

Working Group on the Legal Development of the Hague System for the International Registration of Industrial Designs

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UPDATE ON ADVANCED STUDY OF THE COST IMPLICATIONS AND TECHNICAL FEASIBILITY OF THE INTRODUCTION OF THE CHINESE AND RUSSIAN LANGUAGES INTO THE HAGUE SYSTEM

Document prepared by the International Bureau

I. EXPLANATORY NOTE

1. Document H/LD/WG/9/4, which is entitled “Advanced Study of the Cost Implications and Technical Feasibility of the Introduction of the Chinese and Russian Languages into the Hague System”, was prepared for consideration by the Working Group on the Legal Development of the Hague System for the International Registration of Industrial Designs (hereinafter referred to as the “Working Group” and the “Hague System”) at its ninth session held on December 14 and 15, 2020. However, given the views of the members that the hybrid meeting format would not be conducive for the in-depth discussion on the topic “Possible Introduction of New Languages into the Hague System”, the said topic was removed from the agenda of the ninth session¹. The present document is an updated version of the aforementioned document.

II. INTRODUCTION

2. At its eighth session held from October 30 to November 1, 2019, the Working Group discussed document H/LD/WG/8/5, which is entitled “Possible Options for the Introduction of New Languages into the Hague System”.

¹ Refer to documents H/LD/WG/9/1 Prov. 3 and H/LD/WG/9/8 Prov., paragraph 9.

3. The Working Group requested the International Bureau to prepare, for discussion at its next session, an advanced study of the cost implications and technical feasibility of the introduction of the Chinese and Russian languages into the Hague System².

4. To respond to that mandate, document H/LD/WG/9/4 had been prepared, presenting the cost implications and technical feasibility of introducing the aforementioned two languages simultaneously, as well as an assessment of the availability of materials and tools for users of the Hague System in English, Chinese, French, Russian and Spanish. To continue with the fulfillment of that mandate, this document is an updated version of document H/LD/WG/9/4, particularly in so far as the cost implications are concerned.

III. SUMMARY OF THE IMPLEMENTATION OPTIONS

5. Possible implementation options for the introduction of new languages into the Hague System were already presented in document H/LD/WG/8/5. One additional option is presented in this document, since a further analysis of the implementation implications made it worthwhile to also outline this option for consideration by the Working Group. A summary of the options and of their main features is provided below in the order of increasing complexity. The name given to each option is merely descriptive and should therefore be considered as tentative.

OPTION "A": FILING LANGUAGE

6. This is a new option slightly modified from the filing language option presented in document H/LD/WG/8/5. This is the least complex option.

7. Under this option, applicants would be able to file international applications in any of the new languages.

8. If the international application was filed in the new language, the International Bureau would translate the relevant elements in the international application into one of the three current languages (English, French or Spanish) as selected by the applicant.

9. Therefore, the International Bureau would examine the international application and communicate with the applicant in English, French or Spanish.

10. Accordingly, the resulting international registration would be recorded and published in English, French and Spanish only. All further communications concerning the international registration with the holders and Offices would continue to be in English, French or Spanish.

OPTION "B": FILING AND COMMUNICATION LANGUAGE

11. This option is the equivalent to what was presented as filing language (option "A") in document H/LD/WG/8/5, but has been renamed "filing and communication language" (option "B") for the purpose of this document.

12. Under this option, applicants would be able to file international applications in the new language. Furthermore, examination of the international application and communication by the International Bureau with the applicant would be in the new language.

13. However, the resulting international registration would be recorded and published in English, French and Spanish only. All further communications concerning the international registration with the holders and Offices would continue to be in English, French or Spanish only.

² Refer to document H/LD/WG/8/8, paragraph 29.

OPTION "C": PUBLICATION LANGUAGE

14. Building on option "B", in addition to filing, examination and communication with the applicant in the new language, the International Bureau would record the international registration in that language. Accordingly, the international registration would be recorded and published in the new language in addition to the current three languages (in total four languages).

