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PROPOSED PROGRAM AND BUDGET FOR THE 2010/11 BIENNIUM

ADDENDUM

prepared by the Secretariat

1. This document provides the amendments suggested by Member States to program narratives for Programs 5, 8, 9, 14, 16, 17, 18, 20, 27 and 30 as originally presented in the proposed Program and Budget for the 2010/11 biennium submitted to the fourteenth session of the Program and Budget Committee. Amendments are indicated in italics and underlined.
2. This document also contains the following tables:
 - Updated table summarizing changes to financial resources by program (previously reproduced as Annex to the cover note for the proposed Program and Budget document).

- Updated Annex I (2010/11 Proposed Budget by Program) reflects the changes listed in the decision taken by the PBC in respect of the proposed Program and Budget 2010/11 i.e., (i) an increase in non-personnel resources for Program 8 of 100,000 Swiss francs; for Program 9 of 220,000 Swiss francs; and for Program 30 of 230,000 Swiss francs, with a corresponding decrease in Unallocated resources totaling 550,000 Swiss francs; and (ii) a provisional earmarking of 2.3 million Swiss francs to fund the start-up costs and also immediate implementation of Development Agenda projects and coordination mechanism, subject to the approval by the CDIP and the General Assembly. Final budgetary approval of the proposals endorsed by the CDIP will be submitted to the next session of the Program and Budget Committee.

Summary of Changes to Financial Resources by Program

2008/09 Restated Revised Budget and changes to 2010/11 Proposed Budget by Program

(in thousands of Swiss francs)

Program	2008/09 Revised budget			2010/11 Proposed Budget				
	2008/09 Revised Budget	Changes	2008/09 Restated Revised Budget	2010/11 Proposed Budget July	Changes pursuant to July PBC	2010/11 Proposed Budget September PBC	Changes pursuant to PBC	2010/11 Proposed Budget September Assemblies
1 Patents ¹	7,140	(3,948)	3,192	6,857	(3,248)	3,610	-	3,610
2 Trademarks, Industrial Designs and Geographical Indications	3,803	-	3,803	3,627	-	3,627	-	3,627
3 Copyright and Related Rights	13,450	-	13,450	12,813	-	12,813	-	12,813
4 Traditional Knowledge, Traditional Cultural Expressions and Genetic Resources	7,118	-	7,118	7,159	-	7,159	-	7,159
5 The PCT System	181,402	-	181,402	183,748	-	183,748	-	183,748
6 Madrid, Hague and Lisbon Systems	61,180	-	61,180	58,874	(396)	58,477	-	58,477
7 Arbitration, Mediation and Domain Names	8,934	-	8,934	10,190	-	10,190	-	10,190
8 Development Agenda Coordination	5,414	-	5,414	5,237	-	5,237	100	5,337
9 Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries	48,060	(3,567)	44,493	46,456	(4,499)	41,958	220	42,178
30 Small and Medium Sized Enterprises ²		3,567	3,567		4,499	4,499	230	4,729
10 Cooperation with Certain Countries in Europe and Asia	5,604	-	5,604	6,111	-	6,111	-	6,111
11 The WIPO Academy	8,859	-	8,859	9,797	396	10,193	-	10,193
12 International Classifications and WIPO IP Standards ³	924	8,071	8,995	8,520	-	8,520	-	8,520
13 Patent Classifications and WIPO IP Standards	8,071	(8,071)	-	-	-	-	-	-
14 Global IP Information Services ⁴	6,878	-	6,878	7,930	-	7,930	-	7,930
15 IP Office Modernization	5,435	-	5,435	4,898	-	4,898	-	4,898
16 Economic Studies, Statistics and Analysis	1,586	-	1,586	2,918	-	2,918	-	2,918
17 Building Respect for IP	2,922	-	2,922	2,608	-	2,608	-	2,608
18 IP and Global Challenges ⁵	1,455	3,948	5,403	2,106	3,248	5,354	-	5,354
19 Communications	13,179	-	13,179	15,455	-	15,455	-	15,455
20 External Offices and Relations	9,644	-	9,644	11,309	-	11,309	-	11,309
21 Executive Management	13,520	-	13,520	14,529	-	14,529	-	14,529
22 Finance, Budget and Program Management	17,292	-	17,292	16,305	-	16,305	-	16,305
23 Human Resource Management and Development	18,797	-	18,797	19,205	-	19,205	-	19,205
24 Administrative Support Services	57,995	-	57,995	53,303	-	53,303	-	53,303
25 Information and Communication Technology	46,583	-	46,583	42,597	-	42,597	-	42,597
26 Internal Audit and Oversight	3,257	-	3,257	3,565	-	3,565	-	3,565
27 Conference and Language Services	40,681	-	40,681	37,652	-	37,652	-	37,652
28 Security	9,972	-	9,972	9,762	-	9,762	-	9,762
29 New Construction	4,930	-	4,930	8,109	-	8,109	-	8,109
<i>Sub-Total</i>	<i>614,086</i>	<i>-</i>	<i>614,086</i>	<i>611,641</i>	<i>0</i>	<i>611,641</i>	<i>550</i>	<i>612,191</i>
<i>Costs Incurred in 2008 for Activities Discontinued in 2009</i>	<i>7,130</i>		<i>7,130</i>	<i>-</i>		<i>-</i>		<i>-</i>
Total	621,216		621,216	611,641	0	611,641	550	612,191
Funds earmarked for Development Agenda ⁶	-	-	-	2,240	-	2,240	2,300	4,540
Unallocated ⁷	7,184	-	7,184	4,756	-	4,756	(2,850)	1,906
GRAND TOTAL	628,400	-	628,400	618,637	0	618,637	-	618,637

