

Special Union for the Protection of Appellations of Origin and their International Registration (Lisbon Union)

Assembly

Thirty-Third (12th Extraordinary) Session
Geneva, October 3 to 11, 2016

PROPOSAL ON FINANCIAL MATTERS CONCERNING THE LISBON UNION

Document prepared by the Chair of the Working Group for the Preparation of Common Regulations Under the Lisbon Agreement and the Geneva Act of the Lisbon Agreement

1. On September 13, 2016, the Chair of the Working Group for the Preparation of Common Regulations Under the Lisbon Agreement and the Geneva Act of the Lisbon Agreement communicated to the International Bureau the document set out in the Annex entitled "Proposal on Financial Matters Concerning the Lisbon Union Presented by the Chair of the Working Group for the Preparation of Common Regulations Under the Lisbon Agreement and the Geneva Act of the Lisbon Agreement", with the request that it be made available as a working document for discussion at the thirty-third (12th extraordinary) session of the Lisbon Union Assembly.

2. *The Assembly of the Lisbon Union is invited to consider the proposal, as set out in the Annex to this document.*

[Annex follows]

12/09/2016

Proposal on Financial Matters Concerning the Lisbon Union
presented by the Chair of the Working Group for the Preparation of
Common Regulations Under the Lisbon Agreement and the Geneva Act of the
Lisbon Agreement

Background Information

1. At the fifty-fifth series of meetings of the Assemblies of the Member States of WIPO, held from October 5 to 14, 2015, the Lisbon Union Assembly decided that “as a fee-funded union, [it] shall adopt measures by the 2016 Assemblies to eliminate its projected biennial deficit, as described in the 2016/17 biennium WIPO program and budget ... (*i.e.*, 1.523 million Swiss francs)”¹. The Assemblies of the Member States of WIPO and of the Unions, each as far as it was concerned, noted the decision of the Lisbon Union concerning the projected biennial deficit and decided “to approve a loan from the reserves of the Contribution-financed Unions to the Lisbon Union in order to fund the operations of the Lisbon System for 2016/17, in case such measures are not sufficient to cover its projected biennial deficit [and that s]uch loan shall be provided on the basis that no interest shall be payable and that it would be repaid when the Lisbon Union reserves would allow it to do so”².
2. In addition, at the same series of meetings, the Lisbon Union Assembly decided that “the Lisbon Union will take advantage of the meetings of the Working Group for the discussion relating to the Lisbon System in order to consider the financial sustainability of the Lisbon Union, including the options contained in document LI/A/32/3 or any other practical solution, and to present a proposal to the next session of the Assembly in 2016”³.
3. During its first session held from June 7 to 9, 2016, the Working Group considered the financial sustainability of the Lisbon Union and the elimination of its projected biennial deficit, and “requested the Secretariat to organize meeting(s) for the members of the Lisbon Union to prepare proposals, with the assistance of the Secretariat, to address the long term financial sustainability of the Lisbon Union in time for consideration at the next session of the Lisbon Union Assembly in accordance with the decision of that Assembly (see document LI/A/32/5, paragraph 73(iii).)”⁴.
4. Lisbon Union members held two informal meetings on July 4 and August 26, 2016. They requested me, in my capacity as Chair of the Working Group, to submit the present proposal on financial matters for consideration and decision by the Lisbon Union Assembly.

¹ See document LI/A/32/5, paragraph 73 and in particular paragraph 73(i).

² See document A/55/13, paragraphs 231 and 235, and in particular paragraph 231(iii).

³ See document LI/A/32/5, paragraph 73(iii).

⁴ See document LI/WG/PCR/1/5, paragraphs 14 to 16 and in particular paragraph 16.

Proposed Measures Concerning the Projected Deficit of the Lisbon Union for the Biennium 2016/17

5. At the meetings mentioned in paragraphs 3 and 4 above, the Delegations of Czech Republic, France, Italy and Georgia have stated that they will make subventions under Article 11(3)(iii) of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration in a total amount of approximately 923,000 Swiss francs⁵ by the end of the 2016/17 biennium. Bulgaria, Israel and Portugal have stated that they are undergoing internal procedures for making decisions on subventions. Other Lisbon Union members indicated that they will make similar statements during the Lisbon Union Assembly.

6. **It is proposed that the Lisbon Union Assembly note these statements and regard the subventions in question as measures to eliminate the Lisbon Union's projected biennial deficit, in accordance with the decision of the 2015 Lisbon Union Assembly⁶.**

Proposal Concerning the Financial Sustainability of the Lisbon Union

7. The Lisbon Union members present at the meetings mentioned in paragraphs 3 and 4 above discussed the principle of the establishment of a contribution system, the promotion of the Lisbon System and possible review of the fees, as options for the financial sustainability of the Lisbon Union.

8. **In light of the discussions held, it is proposed that:**

- **Promotion activities of the Lisbon System including the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications be emphasized;**
- **Lisbon Union members continue to consider the establishment of a contribution system, in the framework of the unitary contribution system, as well as the methodology for calculating such contributions; and**
- **Lisbon Union members continue monitoring the Lisbon Fee Schedule and will review it if necessary.**

⁵ The amount indicated is approximate as some delegations indicated a subvention in Euros, while other in Swiss francs.

⁶ See document LI/A/32/5, paragraphs 73(i) and (ii).