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WORLD INTELLECTUAL PROPERTY ORGANIZATION  
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**GOVERNING BODIES OF WIPO  
AND THE UNIONS ADMINISTERED BY WIPO**

**Twenty-Fourth Series of Meetings  
Geneva, September 20 to 29, 1993**

REPORT OF THE WIPO BUDGET COMMITTEE  
RE: DOCUMENT AB/XXIV/2

adopted by that Committee on April 21, 1993

The following paragraphs reproduce the first 54 paragraphs of the text of the report of the eleventh session of the WIPO Budget Committee held from April 19 to 21, 1993 (document WO/BC/XI/4), dealing with the opening of the said session and consideration of the draft program and budget for the 1994-95 biennium. The remainder of the said report (paragraphs 55 to 69) deals with the unitary contribution system for the six Contribution-financed Unions and alignment of the contributions of the non-Union States; those paragraphs of the report appear in document AB/XXIV/6.

"Introduction

"1. The eleventh session of the WIPO Budget Committee, hereinafter referred to as 'the Budget Committee,' was held at the Headquarters of WIPO from April 19 to 21, 1993.

"2. The members of the Budget Committee are the following States (see document AB/XX/20, paragraph 231): Brazil, Canada, Chile, China, Egypt, France, Germany, India, Japan, Russian Federation, Switzerland, United Republic of Tanzania, United States of America, Yugoslavia (14). All members were represented in the session. The list of participants is attached to the present report.

"3. The Budget Committee unanimously elected Mr. Alexander von Mülendahl (Germany) as Chairman, and Mr. Piragibe Tarragô (Brazil) and Mr. Wu Zhen-xiang (China) as Vice-Chairmen.

"4. The Delegation of Germany, speaking on behalf of the European Community and its member States, made the following statement:

'I am speaking on behalf of the European Community and its member States.

'As we have already made clear on a number of occasions, the European Community and its member States do not accept that the Federal Republic of Yugoslavia is the automatic continuation of the Socialist Federal Republic of Yugoslavia.

'In this context, we take note of the General Assembly Resolution 47/1 adopted on 22 September 1992, in which the Assembly considered that the Federal Republic of Yugoslavia (Serbia and Montenegro) cannot continue automatically the membership of the former Socialist Federal Republic of Yugoslavia in the United Nations, and decided that the Federal Republic of Yugoslavia (Serbia and Montenegro) should therefore apply to join the United Nations, and shall not participate in the work of the General Assembly.

'We also take note of the decisions adopted by the WIPO Governing Bodies on 24 September 1992, which decided that the Federal Republic of Yugoslavia should not participate in any meetings of the Governing Bodies.

'The European Community and its member States have also noted the United Nations Legal Counsel's advice on the applicability of the General Assembly resolution to other United Nations bodies. We regard General Assembly Resolution 47/1 as a model for action in the specialized agencies and other United Nations Bodies in due course, as appropriate.

'We do not accept that representatives of the Federal Republic of Yugoslavia (Serbia and Montenegro) may validly represent Yugoslavia in this meeting. The presence of the representative in question is without prejudice to any further action which the Community and its member States may take.'

"5. The Delegation of the United States of America made the following statement:

'My Government would like to second the statement which Germany just made on behalf of the Community.

'We too have made clear on numerous occasions that we do not consider Serbia-Montenegro to be the continuation of, or the sole successor to, the Socialist Federal Republic of Yugoslavia.

'As Germany pointed out, the WIPO Budget Committee is a dependency, not only of the WIPO Assembly, but also of the Paris Union and the Berne Union. These Organizations were among the WIPO Governing Bodies which last September overwhelmingly adopted a resolution preventing the continued participation by the "FRY" in their meetings.

'This resolution clearly applies to the Budget Committee. "FRY" participation in this meeting would directly contravene the resolution of the Governing Bodies.

'We therefore do not accept the participation of Serbia-Montenegro in this meeting and, as Germany pointed out for the Community, the presence of Serbia-Montenegro here today is without prejudice to any future action which may be taken in the relevant bodies on this issue.'