¹ This program now only includes Patents² This is a new program³ This program now incorporates the activities from previous program 13 Patent Classification and WIPO IP Standards. The 2008/09 Revised Budget for program⁴ The name of this program has been changed from PATENTSCOPE® and Associated Patent Services to Global IP Information Services⁵ This program now incorporates the activities from the Innovation and Technology Transfer previously under program 1⁶ These funds include 2.24 million Swiss francs broadly agreed upon by the CDIP in April 2009 for the implementation of three thematic projects on recommendations 7, 16, 19, 20, 23, 24, 27 and 32, and 2.3 million Swiss francs for start-up costs and immedia⁷ The unallocated funds are mainly personnel costs relating to posts pending allocation to programs (i.e. conversion posts)

UPDATED ANNEX I

2010/11 Proposed Budget by Program
(in thousands of Swiss francs)

Program	2008/09 Restated Revised budget			2010/11 Proposed Budget			Difference			%
	Personnel Resources	Non-Personnel Resources	Total	Personnel Resources	Non-Personnel Resources	Total	Personnel Resources	Non-Personnel Resources	Total	
1 Patents ¹	2,042	1,151	3,192	2,563	1,047	3,610	521	(104)	418	13.1%
2 Trademarks, Industrial Designs and Geographical Indications	1,989	1,814	3,803	1,976	1,651	3,627	(13)	(163)	(176)	-4.6%
3 Copyright and Related Rights Traditional Knowledge, Traditional Cultural Expressions and Genetic Resources	10,176	3,275	13,450	9,733	3,080	12,813	(443)	(195)	(637)	-4.7%
4 Resources	3,999	3,120	7,118	4,320	2,839	7,159	321	(281)	41	0.6%
5 The PCT System	125,046	56,356	181,402	128,173	55,575	183,748	3,126	(781)	2,346	1.3%
6 Madrid, Hague and Lisbon Systems	46,394	14,786	61,180	45,921	12,556	58,477	(473)	(2,230)	(2,703)	-4.4%
7 Arbitration, Mediation and Domain Names	7,632	1,302	8,934	9,270	920	10,190	1,638	(382)	1,256	14.1%
8 Development Agenda Coordination	3,102	2,312	5,414	2,783	2,554	5,337	(319)	242	(77)	-1.4%
9 Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries	26,195	18,298	44,493	24,481	17,697	42,178	(1,714)	(601)	(2,315)	-5.2%
30 Small and Medium Sized Enterprises ²	2,659	908	3,567	3,499	1,230	4,729	840	322	1,162	32.6%
10 Cooperation with Certain Countries in Europe and Asia	3,381	2,224	5,604	3,907	2,204	6,111	526	(20)	507	9.0%
11 The WIPO Academy	3,247	5,612	8,859	5,086	5,107	10,193	1,839	(505)	1,334	15.1%
12 International Classifications and WIPO IP Standards ³	7,019	1,976	8,995	6,733	1,787	8,520	(285)	(189)	(474)	-5.3%
13 Patent Classifications and WIPO IP Standards	-	-	-	-	-	-	-	-	-	-
14 Global IP Information Services ⁴	4,511	2,367	6,878	6,060	1,870	7,930	1,549	(497)	1,052	15.3%
15 IP Office Modernization	3,324	2,110	5,435	2,452	2,446	4,898	(872)	336	(536)	-9.9%
