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ORIGINAL: ENGLISH
DATE: DECEMBER 3, 2018

Working Group on the Development of the Lisbon System

First Session
Geneva, June 11 and 12, 2018

REPORT

adopted by the Working Group

1. The Working Group on the Development of the Lisbon System (hereinafter referred to as "the Working Group") met in Geneva, on June 11 and 12, 2018.

2. The following Contracting Parties of the Lisbon Union were represented at the session: Algeria, Bulgaria, Czech Republic, Democratic People's Republic of Korea, France, Gabon, Georgia, Hungary, Iran (Islamic Republic of), Israel, Italy, Mexico, Peru, Portugal (14).

3. The following States were represented as observers: Australia, Democratic Republic of the Congo, Dominican Republic, Ethiopia, Germany, Guatemala, India, Japan, Kuwait, Morocco, Nigeria, Republic of Korea, Romania, Russian Federation, Saudi Arabia, Senegal, Spain, Switzerland, Thailand, Turkey, Uganda, United States of America, Zimbabwe (23).

4. Representatives of the following international intergovernmental organizations (IGOs) took part in the session in an observer capacity: African, Caribbean and Pacific Group of States (ACP GROUP), Economic Community of West African States (UEMOA), European Union (EU), Food and Agriculture Organization of the United Nations (FAO), Organization of Islamic Cooperation (OIC), World Trade Organization (WTO) (6).

5. Representatives of the following international non-governmental organizations (NGOs) took part in the session in an observer capacity: *Association romande de propriété intellectuelle* (AROPI), Centre for International Intellectual Property Studies (CEIPI), Health and Environment Program (HEP), International Intellectual Property Commercialization Council (IIPCC), International Trademark Association (INTA), International Wine Law Association (AIDV), Organization for an International Geographical Indications Network (oriGIn) (7).

6. The list of participants is contained in Annex III.

AGENDA ITEM 1: OPENING OF THE SESSION

7. Mr. Francis Gurry, Director General, opened the session.

8. He started the meeting by providing a few updates on the Lisbon System.

9. First, he indicated that the International Bureau had received the deposit of the first instrument of accession to the Geneva Act of the Lisbon Agreement (hereinafter referred to as "the Geneva Act") by the Kingdom of Cambodia in March 2018. Upon pointing out that Cambodia had very successfully deployed geographical indications, he more particularly referred to the great success encountered by the geographical indications *Kampot Pepper* and *Kampong Speu Palm Sugar*. As he was aware that a number of Lisbon Union members were actively considering accession to the Geneva Act, he encouraged them to expedite that process so that the Geneva Act be brought into effect.

10. Secondly, regarding the operations of the Lisbon Registry, he pointed out that in the past biennium the International Bureau had received a total of 61 new applications and that since the beginning of the year 15 new applications had been received, two from Bosnia and Herzegovina, seven from Iran (Islamic Republic of), five from Italy, and one from Mexico. Those additional registrations brought the total number of international registrations recorded in the International Register to 1,112.

11. Thirdly, referring to the financial situation of the Lisbon Union, he indicated that in the previous 2016/17 biennium the total revenue of the Lisbon Union had amounted to 2,358,000 Swiss francs, while the total expenses had amounted to 2,434,000 Swiss francs, which in turn had translated into a small deficit for the Lisbon Union of 75,000 Swiss francs. When compared to previous years that outcome constituted a positive result largely due to the payment of subventions under Article 11(3)(iii) of the Lisbon Agreement by several Lisbon Union members whom he wished to thank in particular. Upon recalling that those subventions had amounted to a total of 1.3 million Swiss francs for the previous biennium, he pointed out that the Program and Budget for the current 2018/19 biennium, as adopted by the WIPO Assemblies, stated that "fee-financed Unions with a projected biennial deficit in the 2018/19 biennium should examine measures in accordance with their own treaty to address that deficit". The Lisbon Union being one of those Unions, the examination of such measures constituted the main thrust of the work of the present session.

