

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

Assembly

**Thirty-First (11th Extraordinary) Session
Geneva, September 22 to 30, 2014**

REPORT

adopted by the Assembly

1. The Assembly was concerned with the following items of the Consolidated Agenda (document A/54/1): 1, 3, 4, 5, 6, 10, 12, 22, 26 and 27.
2. The reports on the said items, with the exception of item 22, are contained in the General Report (document A/54/13).
3. The report on item 22 is contained in the present document.
4. Mr. Tiberio Schmidlin (Italy), Chair of the Assembly, presided over the meeting.

ITEM 22 OF THE CONSOLIDATED AGENDA

LISBON SYSTEM

5. Discussions were based on documents LI/A/31/1 and LI/A/31/2.
6. The Chair invited the Chair of the Working Group on the Development of the Lisbon System (hereinafter referred to as “the Working Group”) to report on the activities of the Working Group.
7. The Chair of the Working Group recalled that at its twenty-ninth (20th ordinary) session held from September 23 to October 2, 2013, the Assembly of the Lisbon Union had approved the convening of a Diplomatic Conference for the Adoption of a Revised Lisbon Agreement on Appellations of Origin and Geographical Indications in 2015, with the exact dates and venue to be decided by a preparatory committee meeting. In addition, the Assembly had also approved the roadmap for preparing the diplomatic conference.
8. He said that since then, the Working Group had met twice, in December 2013 and in June 2014, to discuss the transformation of the current Lisbon framework into an international protection and registration system for appellations of origin and geographical indications. Those discussions were held on the basis of drafts for a new instrument and regulations, as prepared by the Secretariat upon the Working Group’s request for each of these meetings. He pointed out that in doing so, the Working Group had complied with the mandate it had been given by the Lisbon Union Assembly. Under that two-fold mandate, the Working Group had been tasked with, firstly, a revision of the Lisbon Agreement that would involve the refinement of its current legal framework and the inclusion of the possibility of accession by intergovernmental organizations, while preserving the principles and objectives of the Agreement; and, secondly, the establishment of an international registration system for geographical indications.
9. The Chair of the Working Group further recalled that the Secretariat had organized a half-day conference on dispute settlement within the Lisbon System, as a side event in the margins of the session of the Working Group in December 2013. Moreover, at its ninth session held in June 2014, the Working Group had succeeded in identifying, and limiting the number of, those issues that were still regarded as pending. He then indicated that he was of the firm view that even that list of currently pending issues would prove manageable at next year’s diplomatic conference and would not prevent the diplomatic conference from adopting a Revised Lisbon Agreement. Moreover, the roadmap for preparing the diplomatic conference still enabled the Working Group further improvements in the maturity of the texts and to continue to pave the way for a successful diplomatic conference.
10. He added that, in accordance with that roadmap, the preparatory committee meeting for the diplomatic conference would be held in October 2014 in conjunction with the tenth session of the Working Group. At that session, the Working Group would focus on technically preparing the texts of the draft Revised Lisbon Agreement and the draft Regulations for the diplomatic conference, and on further reducing the number of pending issues, where possible. Resolved issues would not be re-opened, and proposals and discussions would be limited to the pending issues, as identified by the Working Group at its ninth session.
11. In his capacity as Chair of the Working Group, he strongly encouraged the Lisbon Union Assembly to take good note of the significant progress the Working Group had made in preparing the Diplomatic Conference for the Adoption of a Revised Lisbon Agreement on Appellations of Origin and Geographical Indications. He also wished to assure the Lisbon Union Assembly that the on-going implementation of the roadmap it had adopted last year would no doubt ensure an appropriate preparation of the 2015 diplomatic conference. In that context, he further underlined that while, legally speaking, the revision process was taking place among

delegations of the member States of the Lisbon Union, one could clearly observe a strong and ever-intensifying involvement of other delegations, including WIPO Member States currently outside the Lisbon System as well as intergovernmental and non-governmental organizations. The Chair of the Working Group was of the view that that was particularly important, as the process of revising the Lisbon Agreement was of interest not only to its current membership but also to other WIPO Member States, be they developing countries or developed ones. The revision process was expected to result in a user-friendly international protection and registration system covering both appellations of origin and geographical indications under the umbrella of a single instrument that would prove to be attractive enough to significantly expand the membership and reach a truly global coverage.

