

Your Excellency, Ambassador Martin Uhomoihibhi, Chair, WIPO General Assembly,  
Dr. Kamil Idris, Director General, WIPO,  
Honorable Ministers, Your Excellencies, Distinguished Delegates,

Thank you for the honour that you accord me, and for the trust that you place in me, by appointing me to the post of Director General of the World Intellectual Property Organization (WIPO).

The process leading to your decision this morning has been a long, at times tense and always interesting one. The successful conclusion of that process owes much to two persons whom I should like to acknowledge at the outset. In the first place, may I mention the Chair of the WIPO General Assembly, Ambassador Martin Uhomoihibhi. Ambassador Uhomoihibhi took up the mantle following the Coordination Committee's nomination and has, with his characteristic wisdom, calm authority and exemplary diplomatic acumen, brought the Organization from the stage of a nomination to that of an appointment. He has also played an outstanding role in shepherding the Organization through a period of transition and has worked with and advised both Dr. Idris and myself to ensure a smooth passage through the transition. We are all indebted to you, Ambassador Uhomoihibhi, and, in particular, I.

I should like to acknowledge also Dr. Hilde Skorpen, the Chair of the WIPO Coordination Committee, who had the unenviable task of leading the six-month long process that led to the nomination of a new Director General by the WIPO Coordination Committee in May of this year. Dr. Skorpen's patient and transparent search for procedures that could be accepted by consensus by all the members of the Coordination Committee, and her efficient and impartial conduct of the meeting at which the election took place, have placed all of us in her gratitude.

For my part, as you know, I was originally nominated, and have throughout the process been assisted and supported, by the Government of Australia. I should like to extend my thanks to the Government of Australia, Ambassador Caroline Millar, Permanent Representative of Australia to the United Nations at Geneva, Ambassador Bruce Gosper, Permanent Representative of Australia to the World Trade Organization, and the staff of the Department of Foreign Affairs and Trade, the Attorney-General's Department and IP Australia, particularly those at the Australian Permanent Missions in Geneva. I thank them for their support, their hard work, their careful and astute advice and their companionship.

From the time of the nomination of the Coordination Committee, I ceased to be the nominee of Australia and became the nominee of the Coordination Committee. Many persons, from Governments and Permanent Missions, in particular, the Group Coordinators, and from the staff of WIPO, especially the Transition Team, have provided invaluable advice to me since the nomination of the Coordination Committee. I should like to thank them also for their advice and for their support. Many of you will recognize echoes of your advice in what I have to say this morning and in the future program of the Organization. I hope that you will receive these playbacks as signs of open collaboration within the Organization, rather than as violations of your copyright. To all Member States and to all staff, whether you may have supported my nomination before the Coordination Committee or preferred another solution, I assure you that I will be working with, and for, all Member States and doing whatever it lies within my competence to do to overcome divisions and to seek positions and decisions that can find the broadest possible support among the Member States of the Organization.

Before moving to the future, I turn finally to my predecessors in the post of Director General, most particularly, to the outgoing Director General, Dr. Kamil Idris. I should like to acknowledge our gratitude to them for their collective work in constructing the present Organization. I thank especially, on behalf of all the staff, Dr Kamil Idris, for his 25 years of service to WIPO, during 23 of which we have been colleagues, and for his leadership of the Organization over two mandates as Director General. I join the

President of the General Assembly in his acknowledgement of the achievements of Dr.

Idris and I pay tribute to the initiatives that Dr. Idris introduced during his leadership,

which have broadened the scope of intellectual property and increased the diversity of

participation in this Organization.

The evolution of technology, the economy and global society in recent years has raised a number of challenges of a fundamental nature for this Organization. The most fundamental of all is perhaps the new attention that is directed at intellectual property. As a highly specialized subject matter, intellectual property enjoyed many long and quiet years in the shade before, quite suddenly, in the last two decades, coming under the full glare of the blazing sun of public opinion and scrutiny. The management of this climate change in the world of intellectual property is itself a major task. In this regard, it is useful to remember that intellectual property is not an end in itself. It is an instrumentality for achieving certain public policies, most notably, through patents, designs and copyright, the stimulation and diffusion of innovation and creativity on which we have become so dependent, and, through trademarks, geographical indications and unfair competition law, the establishment of order in the market and the countering of those enemies of markets and consumers: uncertainty, confusion and fraud. In the end, our debates and discussions are about how intellectual property can best serve those underlying policies: whether modifying the international framework will enhance or constrain innovation and creativity and contribute to their diffusion, and whether it will add confusion, rather than clarity, to the functioning of the market.

There are a number of developments affecting the institution of intellectual property as we have always known it that risk impairing its capacity to deliver on its basic mission of stimulating innovation and creativity and contributing to market order. WIPO needs to anticipate and to address directly the implications of these developments.