12. He further indicated that there were two elements for consideration before the members of the Working Group. First, they would have to consider and discuss the proposed fee reduction for least-developed countries (LDCs). In that regard, he pointed out that other international registration systems administered by WIPO, such as the PCT, the Madrid System or the Hague System, had already put in place a system for granting fee reductions to LDCs. He indicated that the proposal put forward by the Secretariat was a fee reduction of 50 per cent for users and right holders of appellations of origin or geographical indications from LDCs. He therefore invited the members of the Working Group to consider and comment on that proposal while taking into account the financial situation of the Lisbon Union so as to make a recommendation to the Assembly of the Lisbon Union regarding the implementation of Article 7(3) of the Geneva Act.

13. The second element was one that had been with the members of the Working Group for some time now, namely the further consideration and discussion of the financial sustainability of the Lisbon Union. In that regard, he pointed out that one of the documents before them invited the Lisbon Union members to continue their discussions on the financial sustainability of the Lisbon Union. He concluded by saying that even if 2018 was not a budgetary year, it would be opportune to take advantage of the present session to make some progress on that very important question.

AGENDA ITEM 2: ELECTION OF A CHAIR AND TWO VICE-CHAIRS

14. Mr. Nikoloz Gogilidze (Georgia) was unanimously elected as Chair of the Working Group and Mr. Alfredo Rendón Algara (Mexico) and Mr. Cristóbal Melgar (Peru) were unanimously elected as Vice-Chairs.

15. Ms. Alexandra Grazioli (WIPO) acted as Secretary to the Working Group.

AGENDA ITEM 3: ADOPTION OF THE AGENDA

16. The Working Group adopted the draft Agenda (document LI/WG/DEV-SYS/1/1 Prov.) without modification.

AGENDA ITEM 4: FEE REDUCTIONS PRESCRIBED BY ARTICLE 7(3) OF THE GENEVA ACT OF THE LISBON AGREEMENT ON APPELLATIONS OF ORIGIN AND GEOGRAPHICAL INDICATIONS

17. Discussions were based on document LI/WG/DEV-SYS/1/2.

18. The Chair opened the discussions on Item 4 of the Agenda.

19. The Delegation of France inquired as to why the proposed rate of reduction of 50 per cent had not been aligned with the 90 per cent rate of reduction allocated to LDCs under other intellectual property rights treaties.

20. In response to the question raised by the Delegation of France, the Secretariat indicated that the proposal before them took into account the financial situation of the Lisbon Union and had been designed to avoid further weighing down the deficit of the Lisbon Union. The proposal also took into account the specificities of the international System for the registration and protection of appellations of origin and geographical indications as provided for under the Geneva Act, in particular the one time registration fee, the non-renewal system, and the ensuing potentially unlimited protection in time contrary to the features of other international registration systems administered by WIPO, such as the Madrid System.

21. The Delegation of Iran (Islamic Republic of) referred to the fee reduction prescribed by Article 7 of the Geneva Act and to the proposal to amend the schedule of fees under Rule 8(1) of the Common Regulations under the Lisbon Agreement and the Geneva Act for purposes of introducing the 50 per cent reduction of the amount of fees for those international registrations originating in LDCs. Although the Delegation supported the proposal under consideration as it was of the view that it would most likely attract further accessions and applications from LDCs, the Delegation invited the Working Group to consider the implementation of the proposal during a transitional period of three or five years following the entry into force of the Geneva Act.

22. The Delegation of Italy regarded the proposed reduction of 50 per cent of the prescribed amount of fees as a good incentive for new members to join the System, but also as an adequate tool to foster the economic development of LDCs. Nevertheless, the Delegation also recalled that they also had to take into consideration the ongoing issue of the financial sustainability of the Lisbon System. In consequence, the Delegation suggested that a fee reduction regime under Article 7(3) of the Geneva Act, for a transitional period of three years only, be recommended to the next session of the Assembly of the Lisbon Union. In the future, new discussions on the matter could be re-opened to evaluate the possible extension of the proposed economic facilitation.

23. The Delegation of Gabon also supported the proposed fee reduction under consideration as it sent a good message by taking into account those countries which encountered a number of difficulties, such as LDCs. Meanwhile, the Delegation also expressed the view that the official classification as LDC somehow failed to take into account the particular situation of Gabon which had been officially classified as a middle-income country and would therefore be prevented from benefiting from the proposed fee reduction. Under those circumstances, the Delegation inquired as to whether countries with a difficult economic situation such as Gabon, would be able to benefit from the proposed fee reduction with regard to their international registrations from time to time.

