

MAIN PROGRAM 04

**TRADEMARKS, INDUSTRIAL DESIGNS AND
GEOGRAPHICAL INDICATIONS**

04.1 Development of International Law and Services

04.2 International Registration Systems

**04.3 International Classifications in the Fields of Trademarks and
Industrial Designs**

Summary

79. In the constantly changing business environment, trademarks, industrial designs and geographical indications are important tools for the promotion of domestic commerce and international trade which, in turn, contribute to sustainable national economic growth. They are indispensable elements for businesses to design marketing strategies allowing them to identify and promote their goods or services in the market place and to distinguish these goods or services from those of their competitors. An increasing number of governments have realized the important role that trademarks, industrial designs and geographical indications thus play, not only for entrepreneurs but also for their countries' economies and comparative advantage in the global market place.

80. The effectiveness of the strategy depends, in the first place, on the availability of adequate legal protection at the national and international levels. Main Program 04 addresses these questions through the development of the international law of trademarks, industrial designs and geographical indications (sub-program 04.1), the operation, development and promotion of international registration systems to facilitate the acquisition and maintenance of these IP rights in different countries (sub-program 04.2), and the development and promotion of internationally recognized classification systems which facilitate certain procedures for the acquisition and maintenance of these rights (sub-program 04.3).

SUB-PROGRAM 04.1

DEVELOPMENT OF INTERNATIONAL LAW AND SERVICES

Objective: To develop harmonized principles and rules of the law of trademarks, industrial designs and geographical indications and related administrative practices, and to promote a wide recognition and implementation of WIPO-administered treaties and recommendations.

Expected Results	Performance Indicators
1. Revised TLT.	Adoption of the revised TLT by a Diplomatic Conference.
2. Expanded geographical coverage of the TLT.	Number of new contracting parties.
3. Increasingly harmonized rules or guiding principles on trademark law and related administrative practices.	Number of recommendations or guidelines under preparation or adopted.
4. Better understanding among Member States of principles on geographical indications and industrial designs.	Feedback from Member States.
5. Enhanced implementation of the joint recommendations on the protection of marks and other industrial property rights.	Number of new countries implementing the provisions of the joint recommendations.

81. In the framework of sub-program 04.1, WIPO will seek to progressively develop international law in the areas of trademarks, industrial designs, geographical indications and the protection against unfair competition, through meetings of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT). The uncertainty and difficulties for IPR holders in obtaining adequate protection in different markets derive from the differences in laws and administrative practices in various countries. The evolution of technology such as the Internet also poses new challenges to the current principles of industrial property law and to relevant procedures in this domain. The progressive development of international law can contribute to reduce such differences and respond to such challenges in this area.

82. Since the TLT was adopted in 1994, many developments have made its revision and modernization necessary: these include the growth of electronic commerce, and the benefits of electronic filing of trademark applications and related communications. New developments also create a need for an Assembly to be established with the capacity to modify the Regulations under the Treaty. Hence there is a clear rationale for a Diplomatic Conference to be held this biennium to

consider the revision of the TLT, to establish a TLT Assembly, to adapt the TLT to the requirements of electronic filing, and to revise other procedures under the Treaty.

83. Growing recognition of the value of subject matter protected by trademarks, industrial designs and geographical indications fuels demand for the SCT to continue its exploration of how further to develop international law on those rights. In recent years, the General Assembly and the Paris Union Assembly have followed the soft-law approach of adopting several Joint Recommendations on the protection of marks and other industrial property rights. The SCT may wish to formulate additional rules and guiding principles concerning the law of trademarks, industrial designs and geographical indications, and related administrative practices, and propose ways of adopting those rules and principles, including through Joint Recommendations or other forms of soft-law.