12. The Chair of the Working Group continued by addressing the other, quite specific, issue on the agenda of the present meeting of the Lisbon Union Assembly, namely the proposal put forward by the Secretariat to update the Fee Schedule under Rule 23 of the Regulations under the Lisbon Agreement. He pointed out that a draft of that proposal had been submitted to the Lisbon Working Group for comments. Following discussions on that document at the ninth session of the Working Group in June 2014, and, particularly, in response to the Working Group's request for more information, an amended text had been prepared, and was now being presented to the Assembly for its consideration and with an invitation for a decision on the proposed changes in the amounts of fees.

13. In that regard, he wished to bring a number of important aspects to the Lisbon Union Assembly's attention. Firstly, as there was already an adopted Program and Budget for the 2014/15 biennium, the proposed fee increase should be considered primarily in the context of the Program and Budget for the 2016/17 biennium and beyond, even though the Lisbon Union Assembly could decide, and, in fact, was invited to decide, that the higher fees should apply as from January 1, 2015. Secondly, as regards the expenses incurred by the activities related to the review of the Lisbon System and the planned revision of the Lisbon Agreement, he stressed once again that those activities were not only of interest to members of the Lisbon Union, but also to other WIPO Member States, and that they did serve the general interest of WIPO as a whole. Thirdly, following the revision of the Lisbon Agreement, a significant increase could be expected in the registration activity under the Lisbon System. Although it was true that there was a natural limit to the total number of geographical indications and appellations of origin, as they were based on geographical names, it was also true that many were not (yet) registered under the Lisbon System. Last but not least, he pointed out that the possible introduction of a maintenance fee for international registrations could only be considered in the context of the revision of the Lisbon Agreement.

14. He concluded by saying that he was convinced that, on the basis of those considerations as well as the arguments, facts and figures contained in the document prepared by the International Bureau, the Lisbon Union Assembly would now be in a position to carefully consider the proposal for fee increases.

Review of the Lisbon System

15. Discussions were based on document LI/A/31/1.

16. The Chair informed the Assembly that he had been informed by the Chair of the Coordination Committee that a discussion had taken place in the Coordination Committee regarding the convening of the Diplomatic Conference for the Adoption of a Revised Lisbon Agreement on Appellations of Origin and Geographical Indications in 2015. He pointed out that statements had been made calling upon the Coordination Committee to provide advice to the Lisbon Union Assembly under Article 9(2)(b) of the Lisbon Agreement concerning the procedures of the diplomatic conference and other preparatory matters. However, he further

indicated that there had also been statements pointing out that the advice of the Coordination Committee was not required and that the modalities for convening the diplomatic conference were not on the agenda of the Lisbon Union Assembly and would be dealt with by the preparatory committee for the diplomatic conference, at its meeting scheduled for October 30 and 31, 2014. Finally, he indicated that the result of the discussion was that no decision could be taken. Consequently, the Coordination Committee had taken note of the statements made and had asked its Chair to inform the Chair of the Lisbon Union Assembly.