24. The Delegation of Portugal considered the proposal for a reduction of fees in favor of LDCs as an adjusted measure that took into account the asymmetries between the different members of WIPO and would therefore support it. The Delegation further expressed the view that, besides the proposed fee reduction, the interests of the LDCs could also be achieved to a great extent through promotion and technical assistance activities provided by WIPO. Upon recalling that only one country had acceded to the Geneva Act so far and that it would be difficult to predict when the Geneva Act would enter into force, the Delegation expressed the view that the best option would be to introduce a transitional period as had been proposed by the Delegation of Iran (Islamic Republic of), as that solution would also take into consideration the financial constraints encountered in the past.

25. The Delegation of Bulgaria believed that the Lisbon System constituted a reliable instrument to protect and promote those products with unique quality and characteristics directly attributable to their geographical origin. As such, the System had to be made affordable to all producers, either from developed, developing or least-developed countries. The Delegation expressed the view that the international protection of geographical indications was a useful tool that could greatly benefit farmers who lived and worked in rural areas as it would help them protect their products in the global market. The Delegation would therefore support a development strategy designed for LDCs aimed at increasing the number of geographical indications under the Lisbon Agreement and the Geneva Act for purposes of achieving a more sustainable development for LDCs. The Delegation concluded by saying that it would also be ready to consider different options to encourage producers from all countries to use the Lisbon System, thereby increasing the number of registrations in order to ensure the financial sustainability of the Lisbon System.

26. The Delegation of Israel said that it could support a time-limited reduction of fees for LDCs but also recalled that the Lisbon Union members had to focus on their primary goal, namely achieving the financial sustainability of the Union. In that regard, the Delegation considered the proposed fee reduction as only one measure that could still be accompanied by other measures relating to other Lisbon Union members.

27. The Delegation of the United States of America remained concerned about the open question of whether the Lisbon System could become financially sustainable. The Delegation maintained its position that the Geneva Act could not automatically be considered as a WIPO-administered treaty and that an affirmative decision had to be taken on that important matter by all WIPO members. The Delegation further recalled that the Director General had not submitted that issue to the WIPO Coordination Committee and the Assemblies for a determination that the Geneva Act of the Lisbon Agreement should be regarded as a WIPO-administered treaty. The Delegation reminded the Working Group that promotional activities to attract membership to the Geneva Act could not be paid for or staffed by WIPO because there had been no agreement by the Member States of WIPO to do so and all such expenses had to be borne by the Lisbon Union. The Delegation remained concerned about the solutions that would be adopted to address those concerns. The Delegation welcomed interventions from other countries, both Lisbon members and WIPO members on creative ways forward to solve that persistent problem.

28. On the particular issue of reduction of fees for LDCs, the Delegation supported the proposed reduction but remained concerned that the overall problem of the financial sustainability of the Lisbon System had not been addressed. In particular, the Delegation not only deplored the lack of economic analysis showing the impact that the proposed fee reduction would have on the anticipated filings, but also that no fee increase had been envisaged to compensate for the revenue loss due to the fee reduction. The Delegation cautioned, that even though a fee reduction could be seen as an incentive for LDCs to join the Geneva Act, whether LDCs would actually accede to the Geneva Act was still unknown. The Delegation further pointed out that although one LDC had acceded to the Geneva Act, none of the current LDC members of the Lisbon Union had yet registered any appellation of origin under the Lisbon Agreement. In that regard, the Delegation expressed the view that one possible reason was that it took resources to develop and promote distinctive products and perhaps LDCs simply did not have those resources.

29. It was the understanding of the Delegation that WIPO had been providing some technical assistance to WIPO members to enhance producers' abilities to use the Lisbon System. The Delegation was concerned that such technical assistance might inappropriately divert resources of other Unions to attempt to increase both the use of the Lisbon System and the Lisbon Union membership. Moreover, the Delegation was concerned that such technical assistance represented a missed opportunity to encourage further use of the trademark system, a much more widely accepted system for the protection of intellectual property rights associated with distinctive signs. The Delegation believed that it was time for WIPO members to come together to bridge the differences between the Lisbon System and trademark systems to meet the needs of all producers and distinctive signs.

30. The Delegation of Bulgaria sought clarification from the Secretariat on a discrepancy between the proposal under consideration and the text of Article 7 of the Geneva Act since the proposal only concerned LDCs and the reduction of two types of fees, whereas Article 7 referred to both developing and least-developed countries and only concerned the registration fee.