"6. The Delegation of Japan made the following statement:

'As to the membership of the Federal Republic of Yugoslavia to the United Nations, the Government of Japan does not accept the automatic continuity of its membership in international organizations, including the World Intellectual Property Organization.

'The Federal Republic of Yugoslavia (Serbia and Montenegro) should apply for membership if it wishes to become a member of the United Nations or its specialized agencies.

'The participation of Yugoslavia in any meeting of WIPO is without prejudice to the position and future decisions of the Japanese Government on this and related issues.'

"7. The Delegation of the Russian Federation made the following statement:

'With regard to participation of the Delegation of Yugoslavia in the work of the Budget Committee, I wish to state that my Delegation does not consider it possible to discuss the matter in this Committee.

'Since a decision on the membership of this Committee is taken by the Governing Bodies concerned, it is therefore the prerogative of these Governing Bodies to decide on any change in the membership of a body subordinated to them, i.e., that of the Budget Committee. Since we are not aware of any such decision, we presume that the Delegation of Yugoslavia may and must participate in the current session of the Budget Committee.

'As to the matter of membership of Yugoslavia in the United Nations, I have an official press release dated April 12, 1993, before me and it does contain the name of Yugoslavia among its member countries. Yugoslavia became a UN member on October 24, 1945, and it continues to be so.

'Therefore we would like to emphasize that we do not regard it possible to consider, in the meeting of the Budget Committee, the matter of participation of the Delegation of Yugoslavia in its work.'

"8. The Delegation of Yugoslavia made the following statement:

'In respect to the statements made by the representatives of Germany on behalf of the EC countries, the USA and Japan, I would first of all wish to point out that the meeting of the WIPO Budget

Committee is not the appropriate place to discuss the question brought up by the representatives of the said delegations.

'Not wishing to abuse of our precious time, since there are many important issues on our agenda that have to be resolved, I have to underline, however, the following fact:

'The decision of the General Assembly of the United Nations, to which the previous speaker referred, relates only to a temporary suspension of participation of the Federal Republic of Yugoslavia in the work of the UN General Assembly, which is also the interpretation of the UN Legal Advisor, who has very clearly expressed himself on this matter.

'In regard to the reference made to the decision of the 23rd session of the Governing Bodies of WIPO, I would like to stress, first of all, that this decision is applied only to the work of the nine WIPO bodies which were in session during the period 21 to 29 September 1992 and that it referred to a temporary suspension of the participation of the FRY in the work of the said bodies, with no implication as to the status of the FRY and its participation in their work.

'On this occasion too, I would wish to stress, Mr. Chairman, that the Government of the Federal Republic of Yugoslavia has the intention to pursue its active and fruitful participation in the work of WIPO, including its committees.'

"9. The Delegation of Canada made the following statement:

'The Delegation of Canada would like to associate itself with the position taken by the first three speakers: Germany, the United States and Japan.

'Two subsequent speakers referred to legal arguments and I would just say that political decisions were taken in September 1992 to deny the Federal Republic of Yugoslavia from automatic membership in the General Assembly and to preclude it from participation in WIPO Governing Body meetings.

'It seems very much to Canada that participation of the "FRY" in Budget Committee meetings clearly contravenes the spirit of both political decisions and we would regret it but, along with those first three speakers, we would simply say that such participation is without prejudice to our policy or any further action that we take with respect to this particular issue.'

"10. The Chairman made the following statement:

'From past experience in this Organization, it has been the practice that all these statements have been recorded in full in the reports of the meetings. As I understand it, the subsidiary bodies, like this one, or working groups established under the authority of the Governing Bodies, are themselves not in a position to take decisions on their membership or participation. In the absence of any objection, I suggest that this practice be followed in this meeting, and that these statements be noted and placed in the report; this would, of course, be without any

prejudice to the position that any delegation may take in future in any other body.'

"11. The Budget Committee adopted the agenda contained in document WO/BC/XI/1, involving the following two substantive items: 'Draft program and budget for the 1994-95 biennium' and 'Unitary contribution system for the six Contribution-financed Unions and alignment of the contributions of non-Union States.'