17. The Delegation of Iran (Islamic Republic of) expressed its strong support for the decision of the Lisbon Union Assembly in 2013 to convene a Diplomatic Conference for the Adoption of a Revised Lisbon Agreement on Appellations of Origin and Geographical Indications in 2015. The Delegation also expressed its appreciation for the generous offer made by Portugal to host the diplomatic conference. The Delegation was of the view that the revision of the Lisbon Agreement would turn the Lisbon System into a more robust and user-friendly instrument for preventing the misuse and misappropriation of geographical indications and appellations of origin. The Delegation recalled that the Lisbon Agreement was first concluded to respond to the need for an international system that would facilitate the protection of a special category of geographical indications, namely appellations of origin, in countries other than the country of origin by means of their registration with the International Bureau. A similar need was also felt for the protection of other categories of geographical indications. The Delegation further indicated that a revision of the Lisbon Agreement with the view to broaden its scope of application would make the Lisbon System more responsive to the protection needs of geographical indications as a whole. In that regard, the Delegation expressed its support for the refinement of the current legal framework and the extension of the international register to geographical indications, while maintaining separate definitions for appellations of origin and geographical indications on the understanding that similar substantive provisions would apply to both. The Delegation concluded by saying that the proposed revision would make the system more simplified and user-friendly. This would be a valuable achievement and certainly allow for a wider membership.

18. The Delegation of the Czech Republic expressed its support for the work achieved by the Working Group. The Delegation was convinced that the modernization of the Lisbon System would be for the benefit of all and therefore welcomed and appreciated the significant progress that had been made in respect of the draft Revised Lisbon Agreement on Appellations of Origin and Geographical Indications and its draft Regulations. The Delegation encouraged the Working Group to continue its successful efforts in the preparation of the Diplomatic Conference for the Adoption of a Revised Lisbon Agreement in 2015.

19. The Delegation of the United States of America said that it opposed the Lisbon Assembly's convening of a closed diplomatic conference to revise the Lisbon Agreement to include geographical indications. The Delegation was deeply troubled by the Lisbon Union's effort to push a one-sided geographical indication approach at WIPO without the opportunity for meaningful input from the larger WIPO membership with different views and approaches. The Delegation therefore viewed the ongoing revision process as fundamentally flawed, as it had already stated numerous times in the Program and Budget Committee (PBC), in the General Assembly, in the Coordination Committee and in the Lisbon revision process itself. The inclusion of geographical indications in the Lisbon System was not merely a revision but constituted new subject matter resulting in a new treaty on issues of interest to other WIPO Unions, and therefore approval from the Coordination Committee should have been sought pursuant to Article 9(2)(b) of the Lisbon Agreement. If such advice had been sought, many WIPO Member States would have raised objections to the idea that such significant negotiations would take place solely within the Lisbon Union of 28 countries without the inclusion of other WIPO Member States which would be affected by the content of such negotiations. The Delegation pointed out that discussions on geographical indications had been blocked for over a decade in the Standing Committee on Trademarks, Industrial Designs and Geographical

Indications (SCT), which all WIPO Member States did participate in. Additionally, the Delegation opposed any draft treaty text that would not provide for a financially stable and self-sustaining international registration system. The Lisbon System was at a significant deficit and was financially unsustainable. In that regard, the Delegation recalled that, in the past, when the Hague Union was at a deficit, arrangements had been made for the Hague Union to borrow money from the Madrid Union and to pay it back later on. Such arrangements had not been made in the case of the Lisbon System, presumably because Article 11(3)(v) of the current Lisbon Agreement required the members of the Lisbon Union to make up for any deficit, which had, however, never occurred. Instead, the United States of America and other WIPO Member States were forced to fund the treaty's continuing operations as well as the proposed diplomatic conference, while they were at the same time being prevented from joining the revised treaty because it was not inclusive of trademark systems and because they would not have a vote in the conclusion of the negotiations. The Delegation indicated that for all of those reasons it had asked the Coordination Committee to adopt a decision advising the Lisbon Union Assembly that the diplomatic conference should be open to all WIPO Member States on equal terms and that their participation should be financed as had been the case for the Beijing and the Marrakesh Diplomatic Conferences. Referring to the 1999 revision of the Hague Agreement, which concerned a Union of about the same small membership as the Lisbon Union, the Delegation pointed out that the Diplomatic Conference for the Geneva Act had been open to all WIPO Member States. The Delegation indicated that, even though it had received significant support from a number of other countries in the Coordination Committee, unfortunately the decision it had proposed had not been adopted. The Delegation concluded by saying that it was disappointed and that it would continue to explore all possible options to ensure appropriate openness and participation at any diplomatic conference.

