

# WIPO



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WORLD INTELLECTUAL PROPERTY ORGANIZATION  
GENEVA

## INTERNATIONAL PATENT COOPERATION UNION (PCT UNION)

### ASSEMBLY

#### Fortieth (17<sup>th</sup> Ordinary) Session Geneva, September 22 to October 1, 2009

#### PROPOSAL FOR A LOAN TO THE HAGUE UNION

*Document prepared by the International Bureau*

1. In January 2008, the International Bureau initiated the implementation of Phase I of an Information Technology (IT) Modernization Program of the Madrid and Hague international registration systems, as approved by the Assemblies of the Madrid Union and the Hague Union in September 2007 and described in documents MM/A/38/4 and H/A/24/2.
2. In the context of the forty-seventh series of meetings of the Member States of WIPO, in 2009, the International Bureau is submitting proposals to the Assemblies of the Madrid Union and the Hague Union for the implementation of Phases II and III of the IT Modernization Program as from January 2010. The cost of Phases II and III has been estimated at some 10.2 million Swiss francs, to be shared as follows: some 7.2 million Swiss francs to be financed by the Madrid Union and some 3 million Swiss francs to be financed by the Hague Union (see documents MM/A/42/2 and H/A/28/2).
3. Regarding the Madrid Union's share, document MM/A/42/2 invites the Madrid Union Assembly to approve that this be financed from the Madrid Union Reserve Fund. Regarding the Hague Union's share, however, document H/A/28/2 recalls the negative balance of the Hague Union Reserve Fund\*.

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\* See paragraph 44 of document H/A/28/2.

4. In the interest of the Hague Union, the vast majority of whose Members are also Members of the PCT Union, it is hereby proposed that the Assembly of the PCT Union authorize a loan to the Hague Union of an amount of 3 million Swiss francs from the PCT Union Reserve Fund to cover the Hague Union's share in the financing of Phases II and III of the above-mentioned IT Modernization Program. That amount would be reimbursed by the Hague Union to the PCT Union as soon as the level of reserves of the Hague Union Reserve Fund so allows.

5. Such a proposal to authorize the International Bureau to borrow from the Reserve Fund of one Union to finance the activities of another is not novel. More precisely, when, in 1979, the budget of the PCT Union was fixed for the years 1980 and 1981, the Assembly of the PCT Union noted the deficit likely to accumulate by the end of 1980 and authorized the Director General to ask the Assembly of the Madrid Union to grant a loan to the PCT Union (document PCT/A/III/11, paragraph 16). Accordingly, it was proposed to, and agreed by the Assembly and the Committee of Directors of the Madrid Union that the International Bureau loaned up to a 1,600,000 Swiss francs from the Madrid Union reserve fund (document AB/X/2, paragraphs 65<sup>ter</sup> and 303(v) and document AB/X/32, paragraph 40). Moreover, when, in 1980, the budget of the PCT Union for the year 1981 was revised, a deficit was also noted. The Governing Bodies of WIPO and the Unions administered by WIPO adopted a general report mentioning that the Assembly of the PCT Union authorized the International Bureau to borrow, in addition to the sum already authorized, a further amount from the Madrid Union (document AB/XI/9, paragraph 19(xi)).

6. If this proposal meets the approval of the PCT Union Assembly, its decision to authorize this loan will be reported on orally in course of the twenty-eighth session of the Hague Union Assembly so that the latter can proceed with its own decision on the proposed next steps of the IT Modernization Program.

*7. The Assembly is invited to grant a loan to the Hague Union, as proposed in paragraph 4, above.*

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