

Working Group on the Legal Development of the Hague System for the International Registration of Industrial Designs

Fifth Session
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CONSIDERATIONS RELATING TO A POSSIBLE REVISION OF THE SCHEDULE OF FEES

Document prepared by the International Bureau

I. INTRODUCTION

1. The purpose of the present document is to initiate a discussion on a fee structure which would better correlate with the increasing workload of the International Bureau, with a view to ensuring the financial sustainability of the Hague System. The fifth session of the Working Group is invited to discuss measures on how to achieve a financially sustainable Hague System and comment on the proposals for a “flat” increase in the basic fee or a designation-tied basic fee and the timely payment of the basic fee, as described in Chapters III and IV of the present document.

GROWTH IN EXPENDITURES OF THE HAGUE SYSTEM

2. The total expenditure of the Hague System has grown in recent years. The growth in expenditure is to a large extent due to the preparations made by the Hague System to adapt to its geographical expansion, in particular to include new Contracting Parties with examination systems. The accession of such Contracting Parties has required the incorporation of a number of features into the Hague System for the first time, as agreed at the Diplomatic Conference for the Adoption of a New Act of the Hague Agreement Concerning the International Deposit of Industrial Designs (Geneva Act) in 1999.

3. It should be emphasized that the current challenges to IT-based administration of the Hague Registry are fundamentally different from the challenges faced in 2008 when the IT Modernization Program began¹. Deployment of the Design International Registration Information System (DIRIS) will enable data with a higher degree of granularity (i.e., design-specific and reproduction-specific information) to be recorded in the International Register². The technical build of DIRIS is expected to take place between January and April 2016 subject to the final detailed planning schedule. Final testing and deployment is set to take place between May and August 2016.

4. In addition to the sheer increase in international applications, which will trigger more income, the expansion of the Hague System to jurisdictions with an “Examining Office” would trigger more complex formal examination by the International Bureau and an increase in the number of notifications of irregularity. Given the foreseen increase in the number of refusals and related notifications, requests for modifications and renewals, new examiners have been recruited and personnel costs have risen accordingly.

5. The expansion of the Hague System is also reflected in the increased number of inquiries (telephone calls and e-mails), to which the Customer Service of the Hague Registry has to respond. Information on the WIPO website has been revised and includes updated tutorials on the E-filing interface. Furthermore, extensive promotion activities have been organized in prospective Contracting Parties to the Hague System.

6. Finally, the Working Group on the Legal Development of the Hague System for the International Registration of Industrial Designs was established in 2011 by the Hague Union Assembly in order to address the ongoing need for updating and adjusting the legal framework of the Hague System in accordance with global dynamics and trends in the field of industrial design. The Hague System should be able to accommodate a wide variety of national or regional jurisdictions, with the ultimate objective of keeping the Hague System simple, efficient and cost-effective. This is a challenge of the utmost importance for the Working Group and administration of this process entails an increasing workload for the Hague Registry.

7. The principle of financial sustainability of the Hague Union is prescribed by Article 23(3)(i) of the 1999 Act of the Hague Agreement Concerning the International Registration of Industrial Designs (hereinafter referred to as the “1999 Act”) in conjunction with Article 23(4)(b) which stipulates the following: “The amounts of the fees referred to in paragraph (3)(i) [of Article 23] shall be so fixed that the revenues of the Union from fees and other sources shall be at least sufficient to cover all the expenses of the International Bureau concerning the Union”³. As prescribed by Article 23(3)(i), the budget of the Hague Union shall be financed primarily from “fees relating to international registrations” and “other sources of financing”⁴. Article 23(4)(a) of the 1999 Act further provides that the amounts of the fees shall be fixed by the Assembly on the proposal of the Director General.

¹ The accessions of Japan, the Republic of Korea and the United States of America to the Hague System required modifications to the Hague System procedures and therefore to the legacy ICT system (DMAPS).

² Refer to document H/A/35/1, “Final Report of the Information Technology Modernization Program (Hague International Registration System)” presented to the Hague Union Assembly in 2015.

³ As regards the part of the Hague Union that is composed of the Contracting Parties to the Hague (1960) Act of the Hague Agreement (hereinafter referred to as “the 1960 Act”), the same principle is prescribed in Article 4(3)(i), Article 4(4)(a) and (b) of the Complementary Act of Stockholm of July 14, 1967.