84. The sub-program will also seek to promote the implementation of WIPO treaties and recommendations in the area of trademarks, industrial designs and geographical indications by providing legal and administrative advice, and by supporting efforts to combat counterfeiting. Wider recognition and implementation of WIPO treaties and standards (notably the Paris Convention, the TLT, and the Joint Recommendations regarding trademark-related issues) would enhance the benefits derived from the protection of trademarks, industrial designs and geographical indications. This will be achieved through the use of advisory and promotional activities. There will also be a review of the procedure for communicating emblems of states and IGOs to be protected under Article 6ter of the Paris Convention.

Activities

- Convening regular meetings of the SCT (and any Working Group it sets up) to consider current issues, including:
 - revision of the TLT, to establish a TLT Assembly and to introduce features concerning electronic filing and other procedures;
 - further developing international trademark law and promoting the convergence of related administrative practices through the formulation of rules and guiding principles;
 - continuing the work of the SCT on geographical indications, studying, if appropriate, the desirability and feasibility of establishing guiding principles on mutually agreed issues concerning the law of geographical indications and related administrative practices;
 - continuing the work of the SCT on the law of industrial designs and related administrative practices, and on domain names, as appropriate;
- preparing for, and, if agreed, organizing a diplomatic conference to adopt a revised TLT;

- preparing studies on issues relating to the law of trademarks, industrial designs and geographical indications that might not yet be ready for consideration by the SCT, where appropriate with the help of consultants, including on the protection of industrial designs and ways to effectively combat acts of unfair competition;
- promoting WIPO-administered treaties and joint recommendations in the areas of trademarks, industrial designs and geographical indications through providing legal advice to governments, contributing to seminars and conferences, and disseminating WIPO documents and publications;
- administering the procedure for notifying emblems of States and IGOs under Article 6ter of the Paris Convention and in accordance with the 1995 Agreement between WIPO and the WTO; publishing Article 6ter communications on CD-ROM and on-line; and reviewing the procedure for communicating these notifications;
- organizing the next in the series of worldwide symposia on the international protection of geographical indications, in cooperation with an interested government, and publishing the presentations made at the symposium.

SUB-PROGRAM 04.2

INTERNATIONAL REGISTRATION SYSTEMS

Objective: To provide in a swift, reliable and cost-effective manner the services entrusted to the International Bureau under the Madrid Agreement and the Madrid Protocol, under the Hague Agreement, and under the Lisbon Agreement, and to promote the development and use of the international registration systems.

Expected Results	Performance Indicators																								
<p>1. Swift, reliable and cost-effective processing, without any fee increase, of transactions at the following estimated levels:</p> <table border="1" data-bbox="240 1697 796 2033"> <thead> <tr> <th></th> <th>2004</th> <th>2005</th> </tr> </thead> <tbody> <tr> <td>– under the Madrid System:</td> <td></td> <td></td> </tr> <tr> <td>International applications</td> <td>26,000</td> <td>28,000</td> </tr> <tr> <td>Renewals</td> <td>7,000</td> <td>7,500</td> </tr> <tr> <td>Total: registrations and renewals</td> <td>33,000</td> <td>35,500</td> </tr> <tr> <td>Subsequent designations</td> <td>7,800</td> <td>8,100</td> </tr> <tr> <td>Other changes</td> <td>64,200</td> <td>66,800</td> </tr> <tr> <td>Refusals and related notifications</td> <td>112,600</td> <td>118,200</td> </tr> </tbody> </table>		2004	2005	– under the Madrid System:			International applications	26,000	28,000	Renewals	7,000	7,500	Total: registrations and renewals	33,000	35,500	Subsequent designations	7,800	8,100	Other changes	64,200	66,800	Refusals and related notifications	112,600	118,200	<ul style="list-style-type: none"> • Number of deposits, renewals and other entries in the International Registers of marks and industrial designs. • Timeliness of international registrations and other recordings. • Comparison between the growth of registration activity and the expenditure related to the growth of registration activity.
	2004	2005																							
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Expected Results	Performance Indicators
– under the Hague System: International applications 4,000 4,000 Renewals 3,900 4,100 Total: deposits and renewals 7,900 8,100 Total number of designs contained in the deposits 20,500 21,500 Changes 4,000 4,200	
2. Increased international coverage of the Madrid and Hague Systems.	Number of new Contracting Parties in the Madrid Protocol and in the most recent acts of the Hague Agreement (Geneva Act and 1960 Act).
3. Improved legal framework for obtaining protection for trademarks under the Madrid System and for industrial designs under the Hague System.	Adoption and implementation of new or amended procedures for the Madrid and Hague Systems.