15. Moreover, for international registrations published in that new language only, Offices of designated Contracting Parties would be able to send communications (e.g., notifications of refusal and statements of grant of protection) in the new language, in addition to being able to do so in English, French or Spanish.

16. Holders of international registrations published in the new language would be able to send communications to the International Bureau in the new language (e.g., a request for the recording of a change or renewal) and receive communications from the International Bureau also in that language. Accordingly, any resulting transaction would be recorded and published in the four languages (English, French, Spanish and the new language,).

17. The recording, publication and communications concerning international registrations that result from an application filed in English, French or Spanish would continue to be in those languages only.

OPTION "D": PUBLICATION AND OFFICE COMMUNICATION LANGUAGE

18. This is an extended version of option "C". In addition to what is foreseen under option "C", the International Bureau would make the necessary translations into any of the new languages that is the selected language of the Office of a designated Contracting Party.

19. Any such Office could send communications (i.e., notifications of refusal and statements of grant of protection) in the new language, irrespective of the language in which the international application was filed.

OPTION "E": WORKING LANGUAGE

20. Under this option, the language regime currently envisaged in Rule 6 of the Common Regulations would also apply to the new language. In other words, in contrast to options "A" to "D", the International Bureau would in all cases record and publish international registrations in any new language in addition to English, French and Spanish.

IV. ASSESSMENT OF THE AVAILABILITY OF MATERIALS AND TOOLS CONCERNING THE HAGUE SYSTEM

21. Annex I to this document provides an overview of the availability of materials and tools in English, Chinese, French, Russian and Spanish concerning the Hague System.

22. Information such as the Hague Union Assembly and Working Group documents, the Hague System website and the legal texts are available in all the aforementioned languages. However, materials and online tools used in the operation of the Hague System, in particular, the online interfaces of *eHague* (Filing and Renewal), the *International Designs Bulletin*, the paper forms and the *Fee Calculator*, are only available in English, French and Spanish.

23. If the new languages were introduced into the Hague System, the International Bureau would need to ensure that the relevant information and services are available in the new languages. Under all of the implementation options, the International Bureau would need to make *eHague*, the paper application form and other relevant forms available in those languages. Options “C” to “E” would additionally require that some other materials, such as the *International Design Bulletin*, as well as all other forms associated with the recording of a change and/or a renewal be available in those languages.

24. Moreover, some of the information materials and tools are not strictly tied to any of the options. For instance, it would be ideal that the Information Notices and the *Global Design Database* (in so far as it integrates the *Hague Express Database*) be made available in more languages to better assist customers. However, making more materials available in more languages would imply greater maintenance costs and have quality implications³.

V. TECHNICAL FEASIBILITY AND COST AND OPERATIONAL IMPLICATIONS

TECHNICAL FEASIBILITY

25. From a purely technical ICT perspective, all of the implementation options for the simultaneous introduction of Chinese and Russian are feasible, as already mentioned in the previous documents⁴ (also refer to Annex II, Section I).

26. However, as described in the previous chapters, the different implementation options provide for additional features which would have their own cost and operational implications. Annex II to this document presents the cost implications of the simultaneous introduction of Chinese and Russian.

SET-UP COSTS

27. All of the implementation options would require the development and adjustments to the current ICT system as well as the translation of relevant materials, such as all texts in *eHague*, paper forms and notification templates and texts. These would require an initial investment of approximately 0.421 million Swiss francs regardless of the implementation options (refer to Annex II, Section I). This is to ensure that all relevant information and services are available in the new languages under the respective implementation options.

RECURRENT COSTS

28. Additional work to keep the ICT system updated in the new languages would require approximately 0.121 million Swiss francs per year. These costs would occur regardless of the implementation options (refer to Annex II, Section II).

29. Moreover, the translation of text matters contained in international applications is currently performed by in-house translators in the Madrid Registry. Neither the Madrid Registry nor the Hague Registry have the translation resources to perform the translation of texts in Chinese and Russian. Accordingly, the International Bureau would have to outsource the translations of those texts, and control the quality of the outsourced translation work, which would bring additional costs.