⁴ According to Article 23(3) of the 1999 Act, the budget of the Hague Union shall be financed from the following sources:

- (i) fees relating to international registrations;
- (ii) charges due for other services rendered by the International Bureau in relation to the Union;
- (iii) sale of, or royalties on, the publications of the International Bureau concerning the Union;
- (iv) gifts, bequests and subventions; and
- (v) rents, interests and other miscellaneous income.

FINANCIAL SUSTAINABILITY OF THE HAGUE UNION

8. Fees relating to international registrations are the primary source of income for the financing of the Hague Union. However, fees have proven insufficient to cover the Hague Union expenses. In the 2012/13 biennium, the deficit for the Hague Union thus amounted to 6.48 million Swiss francs⁵ and the deficit for the Union for the 2014/15 and 2016/17 biennia is estimated at 5.8 and 3.9 million Swiss francs respectively⁶.

Table 3: Evolution of the Income of the Organization from 2006/07 to 2016/17⁷
(in million Swiss francs)

	2006/07	2008/09	2010/11	2012/13	2014/15 Budgeted Estimate	2014/15 Current Estimate	2016/17 Estimate	Difference 2016/17 Est. vs. 2014/15 Budgeted	
	Actual							Amount	%
Contributions	34.7	34.8	34.8	35.1	35.2	35.2	34.7	-0.4	-1.3%
Fees									
PCT System	451.1	443.6	434.8	514.9	545.6	570.4	575.9	30.3	5.5%
Madrid System	90.3	94.8	99.6	108.0	114.6	115.2	128.8	14.1	12.3%
Hague System	5.0	5.4	5.9	6.3	8.6	7.2	10.3	1.7	20.3%
Lisbon System*	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	-
Sub-total, Fees	546.5	543.8	540.3	629.2	668.8	692.9	715.0	46.2	6.9%
Arbitration	3.2	3.3	3.3	3.3	2.8	2.7	2.5	-0.3	-10.7%
Publications	2.7	1.1	1.1	1.0	1.2	0.7	0.3	-0.9	-74.2%
Other									
Investment revenue	15.8	17.8	9.4	3.4	1.5	3.0	-	-1.5	-100.0%
Miscellaneous	6.4	6.5	3.9	8.7	3.8	6.3	3.8	-	0.0%
Sub-total, Other	22.2	24.3	13.3	12.1	5.3	9.3	3.8	-1.5	-28.7%
TOTAL	609.3	607.4	592.8	680.7	713.3	740.8	756.3	43.0	6.0%

9. The estimated income for the 2016/17 biennium is calculated on the basis of the current Schedule of Fees, as contained in the Common Regulations under the 1999 Act and the 1960 Act of the Hague Agreement. The main components of income are the basic fee and renewal fees. These two items cover about 90 per cent of the income of the Hague System⁸. Other fees, such as a fee for recording a change in ownership or a limitation, are grouped under "Others". As indicated in Chart 11, the Hague income forecast is 4.800 million Swiss francs for 2016 and 5.500 million Swiss francs for 2017.

Chart 11: Expected Level of Hague Fee Income, by Source⁹

	2012	2013	2014	2015	2016	2017
Basic fee	1.9	2.2	2.2	2.9	3.6	4.2
Renewal fee	0.8	0.7	0.7	0.7	0.7	0.7
Others	0.4	0.4	0.4	0.4	0.5	0.6
Income	3.1	3.2	3.3	4.0	4.8	5.5
Growth		4.6%	1.2%	23.2%	19.9%	14.0%
High bound				+1.1	+1.6	+1.9
Low bound				-1.2	-1.6	-1.9

⁵ See document WO/PBC/22/6 "Financial Management Report for 2012/13".

⁶ Please refer to the WIPO Program and Budgets for the 2014/15 and 2016/17 biennia, Annex III.

⁷ Refer to page 8 of document A/55/5 Rev., "Proposed Program and Budget for the 2016/17 biennium".

⁸ Refer to paragraph 27 of Annex IV to document A/55/5 Rev., "Proposed Program and Budget for the 2016/17 biennium".

⁹ Refer to Chart 11, Expected Level of Hague Fee Income, by Source, of Annex IV to document A/55/5 Rev., "Proposed Program and Budget for the 2016/17 biennium".