16 Economic Studies, Statistics and Analysis	1,285	301	1,586	2,368	550	2,918	1,083	249	1,332	84.0%
17 Building Respect for IP	2,016	906	2,922	1,808	800	2,608	(208)	(106)	(313)	-10.7%
18 IP and Global Challenges ⁵	4,150	1,254	5,403	4,144	1,210	5,354	(6)	(44)	(49)	-0.9%
19 Communications	11,335	1,845	13,179	13,271	2,184	15,455	1,936	340	2,276	17.3%
20 External Offices and Relations	7,238	2,406	9,644	8,994	2,315	11,309	1,756	(91)	1,665	17.3%
21 Executive Management	11,209	2,312	13,520	12,262	2,267	14,529	1,054	(45)	1,009	7.5%
22 Finance, Budget and Program Management	15,657	1,635	17,292	15,017	1,288	16,305	(640)	(347)	(987)	-5.7%
23 Human Resource Management and Development	15,291	3,506	18,797	15,540	3,665	19,205	249	159	408	2.2%
24 Administrative Support Services	19,431	38,564	57,995	18,533	34,770	53,303	(898)	(3,794)	(4,692)	-8.1%
25 Information and Communication Technology	21,266	25,317	46,583	19,730	22,867	42,597	(1,536)	(2,450)	(3,986)	-8.6%
26 Internal Audit and Oversight	2,539	718	3,257	2,912	653	3,565	373	(65)	308	9.5%
27 Conference and Language Services	30,847	9,834	40,681	29,799	7,853	37,652	(1,048)	(1,981)	(3,029)	-7.4%
28 Security	2,676	7,296	9,972	2,380	7,382	9,762	(296)	86	(210)	-2.1%
29 New Construction	382	4,548	4,930	269	7,840	8,109	(113)	3,292	3,179	64.5%
Costs Incurred in 2008 for Activities Discontinued in 2009	4,622	2,509	7,130	-	-	-	(4,622)	(2,509)	(7,130)	-100.0%
Total	400,658	220,558	621,216	403,984	208,207	612,191	3,326	(12,351)	(9,025)	-1.5%
Funds earmarked for Development Agenda ⁶	-	-	-	-	4,540	4,540	-	4,540	4,540	na
Unallocated ⁷	4,878	2,306	7,184	1,391	515	1,906	(3,487)	(1,791)	(5,278)	-73.5%
GRAND TOTAL	405,536	222,864	628,400	405,375	213,262	618,637	(161)	(9,602)	(9,763)	-1.6%

¹ This program now only includes Patents² This is a new program³ This program now incorporates the activities from previous program 13 Patent Classification and WIPO IP Standards. The 2008/09 Revised Budget for program 12 has been restated to include the budget for Program 13.⁴ The name of this program has been changed from PATENTSCOPE® and Associated Patent Services to Global IP Information Services⁵ This program now incorporates the activities from the Innovation and Technology Transfer previously under program 1⁶ These funds include 2.24 million Swiss francs broadly agreed upon by the CDIP in April 2009 for the implementation of three thematic projects on recommendations 7,16, 19, 20, 23, 24, 27 and 32, and 2.3 million Swiss francs for start-up costs and immedia⁷ The personnel costs relate to posts pending allocation to programs (i.e. conversion posts)

AMENDMENTS TO PROGRAM NARRATIVES

PROGRAM 5: The PCT System

CHALLENGES AND STRATEGIES, the first paragraph should read:

Under WIPO's Strategic Goal II ("Provision of Premier Global IP Services") WIPO's aim is to maintain and reinforce the PCT as the central node and work sharing tool of the international patent system, and the preferred route for obtaining international patent protection. To that end, the focus of Program 5 during the 2010/2011 biennium will, in particular, be on the following areas: (i) the preparation and submission of studies and options to Member States as to how the system as a whole, including the quality of international search reports and preliminary reports on patentability, might be improved so that it delivers results (especially international search reports and international preliminary examination reports) which meet the needs of applicants, designated Offices of all types (large and small, examining and non-examining) and the public, and which assist Offices in ensuring rapid resolution of rights in the national phase; (ii) the management of any effects which the economic crisis may have on filing rates and workloads; (iii) responding to the changing geography and nature of demand in the PCT system by taking the opportunity during the 2010/11 biennium to place more emphasis on staff with Asian language skills; and (iv) the further reinforcement of use of modern information technology, in particular in the area of publication management (including the making available on PATENTSCOPE® of the published application in XML format), translation management and certain on-line services for applicants; and (v) investigating, through a preliminary study, whether the outsourcing of particular functions and tasks of the PCT Operations Division, including certain formality examination processes, is advisable.

STRATEGIC GOAL III

Facilitating the Use of IP for Development

As a member of the United Nations family of organizations, WIPO is committed to ensuring that all countries are able to benefit from the use of IP for economic, cultural and social development. Strategic Goal III is a strong and succinct articulation of that commitment. Likewise, development concerns and priorities should be integrated into IP policy at the national and international levels. The Development Agenda gives added impetus to this goal and to the use of IP to contribute to the realization of the MDGs.

In accordance with the principles of the Development Agenda, the development-related activity is mainstreamed into all substantive areas of WIPO's work. This Strategic Goal, therefore, applies not only to the development-specific programs listed vertically under it, but, just as importantly, it applies horizontally to programs right across the revised strategic framework. This is reflected in the individual Program narratives.

PROGRAM 8: Development Agenda Coordination

EXPECTED RESULTS, text in first box should read:

Development Agenda (DA) principles further mainstreamed into the Organization's programs and activities, including its normative work

PERFORMANCE INDICATORS AND TARGETS, text in second box should read:

Number of DA recommendations that are being successfully implemented through projects and activities

BASELINES, second box should read:

Number of recommendations that are being successfully implemented by end 2009

PROGRAM LINKS add Program 5 (The PCT System), Program 6 (Madrid, Hague, Lisbon Systems), , Program 12 (International Classifications and WIPO IP Standards), Program 14 (Global IP Information Services), Program 20 (External Offices and Relations).

PROGRAM 9: Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries

CHALLENGES AND STRATEGIES, first bullet point should read:

- Provide support to developing countries and LDCs in the formulation and implementation of national IP and innovation strategies taking into account their national development priorities."

last bullet point should read:

- Work with program 4 in supporting the efforts of countries in capacity building for protecting and generating economic benefits from traditional knowledge (TK), traditional cultural expressions (TCEs) and genetic resources, including policy and legislative development and practical training programs.

Africa, second bullet point should read:

- setting up of mechanisms aimed at greater harmonization of IP systems with regional economic groupings in line with on-going integration processes, in close cooperation with African regional groupings and relevant IP partners, including OAPI and ARIPO; attention will be given to needs of other specific groupings such as the African Portuguese-speaking countries.

Asia and the Pacific , third paragraph should read:

The IP capacity and knowledge base of the countries in the region will be enhanced by providing policy fora/consultations organized for policy makers and senior officials, enabling them to develop IP

policies and make informed decisions, providing IP training programs enhancing knowledge and developing skills in IP, supporting the organization of activities to enhance awareness and public outreach on IP, providing advice and information on IP measures to effectively commercialize IP assets and market products, as well as organizing activities/events to provide advice and share good practices on the use of copyright and related rights in selected industries. This will be further supported by consultation mechanisms to promote sub-regional cooperation.

