Results in 2016
Program Highlights 2017

Francis Gurry
Director General
World Intellectual Property Organization (WIPO)

Briefing for Ambassadors
20 April 2017
Agenda

• Global IP Context

• Financial Results 2016 and Outlook

• Operational Results 2016 and Program for 2017
  ▪ Global Systems
  ▪ Normative Agenda
  ▪ Infrastructure
  ▪ Development Cooperation

• Other Selected Highlights/Challenges for 2017 and Beyond
Global IP Context

• Demand continues to rise at rates above global economic growth

• Geography of demand continues to shift

• Music industry expands for the first time in nearly 20 years as digital sales rise
1. Total applications and growth in applications

* refers to class count – the total number of goods and services classes specified in trademark applications.

** refers to design count – the total number of designs contained in industrial design applications.

Source: WIPO Statistics Database, October 2016.
There are now well over 50 million IP rights in force

- **Patents**
  - 10.6 million
  - ↑ 4.0%

- **Utility models**
  - 3.0 million
  - ↑ 16.4%

- **Trademarks**
  - 36.5 million
  - ↑ 8.5%

- **Industrial designs**
  - 3.4 million
  - ↑ 2.8%

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3. IP rights in force

Source: WIPO Statistics Database, October 2016.
Trend in patent applications for the top five offices

Source: Standard figure A7.

Note: The IP office of the Soviet Union, not represented in this figure, was the leading office in the world in terms of filings from 1964 to 1969. Like the JPO and the USPTO, the office of the Soviet Union saw stable application numbers until the early 1960s, after which it recorded rapid growth in applications filed.

Source: WIPO, World Intellectual Property Indicators - 2016
Asia received the bulk of world IP filings in 2015.
Music Industry Expansion

- In 2015, global music sales expanded for the first time in nearly 20 years

- Digital sales increased by 10.2% to USD 6.7 billion

- Digital sales accounted for 45% of total revenues, compared to 39% for physical sales
  - Streaming accounted for 43% of digital sales, compared to 45% for downloads
  - 68 million music-service subscribers in 2015 compared to 8 million in 2010

- Music multi-format
  - Vinyl, CDs, downloads, subscription and streaming services

Source: IFPI
Financial Results 2016

• Overall surplus of CHF 32 million
  ▪ 2015: surplus CHF 33.3 million

• Revenue CHF 387.7 million
  ▪ +CHF 5.8 million over 2015

• Expenditure CHF 355.7 million
  ▪ +CHF 7 million over 2015
# Statement of Financial Performance (in thousands of Swiss francs)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessed contributions</td>
<td>17,337</td>
<td>17,801</td>
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<tr>
<td>Voluntary contributions</td>
<td>10,176</td>
<td>10,255</td>
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<tr>
<td>Publications revenue</td>
<td>426</td>
<td>487</td>
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<td>Investment revenue</td>
<td>21</td>
<td>1,500</td>
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<tr>
<td>Fees</td>
<td></td>
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<tr>
<td>PCT system</td>
<td>290,719</td>
<td>275,392</td>
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<tr>
<td>Madrid system</td>
<td>59,580</td>
<td>67,925</td>
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<tr>
<td>Hague system</td>
<td>4,956</td>
<td>3,931</td>
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<tr>
<td>Lisbon system</td>
<td>25</td>
<td>17</td>
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<tr>
<td>Sub-total fees</td>
<td>355,280</td>
<td>347,265</td>
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<tr>
<td>Arbitration and Mediation</td>
<td>1,641</td>
<td>1,508</td>
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<tr>
<td>Other/miscellaneous revenue</td>
<td>2,832</td>
<td>3,127</td>
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<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>387,713</td>
<td>381,943</td>
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<thead>
<tr>
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<tr>
<td><strong>EXPENSES</strong></td>
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<tr>
<td>Personnel expenditure</td>
<td>224,353</td>
<td>216,266</td>
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<tr>
<td>Internships and WIPO fellowships</td>
<td>3,261</td>
<td>3,151</td>
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<td>Travel, training and grants</td>
<td>15,810</td>
<td>17,394</td>
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<tr>
<td>Contractual services</td>
<td>74,398</td>
<td>72,090</td>
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<td>Operating expenses</td>
<td>21,946</td>
<td>21,200</td>
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<td>Supplies and materials</td>
<td>2,039</td>
<td>3,583</td>
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<td>Furniture and equipment</td>
<td>172</td>
<td>827</td>
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<tr>
<td>Depreciation and amortization</td>
<td>11,424</td>
<td>11,055</td>
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<td>Finance costs</td>
<td>2,310</td>
<td>3,107</td>
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<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>355,713</td>
<td>348,673</td>
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<th>2016</th>
<th>2015</th>
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</thead>
<tbody>
<tr>
<td><strong>SURPLUS/(DEFICIT) FOR THE YEAR</strong></td>
<td>32,000</td>
<td>33,270</td>
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</table>
Composition of Revenue