"12. In reply to questions from the Delegations of France and the United States of America, the International Bureau observed that the two items on the agenda could be considered independently. The overall 8.6% reduction in the level of contributions of the Unions for the 1994-95 biennium was not contingent on the introduction of the unitary contribution system, although that reduction would facilitate the introduction of the unitary contribution system.

"Draft Program and Budget for the 1994-95 Biennium

"13. Discussions were based on document WO/BC/XI/2.

"14. The Budget Committee had a full discussion of that item, beginning with a general discussion of the draft program and budget, followed by a detailed discussion of the individual items of the draft program and of the sections of the draft budget.

"15. In the course of the discussions, the International Bureau furnished, in response to questions put by delegations, further information and explanations to supplement the information and explanations given in the documents before the Budget Committee.

"16. The recommendations of the Budget Committee are set forth in paragraphs 50 to 53, below. Other paragraphs reflect the observations and views of various members of the Budget Committee, and further information provided by the International Bureau.

"17. The Delegation of France proposed that, as in a 'holding company,' the Unions administered by WIPO might be considered as 'subsidiaries.' Budgets for each Union should be presented, giving the principal elements of expenditure, with the corresponding staff resources and income. Those budgets could then be considered and adopted separately, and later aggregated to give the overall budget of the Organization. Such an approach should make it possible to see the continuation of previous activities and what activities were new.

"18. The Chairman observed that that would involve a totally different approach to budget-making from the traditional approach of examining the overall budget, and noted that it would not be appropriate to consider budgets of certain individual Unions in isolation. Furthermore, the analogy of a 'holding company' would be relevant only if the 'subsidiaries' were entirely autonomous.

"19. The International Bureau observed that the budgets for each Union were presented in the draft program and budget document exactly as they had been presented in the corresponding document for the present (1992-93) biennium. The approval of those budgets would be by the Assemblies of each of the Unions involved, albeit meeting all together. It noted that the activities of the Organization and the staff items were

generally funded by more than one Union; for example, not a single staff member of the International Bureau worked exclusively for the Paris Union. It was therefore difficult to envisage approving the budgets of Unions one by one.

"20. The Delegation of Brazil noted that many activities were shared among the Unions and it would be difficult to consider separately the funding by each Union of the costs of each activity. Having separate approvals of the program and budget by each Union could lead to difficulties in trying to reconcile different views of several Unions concerning jointly financed common expenses.

"21. The Delegation of Egypt said that it did not consider it necessary to emphasize the separateness of the Unions, under the umbrella of WIPO, but rather one should consider bringing the Unions closer together, particularly under the proposed unitary contribution system.

"22. It was concluded that the draft program and budget had to be examined on the basis of the document before the Committee.

"23. All delegations expressed their support for the draft program and, in particular, delegations supported the proposed increase in the resources to be devoted to development cooperation activities. Certain delegations stated that they considered increased development cooperation activities, in improving the international protection of intellectual property, to be of mutual benefit to both developing countries and industrialized countries.

"24. The Delegations of the United Republic of Tanzania, Egypt, India, China and Chile noted the inter-connection between the draft budget for the 1994-95 biennium--particularly the proposed 8.6% reduction in contributions--and the proposal to introduce the unitary contribution system, both of which they endorsed as a package.

"25. The Delegations of China, Chile and India stated that they supported the draft program and budget for the 1994-95 biennium.

"26. The Delegation of the Russian Federation stated that it did not have difficulties with the draft program and budget, which it could accept, including the reduction by 8.6% in the level of contributions. The Delegation noted that its country was in the process of transition to a market economy. Having received in May 1992 the status of UNDP recipient country, it hoped to receive development assistance from all organizations of the United Nations system, including WIPO.

"27. The Delegations of the United Republic of Tanzania, Egypt, Chile and Brazil said that they considered it necessary to take a longer term perspective as to what should be the role of WIPO. Those Delegations and the Delegation of India, recognizing the sharp decrease in the availability of UNDP financing, and the consequent need for WIPO to have its own sources of funding of development cooperation activities, believed that the PCT Union should play a greater role in development cooperation activities. This was particularly appropriate in the light of the benefits to the private sector users of the PCT of having more effective patent systems in more developing countries. Those Delegations also expressed support for the proposed fee increases.