85. This sub-program concerns the operation, promotion and development of the Madrid, Hague and Lisbon Systems for the international registration of trademarks, industrial designs and appellations of origin.

The Madrid System

86. The Madrid System facilitates acquisition and maintenance of protection for trademarks and service marks at the international level through the filing of a single application and the management of a single registration. It is governed by two treaties: the Madrid Agreement Concerning the International Registration of Marks of 1891 (“the Agreement”) and the Protocol thereunder of 1989 (“the Protocol”). As of December 31, 2002, 70 States were members of the Madrid System. Of these, 52 were party to the Agreement, 56 were party to the Protocol, and 38 were party to both. Developments during 2002 made it likely that new States and regional IGOs would accede to the system in 2003 or shortly afterwards. This will add large markets to the system, with great potential for increasing its use. Under this sub-program, the International Bureau processes international applications, renewals, subsequent designations and other changes concerning international trademark registrations, as well as refusals of protection and other notifications.

87. The expected new accessions to the Madrid system could dramatically affect its operations. Yet it is difficult to forecast the level of applications in 2004-2005 because of the uncertainty as to whether and when these accessions will actually take place, and how potential new users will respond. Forecasts are based on an estimate of 26,000 applications in 2004 and 28,000 in 2005 (representing an 8.5 per cent increase in 2004 over the 24,000 applications estimated for the year 2003, and a 7.7 per cent increase in 2005).

The Hague System

88. The Hague system for the International Deposit of Industrial Designs facilitates the acquisition and maintenance of protection for industrial designs, at the international level, through the filing of a single application and the management of a single registration. It is governed at present by the 1934 and the 1960 Acts of the Hague Agreement. By December 2002, 30 States were party to either or both of these Acts. A third Act, called the Geneva Act, was adopted in 1999 with the purpose of making the system more flexible and attractive to new Contracting Parties and users. This may come into force in 2003 and into operation in 2004.

89. Around 7,600 applications and renewals were filed and recorded in 2002, a rise of nearly 5 per cent from 2001. The total number of designs contained in the deposits remained stable at around 20,700 whilst, on the contrary, the number of changes recorded soared to reach a figure just under 3,500, representing a 37 per cent increase over 2001. It is likely that the number of applications and renewals will steadily grow, the annual rate of growth during 2004-2005 being estimated at 3.5 per cent over the estimated figure of 7,800 for 2003.

The Lisbon System

90. The Lisbon System for the International Registration of Appellations of Origin facilitates the protection of appellations of origin at the international level through the filing of a single application for registration. It is governed by the Lisbon Agreement of 1958, which by December 31, 2002 had 20 Member States. There are relatively few entries in the international register established under the Lisbon Agreement, and no estimate of new registrations during 2004-2005 is given since they would have marginal impact on the overall operations under this sub-program.

Automation

91. The International Bureau will also continue efforts to further automate the international procedures under these systems, encourage Offices of Contracting Parties and users to communicate with the International Bureau by electronic means, and develop Internet-based publication of data contained in the International Registers (see under Main Program 14).