10. Given that the expenditure related to the Hague Union is expected to amount to 14.368 million Swiss francs in the 2016/17 biennium and the forecast for income in 2016/17 amounts to 10.300 million Swiss francs, it is foreseen that the Hague Union will continue to be in deficit during the next biennium. On the basis of these calculations, the fees relating to international registrations and other sources of financing will not be sufficient to ensure the financial sustainability of the Hague System, as required by Article 23(3) of the 1999 Act, in conjunction with Article 23(4)(b) of that Act.

SCHEDULE OF FEES

11. Nonetheless, since the 1999 Act started to expand geographically resulting in an increased workload for the International Bureau, the basic fees, i.e., the selfsame fees that are intended to allow the International Bureau to recoup its costs associated with the administration of the Hague System, have not changed. More precisely, the last time that the basic fee and renewal fees were increased under the Hague System was in 1996.

12. In the Schedule of Fees (“for deposits governed exclusively or partly by the 1960 Act”), with effect from April 1, 1996, the amount of the “international deposit fee” for one design was increased from 385 Swiss francs to 397 Swiss francs, and “for each additional design included in the same deposit”, said fee rose from 18 Swiss francs to 19 Swiss francs. The amount of the “international renewal fee” for one design was increased from 194 Swiss francs to 200 Swiss francs, and “for each additional design included in the same deposit”, said fee rose from 16 Swiss francs to 17 Swiss francs. In other words, the amounts of the basic fee and renewal fees in the current Schedule of Fees, which entered into force on January 1, 2015, are the same as they were 20 years ago.

13. An across-the-board reduction of 20 per cent was applied to publication fees¹⁰ in March 1999 when a new publication mode was introduced that year. The original paper version of the *International Designs Bulletin* was replaced by a monthly publication on CD-ROM¹¹ and an altered monthly publication on paper¹². In January 2002, a new method of calculating publication fees came into force¹³.

14. On April 1, 2004, the Common Regulations under the 1999 Act, the 1960 Act and the 1934 Act of the Hague Agreement entered into force. Three new fees were introduced in the revised Schedule of Fees in the Common Regulations: a fee for the recording of a renunciation, a fee for the recording of a limitation, and a fee of an extra 2 Swiss francs per word if the description exceeds 100 words. A deferred publication fee was no longer required and was deleted from the Schedule of Fees. The amounts of the other fees in the Schedule of Fees remained unchanged¹⁴.

¹⁰ 33 Swiss francs instead of 41 Swiss francs for each set of four standard spaces for publication in black and white, and 264 Swiss francs instead of 330 Swiss francs for each set of four standard spaces for publication in color.

¹¹ Monthly publication on CD-ROM included all the bibliographic data and reproductions of the designs contained in new deposits registered under the 1960 Act.

¹² Monthly publication on paper included all the data contained in the previous publication, with the exception of the reproductions of the designs registered under the 1960 Act.

¹³ The new method of calculation was based on the number of reproductions to be published and the number of A4 pages on which these reproductions are submitted. The concept of “groups of standard spaces” was deleted. The new scale of publication fees greatly simplified the calculation of the publication fees for depositors and resulted in a substantial reduction of those fees. The publication fee for each reproduction to be published in black and white was set at 12 Swiss francs; 75 Swiss francs for each reproduction to be published in color; and 150 Swiss francs for each page.

¹⁴ In January 2008, the distinction between reproductions to be published in black and white and reproductions to be published in color was eliminated from the Schedule of Fees, and a single fee of 17 Swiss francs per reproduction was introduced. The publication fee per page (where reproductions are submitted on paper) remained unchanged.

15. The Common Regulations under the 1999 Act and the 1960 Act came into force on January 1, 2010. On that occasion, no amendments to the amounts of fees were made. The current Schedule of Fees, with effect from January 1, 2015, introduced a new part VII entitled “Services Provided by the International Bureau”, according to which the International Bureau was authorized to collect a fee, whose amount it shall itself fix, for services not covered by the Schedule of Fees. The main purpose of this “fee for services” is to address the issue of submitting supporting documents to the Offices of designated Contracting Parties, through the International Bureau, at the time of the filing of an international application or subsequently. This fee is yet to be applied by the International Bureau.

II. INCREASED WORKLOAD OF THE INTERNATIONAL BUREAU

INTENSIFIED EXAMINATION OF AN INTERNATIONAL APPLICATION

16. The E-filing interface automatically checks that all the mandatory contents of an international application are included in the application. However, examiners of the International Bureau still need to look for errors in the mandatory content, such as product indication and, pursuant to the expansion to jurisdictions with an “Examining Office”, incomplete or erroneous additional mandatory content under Article 5(2)(b) or Rule 8, such as the identity of the creator, or erroneous optional contents such as the indication of a related/principal design.