³ For instance, there are 10 publication languages in the PCT System. However, at the time of writing this document, the PCT Applicant's Guide (Introduction to the International Phase and the Introduction to the National Phase) is available only in English, French, Japanese, Russian and Spanish, while the PCT Receiving Office Guidelines are available in English, French, Russian and Spanish. The PCT Newsletter is available only in English with excerpts available in Chinese, Japanese and Korean.

⁴ Refer to document H/LD/WG/7/INF/2, paragraph 46 and document H/LD/WG/8/5, paragraph 21, in particular.

30. The operational translation costs (for both outsourcing and quality control) would be different depending on the implementation options. The cost estimation is based on a five-year forecast of the number of international applications with complementary adjustments and assuming China's accession to the Hague Agreement becomes effective in the beginning of 2022. The International Bureau estimates that, if the introduction of Chinese and Russian were operational in 2022, the additional annual operational translation costs would amount to 0.018 million Swiss francs under the filing language, the filing and communication, or the publication language options (options "A" to "C"); 0.066 million Swiss francs under the publication and Office communication language option (option "D"); and 0.22 million Swiss francs under the working language option (option "E") (refer to Annex II, Section III).

31. Finally, if, under any implementation option, the International Bureau would be expected to handle all types of enquiries regarding the Hague System in the new languages, the retention of two full-time personnel to provide such customer support would require an investment of approximately 0.235 million Swiss francs per year (refer to Annex II, Section II).

32. Accordingly, it is estimated that the annual operational costs would be between 0.374 million Swiss francs⁵ (under options "A" to "C"), 0.422 million Swiss francs⁶ (under option "D"), and 0.576 million Swiss francs⁷ (under option "E").

OPERATIONAL IMPLICATIONS

33. All of the implementation options other than the filing language option (option "A") would require examiners proficient in the new languages. This document does not address examination costs associated with specific languages, the reason being that the International Bureau already possesses some capacity to perform examination in Chinese and Russian and that it would be normal for the examination capacity in general to evolve through time on the basis of volume. However, it should be noted that the more languages would be introduced, the less flexibility the International Bureau would have to increment the examination capacity. This would be the case under all of the implementation options except option "A" (refer to Annex II, Section II).

VI. FURTHER CONSIDERATIONS

MADRID WORKING GROUP

34. At its eighteenth session held in October 2020, the Madrid Working Group on the Legal Development of the Madrid System for the International Registration of Marks (hereinafter referred to as the "Madrid Working Group") considered a study of the cost implications and technical feasibility of the gradual introduction of the Arabic, Chinese and Russian languages into the Madrid System (document MM/LD/WG/18/5).

⁵ 0.121 million Swiss francs (ICT) + 0.018 million Swiss francs (operational translation) + 0.235 million Swiss francs (customer support) = 0.374 million Swiss francs.

⁶ 0.121 million Swiss francs (ICT) + 0.066 million Swiss francs (operational translation) + 0.235 million Swiss francs (customer support) = 0.422 million Swiss francs.

⁷ 0.121 million Swiss francs (ICT) + 0.22 million Swiss francs (operational translation) + 0.235 million Swiss francs (customer support) = 0.576 million Swiss francs.

35. After the consideration of the said document, the Madrid Working Group requested the International Bureau to prepare a revised study, so as to address the issues raised by delegations, as well as to hold consultations in advance of its next session. Accordingly, a revised study (document MM/LD/WG/19/7) was submitted to the Madrid Working Group for consideration at its nineteenth session to be held in November 2021. The cost estimation presented in Chapter V of the present document takes into account document MM/LD/WG/19/7 to the applicable extent⁸.

PROPOSAL BY THE REPUBLIC OF KOREA

36. It is also recalled that, at the eighth session of the Working Group, the Delegation of the Republic of Korea proposed to include Korean as a filing language into the Hague System. Following this, the Working Group instructed the International Bureau to prepare a paper on criteria for the selection of additional languages. Accordingly, document H/LD/WG/9/5 entitled “Criteria for the Selection of Additional Languages for Introduction into the Hague System” was submitted to the Working Group for consideration at its ninth session. An updated version of the said document (H/LD/WG/10/5) has been prepared for discussion at the current session.