EXPECTED RESULTS	PERFORMANCE INDICATORS AND TARGETS	BASELINES
National IP policies/strategies and country action plans that are in line with national development goals and priorities	Nine new countries have formulated and/or adopted national IP policies/strategies/plans	Five countries
National IP legislation consistent with national development objectives as well as with international IP treaties and agreements, where applicable, while taking into account available flexibilities for public policy	Draft laws and/or comments to draft laws prepared and submitted to 5 countries upon request	Draft laws and/or comments to draft laws prepared and submitted to 7 countries and one sub-regional group
Enhanced capacity and knowledge of policy makers, government officials, IP professionals and practitioners, IP owners and user community on effective use of IP for development	Number of trainees/participants per year <u>Number of country/region-specific IP outreach and awareness enhancing products</u>	<u>4,300 persons provided with enhanced IP knowledge and skills in 2008-2009 biennium</u> <u>10 IP outreach and awareness enhancing products</u>
<u>Modernized IP institutions delivering efficient and user-friendly services and facilitating access to and effective use of the IP system</u>	<u>Number of IP administrations with modernized/automated office systems and streamlined work procedures</u> <u>Number of institutions established and strengthened that facilitate technology transfer, access to IP information and provide value-added services</u> <u>Number of collective management organizations (CMOs) strengthened and/or established</u>	<u>13 countries assisted in modernizing IP office functions</u> <u>Two patent information centers set up</u> <u>Six countries assisted to establish/ strengthen CMOs</u>
New or strengthened sub-regional IP cooperation programs	Two new sub-regional cooperation initiatives in the form of joint projects or joint programs Number of <u>consultation mechanisms to promote/strengthen</u> sub-regional cooperation	Two sub-regional cooperation programs initiated <u>Six consultation mechanisms conducted</u>

PROGRAM 14: Global IP Information Services

CHALLENGES AND STRATEGIES, second paragraph should read:

The services will be extended to the availability of a greater variety of global IP information services in several ways. Firstly, WIPO will provide further assistance to IP offices for the digitization of their national patent collections and conversion of the resulting patent data into standardized formats that are suitable for online searching systems and for exchange with other offices. Secondly, WIPO will organize meetings to exchange best practices of IP information dissemination policies for further international cooperation. *This work will be undertaken without prejudice to the diversity of patent systems across the Member States.* The organization of an annual global symposium of IP authorities will also facilitate international cooperation and discussions on challenges and opportunities for coordination and development of global IP infrastructure in particular the use of IP information for benefiting from global knowledge of the humanity. ~~A proposed Committee of Global IP Infrastructure (document WO/GA/38/10) would also enhance international coordination for developing global infrastructure of IP.~~ In addition to industrial property infrastructure, the meeting would explore possible coordination in copyright infrastructure such as voluntary electronic registers.

PROGRAM 16: Economic Studies, Statistics and Analysis

CHALLENGES AND STRATEGIES,

~~delete subtitle "Economic impact of Creative Industries"~~

paragraphs 4 should read:

Depending on demand, studies will be commissioned or produced internally on topical issues related to the economics of IP. *A key focus of the analytical work will be assessing the development impact of patent systems, as well as other forms of IP (e.g. trademarks and copyright), taking into account various stages of development of the countries concerned.*

PROGRAM 17: Building Respect for IP

PROGRAM OBJECTIVE

Informed and empirically well-founded policy discussions at the international level to support the creation of an enabling environment that promotes respect for IP in a sustainable manner and strengthened capacity in Member States for the effective enforcement of IP rights in the interests of social and economic development and consumer protection.

CHALLENGES AND STRATEGIES, first paragraph should read:

Many governments have raised concerns regarding the implications for health, safety, innovation and economic development resulting from the escalation in counterfeiting and piracy and the growth in the sales of fake goods via the Internet. Global multi- and bi-lateral endeavors to address this matter, have paved the way for WIPO to be more active in examining and addressing these concerns from the perspective of the new strategic goal of enhancing international cooperation and creating an enabling environment that builds respect for IP. Within the framework of the Advisory Committee on Enforcement, constructive and balanced policy dialogue, in line with Recommendation 45 of the WIPO Development Agenda, will guide WIPO's work on building respect for IP rights in the context of broader societal interests and development-orientated concerns. The Committee will also review the reasons that fuel the global escalation of these phenomena. Well researched, objective studies and

assessments based on empirical evidence and sound methodology, will aim to identify the elements that hinder respect for IP rights and to stimulate policy dialogue in a constructive and conducive manner.

third paragraph should read:

The need to integrate IP issues in the related activities of partner organizations is an important Program strategy aimed at supporting the implementation of Recommendation 45 of the WIPO Development Agenda and the need to ensure that this work is development-oriented, creates an enabling environment for the respect of IP rights and supports socio-economic growth. In this context, WIPO will continue to participate, upon invitation, in substantive discussions at the international level, initiated by both IGOs and NGOs. In addition, in 2011, WIPO will host the Global Congress on Counterfeiting and Piracy, in cooperation with the World Customs Organization (WCO), Interpol and the private sector. This will be the sixth Global Congress (the last one hosted by WIPO having been in 2007). Based on consultations, WIPO's involvement in organizing the Congress will reflect the development-orientated views of its Member States who will be kept informed of the preparations for the event. The opportunity will be used not only to reflect on the challenges in building respect for IP but also on ways and means, through international cooperation, to address these challenges.