"28. The Delegations of France, the United States of America and Canada noted that the draft program and budget involved the increased

participation by the Fee-financed Unions in activities in which they had not traditionally (i.e., before the present biennium) been involved, and asked for information on the extent of such increased participation, especially as concerned the PCT Union, in particular its financing of development cooperation activities. Those Delegations asked the International Bureau to provide more justification to enable the PCT Assembly to approve this increase.

"29. Noting that 24 of the present 57 members of the PCT were developing countries, and that the number of developing country members of the PCT will increase (especially since most industrialized countries were already members), the Chairman emphasized the importance of having patent-related development cooperation activities financed by the PCT Union, in order to promote the accessions of many more countries to the PCT.

"30. As concerns the question of the proposed PCT fee increase, the Delegation of the United States of America asked for a justification in the light of the expected surplus of that Union. The Delegation of France said that, in the present economic situation, it did not favor the proposed PCT fee increase as sufficient justification had not been given for that. The Delegation of Japan asked that the level of the proposed 10% PCT fee increase be re-considered.

"31. The Delegations of the United States of America and France stated that, in order to have a longer term perspective, they needed more information concerning the projected future levels of reserves, the attribution of surpluses and the planned use of those.

"32. It was noted that the proposed Madrid fee increase was needed for the budgets of that Union essentially to break even. The Delegation of France questioned whether, instead of a fee increase, there should be recourse to the reserve fund of that Union or whether certain projects should be delayed. The Delegation noted the serious situation of the Madrid Union, where the 1992-93 budget estimates for international registrations and renewals were unlikely to be attained, and no growth was foreseen for the 1994-95 biennium.

"33. The International Bureau stated that the level of activity for trademarks was very dependent upon economic conditions. However, as the level of activity in this area was much less linked to the level of fees, since the Madrid system was so cost-effective for users, a fee increase was not likely to reduce the level of activity. The International Bureau expected the situation of the Madrid Union to improve along with the economic situation and, more particularly, with the coming into force of the Madrid Protocol. It was noted that further office space would be needed, and that the computer system of the Madrid Union needed to be adapted for the Protocol well in advance of the coming into force of the Protocol, in order to be able to handle the registrations under the Protocol.

"34. With regard to the Hague Union, the Delegation of Germany said that some users had complained that the fees were too high.

"35. In reply to several questions as to what levels of reserve funds were expected by the end of 1993, and as to why the budgeted surplus for the 1994-95 biennium for the Madrid Union was much lower than the level budgeted for the 1992-93 biennium, the International Bureau

indicated that the reserve funds were at the following levels as of December 31, 1991:

<u>Reserve Fund</u>	<u>Million francs</u>
Paris Union	2.1
Berne Union	2.0
IPC Union	1.4
Nice Union	0.8
Locarno Union	0.1
PCT Union	17.0
Madrid Union	24.2
Hague Union	1.1
Special reserve fund for additional premises/computerization	33.4

The International Bureau added that the arrears in contributions of the Paris and Berne Unions exceeded the amounts of their reserve funds, and that there were also arrears in contributions for the IPC, Nice and Locarno Unions. Furthermore, 10 million francs from the special reserve fund for additional premises/computerization had already been paid out for funding part of the cost of construction of the CAM (Centre administratif de Morillon) Building.