Development and Promotion

92. These international registrations systems must evolve and adapt to new situations and continue to respond to the evolving needs of users. Several amendments to the Common Regulations under the Madrid Agreement and Protocol (e.g., on the refusal procedure, the contents of international applications and the recording of licenses in the International Register) came into force in April 2002. Offices of Contracting Parties and users will need advice and assistance in connection with the implementation of these amendments over this biennium. Also in 2002, the Madrid Union Assembly requested the International Bureau, subject to consultation with Member States, to make proposals to amend the language regime under the Madrid system for it to consider. In the event of the accession to the

Madrid Protocol by an IGO, further amendments to the Common Regulations could be required in order to take special account of some features relating to the operation of the system with respect to that IGO. If not completed in 2003, these questions may require follow up in 2004-2005.

93. The Geneva Act of the Hague Agreement is likely to enter into force in 2003 and into operation in 2004. This will require the establishment of Administrative Instructions and the adoption of a Schedule of Fees (probably still in 2003) and may provoke interest in amending its Regulations, especially to combine procedures under the 1934 and 1960 Acts.

94. This sub-program will also seek to expand the use and geographical coverage of these systems, and to make them more user-friendly and responsive to users' needs. The benefits of these systems are only available to applicants originating in their Contracting Parties and only extend to the territories of those Contracting Parties. Further accessions to these systems will make them more attractive to users and more responsive to their needs. The success of these systems depends on adequate implementation and efficient running of procedures by the offices of Contracting Parties. This sub-program therefore promotes new accessions and provides advice and assistance to Contracting Parties in the implementation of these treaties.

Activities

Operation of the International Registration Systems

- Formally examining applications for international registration, renewals of registrations or deposits, subsequent designations, changes in the registrations or deposits and refusals by Contracting Parties; and recording these steps;
- supervising and ensuring the quality of operations, and reviewing and improving work practices, including in connection with the expansion of electronic communications and the introduction of electronic filing facilities;
- receiving, indexing, scanning and capturing data from international applications and other documents;
- translating certain data contained in the applications and other documents into the other working languages;
- issuing communications and notifications to the Offices of the Contracting Parties, applicants and right holders;
- verifying, before publication, the contents of, and publishing, the periodicals WIPO Gazette of International Marks, International Designs Bulletin and Appellations of Origin, on paper form and/or electronic carriers and maintaining and improving databases (e.g. ROMARIN);

- Introducing corrections in the International Registers and supplying extracts, certified extracts and certified copies.

Development and Promotion of the International Registration Systems

- Promoting the use of the international registration systems, in particular by:
 - preparing and publishing, on paper and electronic form and on the Internet, information and training material on their features, functioning and benefits, including updates to the *Guide to the International Registration of Marks* and the *Guide to the International Registration of Industrial Designs*, and studies on the relevance of those systems from the viewpoint of business competitiveness and trade development;
 - organizing and participating in training seminars and conferences for users and potential users and providing them with advice on legal and procedural questions arising in the use of these systems;
- providing advice to governments and to offices of Contracting Parties on legal and procedural questions arising from the implementation of the international registration systems and, where interaction between the offices of Contracting Parties and the International Bureau is required in the procedures, advice and training to officials from the offices concerned;
- meeting with government representatives for consideration of, and exchange of views on, policy issues concerning the development of registration systems for trademarks, industrial designs and geographical indications;
- developing guidelines and best practices as well as undertaking case studies to achieve cost effective solutions for the administration of registration systems for trademarks, industrial designs and geographical indications;
- designing programs aimed at maximizing efficiency in the operation of the procedures under the international registration systems;
- promoting the acceptance of the latest Acts of the international registration treaties by new Contracting Parties and assisting in the implementation of their provisions in domestic law;
- preparing, with the help of working groups to be convened by the Director General, proposals to be considered by the Madrid, Hague or Lisbon Union Assembly aimed at improving the procedures that apply under the international registration systems; convening, if required, extraordinary sessions of the Madrid Union Assembly and the Hague Union Assembly (in addition to their two regular sessions) to consider questions requiring amendments to the Regulations of the treaties concerned.