37. *The Working Group is invited to:*

(i) discuss and comment on the contents presented in this document; and

(ii) provide guidance to the International Bureau on a possible way forward.

[Annexes follow]

⁸ For example, in line with the latest estimate presented in the said document, the required period for the preparatory translation work is massively reduced on the assumption of the assistance of machine translation, which reduces estimated set-up costs. Also, given a small volume of the projected outsourced translation work, the new cost estimate on the quality control of the outsourced translation work is now based on the assumption that the internal translators could be engaged on a part-time basis, which reduces estimated recurrent costs.

ASSESSMENT OF THE AVAILABILITY OF MATERIALS AND TOOLS IN ENGLISH, CHINESE, FRENCH, RUSSIAN AND SPANISH CONCERNING THE HAGUE SYSTEM

Materials and/or tools		English	Chinese	French	Russian	Spanish
Availability required under all options						
(1)	Hague Website (General Content)	X	X	X	X	X
(2)	eHague	X		X		X
(3)	Paper application form and other relevant forms	X		X		X
(4)	Fees and Payments webpage	X	X	X	X	X
(5)	ePay	X	X	X	X	X
Availability required additionally under Options "C" to "E"						
(6)	International Designs Bulletin	X		X		X
(7)	All other forms	X		X		X
Availability in the new languages desirable to assist users						
(8)	Locarno Classification		X	X		
(9)	Guidance on reproductions	X	X	X	X	X
(10)	Hague Guide for Users	X	X	X	X	X
(11)	Hague System Member Profiles	X		X		X
(12)	Fee Calculator	X		X		X
(13)	Global Design Database (including Hague Express)	X		X		X
(14)	Contact Hague interface	X		X		X
(15)	Information Notices (legal)	X		X		X
(16)	Hague System News	X	X	X	X	X
(17)	eHague Tutorial	X				
Availability in accordance with the Policy on Languages at WIPO						
(18)	Hague legal texts (WIPO Publication No. 269)	X	X	X	X	X
(19)	Hague Union Assembly and Working Group Documents	X	X	X	X	X
(20)	Hague Yearly Review (Executive Summary)	X	X	X	X	X
(21)	Hague yearly Review (full text)	X				

[Annex II follows]

COSTS OF THE INTRODUCTION OF CHINESE AND RUSSIAN INTO THE HAGUE SYSTEM

I. SET-UP COSTS

TRANSLATION

1. As an initial step, all texts in *eHague*, paper forms and notification templates and texts applicable under the respective implementation options would have to be translated, in order to ensure that all relevant information and services are available in the new languages.
2. To that end, the International Bureau would need to engage two translators proficient in the new languages (one translator per language, *i.e.*, Chinese and Russian), on Individual Contractor Services (ICS) contracts¹.
3. Although texts required to be translated into the new languages (*e.g.*, paper forms, notification templates and the user interface of the *International Designs Bulletin*) would vary according to each implementation option, the required period for the preparatory translation work is estimated at the maximum of six months regardless of the implementation options, assuming the work would be assisted by machine translation². This translation work would require an investment of approximately 0.121 million Swiss francs (two ICS contracts, (0.121 million Swiss francs³ x 2) x 0.5 year).

ICT SYSTEMS

4. All of the implementation options would require development and adjustments to the current ICT System as well as making available the new languages in the user interfaces.

Option "A"

5. The filing language option (option "A") would require the introduction of the notion of communication language to be limited to English, French or Spanish. Thus, additional changes would also be required in the current ICT system to allow applications filed in the new language to be translated into the language of communication (English, French or Spanish) selected by the applicant before examination. The developments for this option would require an investment of approximately 0.3 million Swiss francs.

Options "B" to "D"

6. These three options would additionally require updates of the current ICT system that would allow the International Bureau to examine and communicate in the new languages, as well as the updates of the series of standard texts and templates associated with the examination process.