17. Similarly, an international application may contain accompanying documents that are to be submitted through the International Bureau to the Offices requiring them for examination purposes. Section 408 of the Administrative Instructions provides a complete list of permitted matters and documents which, according to the option chosen by the applicant and in compliance with Rule 7(5)(f) and (g), may be included in the international application. Moreover, according to Rule 8, an oath or declaration of the creator may accompany the international application¹⁵.

18. In addition to the contents of the international application itself, the examiner of the International Bureau verifies a number of formal aspects concerning the accompanying documents. This can include, for example, whether the oath is signed by (all) the creator(s) indicated or, if micro-entity status is claimed, whether a micro-entity certification is attached to the international application.

19. In respect of all the above, whenever a deficiency is detected, the examiner of the International Bureau issues an irregularity letter inviting the applicant to correct the irregularities within the prescribed time limit and further examines and processes such a correction when received.

20. Following the accessions of the Republic of Korea (in July 2014) and Japan and the United States of America (in May 2015), and in spite of the safeguards built into the E-filing interface, international applications are also more prone to containing irregularities. As a result, there has been a sharp increase in the number of irregularity letters recently despite the endeavors of the International Bureau to keep the system simple. In 2011, 2012, 2013

¹⁵ Annex I to form DM/1 allows the applicant to submit a “Declaration of Inventorship” or, if not possible, a “Substitute Statement in Lieu of a Declaration of Inventorship”, in respect of a designation of the United States of America. It is mandatory if the United States of America is designated. Annex II allows the applicant to submit supporting documentation accompanying an international application in support of a declaration concerning exception to lack of novelty. Annex III serves to submit a statement that identifies information known by the applicant to be material to the eligibility for protection of the industrial design concerned. It is only relevant for the designation of the United States of America. Annex IV allows the applicant to support a claim of micro entity status with a micro entity certification in order to benefit from a reduction of the individual designation fee in respect of a designation of the United States of America. Sections corresponding to Annexes I, II, III and IV are also included in the E-filing interface.

and 2014, the number of irregularity letters was 1,163, 1,319, 1,494 and 1,207 respectively. It should be underscored that the decrease in the number of irregularity letters registered in 2014 is linked to the introduction of a new version of the E-filing interface in 2013, which automatically checks more features in international applications. Nonetheless, the International Bureau had already issued 1,488 irregularity letters by the end of October 2015, meaning that by the end of 2015, the number of irregularity letters is expected to be over 40 per cent higher than in 2014. This increase correlates with the increase in the number of international applications¹⁶.

21. The formal examination by the International Bureau has become increasingly complex and takes longer as a result of the new features that were introduced into international applications for the purposes of the designation of Japan, the Republic of Korea and the United States of America. This is reflected in the number of different types of irregularities administered by the International Bureau. Thirty-seven types of irregularities were administered by examiners in 2013 and 58 types of irregularities were administered in 2014 following the accession of the Republic of Korea. In 2015, following the accessions of Japan and the United States of America, examiners have administered 67 types of irregularities so far.

EXAMINATION OF NOTIFICATIONS ISSUED BY OFFICES

22. Given the increasing number of international registrations designating Contracting Parties with an Examining Office, the number of refusals issued by these Offices may well correlate with their designations. A significant number of refusals to be issued by Examining Offices of new Contracting Parties will be on substantive grounds, such as prior art or insufficient disclosure of an industrial design.

23. Pursuant to Rule 19 of the Common Regulations, an examiner of the International Bureau verifies that all the required elements such as grounds for refusal are indicated correctly in the notification of refusal. Therefore, the workload of the International Bureau will increase accordingly¹⁷. The number of statements of grant of protection issued by the Offices is also increasing¹⁸. In certain situations, the issuance of the statement of grant of protection is mandatory, for example, following a refusal (instead of a withdrawal of refusal) or where the international registration was amended in a procedure before the Office. The examiner of the International Bureau checks, *inter alia*, that the date on which the international registration produced or shall produce the effect as a grant of protection under the applicable law is indicated in the statement.

24. The International Bureau does not receive any remuneration for its examination of notifications issued by the Offices. In addition to the above-mentioned types of notifications, the Offices may issue, for example, a refusal of the effects of the change in ownership.