20. The Delegation of Romania supported the decision taken by the Lisbon Union Assembly on convening a Diplomatic Conference for the Adoption of a Revised Lisbon Agreement on Appellations of Origin and Geographical Indications in 2015. The Delegation was of the view that the issues concerning participation should be decided at the preparatory committee meeting at the end of October 2014. Lastly, the Delegation of Romania welcomed the significant progress made in the Working Group and also expressed its gratitude to the Delegation of Portugal for the offer it had made to host the diplomatic conference.

21. The Delegation of Italy expressed its great appreciation for the work performed by the Working Group regarding the revision of the Lisbon Agreement. The Delegation pointed out that the revised system, while preserving the principles and objectives of the original Lisbon Agreement, extended the scope of protection to geographical indications, thus offering to all producers from both developed and developing countries an opportunity to protect their products and to add value to them. The preparatory work of the Working Group was now close to its conclusion at the diplomatic conference that would be held in 2015. The Delegation reiterated the view it had expressed in the Coordination Committee, that the advice of the Coordination Committee was not required and that the decision to convene a Diplomatic Conference for the Adoption of a Revised Lisbon Agreement in 2015 was perfectly legitimate. With respect to the right to vote and the participation at the said diplomatic conference, the Delegation expressed the view that those were matters that would be dealt with at the preparatory committee meeting that would take place at the end of October.

22. The Delegation of Hungary supported the statement made by the Delegation of Italy. With regard to the advice of the Coordination Committee, the Delegation maintained the position it had expressed during the meeting of the Coordination Committee. Finally, the Delegation thanked the Delegation of Portugal for its generous offer to host the diplomatic conference.

23. The Delegation of Slovakia thanked the Working Group for its effective work and agreed to the results of the work of the Working Group as presented by its Chairman. Like the Delegations of the Czech Republic, Italy, Hungary and Romania, the Delegation said that it fully supported the decision taken by the Assembly of Lisbon Union to convene a diplomatic conference in 2015.

24. The Delegation of France recalled that the convening of a diplomatic conference on the Lisbon System in 2015 had been unanimously decided in December 2013 by the special General Assembly, which was the highest body of the Organization, when it adopted the Program and Budget for the current biennium, which provided in respect of Program 6 for the financing of such diplomatic conference. The Delegation believed that the higher the number of States that would join the Lisbon System, the higher the number of registrations. That would in turn significantly reduce the deficit of the Lisbon system in the long term. Lastly, the Delegation thanked the Delegation of Portugal for offering to host the diplomatic conference.

25. The Delegation of Australia reiterated its support for WIPO's work in developing norms for intellectual property (IP) and believed that such work should genuinely take account of the views of all WIPO Member States, including those which were not already members of the Lisbon Union. The Delegation recalled that Australia had sought to participate constructively as an observer in the Lisbon Working Group, and that it firmly believed that the best pathway to achieving broader membership was through a flexible and inclusive approach that would address the concerns of all WIPO Member States. The Delegation added that it would be a missed opportunity if the work on the revised Lisbon System would merely reinforce existing principles which had not attracted a large membership to date. A revised Lisbon Agreement that would preserve the very features that currently discouraged or even precluded membership of some countries might continue to act as an impediment to achieve broader geographical coverage. Lastly, the Delegation requested that participation on an equal footing for all WIPO Member States be provided for at the diplomatic conference.

26. The Delegation of Chile believed that the so-called revision of the Lisbon Agreement went far beyond a simple revision of the Lisbon Agreement, because the changes were so deep that the end result would be a totally different treaty. The Delegation did not question the powers of the Lisbon Union Assembly, but wished to ensure that all Member States of WIPO be equally involved in drafting a treaty that went far beyond a simple revision.