31. In response to the question raised by the Delegation of Bulgaria, the Secretariat clarified that the proposal only covered LDCs to address some of the concerns regarding the financial situation of the Lisbon Union. The proposal applied both to registration and modification fees since the text of Article 7(3) referred to “fee reductions” in plural.

32. In an attempt to summarize the discussions under Item 4 of the Agenda, the Chair noted that the majority of those delegations that had expressed themselves on the issue had given their general consent to the proposed fee reductions. Yet, there were still two issues to be discussed, namely the amount of the fee reduction and the proposed transitional period of three or five years. He therefore proposed to have an informal session on those issues right after the plenary session of the Working Group.

[Suspension]

33. The Chair re-opened the Plenary meeting to inform the members of the Working Group of the outcome of the informal session.

34. The Working Group decided to recommend to the Lisbon Union Assembly:

(i) to amend the Schedule of Fees included in the Common Regulations under the Lisbon Agreement and the Geneva Act of the Lisbon Agreement, in order to introduce a reduction to 50 per cent of the prescribed amount of fees to be paid by least developed countries (LDCs), as proposed in document LI/WG/DEV-SYS/1/2;

(ii) to apply the fee reductions mentioned in (i) for a period of three years starting from the entry into force of the Geneva Act of the Lisbon Agreement; and

(iii) to re-assess the question of fee reductions under the Lisbon System a year before the expiry of the period mentioned in (ii).

35. For ease of reference, Annex I contains the amendments to the Schedule of Fees as recommended by the decision set out in paragraph 34, above.

AGENDA ITEM 5: FINANCIAL SUSTAINABILITY OF THE LISBON UNION

36. Discussions were based on document LI/WG/DEV-SYS/1/3.

37. The Chair started the discussions by thanking those Lisbon Union members that had paid subventions the previous year and that had made it possible to cover almost the entire deficit of the Lisbon Union in the 2016/17 biennium. He more specifically thanked Congo, the Czech Republic, France, Georgia, Hungary, Israel, Italy, Mexico, Montenegro, Peru, Portugal, Serbia and Slovakia. He was aware that other countries had also wished to make individual contributions but that they had ultimately been prevented from doing so given the time-limit foreseen was given by the International Bureau for the payment of such contributions. He nonetheless believed that the fact that they managed to fund the operations of the Lisbon Union with only a small deficit of 75,000 Swiss francs constituted a great success, as it had been the first time that Lisbon Union members had decided to cover such deficit with voluntary contributions.

38. The Chair then opened the discussions on Item 4 of the Agenda.

39. Regarding the financial sustainability of the Lisbon Union, the Delegation of Iran (Islamic Republic of) acknowledged the political determination and willingness of the members of the Lisbon Union to find a long-term financial solution to the problem. Meanwhile, the Delegation also stressed the importance of a robust and focused promotion of the Lisbon System, including the Geneva Act, which could help to further develop potential geographical indications in the Contracting Parties. The Delegation was convinced that the protection of geographical indications not only had the potential to contribute to sustainable development but could also help preserve cultural heritage and foster the international trade of specialty products. Since geographical indications were important national assets which encountered many difficulties when attempts were made to obtain recognition in foreign markets, the Delegation indicated that a system for the international recognition and protection of geographical indications such as the Lisbon System should not be undermined.

40. The Delegation stated that it fully supported the long-standing principles of solidarity and equality of treatment for each area of intellectual property and the importance of placing the Lisbon Union on an equal footing with all other WIPO-administered Unions. The Delegation remained committed to the standard process in an international organization, where solidarity, trust and equal treatment had always been the basic principles of functioning and decision-making. From the Delegation's perspective, the most appropriate means to ensure the long-term financial sustainability of the Lisbon Union was a robust promotion of the Lisbon System, including the Geneva Act.

41. The Delegation of Bulgaria reiterated the importance that Bulgaria attached to the effective protection of geographical indications and stated that it was eager to contribute to finding a long-term solution for the financial sustainability of the Lisbon System. The Delegation recognized and appreciated the political determination and the willingness of the member states of the Lisbon Union to address and to find a long-term solution to the issue. Lisbon Union members were carefully considering the different options that would allow the System to

become self-sustainable according to the principle that the amount of the fees should be sufficient under normal circumstances to cover the expenses for maintaining the international registration service without requiring the payment of contributions by Lisbon Union members as provided for under Article 11(4)(b) of the Lisbon Agreement. At the same time, the Delegation pointed out that the need to maintain an accessible and attractive system for the users excluded the introduction of exorbitant fees.

