

## **International Patent Cooperation Union (PCT Union)**

### **Assembly**

#### **Forty-Third (25<sup>th</sup> Extraordinary) Session Geneva, October 1 to 9, 2012**

### **LOAN GRANTED BY THE PCT UNION 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 Assemblies of the Madrid Union and the Hague Union approved the International Bureau's proposals for the implementation of Phases II and III of the IT Modernization Program as from January 2010. The cost of Phases II and III were estimated at some 10.2 million Swiss francs, of which approximately 3 million Swiss francs were to be financed by the Hague Union (documents MM/A/42/2 and H/A/28/2).
3. Regarding funding for the Hague Union's share of the project, document H/A/28/2 recalled the negative balance of the Hague Union Reserve Fund<sup>1</sup> and 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. It was further proposed that the 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 allowed.

---

<sup>1</sup> See paragraph 44 of document H/A/28/2.

4. The proposal to grant such loan to the Hague Union was approved by the PCT Union Assembly at its fortieth (17<sup>th</sup> ordinary) Session, held in September/October 2009 (document PCT/A/40/6 and the report of the session, document PCT/A/40/7, paragraphs 50 and 51).

5. As at the end of the 2010/11 biennium<sup>2</sup>, while the Hague Union Reserve Fund levels still do not allow the reimbursement of the loan to the PCT Union, the Madrid Union's Reserve Fund levels are in excess of the target level defined by the Reserve Policy of the Organization. Accordingly, it will be proposed to the Madrid Union Assembly<sup>3</sup> at its 2012 session to modify the arrangement so that, rather than the Hague Union reimbursing the loan to the PCT Union (as it had originally been envisaged, see paragraph 3, above), the financing of the Hague Union's contribution to the IT Modernization Program of the Madrid and Hague international registration systems be assumed by the Madrid Union rather than the PCT Union. The amount will be reimbursed by the Hague Union to the Madrid Union as soon as the level of reserves of the Hague Union Reserve Fund so allows.

6. If this proposal meets the approval of the Madrid Union Assembly, its decision will be reported orally to the PCT Union Assembly in the course of its forty-third (25<sup>th</sup> extraordinary) session. Pending the decision by the Madrid Union Assembly, the resulting changes in the Reserve levels of the PCT Union have been reflected, in a preliminary fashion, in the Status of the Utilization of Reserves (document WO/PBC/19/8).

*7. The Assembly is invited to take note of the content of this document.*

[End of document]

---

<sup>2</sup> See document WO/PBC/19/4 (Annual Financial Statements 2011) and document WO/PBC/19/8 (Status of the Utilization of Reserves).

<sup>3</sup> See documents MM/45/3 and HA/31/1.