27. The Delegation of Greece reiterated its support for the convening of a Diplomatic Conference for the Adoption of a Revised Lisbon Agreement on Appellations of Origin and Geographical Indications in line with the decision taken last year. Furthermore, the Delegation also took good note of the significant progress made by the Working Group. The Delegation believed that the revision of the Lisbon System would enhance broader membership and would thus pave the way to a wider protection of geographical indications.

28. The Delegation of New Zealand said that it recognized the value that geographical indications could provide for producers and consumers. The Delegation expressed its support for the protection of geographical indications, provided that such protection was balanced with the interests of prior right holders and other interested parties as well as commensurate with the protection granted to other IP rights. The Delegation also supported the work on a geographical indication filing system being undertaken under the WIPO umbrella. However, such a system should reflect the views of all WIPO Member States, because any new geographical indication system would affect all WIPO Member States. Such system should also be flexible enough to take into account different national geographical indication protection systems rather than favoring one particular form of protection. The Delegation expressed its concern about the proposals to amend the Lisbon Agreement so as to extend its coverage from appellations of origin to geographical indications. These changes amounted to more than simple technical amendments and the resulting agreement would reflect a set of new substantive rules in WIPO.

The Delegation was also concerned that the proposed changes would negatively impact on the legitimate trade of goods under generic names. Whether a term had become generic in a particular territory should be a matter for the national law and circumstances of that territory and it should not be determined at the multilateral level. The Delegation was also concerned that the proposed text would grant higher protection for geographical indications than existed for other forms of IP. The Delegation pointed out that no other IP right operated perpetually or extraterritorially without the possibility for refusal at national level. Furthermore, the Delegation was concerned about the effects of the proposal to amend the Lisbon Agreement in respect of prior existing trademark rights. The Delegation said that there should be fair treatment for prior rights in line with international law. These aspects concerned the wider WIPO membership because of their economic consequences. The existing Lisbon Union member States should not be able to decide on matters that affected the larger WIPO membership. The Delegation acknowledged that the current draft included options in respect of some of the above-mentioned areas of concern. However, it was crucial that all WIPO Member States could fully engage in the revision process in the coming months. The Delegation re-emphasized its intervention during the meeting of the Coordination Committee reiterating that the diplomatic conference should allow for the full participation on equal terms by all interested WIPO Member States, so as to enable them to fully consider the effect of the proposed substantive amendments and to provide input for the shape of any future geographical indication system within WIPO.

29. The Delegation of Serbia stated that, in view of the excellent preparatory work done by the Working Group, it supported the proposed revision of the Lisbon Agreement and the decision on the convening of the diplomatic conference in 2015, as decided by the Assembly of the Lisbon Union in 2013.

30. The Delegation of Portugal expressed its appreciation for the work undertaken by the Working Group and reiterated the view it had expressed in the meeting of the Coordination Committee, that issues regarding the Rules of Procedure should be discussed in the preparatory committee. The Delegation further expressed the view that the revised Lisbon System would be more effective and sustainable and therefore more attractive to prospective new members.

31. The Delegation of Argentina supported the concerns put forward by the Delegations of Australia, Chile, New Zealand and the United States of America. The proposed revision of the Lisbon Agreement, originally limited to procedural aspects, would extend the scope of the Agreement to geographical indications. As a result, this would lead to a new treaty on IP with commercial consequences in countries that were not party to the Lisbon Agreement. Therefore, the diplomatic conference should allow for the participation of all Member States of WIPO on an equal footing.

32. The Delegation of Switzerland expressed its appreciation for the progress made by the Working Group and its support to complete the work at the diplomatic conference in 2015.