SUB-PROGRAM 04.3

**INTERNATIONAL CLASSIFICATIONS IN THE FIELDS OF
TRADEMARKS AND INDUSTRIAL DESIGNS**

Objective: To provide industrial property offices and other users with effective tools for the classification of trademarks and industrial designs for the administration and search of trademark and industrial design rights.

Expected Results	Performance Indicators
1. Improved and updated international classifications.	Number of new entries and other amendments introduced or prepared for introduction in the Nice, Vienna and Locarno classifications.
2. Wider acceptance and more effective use of the international classifications.	<ul style="list-style-type: none">• Number of industrial property offices using the international classifications.• Number of people trained in the use of international classifications and evaluation feedback on the effectiveness of the training.

95. WIPO will continue to provide for the development and promotion of the international classification systems for trademarks and industrial designs administered by WIPO, known as the Nice Classification of Goods and Services for the Purposes of the Registration of Marks, the Vienna Classification of the Figurative Elements of Marks and the Locarno Classification for Industrial Designs, which facilitate filing and searching procedures by applicants and offices in many countries.

96. At the end of 2002, the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks had 70 Member States, the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks had 19 Member States and the Locarno Agreement Establishing an International Classification for Industrial Designs had 41 Member States. Industrial property offices and other users in many other States, however, apply those classifications for searching purposes. Wider acceptance of the Nice Classification, in particular, brings about considerable simplification of filing procedures for international applicants and its worldwide acceptance should continue to be encouraged.

97. WIPO will maintain these classifications and provide advice and assistance to industrial property offices and other users of the classifications. It will also investigate how to take advantage of new technologies to improve the dissemination of the classifications, shorten their updating cycle, and facilitate their use by applicants and searching institutions.

Activities

- Preparation of proposed additions and other amendments to the current (eighth) edition of the Nice Classification by convening the Committee of Experts of the Nice Union (one in 2004 and one in 2005), and convening a session of the Committee of Experts in 2005, to consider those proposals;
- preparation of proposed additions and other amendments to the eighth edition of the Locarno Classification, through, in particular, one session of the Committee of Experts of the Locarno Union, in 2005;
- electronic publication of the Nice, Vienna and Locarno International Classifications (along with the International Patent Classification) using a common XML-based publishing platform and integrating advanced linguistic tools for accessing the classification systems;
- publication of the eighth edition of the Locarno Classification on the Internet and on CD-ROM (NIVILO:CLASS);
- preparation of an alphabetical list of the Vienna Classification for incorporation in the new (sixth) edition in 2006;
- preparation of pre-formatted electronic data files containing translations of additions and other amendments to the Locarno Classification;
- provision of advice to industrial property offices and other searching institutions and to the general public on the proper application of the international classifications concerned through correspondence and the publication of classification notices on the Internet;
- organization and conduct of training courses, seminars or workshops on the application of the Nice, Vienna and Locarno classifications.

Resource Description by Object of Expenditure

98. Total resources of Sfr41,271,000 reflect a program increase of Sfr988,000 or 2.5 per cent with respect to the corresponding amount in the 2002-2003 biennium.

99. For staff resources, an amount of Sfr33,216,000 is shown, a program increase of Sfr1,688,000 or 5.5 per cent. This includes resources of:

- (i) Sfr31,652,000 for posts, reflecting 11 additional posts, the reclassification of 8 posts and
- (ii) Sfr1,564,000 for short-term expenses.

100. These figures do not include the additional posts of translators that would be required if an additional language is added to the language regime of the Madrid System in the light of the discussions held at the Madrid Union Assembly in 2002.

Should the language regime be modified (see document MM/A/34/1), this would require the establishment of 8.5 or additional 16 translators posts, respectively.

101. For travel and fellowships, an amount of Sfr1,195,000 is shown, a program decrease of Sfr178,000 or 13.0 per cent. This includes resources of:

- (i) Sfr469,000 for 90 staff missions,
- (ii) Sfr726,000 for 130 third party travel in connection with the holding of the Standing Committee on Trademarks, a Diplomatic Conference on the Trademark Law Treaty, and the provision of training on the Madrid System.