¹ In principle, only a translator whose first language is the target language should translate into that language. In most tasks, English would be the source language while Chinese and Russian would be the target languages, respectively. Thus, two translators whose mother tongue is Chinese or Russian (one for each) would normally be required.

² This new cost estimation follows the latest estimate presented for a similar work in the revised study submitted to the Madrid Working Group at its nineteenth session. Refer to document MM/LD/WG/19/7, footnote 40. Without the reliance of machine translation, the required period for the preparatory work was estimated between one to two years under option "A", option "B" and the other three options in the previous document (H/LD/WG/9/4).

³ 120,900 Swiss francs for P2 temporary post in Geneva in 2022, according to the annual standard cost for the 2022/23 biennium.

7. Besides, option “B” would require an adjustment of the translation request process to maintain publication in English, French and Spanish only. The developments for this option would require an investment of approximately 0.3 million Swiss francs.

8. Options “C” and “D” would require updates of the user interface of the *International Designs Bulletin* and the translation request process to allow the publication of international registrations and other recordings and communications with certain Offices in the new languages in certain conditions. These developments would require an investment of approximately 0.3 million Swiss francs. This is the same estimate as for the previous two options, given the negligible cost of the translation of the user interface of the *International Designs Bulletin* and the equivalent complexity of the required translation process updates in comparison to those required under the previous two options.

Option “E”

9. Finally, option “E” would require the introduction of all the user-facing functionalities, as well as the updates of the series of standard texts and templates associated with the examination process. However, the current ICT system could simply extend to the new languages without the need for business logic updates. Thus, the developments needed to implement this option would equally require an investment of approximately 0.3 million Swiss francs.

SUMMARY AND TOTAL

10. In view of the above, the total set-up costs, including the translation of relevant materials and the developments and adjustments to the ICT system, would be approximately 0.421 million Swiss francs (0.121 million Swiss francs for translation + 0.3 million Swiss francs for ICT).

II. RECURRENT COSTS RELATING TO HUMAN RESOURCES

ICT SYSTEMS

11. A possible introduction of the two new languages would entail maintenance work for the ICT system, thus requiring one additional IT personnel (P2 level) or the provision of the corresponding cost in the annual ICT budget. Such a recurrent maintenance cost is estimated to be approximately 0.121 million Swiss francs⁴ per year.

EXAMINATION

12. All of the implementation options except option “A” would require examiners proficient in the new languages, since the International Bureau would examine international applications in the new languages. At present, the Hague Registry has minimum resources to examine international applications in the new languages. A growth in the total number of applications would increase the number of examiners required. However, with the growth in the number of applications, income should increase in correlation with the costs for additional examiners.

13. For this reason, the present cost estimations do not take into account examination costs associated with specific languages. However, it should be noted that the more languages introduced, the less flexibility the International Bureau would have in order to increment the examination capacity. Ideally, however, the International Bureau should retain at least two examiners per language for backup in terms of business continuity, regardless of the number of applications in a given language.

⁴ Ibid.

14. In this regard, under option “A”, applications filed in new languages would be translated by the International Bureau into one of the current three languages for examination. It is expected that the large majority of applications would be examined in English, either as the default filing language or as the language selected by the applicant for examination. Maintaining the current three language system for examination without having to make adjustments for the addition of new languages – as this option “A” allows - would have the least impact on the productivity of the daily operation. It is estimated that over 95 per cent of Hague examination and coordination is done in English, as all examiners have English as either a first or second language.

CUSTOMER SUPPORT AND RELATIONS

15. In 2021, from January to September (nine months), the Hague Registry received approximately 5,490 enquiries, a monthly average of 610 enquiries, through three communication channels: (i) online through Contact Hague (67 per cent), (ii) by telephone (23 per cent) and (iii) direct email (10 per cent)⁵.