33. The Delegation of the European Union, speaking on behalf of the European Union and its member states, recalled that, in accordance with the remit of improving the Lisbon System, a key aim of this revision was to make the Lisbon System more attractive to countries that are currently not party to the Lisbon Agreement, so as to reach a wider membership. In an effort to build an inclusive system, observer status to the Working Group had been made available to all WIPO Member States. The Working Group had already enjoyed much useful input from observers. The Delegation recalled that last year the Lisbon Union Assembly approved the convening of a Diplomatic Conference for the Adoption of a Revised Lisbon Agreement on Appellations of Origin and Geographical Indications in 2015. This decision was still valid and had to be implemented in accordance with the roadmap defined by the Lisbon Union Assembly. The Delegation further believed that the best way to accommodate the diversity of national systems was the expansion of the relevant registration systems run by WIPO, namely the

Lisbon and Madrid Systems. Moving ahead with the revision of the Lisbon System should be WIPO's first priority on geographical indications. The progress made in the Working Group clearly showed that this activity would lead to improvements in relation to the diversity and the flexibility allowed to Member States by the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement.

34. The Delegation of the Republic of Moldova supported the statements made by the Delegations of the Czech Republic, the European Union, France, Greece, Hungary, Italy and Romania. In view of the decision of the Lisbon Union Assembly in 2013 to convene a Diplomatic Conference for the Adoption of a Revised Lisbon Agreement on Appellations of Origin and Geographical Indications in 2015, and considering the maturity of the text of the draft Revised Lisbon Agreement, the Delegation was of the view that the work should be continued within the framework of the Working Group and the preparatory committee to identify solutions for the pending issues. The Delegation further expressed its appreciation to Portugal for its kind offer to host the diplomatic conference.

35. The Delegation of the Republic of Korea supported the interventions made by the Delegations of Argentina, Australia and Chile. The Delegation said that the inclusion of geographical indications was not just a technical issue and it implied changing the basic scope of the Lisbon Agreement. Therefore, all WIPO Member States should participate in the diplomatic conference.

36. The Delegation of Uruguay shared the concerns put forward by the Delegations of Australia, Chile, New Zealand, the Republic of Korea and the United States of America. In particular, the Delegation was of the view that the diplomatic conference should be open to all Member States of WIPO, as had been the case for the Diplomatic Conferences of Beijing and Marrakesh.

37. The Assembly took note of document LI/A/31/1, of the progress made in the preparation of the Diplomatic Conference for the Adoption of a Revised Lisbon Agreement on Appellations of Origin and Geographical Indication in 2015 and of the statements made in this regard.

Proposal to Update the Fee Schedule Under Rule 23 of the Regulations Under the Lisbon Agreement

38. Discussions were based on document LI/A/31/2.

39. The Delegation of the United States of America expressed its appreciation for the additional information contained in document LI/A/31/2 beyond the proposal that had been discussed in the Working Group. WIPO was a unique international organization with its funding coming from a variety of sources. The primary source of funding was user fees. Some of the treaties administered by WIPO provided for private rights through a multilateral system of registration. The Lisbon Agreement (Article 11), the Patent Cooperation Treaty Agreement (Article 57), the Geneva Act of the Hague Agreement (Article 23) and the Madrid Agreement (Article 12) all had very similar provisions providing that those Unions are funded by fees paid by the users of those systems. In addition, the Lisbon Agreement provided that any deficit in the Lisbon System had to be funded by contributions of Contracting Parties to the Agreement. According to the 2014-2015 Program and Budget, the PCT System would generate a 40 million Swiss francs surplus. The Madrid System would break even, the Hague System would run a slight deficit and the Lisbon System would collect well below one per cent of its operating costs. The Lisbon System was projected to collect 8,000 Swiss francs while it would cost 1.5 million Swiss francs to operate. Moreover, the Lisbon System deficit had been ignored for 20 years. Meanwhile, the PCT System generated income that funded many WIPO projects,

