



**OFFICE FOR HARMONIZATION IN THE INTERNAL MARKET
(TRADE MARKS AND DESIGNS)**

ADMINISTRATIVE BOARD AND BUDGET COMMITTEE

Alicante, 5 March 2010
026/10

Dear AB/BC members and observers,

May I thank you for the encouraging support given to the Management Board at the recent AB/BC Joint Meeting? The feedback and comments we received were most useful, and the opportunity to discuss your ideas and concerns allowed us to learn even more about how the Cooperation Fund should be directed. The general level of agreement (and indeed enthusiasm) will certainly serve as a solid base upon which to launch the Fund's projects.

We recognise that a number of National Offices expressed a wish to have digitalisation and running costs met from the Cooperation Fund. My colleagues and I have given serious thought to this issue. Our conclusion is that such costs cannot, and should not, be reimbursed from the Fund. Clearly the Fund has finite resources: ongoing open-ended costs such as running costs would represent an undefined and major (if not undeliverable) drain on its creative capacity. You will no doubt also be well aware that our approach is in line with similar funds in other European intellectual property organisations.

In contrast, we do feel that the Cooperation Fund should take into account the concerns raised about those National Offices with fewer budgetary resources. Here we firmly believe that the fairest solution would be to allow such Offices to make only a 5% rather than a 20% where co-financing of projects is necessary. Furthermore, the Management Board agrees that, in respect of all participating offices, the Cooperation Fund should cover integration costs in Field 2, and accordingly the proposals in our Note (CA/10/S40C/3/EN (O)/CB/10/S38C/3/ EN (O)) for the costs to be borne by National Offices will be adjusted accordingly.

We also recognise the merit of allowing some Offices to express their interest in certain projects while allowing more time to confirm their definitive commitment. We agree that this would be a feasible and useful flexibility to incorporate into the Cooperation Fund's operation.

Although delegations did not raise the issue of the administrative costs of the Fund, it was, I believe, clear that we all share the desire to keep them to a minimum, consistent with proper control and effective management. In light of this, we shall endeavour to maintain the provision to some EUR 5 million. This can be achieved thanks to OHIM's willingness to assume some of the administrative tasks (in particular, in relation to Field 1 Category 1 and Fields 3 and 4). The Cooperation Fund will therefore cover costs, principally relating to the Programme Manager / Programme Management Office's work (also across the whole Fund) including Project Manager costs (in Field 2 - Software Projects).

Recent Developments

I am pleased to report that at the OHIM's 5th Liaison Meeting on Technical Cooperation (1 March) the current technical proposals for Field 2 Software Projects was discussed and there was a general understanding by National Office IT and cooperation experts of these proposals and of what steps should be taken next.

Next Steps

Since there is broad consensus in field 1 (category 1) and field 2, we wish to start work on these areas. Templates for expressing interest for proposed projects are included in Annex 1. National Offices are invited to submit these templates duly completed by 1 May to the following email address:

CooperationFund@oami.europa.eu.

For field 1 (category 2), and fields 3 and 4, delegations and observers can provide new initiatives and further details on the already proposed initiatives. For this they can send an email to CooperationFund@oami.europa.eu as soon as possible and preferably before 19 March. The Management Board will then assess all suggestions in light of the Cooperation Fund goals and principles, and by mid-April will communicate to National Offices an initial Portfolio of projects. Between 1 May and 1 July National Offices will be able to 'sign-up' for projects which are of interest to them. I attach a timetable document with the key dates (Annex 2).

We are aware that there was some concern that the establishment and launch of the Cooperation Fund was taking place very quickly. To be quite frank, we believe that National Offices were from an early stage keen to see the Fund up and running as soon as effectively possible. We therefore want to maintain the cooperative momentum we have built up with you all and we consider that we can build flexibility into the process for expressions of interest in projects. Indeed, each of the milestones in the planning schedule allow for National Office feedback; Management Board and OHIM President's review; and Management Board reporting to the AB/BC. In this way we intend, with your help, to ensure that the Fund will be constructed on a sound and cooperative basis and its benefits felt by stakeholders as soon as possible.

Finally, following the recent suggestions from the Spanish, Portuguese, Italian, Hungarian and French delegations, together with those from the German delegation, we have amended the proposed project list document (attached as Annex 3).

Final Remark

The Management Board has highly valued the contributions made in a most constructive spirit by the National Offices and OHIM itself. The Board remains firm in its intention to keep a close and regular contact with members of the AB/BC and we shall provide you with monthly reports of the Cooperation Fund's progress.

Yours faithfully,

Lord John Mogg