A first such development is the sustained trend towards the infusion of technology into every aspect of our daily lives and into every part of economic existence. As the trend has accelerated, the economic value of innovation has increased and, with it, the

desire to acquire property rights over the frontiers of knowledge. When the Paris Convention for the Protection of Industrial Property was first concluded in 1883, there were approximately 80,000 patent applications, or new technological solutions, filed around the world. Last year the number was 1.7 million. As Arthur Conan Doyle said, "Knowledge begets knowledge, as money bears interest". The functional consequence of this trend is that the system is becoming a victim of its own success. Patent Offices are choking on demand and struggling to perform in a manner that is timely enough to be responsive to the needs of the economy. There are an estimated 3.5 million unexamined patent applications in the world today. The quality of the output of Patent Offices, pushed to cope with such strong demand, is also under critical scrutiny. The Patent Cooperation Treaty (PCT), the financial backbone of this Organization, was designed to provide a multilateral means of dealing with the growth of demand and internationalization of the patent system. While it has been a major example of success in international cooperation, for various reasons, related more to the behaviour of actors in the system than to the system itself, it is not providing a sufficiently adequate solution to the crisis in demand management. The problem is of such a critical and urgent nature that a solution will be found. It is of fundamental importance, I believe, that the solution be a multilateral one, rather than one established by a group or groups of the most adversely affected States. The PCT provides a better basis for constructing the future solution than any other one under consideration or in the range of current imagination.

In the area of creative works - the artifacts of our culture - the challenges are even more fundamental. The twentieth century model of returning value to creators, performers and their business associates, which relied on the distribution of physical packages containing the works, is under the most radical of threats from the convergence of expression in digital technology and the distributional power of the Internet. This development may well work to the special disadvantage of the developing world, where creators and performers do not have the same access to the Internet, bandwidth and alternate models of obtaining financial rewards as their counterparts in the developed world. For the whole world, incentives to the creation of content for the educational system and the enrichment of our lives with literature, music, films and other creative

works are fundamental questions. As in the case of the choking of the patent system, solutions will be found. Perhaps here, the market itself may find the solutions in systems of private law and in the private application of technological solutions. Perhaps those solutions would be appropriate. But it would be unfortunate if we were to move from a centuries-old system of publicly created and overseen rights to systems of private law simply by default, as opposed to conscious choice. The discussion is not an easy one. In each country, there are many more consumers than creators and performers, making the political management of the discussion uncomfortable. This feature of domestic politics, as well as the global nature of file-sharing on the Internet, suggests that it may be more appropriate to conduct the discussion at the international, rather than the national level. The Berne Convention, one of the origins of WIPO, was founded in the Nineteenth Century as a consequence of the concern of authors about the impact of the international movement of their physical works. I believe that WIPO remains the right forum to conduct the discussion in the Twenty-First Century about the same question dressed in different technological clothes.

The widespread illegal downloading of music and films from the Internet raises more generally the question of respect for intellectual property. Very significant developments have occurred also in the counterfeiting of physical products. The phenomenon has long ceased to affect only luxury goods and has spread to many other sectors of the economy, raising serious concerns for health and safety and consumer protection. Organized crime has become a major participant. On one estimate, the value of counterfeit goods in international trade exceeds \$200 billion per annum. Plurilateral accords to deal with the scourge are under active consideration. The risks to health and safety and to consumer protection, however, are present globally and the illegal activity occurs everywhere and not only in specific localities. Reflection is needed, therefore, on the appropriate role in this area for WIPO, the international organization responsible for intellectual property. Should that role be confined to awareness-raising and the training of customs officials, the police and the judiciary? Or should it encompass a more robust engagement and, if so, alone or in cooperation with other concerned international agencies?

So far I have referred to factors in the external environment that pose risks to the functioning of the intellectual property system as it stands today. No less important, however, are the developments that call upon the intellectual property system to broaden its horizon and to make its mission more attuned to the collective consciousness of the international community.

First and foremost is the question of how intellectual property can contribute to the reduction of the knowledge gap and to greater participation on the part of the developing and least developed countries in the benefits of innovation and the knowledge economy. The differences that exist are well known to all of us, but are perhaps most starkly illustrated by the fact that a number of corporations now each spend more each year on the generation of new knowledge than the majority of Sub-Saharan countries each have available to spend on the whole of their countries' needs in all fields of government, including education, the health system, infrastructure and so forth. Overall, across the world, a trillion dollars is spent each year in research and development. Intellectual property alone is not going to bring about the solution to differential levels of development. But the recent consensus in this Organization on a Development Agenda provides a wonderful opportunity for the Organization to be part of the solution.

For the Development Agenda to fulfill this promise, I believe that it essential that we translate the political consensus into concrete and effective projects. The opportunity exists for the Organization to construct a global knowledge infrastructure, comprising public, freely available databases of technological and scientific information and operating on common standards for data interchange. Such an infrastructure would contribute in a practical way to sharing the social benefit of intellectual property systems. Through office automation and training, intellectual property offices and research institutions and universities in the developing world could be equipped to participate in this infrastructure.