102. For contractual services, an amount of Sfr3,939,000 is shown, a program decrease of Sfr981,000 or 20.0 per cent. This includes resources of:

- (i) Sfr949,000 for conferences to cover the cost of interpretation and related costs of holding the Standing Committee on Trademarks, a Diplomatic Conference on the Trademark Law Treaty, Committees on the Nice, Vienna and Locarno classifications and related meetings,
- (ii) Sfr663,000 for consultants services,
- (iii) Sfr2,177,000 for publishing services including the production costs of the Gazette of International Marks, the ROMARIN, the International Designs Bulletin and Appellations of Origin, and
- (iv) Sfr150,000 for other contractual services.

103. For operating expenses, an amount of Sfr2,524,000 is shown, a program increase of Sfr502,000 or 25.0 per cent. This includes resources of:

- (i) Sfr100,000 for premises and maintenance and
- (ii) Sfr2,424,000 for communication and other expenses, including the cost of mailing material of the International Registrations Department.

104. For equipment and supplies, an amount of Sfr397,000 is shown, a program decrease of Sfr43,000 or 9.8 per cent. This includes resources of:

- (i) Sfr131,000 for furniture and equipment and
- (ii) Sfr266,000 for supplies and materials.

Table 9.4 Detailed Budget 2004-2005 for Main Program 04

A. Budget Variation by Sub-program and Object of Expenditure (in thousands of Swiss francs)

	2002-2003 Revised A	Budget Variation						2004-2005 Proposed E=A+D	
		Program		Cost		Total			
		Amount B	% B/A	Amount C	% C/A	Amount D=B+C	% D/A		
I. By Sub-program									
04.1 Development of International Law and Services	5,759	584	10.1	15	0.3	599	10.4	6,358	
04.2 International Registration Systems	32,176	803	2.5	999	3.1	1,802	5.6	33,978	
04.3 International Classifications in the Fields of Trademarks and Industrial Designs	1,322	(399)	(30.2)	12	0.9	(387)	(29.3)	935	
TOTAL	39,257	988	2.5	1,026	2.6	2,014	5.1	41,271	
II. By Object of Expenditure									
Staff Costs	30,553	1,688	5.5	975	3.2	2,663	8.7	33,216	
Travel and Fellowships	1,367	(178)	(13.0)	6	0.4	(172)	(12.6)	1,195	
Contractual Services	4,894	(981)	(20.0)	26	0.5	(955)	(19.5)	3,939	
Operating Expenses	2,006	502	25.0	16	0.8	518	25.8	2,524	
Equipment and Supplies	437	(43)	(9.8)	3	0.7	(40)	(9.2)	397	
TOTAL	39,257	988	2.5	1,026	2.6	2,014	5.1	41,271	

B. Post Variation by Post Category

Post Category	2002-2003 Revised A	Post Variation B-A	2004-2005 Proposed B
Directors	5	--	5
Professionals	22	8	30
General Service	73	3	76
TOTAL	100	11	111

C. Budget Allocation by Sub-program and Object of Expenditure (in thousands of Swiss francs)

Object of Expenditure	Sub-program			Total
	1 DILS	2 IRS	3 ICFTID	
Staff Costs				
Posts	4,558	26,382	712	31,652
Short-term Expenses	59	1,505	--	1,564
Travel and Fellowships				
Staff Missions	155	274	40	469
Third Party Travel	475	231	20	726
Contractual Services				
Conferences	806	88	55	949
Consultants	247	416	--	663
Publishing	20	2,099	58	2,177
Other	--	150	--	150
Operating Expenses				
Premises and Maintenance		100	--	100
Communication and Other	28	2,376	20	2,424
Equipment and Supplies				
Furniture and Equipment	10	101	20	131
Supplies and Materials	--	256	10	266
TOTAL	6,358	33,978	935	41,271