16. Responses and further exchanges with customers through the above communication channels are conducted by the Hague Customer Service (currently a *de facto* unit within the Hague Registry) in the language in which the enquiries are received, *i.e.*, predominantly in English and French. Currently, there are two dedicated full-time personnel handling these enquiries both of whom possess language skills in English and French. An additional 50 per cent of one full-time personnel’s working time (at P2 level) is spent on customer support and coordination (*e.g.*, data gathering and analysis, maintenance of Contact Hague, management of the Hague Registry’s customer service ticketing system and telephony, first-level technical investigation of customer enquiries, coordination with other customer service units, etc.).

17. If additional languages were to be introduced into the Hague System, under any of options “A” to “E”, customer support should be provided also in these languages. The bulk of Hague customer enquiries (approximately 78 per cent) concern specific cases (*i.e.*, applications, registrations or renewals) and the remaining are general in nature (*e.g.*, requests for information, legal and technical questions). If two new languages were added, under any of options “A” to “E”, the Contact Hague interface and the automated call distribution system should include those two additional languages so that enquiries in those languages would also be covered.

18. This being said, under the filing language option (option “A”), even if the application was filed in the new language, the International Bureau would examine and communicate with the applicant in the language selected by the applicant among English, French and Spanish with respect to that application or the international registration resulting therefrom. Given that specific feature, it would be worth considering the said implementation option with or without extending customer support in the new languages.

19. As mentioned in paragraph 16, above, the Hague Registry currently has two and a half personnel exclusively dedicated to providing customer support (one G6 regular post, one agency worker and half a P2 temporary position). The annual standard cost for the G6 is approximately 0.135 million Swiss francs⁶ while that of the agency worker is approximately 0.1 million Swiss francs. Thus, the provision of full-time customer support per new language would require an investment of between 0.2 million Swiss francs (0.1 million Swiss francs x two agency workers) and 0.27 million Swiss francs (0.135 million Swiss francs x two G6-level personnel) per year. On an indicative basis, the average figure would be 0.235 million Swiss francs.

⁵ Starting May 28, 2021, direct email customer support outside of Contact Hague was discontinued.

⁶ 135,100 Swiss francs for G6 regular post in Geneva in 2022, according to the annual standard cost for the 2022/23 biennium.

SUMMARY AND TOTAL

20. In view of the above, if the introduction of Chinese and Russian became operational, the following additional human resource costs would occur with immediate effect on an annual basis, under all of the implementation options:

- For the maintenance of the ICT system: approximately 0.12 million Swiss francs (one P2-level IT personnel); and
- For providing full-time customer support per new language: approximately 0.235 million Swiss francs (one G6 regular post + one agency worker).

III. RECURRENT COSTS RELATING TO OPERATIONAL TRANSLATION

21. As regards the new languages, the International Bureau would translate text matters contained in international applications to the extent applicable under each of the implementation options. In this regard, it bears recalling that, as to the translation of the above text matters, the daily operation of the Hague System relies entirely on the Madrid translation resources⁷. However, neither the Madrid Registry nor the Hague Registry has the translation resources to perform the translation of texts in Chinese and Russian. Accordingly, these translations would have to be outsourced, and translators who would control the quality of the outsourced translation work would be required, as described below.

OUTSOURCING

22. The estimate is based on a five-year forecast of the number of international applications made by the Statistics and Data Analytics Division of the World Intellectual Property Organization (WIPO) with complementary adjustments⁸. The estimate shows the additional translation cost related to the simultaneous introduction of Chinese and Russian only, under an indirect translation practice, with English as the relay language⁹. For Chinese, the costs are estimated on the assumption that China's accession to the Hague Agreement becomes effective in the beginning of 2022.

23. Applicants from China are likely to file international applications in Chinese. Applicants and holders from China as well as the Office of China are likely to communicate in Chinese. Applicants from Armenia, Azerbaijan, Belarus, Kyrgyzstan, the Russian Federation, Tajikistan, Turkmenistan and Ukraine are likely to file international applications in Russian¹⁰. Applicants, holders and Offices from these Contracting Parties are likely to communicate in Russian. The estimate therefore assumes that, where made possible under a specific option, applicants, holders and Offices from these selected Contracting Parties would choose to communicate with the International Bureau in Chinese or Russian.

