

## **Special Union for the International Deposit of Industrial Designs (Hague Union)**

### **Assembly**

**Forty-Third (24<sup>th</sup> Ordinary) Session**  
**Geneva, July 6 to 14, 2023**

#### **REPORT**

*adopted by the Assembly*

1. The Assembly was concerned with the following items of the Consolidated Agenda (document A/64/1): 1 to 6, 9, 10(ii), 12, 16, 21, 26 and 27.
2. The reports on the said items, with the exception of item 16, are contained in the General Report (document A/64/14).
3. The report on item 16 is contained in the present document.
4. Mr. David R. Gerk (United States of America) presided over the meeting. Mr. Pascal Faure (France) was elected Chair of the Assembly; Mr. Javier Soria Quintana (Spain) and Mr. Kow Sessah Acquaye (Ghana) were elected Vice-Chairs.

## ITEM 16 OF THE CONSOLIDATED AGENDA

### HAGUE SYSTEM

5. The Chair welcomed one new Contracting Party to the Assembly of the Hague Union since its last session in July 2022, namely Mauritius. In addition, the Chair recalled that Brazil's accession to the Geneva Act of the Hague Agreement would come into force on August 1, 2023.
6. Discussions were based on document [H/A/43/1](#).
7. The Secretariat explained that the document contained one main proposal, which was the amendment of item 1.2 of the Schedule of Fees to increase the amount of the basic fee for each additional design included in an international application from 19 Swiss francs to 50 Swiss francs. In addition, the document contained a second minor proposal consisting in the deletion of a fee item specific to the use of telefacsimile. The Secretariat recalled that the main proposal originated from discussions regarding the principle of financial sustainability of the Hague Union that had started in the Working Group on the Legal Development of the Hague System for the International Registration of Industrial Designs (hereinafter referred to as, respectively, the "Working Group" and the "Hague System") in 2015. These discussions led the Working Group to recommend in 2019 that, in view of the deficit of the Hague Union and the fact that the fees had not been amended since 1996, the current proposal be submitted to the Assembly of the Hague Union for consideration at its 2020 session, with a proposed date of entry into force of January 1, 2021. Due to the COVID-19 outbreak, the 2020 WIPO Assemblies were held with a reduced agenda, a situation that did not allow the submission of the proposal. Subsequently, in light of the pandemic's continuing negative impact on users as well as its unpredictable evolution, the proposal was again not submitted to the Hague Union Assembly in 2021 and 2022. The Secretariat further explained that the Working Group, at its most recent session, held in December 2022, agreed that the proposal be submitted to the Hague Union Assembly, subject to informal consultations with the members of the Hague Union. The International Bureau carried out these consultations in March this year and those consultations revealed overall support for the submission of the proposal to the present session. Therefore, this document sought to implement the recommendation by the Working Group made in 2019, with the adjusted proposed date of entry into force of January 1, 2024.
8. The Delegation of China took note of the International Bureau's considerations and efforts regarding the improvement of the Hague System's financial situation. Since its accession to the Hague Agreement last year, China noted the enthusiasm of its users in using the Hague System to protect their designs. The number of applications from China had quickly become one of the highest across the world and Chinese users had made important contributions to increasing the system's income. The Delegation reminded the Hague Union Assembly that during the discussions regarding the introduction of new languages into the Hague System, some Member States were concerned about a possible resulting fee increase, which may discourage the use of the system. The Delegation suggested that a full assessment be conducted of the impact of the adjustment of fees on users. The Delegation understood that a fee increase would help ease the system's financial situation. However, to maintain the attractiveness of the Hague System, the Delegation suggested that the system optimize relevant policies, examining processes, and introduce new languages as early as possible so as to provide convenience and efficient service to users in all countries, and to facilitate a sound and long-term development of the Hague System.
9. The Delegation of the Russian Federation stated that it counted on the earliest possible introduction of the Russian and Chinese languages into the Hague System. The Delegation also noted the financial stability of WIPO, which had been confirmed by the Internal Oversight Division (IOD), the External Auditor and the Independent Advisory Oversight Committee (IAOC)

in the course of the thirty-sixth session of the Program and Budget Committee (PBC). Regarding the financial impact on the Hague Union of the introduction of new languages, the principle of the Unions' solidarity should be applied. The Delegation believed that the Proposed Program of Work and Budget for the 2024/25 Biennium contained sufficient resources to promote multilingualism in line with the revised language policy and the WIPO's Medium-Term Strategic Plan (MTSP). In that regard, the introduction of new languages should not have a negative impact on applicants and users and should not impose additional financial burden on them in terms of fees. The Delegation was also in favor of the development of a more efficient system for the introduction of new languages, using machine-assisted and other translation technologies, which would significantly reduce human and financial costs. Finally, the Delegation added that the introduction of the Russian language would also significantly improve WIPO's Global Services for Russian speaking applicants and right holders, including those from countries in its region.

10. The Delegation of the Republic of Korea supported the proposed amendments to the Schedule of Fees. The Delegation acknowledged the necessity of implementing a reasonable increase of the fees, which had not been changed for an extended period. Following the last session of the Hague Working Group, which was held in 2022, a survey was conducted among Hague applicants in the Republic of Korea. The survey showed that a fee increase could potentially diminish the advantage of the Hague System. The Delegation therefore suggested that any further fee increase in the future should be decided after carefully considering the viewpoint presented by Member States and main users.

11. The Delegation of the United States of America strongly supported the success of the Hague System. The Delegation added that it was important for industrial design filers to effectively protect their designs across the globe. As such, this Delegation supported the continued evolution of the fee structure that would ensure that the Hague System was sustainable in terms of fees paid by users, and in not having a negative impact on WIPO's budget. The Delegation noted that the basic fees had remained unchanged for over two decades, that is, the fees had stagnated and not increased even though the Hague System constantly incurred continuing deficits and in the face of rising costs worldwide. The Delegation therefore supported the proposal to amend the Schedule of Fees, as contained in the Annexes to document H/A/43/1. The Delegation also pointed out that a broader review of the Schedule of Fees would be appropriate to ensure the financial sustainability of the Hague System, as previously agreed by the Working Group. It was prudent, and even expected, for the Hague System to periodically review and analyze its financial posture and update its fees as needed to continue a trajectory towards financial sustainability. Such an approach was critical for each of WIPO's IP registration systems.

12. The Representative of the Intellectual Property Latin American School (ELAPI) pointed out that the Hague System played a key role in the field of intellectual property (IP) by providing a solid and effective legal framework for the protection and promotion of industrial design rights at the international level. In addition, the system had simplified considerably the protection process by offering creators the possibility of filing a single application, which resulted in a significant reduction of the administrative burden and associated costs. This had proven vital to promoting innovation and economic development in ELAPI's countries, which is why ELAPI considered it of utmost importance that the Hague System was economically sustainable. The Representative added that this meant that the relevant costs would need to be evaluated and adjusted, taking into account the economic realities in countries so that there was a promotion of full and equitable participation in the Hague System, ensuring equal opportunities and inclusive participation of all Member States. Finally, the Representative offered ELAPI's academic cooperation to the Assemblies, the standing committees, the Member States and especially to the Group of Latin American and Caribbean Countries (GRULAC) in order to make progress in this regard.

13. The Assembly of the Hague Union adopted the proposed amendments to the Schedule of Fees, as set out in Annexes I and II of document H/A/43/1, with a date of entry into force of January 1, 2024.

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