"36. As far as the results for the 1992-93 biennium were concerned, the International Bureau noted that the budgets for that biennium were balanced for the Contribution-financed Unions and provided for surpluses of 15.4 million francs for the PCT Union, 13.5 million francs for the Madrid Union and 0.2 million francs for the Hague Union. For the PCT Union, the 1992-93 budget assumed there would be 26,100 international applications in 1992 and 29,100 in 1993; the actual result for 1992 of 25,917 international applications was only slightly below the budgeted level and 28,000 were now expected for 1993. For the Madrid Union, on the other hand, the 1992-93 budget assumed that there would be 25,800 applications for international registration and renewals in 1992 and 26,400 in 1993; the actual result for 1992 of 21,143 registrations and renewals was considerably below the budgeted level, and the same number was now expected for 1993. Those lower figures, which reflected the difficult economic situation in a number of countries, indicated that lower surpluses should now be expected, especially for the Madrid Union. It was recalled that the surpluses for the PCT, Madrid and Hague Unions would be credited to the special reserve fund for additional premises and computerization.

"37. The International Bureau noted that the PCT fee increase, which was at the same level as the inflation in Geneva over the past two years, was required, in particular, in order to generate reserves to cover part of the costs of new premises for the ever-increasing staff required to handle the higher levels of activity of that Union. That principle had already been agreed by the Governing Bodies for the 1990-91 and 1992-93 bienniums. Negotiations were under way to purchase the WMO Building, which would need extensive transformation. In addition, major expenditures would be needed to provide for more conference facilities and parking, and considerable further computerization expenditures should be envisaged in the future.



"38. In response to a question from the Delegation of France, the International Bureau gave information on the status of negotiations for the purchase of the WMO Building.

"39. The Budget Committee then turned to matters of staff posts.

"40. The Delegation of the Russian Federation said that it had no objection, at least at this stage, to the proposed increase in posts. It noted the importance, in the recruitment of staff, of having equitable geographical distribution, and non-discrimination of candidates from any country including the Russian Federation.

"41. The Delegations of Brazil, Chile and the United Republic of Tanzania stated that they supported the proposals for new posts, which they considered to be justified.

"42. The Delegation of Japan observed that a rapid increase in posts would increase the budget, so the necessity of further posts should be carefully considered. The Delegation further stated that it would like to seek clarification concerning the necessity for and specific tasks of the proposed two Assistant Director General posts.

"43. The Delegations of the United States of America and France noted that the number of new posts proposed seemed large in light of the levels of activity planned.

"44. In response to a question from the Delegation of the United States of America regarding the increase in the number of posts in the Computerization Division and in the Languages Division, the International Bureau pointed out that the high level of computerization in the Organization required additional staff for maintaining and developing the computer systems, optical disc systems, and text processing operations. The shift from large centralized mainframe systems to more cost-effective local computer systems would involve a shift from paying a share of staff costs of the International Computing Centre to having more in-house staff. As concerns posts in the Languages Division, the International Bureau referred to the introduction of translation into Chinese and to the ever-increasing level of translation work in order to produce more documents in more languages.

"45. The Delegation of China stated that the International Bureau currently had no Chinese translator, and that Chinese representatives had difficulties in participating in meetings for which documents were not available in Chinese. The Delegation added that its country was participating more fully in the activities of the organization, and would be joining the PCT with effect in January 1994. The Delegation therefore welcomed the proposal to add staff posts for the introduction of translation into Chinese.

"46. In response to a question from the Delegation of France as to why the staff of the International Registration Units would increase by 5.5 posts when the level of international trademark registrations and renewals was expected to be lower than the level budgeted for the 1992-93 biennium, the International Bureau observed that, while less posts were budgeted for the International Registration Units to reflect those lower levels of international trademark registrations and renewals, additional posts were needed for promoting increased use of the Madrid and Hague systems (especially in the light of the Madrid Protocol and

the development of the Hague system), for handling relatively higher numbers of trademark refusals (and their publication) and trademark modifications, for handling higher numbers of industrial design deposits and renewals, with relatively higher numbers of designs and models per industrial design deposit, and for the growing ROMARIN workload. The net effect would be the said increase of 5.5 posts.

"47. In response to the observation by the Delegation of France that the program variation of 9.8% over the 1992-93 budget did not correspond to the concept of zero program variation, the Chairman noted that the budget for the 1992-93 biennium had had a program variation of about 25%; such program variations reflected all the activities of the Organization.

"48. In reply to a question from the Delegation of Switzerland, the International Bureau stated that the practice of organizations of the United Nations system was that depreciation provisions were not made for capital items.