- Assessed contributions: 17.3 (5%)
- Voluntary contributions: 10.2 (3%)
- Hague system fees: 5 (1%)
- Other revenue: 4.9 (1%)
- Madrid system fees: 59.6 (15%)
- PCT system fees: 290.7 (75%)
Composition of Expenditure

- Personnel expenditure: 224.4 (63%)
- Contractual services: 74.4 (21%)
- Operating expenses: 21.9 (6%)
- Depreciation and amortization: 11.4 (3%)
- Other expenses: 7.8 (2%)
- Travel, training, and grants: 15.8 (5%)
Evolution of Overall Result for Organization

OVERALL RESULT

In millions of Swiss francs

-13.5  -32.2  19.5  15.2  37.0  33.2  32.0  18.8


OVERALL RESULT
# Net Assets

## Reserve and Working Capital Funds (RWCF)

*(in millions of Swiss francs)*

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>RWCF (ending balance)*</td>
<td>194.6</td>
<td>174.2</td>
<td>193.7</td>
<td>208.8</td>
<td>245.8</td>
<td>279.1</td>
<td>311.3</td>
<td>330.1</td>
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<td>RWCF Target (Regular Budget)**</td>
<td>116.8</td>
<td>116.8</td>
<td>120.6</td>
<td>120.6</td>
<td>124.7</td>
<td>124.7</td>
<td>157.0</td>
<td>157.0</td>
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<tr>
<td>Difference</td>
<td>77.8</td>
<td>57.4</td>
<td>73.1</td>
<td>88.2</td>
<td>121.0</td>
<td>154.3</td>
<td>154.3</td>
<td>173.1</td>
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<tr>
<td>Net Current Assets (Net Liquid Assets)</td>
<td>75.9</td>
<td>47.2</td>
<td>81.4</td>
<td>76.8</td>
<td>68.1</td>
<td>88.4</td>
<td></td>
<td>135.5</td>
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Note: Appropriations already approved, not yet spent

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*RWCF was restated for 2011 and 2012.

**RWCF target for 2016/17 is based on the new target percentage for the PCT system (20% instead of 15% in earlier periods)
Global IP Systems - 2016

• Significant growth in three major systems

• PCT
  ▪ 233,000 international applications
  ▪ +7.3% over 2015

• Madrid System
  ▪ 52,550 applications
  ▪ +7.2% over 2015

• Hague System
  ▪ 5,562 applications
  ▪ +35.3% over 2015

• Priorities
  ▪ Extending geographical reach and participation
  ▪ Quality, efficiency and cost-effectiveness of service
  ▪ Comprehensive IT environments
Trend in PCT filings

The chart shows the trend in PCT filings from 2006 to 2016. The number of PCT applications filed has generally increased during this period, with some fluctuations. The annual growth rates are also displayed, indicating the percentage change in filings each year. The data suggests a steady growth in PCT filings over the years.
Share of PCT filings
Trend in Madrid applications

![Graph showing trend in Madrid applications with growth rates and application counts from 2006 to 2016.](image-url)
Madrid Applications for the top 10 origins

- Italy: 2,452 (2006), 2,352 (2016)
- Japan: 1,495 (2006), 1,457 (2016)
- Australia: 1,123 (2006), 1,107 (2016)
Trend in Hague applications (No. of Designs)
Hague applications for the top 10 origins (No. of Designs)

- Germany: 3,917
- Switzerland: 2,555
- Rep. of Korea: 1,882
- U.S.: 1,410
- Netherlands: 1,317
- France: 1,212
- Italy: 1,125
- Japan: 860
- Turkey: 577
- Sweden: 492
### Expanding Use and Geography of Global IP Systems