¹⁶ The number of international applications were 2,531 in 2011, 2,604 in 2012, 2,990 in 2013, 2,924 in 2014 and 3,379 by the end of October 2015 (representing a 38.9 per cent increase compared to the same period in 2014).

¹⁷ The number of notifications of refusal were 231 in 2011; 81 in 2012; 119 in 2013 and 152 in 2014. At the end of October 2015, at which date neither the Japan Patent Office (JPO) nor the United States Patent and Trademark Office (USPTO) had started issuing notifications concerning the designations of Japan and the United States of America in international registrations, the number of notifications of refusal already amounted to 153, of which 88 were issued by the Korean Intellectual Property Office (KIPO). (By the end of October 2015, the Republic of Korea had been designated 607 times in international registrations. Since its accession to the 1999 Act in July 2014, the Republic of Korea has been designated 836 times in international registrations. By 2014, KIPO had not yet issued any notifications of refusal.)

¹⁸ By the end of October 2015, the International Bureau had received 2,949 statements of grant of protection, a 19.6 per cent increase compared to the same period in 2014.

ADMINISTRATION OF THE PAYMENT OF THE SECOND PART OF THE INDIVIDUAL DESIGNATION FEE

25. It is recalled that the United States of America is the only Contracting Party that has made a declaration under Article 7(2) of the individual designation fee, specifying that the fee to be paid consists of two parts. Pursuant to Rule 12(3)(c), the second part of the individual designation fee may be paid either directly to USPTO or through the International Bureau, at the holder's discretion. The administration of the payment of the second part of the individual designation fee accrues to the workload of the International Bureau. The International Bureau does not collect any fees for administering this procedure.

III. CONSIDERATIONS RELATING TO POSSIBLE AMENDMENTS TO THE SCHEDULE OF FEES

"FLAT" INCREASE OF THE BASIC FEE

26. As described previously in the present document, the last increase in the amounts of the basic fee and renewal fees under the Hague System dates back almost 20 years, to 1996. In the meantime, with the expansion of the Hague System, the workload of the International Bureau has increased in respect of international applications and is expected to continue to do so in respect of refusals issued by the Offices.

27. At the same time, the selfsame geographical expansion of the Hague System into a global system makes it more attractive to users by affording them access to greater coverage under a single procedure. Therefore, even from the users' perspective, it may be acceptable to raise the amount of the basic fee in order to allow the Hague System to reconnect with its principle of financial sustainability¹⁹.

28. However, given the gap between the forecasted expenditures and revenues as reported in Chapter I of this document, it is clear that a flat increase in the basic fee alone would make the system inaccessible for certain categories of users. Furthermore, it could be argued that applicants wishing to continue to protect their designs solely in Contracting Parties which do not have an examination system would begin to subsidize applicants designating Contracting Parties with an Examining Office. Therefore, any increase in the basic fee should be balanced and alternatives or additional measures should be considered.

DESIGNATION-TIED BASIC FEE

29. It could be envisaged that the Schedule of Fees should better reflect the increased workload and complexity of the work performed by the International Bureau. The examination of international applications designating Contracting Parties with an Examining Office entails extensive examination by the examiner, not only in respect of applications but also in respect of refusals issued by those Offices. Therefore, a designation-tied basic fee could be considered. For example, if a Contracting Party with an Examining Office is designated in an international application, an additional basic fee would be payable.

¹⁹ It is recalled that document H/LD/WG/5/5, entitled "Considerations Relating to the Possible Introduction of Simultaneous Limitations in International Applications and Other Amendments to the Common Regulations", which is also to be discussed in the fifth session of the Working Group, contains a proposal for the introduction of the concept of "simultaneous limitations" in the international application that, if ever implemented, would allow applicants to make savings in respect of the designation fees payable.

30. To illustrate the above proposal, if the concept of a designation-tied basic fee were to be introduced in addition to the basic fee, the applicant would pay an additional basic fee each time a Contracting Party with an Examining Office is designated in an international application.²⁰ According to this scenario, an additional “flat” basic fee could be payable, for example, from the time when a Contracting Party with an Examining Office is designated or in respect of each Contracting Party with an Examining Office that is designated.

31. Alternatively, or additionally, a further basic fee could be payable in respect of each Contracting Party that is designated and to whose Office the accompanying documents are submitted through the International Bureau. As explained previously herein, examiners of the International Bureau also check the contents of accompanying documents.