"49. In summarizing the full examination by the Budget Committee of the draft program and budget for the 1994-95 biennium, the Chairman observed that a substantial number of delegations supported the draft program and budget as presented, whereas other delegations--while basically supporting the program and budget--had some concerns regarding the proposed fee increases of the Fee-financed Unions and the proposed participation of the Fee-financed Unions in the financing of program activities of the Organization beyond the level (4.3 million francs) of their participation in the current (1992-93) biennium.

"50. The Budget Committee decided to recommend to the Governing Bodies that the draft program and budget for the 1994-95 biennium be approved, including the reduction by 8.6% of the overall amount of the contributions payable in the 1994-95 biennium in respect of the Contribution-financed Unions, on the understanding that the proposed fee increases, the increased participation of the Fee-financed Unions in the financing of program activities of the Organization beyond the level of their participation in the 1992-93 biennium and the use of any surpluses generated during the 1994-95 biennium by those Unions would have to be decided upon by the Assemblies of the PCT, Madrid and Hague Unions, respectively.

"51. In this regard, the Budget Committee also decided to recommend that the International Bureau furnish additional information to the Assemblies of the PCT, Madrid and Hague Unions concerning the finances of those Unions involving, in particular, justification of the proposed fee increases, explanation of the proposed levels of participation of those Unions in the financing of program activities of the Organization, provision of information concerning their reserve funds, and explanation of the proposed use of the 1994-95 surpluses of those Unions.

"52. The Budget Committee also decided to recommend that the International Bureau furnish additional information to the Assembly of the Madrid Union to justify the proposed increase in posts for the International Registration Units, in the light of the reduction in the level of activity and the levelling of the expected number of applications for international registration and renewals.

"53. Finally, the Budget Committee decided to recommend that the International Bureau provide the Governing Bodies with a longer term perspective, beyond the 1994-95 biennium, of projected developments in the activities and the financing of the Organization.

"54. The following items of Part I (Draft Program) were the subject of comments:

"(i) ad Item 02 ('Development Cooperation with Developing Countries')

"(a) The Delegation of the United Republic of Tanzania acknowledged the Director General's concern for the participation of less developed countries in a fair worldwide intellectual property system. The Delegation welcomed the orientation in the proposed program and budget towards building up the intellectual property capacity of developing countries, in particular in sub-items (1) ('Human Resources'), (4) ('Institution Building'), (10) ('Access to and Use of the Technological Information Contained in Patent Documents') and (12) ('Management and Exploitation by Local Enterprises of their Industrial Property Rights'). The Delegation emphasized the need for regular training seminars and workshops, and thanked the International Bureau and donor countries for providing training programs and facilitating travel by developing countries to some meetings.

"(b) In reply to the request of the Delegation of the United Republic of Tanzania for training of personnel dealing with various aspects of the intellectual property system, not just of lawyers, the International Bureau pointed out that it accepted trainees with varied qualifications and had also included customs officers and the police in some of its awareness- building programs and meetings; Governments could therefore suggest a wide variety of candidates for WIPO's training programs.

"(c) The Delegation of India welcomed the increase in resources for this item, thanked the International Bureau for the technical assistance provided so far, and urged all delegations to support the proposals on development cooperation, which would be mutually beneficial to both developed and developing countries. The Delegation particularly welcomed the proposals in sub-items (1) ('Human Resources'), (4) ('Institution Building'), (6) ('Teaching of and Research in Intellectual Property Law'), (8) ('Programs for Legislators'), (9) ('Programs for the Judiciary') and (10) ('Access to and Use of the Technological Information Contained in Patent Documents').

"(d) The Delegation of Brazil expressed support for the proposals concerning development cooperation and noted that they were in line with recent declarations made by delegates to the two Permanent Committees on Development Cooperation. The Delegation noted with appreciation the inclusion of sub-items (1) ('Human Resources'), (4) ('Institution Building'), (6) ('Teaching of and Research in Intellectual Property Law'), (8) ('Programs for Legislators'), (9) ('Programs for the Judiciary') and (10) ('Access to and Use of the Technological Information Contained in Patent Documents'). The Delegation asked for clarification of the statement under sub-item (4) that the granting of patents without substantive examination would be encouraged.