⁷ In terms of the number of words, share of Hague files corresponds to 1.7 per cent of the total words that the Translation and Terminology Section of the Madrid Registry processed in 2020.

⁸ Refer to footnotes 19 and 20.

⁹ For the introduction of "indirect translation" via English as the relay language, refer to document H/LD/WG/8/5, paragraphs 24 to 29, and document MM/LD/WG/17/7 Rev., paragraphs 25 to 44.

¹⁰ These Contracting Parties are mentioned in the proposal submitted by the Delegation of the Russian Federation to include Russian as an official language of the Hague System (refer to document H/LD/WG/7/5).

24. The International Bureau would outsource the translation of texts that it would not be able to translate automatically, without human intervention. At the time of the introduction of the new languages in 2022, the International Bureau would have no reference data for the new languages. It should, however, be able to benefit gradually from the compilation of the translation data. Thus, the estimate assumes that from 2023 the International Bureau should be able to translate 2.5 per cent of the words in the new languages automatically and that this percentage would increase by 2.5 per cent every year. The estimated fee per word translated between English and Chinese would be 0.15 Swiss francs, and that between English and Russian would be 0.24 Swiss francs¹¹. The methodology and format basically follows the cost estimate presented in the Annex to document H/LD/WG/8/5¹².

25. As to the outsourcing costs, options “A” to “C” are basically the same. Opting for option “D” or “E” would increase these costs, because the International Bureau would also need to translate text matters in the international application into the new languages under these options. On the basis of the projection for 2022, this outsourcing would require an investment of approximately 0.017 million Swiss francs under option “A” to “C”, 0.063 million Swiss francs under option “D”, and 0.209 million Swiss francs under option “E” per year (refer to the tables below).

QUALITY CONTROL

26. Seven per cent of the outsourced translation work would be subject to quality control by a WIPO internal translator. Normally, only a translator whose first language is the target language should perform the quality control of translation into that language, meaning that two translators whose mother tongue is English and who are proficient in Chinese or Russian, respectively, would be needed under any of the implementation options. Furthermore, options “D” and “E” would introduce additional translation directions (English to Chinese and Russian). This would mean that two additional translators whose mother tongue is Chinese or Russian (one for each language) would be required under these options, in order to best ensure the quality of translation.

27. This being said, according to the cost estimate presented in the tables below, the workload required for the translation quality control would be far below the adequate amount of workload for one translator in both Chinese and Russian regardless of the implementation options until 2026. For this reason, and until the workload would warrant the retention of a full-time translator(s), the International Bureau would engage translators proficient in the new languages (one or more translators per language), on a part-time basis¹³.

28. On the basis of the projection for 2022, this would require an investment of approximately 1,100 Swiss francs under option “A” to “C”, 3,600 Swiss francs under option “D”, and 11,200 Swiss francs under option “E” per year (refer to the tables below)¹⁴.

¹¹ According to the rates applicable in the operation of the PCT System in 2021.

¹² The revised study submitted to the Madrid Working Group at its nineteenth session (document MM/LD/WG/19/7) presents new rates (a range of rates) for post-editing machine translation outputs of “trademark-related indications”. However, the nature of texts contained in Madrid and Hague international applications differs, noting in particular that the latter often contains a free text of a lengthy “description” of the industrial design, which resulted in only a 35 per cent automated translation (from January to June, 2021), compared to 65 per cent for Madrid texts (refer to document MM/LD/WG/19/7, paragraph 60). The different automated translation ratios stem also from a significant difference in the volume of the Madrid and Hague Terminology Database (2 million versus 0.2 million). Therefore, the present study continues to rely on the current rates applicable in the operation of the PCT System.

¹³ These costs were estimated on the assumption that the International Bureau would engage four full-time translators (two translators per language) in the previous document (H/LD/WG/9/4). Given a small volume of the projected outsourced translation work, this new cost estimation is based on the assumption that the internal translators could be engaged on a part-time basis. This follows the latest estimate presented for a similar work in the revised Madrid study (refer to document MM/LD/WG/19/7, footnote 41).