42. The Delegation further indicated that it recognized the importance of conducting active promotion activities concerning the benefits offered by the international System of protection of geographical indications and appellations of origin, as well as the necessity of reviewing the applicable fees on a regular basis. The Delegation cautioned, however, that there were limiting factors preventing the permanent growth of the number of registrations. In comparison to the other registration systems in respect of intellectual property rights, the Delegation recalled that a continuous and progressive inflow of new applications for the registration of geographical indications and appellations of origin could not be expected due to the limited number of geographical names and the compulsory link that had to exist between a geographical name and the specific characteristics of the products. The Delegation therefore supported the idea of combining an active promotion of the Lisbon System by WIPO among potential users of the System with a periodical revision of the applicable fees.

43. Meanwhile, the Delegation encouraged Lisbon Union members to seek and consider additional sources of financing for the Lisbon Union since the international registration fee alone would be insufficient to cover the operating expenses of the Lisbon Union. The Delegation favored further examination of the options for optimizing the financial resources of the Lisbon System, including the establishment of a combined system, for example. The Lisbon System would thus become a system of mixed-financing, partially financed by fees and partially financed by the funds paid by WIPO Member States under WIPO's unitary contribution system. The Delegation concluded by saying that it would support the extension of the mandate of the Working Group with a view to allowing further discussions on the financial sustainability of the Lisbon System to be able to reach a satisfactory agreement on the issue.

44. The Delegation of the United States of America recalled that each fee-financed WIPO treaty incorporated an article affirming that the budget of the Union would fund all of its operational expenses and that the Union would contribute towards the common expenses of the Organization. The document prepared by the Secretariat referred to the decision of the Lisbon Union Assembly to adopt measures to eliminate the Lisbon Union projected biennual deficit of 1.5 million Swiss francs and to approve a loan from the reserves of the contribution-financed Unions in order to fund the operations of the Lisbon System. The decision specifically stated that the loan would be repaid when the Lisbon Union reserves would allow it to do so. The Delegation expressed the view that the uncertainty of when the loan would be repaid brought into question whether the Lisbon Union would ever resolve its financial deficit issues. Moreover, the fact that the document under consideration did not address measures to prevent a deficit was equally troubling. The Delegation looked forward to the discussions on the issue at the present session and hoped that the Lisbon Union members would come forward with some creative solutions to find a way to address that serious problem.

45. Upon taking note of the information provided in the document that over 1.3 million Swiss francs in subventions had been received from the Lisbon Agreement Contracting Parties, the Delegation pointed out, however, that 200,000 Swiss francs of the projected 2016/17 deficit still remained unaccounted for. In that regard, the Delegation wondered why the document under consideration only referred to a 75,000 Swiss francs deficit. The Delegation recalled that in as much as the Lisbon Union is a fee-financed Union, the Working Group was encouraged to look into how the fee revenues could be increased so as to eliminate the deficit. According to the Delegation, one way to research solutions to the issue would be to look at the finances of the other fee-financed Unions. Whether the Lisbon Union would ever attain financial sustainability

without the need to resort to stop-gap methods such as subventions and loans was questionable from the Delegation's perspective. The Delegation further pointed out that, unlike other registration Unions, geographical indications were by their very nature an extremely limited subset of intellectual property. Firstly, a geographical component was mandatory and secondly "a quality or reputation or other characteristic of the good essentially attributable to its geographical origin" was also required.