"(e) The Delegation of France gave its full support to the training of trainers contained in sub-item (6) ('Teaching of and Research in Intellectual Property Law') and to sub-item (9) ('Programs for the Judiciary').

"(f) The Delegation of Japan supported the development cooperation proposals, and in particular sub-item (9) ('Programs for the Judiciary'). Japan was already funding a trust fund operated by the International Bureau for activities in the field of industrial property, and was preparing a new trust fund for activities related to copyright and neighboring rights.

"(g) The Delegations of the United Republic of Tanzania, the Russian Federation and Egypt, and the Chairman, emphasized the importance of extra-budgetary funding, particularly by UNDP. The United Republic of Tanzania appealed to potential donors to make more funds available. It noted that the ever-decreasing UNDP funds were being replaced to a certain extent by funds from WIPO's regular budget, and that this would have to be increased in the future to make up for the lower availability of funding through UNDP. The International Bureau expressed its gratitude to the Governments of France, Germany, Japan, Sweden and the United States of America, in particular, for having provided extra-budgetary funds and to many other donors, from both industrialized and developing countries, for providing assistance in kind.

"(ii) ad Item 03 ('Setting of Norms for the Protection and Enforcement of Intellectual Property Rights')

"(a) The Delegation of India supported the norm-setting role of WIPO and emphasized the importance of sub-items (1) ('Treaty on the Settlement of Disputes between States in the Field of Intellectual Property'), which had far-reaching implications, (3) ('Protocol to the Berne Convention') and (9) ('Guiding Principles on the Application of Copyright and Neighboring Rights to Electronic Storage, Transmission and Reproduction of Works, Recordings and Broadcasts'), although it expressed regret that the Diplomatic Conference on the Berne Protocol was not planned before 1996.

"(b) The International Bureau explained that this was because agreement had not yet been reached in the Committee of Experts about the speed of the preparatory work, partly because of the Uruguay Round discussions in GATT. The Diplomatic Conference could be held earlier if the Assembly of the Berne Union so decided.

"(c) The Delegation of France was pleased with the contents of this item, and in particular with sub-item (5) ('Treaty on the Protection and International Registration of Geographical Indications') which it hoped would lead to improved multilateral protection in this important area.

"(d) The Delegation of Japan supported in particular the Patent Law Treaty as well as sub-items (3) ('Protocol to the Berne Convention') and (4) ('Instrument on the Protection of the Rights of Performers and Producers of Phonograms').

"(e) In reply to a query from the Chairman as to the provision of funds in the 1994-95 budget for the postponed second part of the Diplomatic Conference for the Conclusion of a Treaty Supplementing the Paris

Convention as far as Patents Are Concerned, the International Bureau said that the timing of the second part of the Conference would be re-examined during the September 1993 session of the Governing Bodies. The 1994-95 budget would not need to be adjusted since savings from not holding the second part of the Diplomatic Conference in the 1992-93 biennium would go to the reserve fund of the Paris Union, which reserve fund could be used to cover the costs of holding the second part of the Diplomatic Conference in the 1994-95 biennium to the extent that other funds could not be found in the budget for the 1994-95 biennium.

"(iii) ad Item 11 ('PCT System (Patent Cooperation Treaty)')

"In reply to an observation by the Delegation of France that the receiving Office function should be reserved for national Offices, the International Bureau explained that its role as an alternative receiving Office would be in addition to, and not instead of, that of the national Offices.

"(iv) ad Item 12 ('Madrid System (Madrid (International Registration of Marks) Agreement and Madrid Protocol)')

"In reply to a query from the Delegation of France about the need for the proposed meetings of the Working Group on the Application of the Madrid Protocol, the International Bureau explained that it was essential to be ready for a possible early entry into force of the Protocol as regards the development of the new Regulations under the Madrid Agreement and the Madrid Protocol."

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