¹⁴ Based on the assumption that the work would be performed by translators (at P2 level) on a part-time basis.

SUMMARY AND TOTAL

29. In view of the above, if the introduction of Chinese and Russian became operational, the following recurrent additional costs for operational translation would occur with immediate effect on an annual basis. The estimates are for 2022 and would increase according to the number of international applications.

- For the outsourcing: approximately 0.017 million Swiss francs under option “A” to “C”, 0.063 million Swiss francs under option “D”, and 0.209 million Swiss francs under option “E”¹⁵; and
- For the quality control of the outsourced translation work: approximately 0.001 million Swiss francs under option “A” to “C”, 0.004 million Swiss francs under option “D”, and 0.011 million Swiss francs under option “E”¹⁶.

COST ESTIMATION BASED ON A FIVE-YEAR PROJECTION UNDER EACH OPTION

Options “A” to “C”

30. Under these three options, applicants would be able to file international applications in the new language. The International Bureau would translate the relevant elements in the international application into English.

31. The cost of outsourcing the translation and the resources required for controlling the quality of the translation work would be the same as under these three options.

Year	Outsourced Translation (Swiss francs)			Translation Quality Control (Work Days) ¹⁷	
	Chinese ¹⁸	Russian ¹⁹	Total	Chinese	Russian
2022	14,991	1,925	16,915	1.89	0.15
2023	19,478	2,203	21,682	2.46	0.17
2024	24,694	2,482	27,176	3.11	0.20
2025	29,841	2,692	32,533	3.86	0.22
2026	31,896	2,887	34,783	4.23	0.24

Option “D”

32. In addition to the translation work required under the previous options, the International Bureau would also translate relevant elements into another new language if the international application designated a Contracting Party having selected that language for communication.

¹⁵ Refer to paragraph 25.

¹⁶ Refer to paragraph 28.

¹⁷ Quality control consists of revising a random sample of about seven per cent of the edited work.

¹⁸ The costs are estimated in the anticipation of the accession of China in the beginning of 2022.

¹⁹ The growth rate is forecast from the trend of international applications filed by applicants from the Russian speaking Contracting Parties from 2017 to 2020.

33. Accordingly, the cost estimate also takes into account the forecasted number of international applications filed in English, French or Spanish and which designate prospective Contracting Parties²⁰.

Year	Outsourced Translation (Swiss francs)			Translation Quality Control (Work Days)	
	Chinese	Russian	Total	Chinese	Russian
2022	34,314	28,464	62,778	4.33	2.24
2023	40,412	32,013	72,425	5.10	2.52
2024	47,378	35,964	83,342	5.98	2.84
2025	52,982	38,371	91,352	6.85	3.10
2026	55,463	39,697	95,159	7.36	3.29

Option "E"

34. Under this option, the language regime currently envisaged in Rule 6 of the Common Regulations would also apply to the new language. In other words, in contrast with the previous options, the International Bureau would make the necessary translation for all international registrations into any new language in addition to English, French and Spanish.

35. The additional translation workload resulting from the introduction of a new working language would practically be the same for all languages. Accordingly, the resources required to conduct quality control would be the same. However, the costs for outsourced translations would be different due to the different rates of translation from and into those languages.

Year	Outsourced Translation (Swiss francs)			Translation Quality Control (Work Days)	
	Chinese	Russian	Total	Chinese	Russian
2022	80,525	128,839	209,364	10.16	10.16
2023	90,473	144,757	235,231	11.41	11.41
2024	101,625	162,600	264,226	12.82	12.82
2025	108,322	173,315	281,636	14.01	14.01
2026	111,823	178,916	290,739	14.85	14.85

[End of Annex II and of document]

²⁰ In 2020, 20.9 per cent of international applications designated at least one Russian speaking Contracting Party. Thus, this designation rate is used for the Russian speaking Contracting Parties. For the purpose of China, 29.5 per cent, which was the designation rate for Japan in 2020, is used. Japan was most frequently designated among the current Contracting Parties from the same region, followed by the Republic of Korea (17.7 per cent) and Singapore (13.4 per cent) in 2020.