

WIPO



AB/I/6
ORIGINAL: French
DATE: March 11, 1970

WORLD INTELLECTUAL PROPERTY ORGANIZATION
UNITED INTERNATIONAL BUREAUX FOR THE PROTECTION OF INTELLECTUAL PROPERTY

GENEVA

BIRPI

**ADMINISTRATIVE BODIES
OF WIPO AND OF THE UNIONS ADMINISTERED BY WIPO AND BIRPI**

**First Series of Meetings
Geneva, September 21 to 29, 1970**

**DESIGNATION OF AUDITORS
FOR WIPO AND THE PARIS, BERNE AND NICE UNIONS**

Report by the Director of BIRPI

SUMMARY

This document deals with the question of the auditing of the accounts of WIPO and of the Paris, Berne and Nice Unions. It proposes that the Government of the Swiss Confederation be entrusted with the auditing of the said accounts.

Introduction

1. The Convention Establishing the World Intellectual Property Organization (WIPO) provides that "the auditing of the accounts [of WIPO] shall be effected by one or more Member States, or by external auditors, as provided in the financial regulations. They shall be designated, with their agreement, by the General Assembly [of WIPO]" (Article 11(10)).

2. The Stockholm Act (1967) of the Paris Convention provides that "the auditing of the accounts of the Paris Union shall be effected by one or more of the countries of the Union, or by external auditors, as provided in the financial regulations. They shall be designated, with their agreement, by the Assembly of the Paris Union" (Article 16(8)). Analogous provisions are to be found in the Stockholm Acts (1967) of the Berne Convention (Article 25(8)) and the Nice Agreement (Article 7(8)).

3. At the time of writing the present report, the majority of the member countries of the Paris, Berne and Nice Unions are not yet bound by the Stockholm Acts but by Acts earlier in date than the Stockholm Acts.

4. According to these earlier Acts, the auditing of the accounts of BIRPI is one of the tasks of the Swiss Government: "The Government of the Swiss Confederation supervises the expenditures of the International Bureau as well as the accounts of the latter ..." (Paris Convention (Lisbon), Article 13(10)); "The Swiss administration ... establishes the annual accounts of the Bureau of the International Union" (Berne Convention (Brussels), Article 23(5)). Article 5(1) of the Nice Agreement (original Act of 1957) refers to Article 13(10) of the Paris Convention (Lisbon) cited above. The Financial Regulations of BIRPI of July 12, 1963, provide that the yearly management report of the Director of BIRPI shall comprise, inter alia, a report on the "statements of account" of BIRPI, and that the management report requires approval by the Supervisory Authority, that is, by the Government of the Swiss Confederation (see Articles 6.1 and 6.3).

5. It is to be noted that the Unions have a common financial administration. It is exercised by BIRPI and, as from April 26, 1970, it will be exercised by the International Bureau referred to in the WIPO Convention and the Stockholm Acts of the Paris and Berne Conventions and the Nice Agreement. It is also to be noted that "as long as there are States members of the Paris or Berne Unions which have not become party to this Convention establishing WIPO, the International Bureau ... shall also function as the United International Bureaux for the Protection of Industrial, Literary and Artistic Property BIRPI ..." (WIPO Convention, Article 21(3)(a)).

6. In the course of the preparatory work for the Stockholm Conference, the representatives of Switzerland declared that "it would be hardly justifiable to ask the Swiss Government to continue to assume this task /of auditing the accounts/ under the new system in which the supervision of the Organization /WIPO/ would no longer devolve upon the Swiss Government. Nevertheless, Switzerland would be prepared to continue to audit the accounts until the second ordinary session /1973/ of the General Assembly of the new Organization ..." (document S/3 of September 16, 1966, paragraph 115).

7. In the course of the month of March 1970, the Director of BIRPI asked the Swiss Government whether, in the light of the foregoing, it would be willing to be designated by the General Assembly of WIPO and the Assemblies of the Unions as auditor of the International Bureau, at least until the second ordinary sessions of the said General Assembly and the said Assemblies. He received an affirmative reply to this question.

8. The Director of BIRPI appreciates the reply of the Swiss Government. He expresses no opinion for the moment on the question whether a change in the system of auditing will be possible as early as 1973. It will depend, to a large extent, on the number of countries which, by 1973, have not yet accepted the Stockholm texts.

Proposal

9. The General Assembly of WIPO and the Assemblies of the Paris, Berne and Nice Unions are invited to designate Switzerland to carry out the task of auditing the accounts of WIPO and the said Unions.

Observation

10. As far as the ways and means of carrying out the task of auditing the accounts are concerned, reference is made to the Financial Regulations of BIRPI and to document AB/I/5.