EXPECTED RESULTS, text in third and fourth box should read:

International cooperation and the integration of IP issues in building respect for IP related activities of partner Organizations

International cooperation in the framework of the Global Congress on Counterfeiting and Piracy with the WCO, Interpol and the private sector, and upon invitation civil society and other interested organizations

PERFORMANCE INDICATORS AND TARGETS, text in third and fourth box should read:

Number of activities related to building respect for IP of inter-and non-governmental organizations with common goals organized by key leading partner organizations and the private sector

WIPO hosted in cooperation with the WCO, Interpol and the private sector the Global Congress on Counterfeiting and Piracy in 2010 and partnering in the organization in 2011, inviting the civil society and other interested organizations

PROGRAM 18: IP and Global Challenges

CHALLENGES AND STRATEGIES should read:

The Program covers two related areas: (i) IP and Global Challenges, and (ii) Innovation Promotion and Technology Transfer, particularly in relation to the needs of developing countries, LDCs and countries with economies in transition.

- **IP and Global Challenges**

International policy processes are taking up IP issues at an increasingly sophisticated level of policy and legal analysis, spurring demand for more nuanced, inclusive, and empirically solid information as the foundation for policy debates in fields as diverse as research on neglected diseases and climate change mitigation. These policy debates bring into focus a common interest in ensuring the sound and effective functioning of the IP system as a tool of public policy, and in building a richer basis of policy and legal information to support sound policymaking. To fulfill this untapped potential demands an active role on the part of WIPO as a dialogue partner and as a source of technically sound analysis and assistance. This distinctive and timely role becomes all the more challenging at a time of intensified public scrutiny of IP law and its administration and enforcement, and searching debates in many forums over how to adapt IP mechanisms to changing needs, and how to promote in practice an equitable balance between public and private interests, and between IP law and other domains of public international law in such fields as human rights, environmental protection, genetic resources and health.

Public health will remain a central issue, as policy-makers search for equitable and effective frameworks for both innovation and access to new and improved medicines, and seek to put in place suitable mechanisms for pandemic preparedness. The challenge of climate change creates a strong collective interest in accelerating innovation and technology diffusion in a host of adaptive and disruptive technologies required to reverse the growth in greenhouse gas emissions and to tackle the inevitable consequences of climate change. A daunting global challenge is the need to ensure food security and sustainable growth in agricultural productivity as the world's farmers are confronted with changing weather patterns, increasing desertification, volatile commodity markets, and population pressures and the loss of arable land. *The Program will further address* the challenge of access to knowledge, and the legal and technical issues arising from the potential role of new digital technologies in meeting this challenge, and will take up the cluster of similar issues concerning the digital divide and access to digitized knowledge, *in particular as this concerns the disabled*.

As a specialized UN agency with distinctive expertise and a strengthened mandate to address development-related issues, WIPO is called upon both to lead international policy dialogue on the intersection between IP and global public policy issues, and to cooperate actively with diverse international partners, particularly within the United Nations system, in order to contribute to the shared search for solutions to the major challenges facing humanity, including challenges relating to climate change, food security, public health, the protection of biodiversity and to meeting the Millennium Development Goals (MDGs). It has a special responsibility to ensure that its Member States – particularly developing countries confronted with fundamental economic, social and environmental challenges - have the policy tools and information they need to ensure that IP law, policy and practice do not conflict with broader public policy goals, but rather serve actively and effectively to advance those goals.

- **Innovation Promotion and Technology Transfer**

History shows that humankind has frequently turned to technological solutions for dealing with the threats and challenges confronting society. Policies and structures designed to stimulate technological innovation and, equally importantly, to facilitate the transfer of technology to those who need it, are therefore directly relevant to the consideration of the ways in which the global community can respond to such problems. A well-designed and effective IP system, *coupled with necessary factors and preconditions, such as, for example, local technological absorptive capacity, financial incentives and the existing infrastructure, among others*, offers a strategic tool for Member States seeking to support national innovation and technology transfer processes.

