration (60%/75%)	-1	-2	-6	-10	...	-83	-83	-83	-83	-17%	-991	-11%	50%
Pure Financial Behaviour	-2	-5	-11	-18	...	-120	-121	-122	-122	-25%	-1 453	-17%	50%

Results of Fee Scenario TOP 5
(Pure Financial Behaviour, Lower/ Base/ Upper UP Penetration)



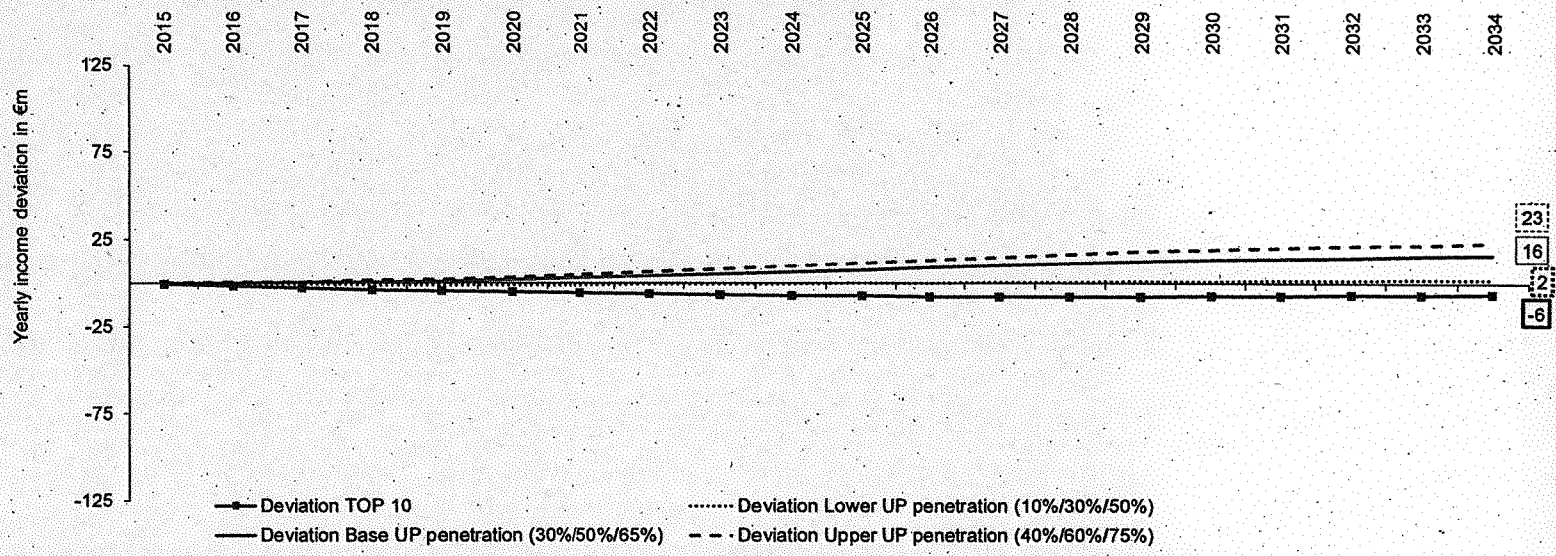
m€	2015	2016	2017	2018	...	2031	2032	2033	2034		Totals 2015-2034		UP Market Share
Baseline (No UP)	362	371	379	387	...	479	484	489	494	100%	8 688	100%	0%
Scenarii with different penetration rates:													
Deviation TOP 5 from Baseline													
Upper UP penetration (40%/60%/75%)	1	3	4	5	...	26	27	29	31	6%	291	3%	41%
Base UP penetration (30%/50%/65%)	0	2	3	3	...	16	17	18	20	4%	172	2%	33%
Lower UP penetration (10%/30%/50%)	0	0	-1	-2	...	-7	-7	-6	-6	-1%	-102	-1%	18%
Pure Financial Behaviour	-1	-3	-6	-9	...	-45	-45	-44	-44	-9%	-572	-7%	28%

Results of Fee Scenario TOP 7
(Pure Financial Behaviour, Lower/ Base/ Upper UP Penetration)



m€	2015	2016	2017	2018	...	2031	2032	2033	2034		Totals 2015-2034		UP Market Share
Baseline (No UP) in €m	362	371	379	387	...	479	484	489	494	100%	8 688	100%	0%
Scenarii with different penetration rates:													
Deviation TOP 7 from Baseline													
Upper UP penetration (40%/60%/75%)	0	0	0	0	...	19	20	21	22	4%	184	2%	21%
Base UP penetration (30%/50%/65%)	0	0	0	0	...	11	12	13	14	3%	99	1%	16%
Lower UP penetration (10%/30%/50%)	0	-1	-2	-2	...	-4	-4	-4	-4	-1%	-75	-1%	9%
Pure Financial Behaviour	-1	-3	-5	-7	...	-20	-19	-19	-18	-4%	-280	-3%	16%

Results of Fee Scenario TOP 10
(Pure Financial Behaviour, Lower/ Base/ Upper UP Penetration)



m€	2015	2016	2017	2018	...	2031	2032	2033	2034		Totals 2015-2034		UP Market Share
Baseline (No UP) in €m	362	371	379	387	...	479	484	489	494	100%	8 688	100%	0%
Scenarii with different penetration rates:													
Deviation TOP 10 from Baseline													
Upper UP penetration (40%/60%/75%)	0	0	1	1	...	20	21	22	23	5%	214	2%	13%
Base UP penetration (30%/50%/65%)	0	0	0	1	...	14	15	16	16	3%	147	2%	11%
Lower UP penetration (10%/30%/50%)	0	-1	-1	-1	...	1	2	2	2	0%	-1	0%	6%
Pure Financial Behaviour	-1	-2	-3	-4	...	-7	-7	-7	-6	-1%	-120	-1%	11%

Recap of Level 3 Simulations

	Market Assumptions						Pure Financial Behaviour	
	Lower		Base		Upper			
	Financial Impact 2034 (€m)	UP Market Share	Financial Impact 2034 (€m)	UP Market Share	Financial Impact 2034 (€m)	UP Market Share	Financial Impact 2034 (€m)	UP Market Share
Top 3	-57	29%	-72	43%	-83	50%	-122	50%
Top 5	-6	18%	20	33%	31	41%	-44	28%
Top 7	-4	9%	14	16%	22	21%	-18	16%
Top 10	2	6%	16	11%	23	13%	-6	11%

Thank you for your attention!