32. Finally, it is foreseen that when more Contracting Parties with an Examining Office join the Hague System, the post-registration workload of the International Bureau will increase accordingly, particularly with respect to the examination of the notifications issued by said Contracting Parties.

IV. OTHER MEASURES SEEKING TO IMPROVE THE FINANCIAL SUSTAINABILITY OF THE HAGUE SYSTEM

PROPOSAL FOR AMENDMENTS TO RULE 14 OF THE COMMON REGULATIONS

33. Under Article 8(1) of the 1999 Act, if the International Bureau finds that the international application does not, at the time of its receipt, fulfill the applicable requirements, it shall invite the applicant to make the required corrections within the prescribed time limit. By the end of October 2015, the International Bureau had issued 402 irregularity letters concerning insufficient payment of fees. Thirty-seven applications were abandoned during the same period for complete non-payment of fees. In addition, concerning 76 applications, in view of the problems raised at the time of their examination, the International Bureau contacted the applicant informally, only to discover that the applications were frivolous or that the applicant had had a change of heart and the case would go no further. In other words, in respect of any of these international applications, the International Bureau had started or completed its formal examination but did not receive any remuneration for the work done.

34. This results in a waste of examination resources since such applications need to undergo a full examination so that the absence of payment of fees, in addition to any other irregularities, can be detected and, if this problem is not remedied, ultimately the application will be formally deemed to have been abandoned. Requiring payment of the flat basic fee would at least limit such frivolous requests and allow the International Bureau to recoup some of the costs associated with its examination work, regardless of the fate of the application.

35. Therefore, the International Bureau should not commence its examination until it receives an amount corresponding to the basic fee for one design. Where the upfront payment of (at least) the basic fee for one design is not made, it is proposed that this deficiency be corrected within one-month from the date of the invitation sent by the International Bureau. Therefore, it is proposed to add a new subparagraph (b) to Rule 14(1) to that effect and amend paragraph (3) of Rule 14 accordingly.

²⁰ Pursuant to Article 1(xvii) of the 1999 Act, an “Examining Office” is defined as an “Office which *ex-officio* examines applications filed with it for the protection of industrial designs at least to determine whether the industrial designs satisfy the condition of novelty”. Based on some declarations which may be made by Contracting Parties whose Offices satisfy the said requirement and on the information regarding examination procedures at various Offices, which the International Bureau has obtained so far, the Offices of Hungary, Japan, Kyrgyzstan, Republic of Korea, Republic of Moldova, Romania, Syrian Arab Republic and the United States of America are deemed to be Examining Offices.

Rule 14
Examination by the International Bureau

(1) [*Time Limit for Correcting Irregularities*] (a) If the International Bureau finds that the international application does not, at the time of its receipt by the International Bureau, fulfill the applicable requirements, it shall invite the applicant to make the required corrections within three months from the date of the invitation sent by the International Bureau.

(b) Notwithstanding paragraph (a), if the amount of the fees received at the time of receipt of the international application is less than the amount corresponding to the basic fee for one design, the International Bureau may first invite the applicant to make payment of at least the said amount within one month from the date of the invitation sent by the International Bureau.

[...]

(3) [*International Application Considered Abandoned; Reimbursement of Fees*] Where an irregularity, other than an irregularity referred to in Article 8(2)(b) of the 1999 Act, is not remedied within the time limits referred to in subparagraphs (1) (a) or (b), the international application shall be considered abandoned and the International Bureau shall refund any fees paid in respect of that application after deduction of an amount corresponding to the basic fee.

V. CONCLUSIONS

36. It is expected that the increase in the number of international applications will continue in the coming years. The International Bureau is carefully monitoring the application trends and needs of the users of the Hague System. In particular, the users of the system should pay fees in proportion to the work done, either by the International Bureau or the Offices, and that balance should be carefully considered.

37. To keep pace with the dynamics of an efficient and financially sustainable international registration system, the fifth session of the Working Group is invited to discuss a possible revision of the Schedule of fees of the Hague Union, in accordance with Article 23(4)(a) and (b) of the 1999 Act. Furthermore, the fifth session of the Working Group is invited to comment on the proposed amendments to the Common Regulations and Administrative Instructions, which will be submitted to the Hague Union Assembly in due course.

38. On the basis of the comments and instructions of the Working Group, detailed scenarios for a sustainable fee structure will be provided by the International Bureau to be discussed in the sixth session of the Working Group in the first half of 2016.

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