46. Upon pointing out that other Unions had an infinite number of possible international applications being filed – and by way of illustration the Delegation more specifically referred to the Madrid Protocol which had received 55,000 international applications in 2017 – the Delegation recalled that the fee for a basic application under the Madrid Protocol was 653 Swiss francs, which in turn meant that 36 million plus Swiss francs had been collected the previous year in filing fees only. The Delegation went on to state that since the fee for designated extensions of protection of the international registration in members of the Madrid System was 100 Swiss francs, even if only one country was designated in an international application filed in 2017, an additional 5.5 million Swiss francs would be collected for those fees. Moreover, the fact that the basic renewal fee was 653 Swiss francs also meant that every ten years additional income would be received by the Madrid Union in payment for those registrations that the right holders wished to renew. In sum, there were other fees that generated income, including fees for subsequent designations, none of which the Lisbon Union collected. By contrast, the current number of appellations of origin and geographical indications recorded in the Lisbon Express database was about 1,000. The Delegation further pointed out that of that number, only 85 were registrations from the 15 countries outside of Europe. Although the Lisbon Union could never expect to approach the revenue of the Madrid Protocol, the Delegation said that it might prove helpful to look at the fee structure of the Madrid System to see whether any fees would be amenable under Lisbon, for example renewal fees, even without proof of use, and fees for extending protection to other members.

47. The Delegation of Mexico echoed the comments of the Delegation of Iran (Islamic Republic of), Bulgaria and other delegations regarding the importance of promoting the Lisbon System, and therefore agreed that action had to be taken, both in Lisbon and WIPO Member States, to enhance the promotion of geographical indications and the Lisbon System. The Delegation observed that the ongoing discussions took them back to the discussions they had in 2015, when they were assessing the financial viability of the Lisbon Union. The Delegation was of the view that the Working Group had to revert to the analysis to determine the resources that would be needed to ensure the financial sustainability of the Lisbon Union, not only with subventions but also with other available mechanisms.

48. Upon expressing its support for the previous statements regarding the importance of promoting the Lisbon System, the Delegation of France was surprised by the statement made by the Delegation of the United States of America as it went back to old debates that had already taken place, in particular as regards the possible introduction of a renewal fee for the protection of geographical indications. The Delegation recalled that those debates were now behind them and should not be re-opened at the present session. The Delegation favoured the examination of various options for purposes of ensuring the financial viability of the Lisbon Union provided the Working Group did not go back to debates that had already been concluded.

49. Upon agreeing with the position expressed by other delegations regarding the promotion of the Lisbon System, the Delegation of Italy said that it was open to new discussions on the fee regime and on other possible means to ensure the financial sustainability of the Lisbon System.

50. The Delegation of Australia continued to support and encourage the Lisbon Union to ensure the long-term financial sustainability of the operations of the Union. The issue of introducing maintenance or renewal fees for geographical indications had, of course, already been discussed during the revision of the Lisbon Agreement but had not been agreed at that

stage by Lisbon Union members. Nonetheless, the Delegation expressed the view that maintenance or renewal fees remained part of the mechanisms that could be used to address the financial situation of the Lisbon Union. In that regard, the Delegation pointed out that one of the functions of the maintenance fee was to spread or amortize what could represent significant costs over a long period of time, which in turn facilitated the initial access to the System with reasonably spaced downstream payments set at a level that would not be a deterrent to users. The Delegation concluded by saying that more of the costs of sustaining the Lisbon System could be borne by the beneficiaries if costs could be recovered at regular intervals in amounts that would be within the reach of users.

51. Upon indicating that Russia paid great attention and efforts to developing the establishment of geographical indications, the Delegation of the Russian Federation pointed out that a National Seminar on geographical indications had been organized in cooperation with WIPO a few weeks before in Velikiy Novgorod. The Delegation went on to state that Russia was about to introduce geographical indications in its national legislation and that it hoped to be able to participate further in the Lisbon System. The Delegation added, however, that one of the most important factors regarding Russia’s possible accession to the Lisbon System would be the financial sustainability of the System. The Delegation therefore fully supported the proposals aimed at improving the financial situation of the Lisbon System to make it more attractive.

52. Regarding the long-term financial sustainability of the Lisbon System, the Delegation of Israel emphasized its view that the Lisbon Union had to become a self-financed Union, either by increasing user fees, reducing operating expenses or through other interesting ideas that had been presented at the present and in previous Working Group sessions. As mentioned by some member States, the Delegation agreed that the attractiveness of the Lisbon System should also be taken into consideration when discussing long-term solutions for its financial sustainabilty. In that regard, the Delegation pointed out, however, that the attractiveness of the System was influenced not only by the cost of fees for the applicants, but also by the cost of financing the Lisbon System for its member States, in particular when compared with their actual utilization of the Lisbon System.

53. The Chair invited the members of the Working Group to continue the discussions on Agenda item 5 during an informal session right after the plenary session of the Working Group.