Conscious of the role that sound innovation support infrastructures, professional IP management expertise and technology licensing skills can play in order to stimulate the absorption, creation, and diffusion of new technologies, a number of Member States have already moved towards the development and adoption of national strategies which anchor IP asset creation, protection, management and exploitation considerations within their national policy-making processes related to innovation, science and technology, trade and export promotion, agriculture, rural development and traditional knowledge, environment, tourism, human resource development and education.

As affirmed by WIPO Member States in Development Agenda recommendations 4, 10 and 11, a major challenge for many developing countries remains how to design, adopt and implement national and institutional strategies, policies and capacity-building programs which, crafted in accordance with their own particular innovation circumstances, will help them to create or enhance their IP management infrastructure and technology transfer expertise in order to further benefit from innovation, scientific research and national and international technology transfer.

- **Program Strategies**

The activities of this Program are fundamentally demand-driven, responding to Member State requests and the invitations of other international organizations, particularly those within the UN system. Respect for the concerns and competences of such policy dialogue partners is the strongest guarantee of the continuing relevance and utility of this Program. With this in mind, the Program strategies to address these challenges outlined above will include:

(i) Working closely with Program 20 to ensure more systematic engagement with the full range of IP issues currently debated in international and national fora and, in particular, a reinforced cooperation with other UN agencies, and seeking to forecast and anticipate emerging issues of potential future concern to WIPO Member States;

(ii) Creating accessible, inclusive and practically useful information tools in the form of policy briefs on current and emergent issues, analysis of policy options, and landscaping of trends in patenting activity relevant to public policy issues;

(iii) Promoting an open, inclusive and informed debate on the IP system's possibilities, limitations and potential linkages with other regulatory and legal systems to attain specific policy goals and to fostering public welfare. This includes, but is not limited to, to explore the interface between IP and competition policy, and, in particular, to explore the best ways of ensuring technology transfer and, in general, IP licensing, in a pro-competitive manner. This will be carried out in conjunction with and without prejudice to the Project on IP and Competition Policy, approved by the CDIP in April 2009:

(iv) Enhancing cross-fertilization between distinct policy domains, both on substance, strengthening the exchange of experience between policy-makers and analysts in distinct specialist domains (such as the links between agriculture, health and climate change mitigation), and structurally, serving as a central node between policy-making institutions and processes both within and well beyond the conventional domain of IP law and policy;

(v) Contributing to the formulation and implementation of national IP and Innovation strategies in particular as they relate to innovation promotion and technology management and transfer, in particular, to enhance local innovation capacities, including in areas such as agriculture, rural development and traditional knowledge;

(vi) Providing capacity building for the development or enhancement of institutional IP policies for R&D institutions and universities which facilitate IP management, technology transfer and innovation promotion as well as for the establishment of technology management and transfer infrastructures, such as technology transfer offices (TTOs) and shared IP hubs, (in close cooperation with WIPO's work to support the establishment of Technology and Innovation Support Centres (TISCs);

(vii) Improving developing country practical skills in the areas of, among others, patent drafting, IP valuation and marketing and technology management and licensing through the organization of targeted meetings and training programs;

(viii) Exploring the benefits and challenges for developing countries on new IP related trends in innovation promotion and technology transfer, including open innovation.

PROGRAM LINKS , add Program 20 (External Offices and Relations).

PROGRAM 20: External Offices and Relations

CHALLENGES AND STRATEGIES, third paragraph, third sentence should read:

The November 2009 Conference on Mobilizing Resources for Development is intended to address WIPO Development Agenda recommendation 2 to increase the availability of such resources.

PROGRAM 27: Conference and Language Services

CHALLENGES AND STRATEGIES, last sentence was added, which reads:

The Secretariat proposes to carry out an analytical study with regard to the publication in all official WIPO languages of all working documents, studies and publications of WIPO committees and to present this analytical study to the next session of the Program and Budget Committee.