including projects for development. PCT income also had been used to fund the Lisbon System. The Delegation recognized that there were a variety of types of treaties and systems under the auspices of WIPO and did not intend to propose to change the financial structures of those various treaties. However, it was of the view that Lisbon applicants and holders, 63 per cent of which were from one developed country, should fund the cost of the services that they are receiving from WIPO under the Lisbon System, as was the case under the other registration systems. The terms of the Lisbon Agreement should be followed, so that Lisbon member States make up the difference between the income and the expenditures of the treaty. If they refused, then the Lisbon Agreement fee structure should be adjusted to make up the difference. To that end, the Delegation believed that the proposed fee increase was not nearly enough to cover the cost of the system. An increase of the one-time international registration fee from 500 Swiss francs to 1,000 Swiss francs contained in the proposal would not be enough to address Lisbon's continuous deficit. Assuming that the Lisbon System could reduce its costs to one million Swiss francs for the 2016-2017 biennium, and assuming that the system could double the number of applications to 100 for the biennium, the system would still need to charge 10,000 Swiss francs per application to break even. Alternatively, the system should consider the institution of maintenance fees. Moreover, an alternative funding mechanism should be adopted when the Lisbon Agreement is revised, such as a return to Contracting Party contributions as currently provided for in the Lisbon Agreement, or a mechanism based on the percentage of appellations of origin that the Contracting Party had in the Register. In the meantime, however, the fees should be increased to an appropriate amount, for example 4,295 Swiss francs. If the Madrid System would be used instead of the Lisbon System, according to the fee calculator for a collective or certification mark and designating the Contracting Parties to the Lisbon Union, which were also party to the Madrid Protocol, the fee for renewal would amount to 4,295 Swiss francs. Such a fee would be reasonable for a right that gave protection for an undefined period of time under the Lisbon System. Consequently, the Delegation said that the proposed fee increase should be raised from 1,000 Swiss francs to 4,295 Swiss francs, in line with the fees charged under the Madrid System for renewal. In accordance with the Lisbon Agreement, Article 11(3)(v), the countries that were party to the Lisbon Union should be requested to cover the deficit for the 2014-2015 biennium as well as the 2016-2017 biennium. The Delegation requested the Secretariat to provide a calculation in this respect, so that payments could be made by the Lisbon Contracting Parties as soon as possible. The Secretariat should also undertake a study and bring a recommendation back to the Working Group for an appropriate fee structure that would provide a more balanced budget for the Lisbon System without having to rely on other WIPO fee income to fund its expenditures.

40. The Delegation of Italy said that it needed more time to consider the proposed fee increase. The entry into force of such fee increase in January 2015, therefore, was too early. The Delegation attached great importance to the financial situation of the Lisbon Union and said it was actively contributing by increasing the number of applications. In fact, 25 new registrations from Italy had taken place recently and 43 new applications would be filed before the end of the year. Also, the accession by many new Contracting Parties, including some intergovernmental organizations, would be advantageous for the Lisbon System budget. As a unique tool for the promotion of the excellence of national products, the Lisbon System benefited applicants and users, and fostered the national economies involved.

41. The Delegation of France supported the proposed increase in the amounts of the existing fees. The Delegation recalled that the registration fee should be set so as to cover the registration cost for the International Bureau without requiring additional contributions of member States. The increase should, however, be balanced and not be excessive. The Delegation opposed the possibility of introducing a maintenance fee.

42. The Delegation of Colombia said that it understood the value of geographical indications and appellations of origin for small and medium-sized enterprises (SMEs) and small communities and the need for their effective protection at the international level. The Delegation suggested that the fee structure of the Lisbon System should allow for its sustainability and be commensurate with the economic benefit that the rights provide to the owners of those rights.

43. The Delegation of Italy supported the Delegation of France's position regarding the opposition to the introduction of maintenance fees. The Delegation of Italy said it was ready to evaluate the possibility of individual fees if it represented a precondition for some new Contracting Parties to join the system, according to their national legislation.

44. The Assembly took note of the statements made and agreed to invite the Working Group on the Development of the Lisbon System to further discuss the fee issue in the light of suggestions made by delegations in that regard.

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