[Suspension]

54. The Chair re-opened the Plenary meeting to inform the members of the Working Group of the outcome of the informal session.

55. The Working Group decided:

(i) to take note of the declarations made under Agenda Item 5; and

(ii) to further discuss different options concerning the financial sustainability of the Lisbon Union in future Working Group meetings or informal meeting(s) that the Chair of the Working Group might request the Secretariat to organize.

AGENDA ITEM 6: ADOPTION OF THE SUMMARY BY THE CHAIR

56. The Chair introduced the discussion on Agenda item 6 concerning the adoption of the Summary by the Chair and opened the floor for comments by delegations.

57. The Working Group approved the Summary by the Chair, as contained in Annex II to the present document.

AGENDA ITEM 7: CLOSING OF THE SESSION

58. The Chair closed the session on June 12, 2018.

[Annexes follow]

AMENDMENT TO THE SCHEDULE OF FEES UNDER THE COMMON REGULATIONS UNDER THE LISBON AGREEMENT AND THE GENEVA ACT OF THE LISBON AGREEMENT

Rule 8
Fees

(1) *[Amount of Fees]* The International Bureau shall collect the following fees, payable in Swiss francs:

(i)	fee for international registration*	1000
(ii)	fee for each modification of an international registration*	500
(iii)	fee for providing an extract from the International Register	150
(iv)	fee for providing an attestation or any other written information concerning the contents of the International Register	100
(v)	individual fees as referred to in paragraph (2).	

[…]

[Annex II follows]

* **For an international registration referring to a geographical area located in a least developed country (LDC), in accordance with the lists established by the United Nations, the fee is reduced to 50 per cent of the prescribed amount (rounded to the nearest full figure). In such case, the fee will amount to 500 Swiss francs for an international registration referring to a geographical area of origin located in an LDC, and to 250 Swiss francs for each modification of an international registration referring to a geographical area of origin located in an LDC. These fee reductions will aply for a period of three years following the date of entry into force of the Geneva Act fo the Lisbon Agreement.**

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Working Group on the Development of the Lisbon System

First Session
Geneva, June 11 and 12, 2018

SUMMARY BY THE CHAIR

adopted by the Working Group

1. The Working Group on the Development of the Lisbon System (hereinafter referred to as "the Working Group") met in Geneva, on June 11 and 12, 2018.

2. The following Contracting Parties of the Lisbon Union were represented at the session: Algeria, Bulgaria, Czech Republic, Democratic People's Republic of Korea, France, Gabon, Georgia, Hungary, Iran (Islamic Republic of), Israel, Italy, Mexico, Peru, Portugal (14).

3. The following States were represented as observers: Australia, Democratic Republic of the Congo, Dominican Republic, Ethiopia, Germany, Guatemala, India, Japan, Kuwait, Morocco, Nigeria, Republic of Korea, Romania, Russian Federation, Saudi Arabia, Senegal, Spain, Switzerland, Thailand, Turkey, Uganda, United States of America, Zimbabwe (23).

4. Representatives of the following international intergovernmental organizations (IGOs) took part in the session in an observer capacity: African, Caribbean and Pacific Group of States (ACP GROUP), Economic Community of West African States (UEMOA), European Union (EU), Food and Agriculture Organization of the United Nations (FAO), Organization of Islamic Cooperation (OIC), World Trade Organization (WTO) (6).

5. Representatives of the following international non-governmental organizations (NGOs) took part in the session in an observer capacity: *Association romande de propriété intellectuelle* (AROPI), Centre for International Intellectual Property Studies (CEIPI), Health and Environment Program (HEP), International Intellectual Property Commercialization Council (IIPCC), International Trademark Association (INTA), International Wine Law Association (AIDV), Organization for an International Geographical Indications Network (oriGIn) (7).

6. The list of participants is contained in document LI/WG/DEV-SYS/1/INF/1 Prov. 2*.

AGENDA ITEM 1: OPENING OF THE SESSION

7. Mr. Francis Gurry, Director General, opened the session.

AGENDA ITEM 2: ELECTION OF A CHAIR AND TWO VICE-CHAIRS

8. Mr. Nikoloz Gogilidze (Georgia) was unanimously elected as Chair of the Working Group and Mr. Alfredo Rendón Algara (Mexico) and Mr. Cristóbal Melgar (Peru) were unanimously elected as Vice-Chairs.