The Development Agenda offers equally an opportunity for WIPO to review the effectiveness of its service delivery in the area of capacity building. I believe that the adoption by countries of National Intellectual Property and Innovation Strategies, which WIPO could assist in developing, where so desired, would provide excellent vehicles for aligning the capacity-building activities of the Organization with the economic resource base and the economic objectives and priorities of countries.

The Development Agenda and WIPO's capacity-building activities also provide an opportunity to address the special needs of the Least Developed Countries (LDCs). I propose to build upon my predecessor's initiative of establishing an LDC Division by strengthening the human and financial resources in this Division.

There is also a dimension to the Development Agenda which reaches beyond capacity-building and infrastructure and which calls for a continual analysis and reflection on the best means of making intellectual property work to the advantage of all countries, regardless of their level of development. It is not a simple reflection. The Secretariat needs to be better equipped with resources for economic research and statistics in order to provide the Member States with a sound empirical basis for the reflection. I intend to establish a Division for this purpose. Its mission will be to provide impact studies to support Member-State processes; to anticipate developments affecting the world of intellectual property; and to equip management with the means of identifying future strategic developments that may impact upon the Organization.

The protection of traditional knowledge and traditional cultural expressions is another area that has been identified as a means of broadening intellectual property to make it more responsive to the needs of the developing world. The same phenomena of a globalizing economy and the advances in communication technologies have exposed special vulnerabilities of indigenous peoples and traditional communities to the unfair loss and appropriation of the products of their traditional knowledge systems. In the course of addressing these vulnerabilities, it has become apparent that there is a need to recognize explicitly the contribution to human society of collectively generated and

maintained innovation and creativity and to protect the artifacts of that innovation and creativity. The Organization has undertaken a long process of discussion and negotiation on the means of meeting this need. I believe that it is time to move this process to concrete outcomes that will see WIPO embrace a broader base of constituents and a more universal mission.

WIPO is not alone in facing challenges of a fundamental nature. The nature of our carbon-based technological society, and our increased interconnection and interdependence, has created a series of problems that preoccupy the international community because of their gravity and potentially destructive impact. Many of these challenges have been identified in the Millennium Development Goals. Others have been identified through the collective expression of concerned Governments, commentators, the media and civil society. They include climate change, desertification, epidemics, access to health care, food security and the preservation of biodiversity. History shows that human society has usually turned to technology, the application of science to the solution of practical problems, as one of the principal means for dealing with threats and difficulties confronting society. Policies designed to stimulate the creation and diffusion of technology are thus directly relevant to the consideration of the ways in which the global community can respond to the problems. That relevance calls for more active engagement by this Organization in the dialogue and search for solutions that takes place in the international community. I propose to establish a Division in the Secretariat that will have this engagement as its mission, focusing on the specific contribution that intellectual property and WIPO can make within the framework of collective action to address these global challenges. It will provide, I hope, a means of bringing the Organization into closer cooperation with the rest of the United Nations system, an opportunity for greater interaction between the Organization and its Member States and a concrete demonstration of the relevance of intellectual property.

In order for WIPO to address the challenges that I have outlined – and there are others that time does not allow me to canvass – we need a functional Organization. The Organization is not, of course, the Secretariat. It is the Member States and the

Secretariat, as well as an increasingly large and active body of users of its services and non-governmental stakeholders. A precondition to the effective functioning of the Organization is trusted communication between these various actors. This will be a priority from the outset. I shall endeavour to find ways in which to communicate better to all our constituents and to intensify the dialogue between constituents.

As far as the Secretariat is concerned, the Member States in recent years have made clear their desire to improve its functioning and performance. I plan to undertake a thorough process of strategic realignment in the coming years. It will cover the corporate culture of the Secretariat, the efficiency of our business processes and the alignment of our programs, structure and resources to the Organization's strategic goals. It will unfold in a measured, systematic and professional manner, with full and transparent communication both within the Secretariat and between the Secretariat and the Member States. It will take several years to accomplish. Even then, the pace of change in the external circumstances confronting the Organization is such that the process might more properly be considered as a continuing one. To my colleagues in the Secretariat, I would emphasize that the process will be, and will require, a collective effort and I look forward to working with all of you and count on your support.

As far as the Member States are concerned, I have sought to indicate the main challenges that I consider lie before the Organization. I have offered more questions than solutions, which I think is appropriate for a Chief Executive of a Member-State-driven Organization. The questions challenge the capacity of multilateralism to provide timely responses. In this regard, it is worth recalling the quickening pace of technological change. It took humanity five million years to progress from the point where it began walking on two feet, thus freeing its hands for purposes other than locomotion, to the development of the first stone tools, then 1.8 million years to the mastery of fire, 700,000 years to the agrarian revolution, only 12,000 years to the industrial revolution and a mere 140 years to the information revolution. The questions that confront intellectual property are, in many ways, generational questions and it would be a pity to see them squandered in polemics and in the narrow considerations of local politics. The challenge for the

multilateral community is that these generational questions are arising more and more frequently because the pace of technological progress is reducing the time separating the generations. Responding to the questions will require our combined ingenuity and versatility.

I thank you all for your attention and I look forward to working with you in the coming years.