PROGRAM 30: Small and Medium-sized Enterprises

CHALLENGES AND STRATEGIES

The main challenge faced by this program continues to be widespread lack of appreciation of the role of IP asset management in the competitiveness of SMEs by policy makers, SME support and finance institutions, and by the SMEs themselves. SMEs do not use or are ineffective users of the IP system. Most SMEs rely more on informal methods of protection than on the formal IP system. Inadequate awareness, high cost (including litigation costs) and the complexity of the IP system are often cited as reasons for the ineffective use of IP by SMEs. Most SME stakeholders in the government, private sector and civil society are not fully convinced of the role and importance of active IP asset management in the success of SMEs; recent surveys and studies, done mostly in developed countries, confirm this. Thus, knowledge-driven SMEs are vulnerable in today's hypercompetitive, increasingly international, and highly IP intensive environment. These challenges are further compounded by the lack of cost-effective, user-friendly and readily accessible IP information, support and advisory/consulting services for SMEs in a language that they can understand. Furthermore, the absence of an effective focal point for interacting with the large number of heterogeneous SME support institutions in a large number of countries creates a communications challenge. Thus, for effectively achieving the objectives of the program there is a need for greater flexibility in the use of channels of communication and focal points for building partnerships with SME support institutions.

The SMEs program will work towards building awareness amongst policy makers, SME support and finance institutions as well as the enterprise sector on the strategic use of IP as assets for strengthening the competitiveness of SMEs. It will encourage national governments to integrate a focus on IP asset management and innovation promotion into all relevant policies and strategies that seek to strengthen the capacity of SMEs to use the IP system to enhance their competitiveness. It will also focus on strengthening the capacity of SME support institutions and other SME stakeholders to deliver IP related information and services to SMEs. Overall, the program will encourage (a) evidence-based policy making, (b) the effective use of the ICT environment, including multimedia products and

video-conferencing (c) public-private partnerships, especially those that create synergies and collective efficiencies in reaching out to the SMEs, (d) creation of national versions based on international versions of business-oriented content/material on IP asset management of WIPO.

In particular, to address the challenges mentioned above, the Program will endeavor to do the following:

- Understand IP needs of SMEs, *inter alia*, by (a) identifying barriers to their effective use of the IP system, (b) identifying gaps in IP services to SMEs, (c) assessing the quality/effectiveness of existing awareness creation and capacity building content and services on IP for SMEs, (d) identifying national and institutional good/best policies and practices on promoting access and use of support and services on IP asset management for SMEs, and (e) analysis of case studies on use/non-use of IP by SMEs. In this regard, the responses received under the WIPO's Needs Assessment Survey of 2008/09 on IP and SMEs from the 78 national IP offices would be used to assist Member States in making tailored project-based national strategies and plans of action on IP for SMEs. It is also proposed to assist in the development of one or more harmonized methodologies for undertaking such surveys or studies so as to ensure that the results obtained are comparable over time and across sectors/countries;
- Encourage the formulation of policies for integrating IP asset management *into innovation promotion and* SME competitiveness. *This will be done by* strengthening awareness and creating capacity amongst policy makers on the role of IP based entrepreneurship for economic development, *including the international framework of IP and flexibilities available therein*, by, amongst other things, commissioning surveys and/or studies, collecting best practices about providing IP support to SMEs, undertaking expert missions and/or organizing of events for policy makers and the preparation of information and training material;

Strengthen awareness and create capacity amongst inventors, creators, entrepreneurs, SMEs, universities, research and development institutions and SME support institutions on IP asset management. Efforts will also be made to target investors and financial institutions to enable them to better assess the value of IP assets in making the decision to invest in or provide financial support to SMEs. *For the creative industries, it will complement the copyright related assistance provided under Program 3 by implementing programs to improve awareness and strengthen the capacity of these industries to use the other tools of the IP system for their competitive advantage.* Assistance will be delivered through WIPO's SME website, SME newsletter, expert missions, organizing of events (including forums, seminars, workshops and conferences), distance learning programs on IP asset management based on the IP PANORAMA™ multimedia toolkit, and by participating in events for enhancing the competitiveness of SME which are organized by others. This will require the creation and dissemination of new and/or improved paper based and multimedia products on IP asset management in all the UN languages. As far as possible, assistance will be provided in an integrated package of project-based technical assistance, which for the most part will focus on training the trainers for greater multiplier effect.

PROGRAM LINKS, add *Program 1 (Patents), Program 2 (Trademarks, Industrial Designs and Geographical Indications), Program 3 (Copyright and Related Rights)*

[End of document]