9. Ms. Alexandra Grazioli (WIPO) acted as Secretary to the Working Group.

AGENDA ITEM 3: ADOPTION OF THE AGENDA

10. The Working Group adopted the draft agenda (document LI/WG/DEV-SYS/1/1 Prov.) without modification.

AGENDA ITEM 4: FEE REDUCTIONS PRESCRIBED BY ARTICLE 7(3) OF THE GENEVA ACT OF THE LISBON AGREEMENT ON APPELLATIONS OF ORIGIN AND GEOGRAPHICAL INDICATIONS

11. Discussions were based on document LI/WG/DEV-SYS/1/2.

12. The Working Group decided to recommend to the Lisbon Union Assembly:

(iv) to amend the Schedule of Fees included in the Common Regulations under the Lisbon Agreement and the Geneva Act of the Lisbon Agreement, in order to introduce a reduction to 50 per cent of the prescribed amount of fees to be paid by least developed countries (LDCs), as proposed in document LI/WG/DEV-SYS/1/2;

(v) to apply the fee reductions mentioned in (i) for a period of three years starting from the entry into force of the Geneva Act of the Lisbon Agreement; and

(vi) to re-assess the question of fee reductions under the Lisbon System a year before the expiry of the period mentioned in (ii).

13. For ease of reference, the Annex to this Summary by the Chair contains the amendments to the Schedule of Fees as recommended by the decision set out in paragraph 12, above.

AGENDA ITEM 5: FINANCIAL SUSTAINABILITY OF THE LISBON UNION

14. Discussions were based on document LI/WG/DEV-SYS/1/3.

* The final list of participants will be made available as an Annex to the Report of the session.

15. The Working Group decided:

(iii) to take note of the declarations made under Agenda Item 5; and

(iv) to further discuss different options concerning the financial sustainability of the Lisbon Union in future Working Group meetings or informal meeting(s) that the Chair of the Working Group might request the Secretariat to organize.

AGENDA ITEM 6: ADOPTION OF THE SUMMARY BY THE CHAIR

16. The Working Group approved the Summary by the Chair, as contained in the present document.

AGENDA ITEM 7: CLOSING OF THE SESSION

17. The Chair closed the session on June 12, 2018.

[Annex follows]

AMENDMENT TO THE SCHEDULE OF FEES UNDER THE COMMON REGULATIONS UNDER THE LISBON AGREEMENT AND THE GENEVA ACT OF THE LISBON AGREEMENT

Rule 8
Fees

(1) *[Amount of Fees]* The International Bureau shall collect the following fees, payable in Swiss francs:

(i)	fee for international registration*	1000
(ii)	fee for each modification of an international registration*	500
(iii)	fee for providing an extract from the International Register	150
(iv)	fee for providing an attestation or any other written information concerning the contents of the International Register	100
(v)	individual fees as referred to in paragraph (2).	

[…]

[Annex III follows]

* For an international registration referring to a geographical area located in a least developed country (LDC), in accordance with the lists established by the United Nations, the fee is reduced to 50 per cent of the prescribed amount (rounded to the nearest full figure). In such case, the fee will amount to 500 Swiss francs for an international registration referring to a geographical area of origin located in an LDC, and to 250 Swiss francs for each modification of an international registration referring to a geographical area of origin located in an LDC. These fee reductions will aply for a period of three years following the date of entry into force of the Geneva Act fo the Lisbon Agreement.

F - E

OMPI | WIPO
ORGANISATION MONDIALE DE LA PROPRIÉTÉ INTELLECTUELLE
WORLD INTELLECTUAL PROPERTY ORGANIZATION

LI/WG/DEV-SYS/1/INF/1
ORIGINAL: FRANCAIS/ANGLAIS
DATE: LE 12 JUIN 2018 / JUNE 12, 2018

Groupe de travail sur le développement du système de Lisbonne

Première session
Genève, 11 et 12 juin 2018

Working Group on the Development of the Lisbon System

First Session
Geneva, June 11 and 12, 2018

LISTE DES PARTICIPANTS
LIST OF PARTICIPANTS

établie par le Secrétariat
prepared by the Secretariat

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(in the alphabetical order of the names in French of the States)

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[End of Annex III and of document]