<table>
<thead>
<tr>
<th>System</th>
<th>2007</th>
<th>2016</th>
<th>% Change</th>
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<tbody>
<tr>
<td><strong>PCT</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Applications</td>
<td>158,400</td>
<td>233,000</td>
<td>+47.1</td>
</tr>
<tr>
<td>No of Members</td>
<td>138</td>
<td>152</td>
<td>+10.1</td>
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<tr>
<td><strong>Madrid</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Applications</td>
<td>39,945</td>
<td>52,550</td>
<td>+31.5</td>
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<tr>
<td>No of Members</td>
<td>81</td>
<td>98</td>
<td>+20.9</td>
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<tr>
<td><strong>Hague</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Applications</td>
<td>1,167</td>
<td>5,562</td>
<td>+290.9</td>
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<tr>
<td>No of Members</td>
<td>20</td>
<td>52</td>
<td>+160</td>
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<tr>
<td>(Geneva Act)</td>
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<td></td>
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</table>
WIPO Arbitration and Mediation

• **2016 Results**
  - 60 arbitration and mediation cases (filing record)
  - Parties from Australia, Belgium, Brazil, Canada, China, Denmark, France, Germany, Greece, Ireland, Italy, Japan, Netherlands, Singapore, Republic of Korea, Spain, Switzerland, UK, USA

• **Cumulative total** arbitration and mediation filing: 496 (most were filed in last ten years)
  - Example areas of dispute: patent licenses, software/ICT, R&D and technology transfer agreements, distribution agreements, copyright collecting societies, trademark coexistence agreements

• Increasing **collaboration** with Member States’ IP authorities for promotion and/or integration of alternative dispute resolution options
  - Examples include Australia, Mexico, Philippines, Singapore, Spain, USA
• **2016 Results**
  - 3,036 WIPO UDRP-based cases (+10.2%), 5,374 domain names
  - Parties from 109 countries, 303 panelists, 15 languages of proceedings

• **Since 1999**: 37,000+ WIPO UDRP-based cases re 68,000+ domain names

• Over 1,200 ICANN-approved **new gTLDs** operational (including some 100 using internationalized scripts)
  - New gTLD domain names 16% of WIPO 2016 case-load

• **74 ccTLDs** designating WIPO dispute service
Normative Program

• Proposed Design Law Treaty

• IGC

• Broadcasting
Global Databases

• **Patentscope**
  - 58 million documents (PCT, ARIPO, EAPO, EPO and 40 national patent collections)
  - multilingual search in 14 languages
  - WIPO Translate: neural machine translation using artificial intelligence
  - the most visited WIPO web site with 27,000 visitors per day

• **Global Brands Database**
  - 28 million records (Madrid, Lisbon, emblems, EUIPO and 30 national TM collections) with a pioneer image-search tool

• **Global Designs Database**
  - 1.7 million records (Hague, 5 national designs collections)

• **WIPO Lex**
  - 12,000 national IP laws and regulations and 800 treaties
  - More than two million users in 2016
Inter-Office Platforms

- **Digital Access Service (DAS)**
  - Secure exchange of priority documents between IP Offices
  - Meets the requirements of the Paris Convention for certification in a digital environment
  - In service since 2009
  - 11 participating Offices

- **Centralized Access to Search and Examination (WIPO CASE)**
  - Secure exchange of search and examination information to facilitate work sharing
  - Examiners from participating patent Offices can search and access the dossier information of other Offices
  - In service since 2011
  - 26 participating Offices
Platforms for Development

• Industrial Property Administration System (IPAS)
  ▪ Systems to support the business operations of IP Offices – filing, administration, examination, registration, publication/dissemination of IP information
  ▪ WIPO free of charge software, supplemented by free services of digitization, data capture, quality improvement, workflow optimization
  ▪ In use in 81 IP Offices in all regions

• WIPO Connect
  ▪ Deployed in 2016
  ▪ Supports the business operations of Collective Management Organizations (CMOs)
  ▪ More widespread deployment in 2017
Platforms for Development (2)

- Technology and Innovation Support Centers (TISCs)
  - Over 517 in 59 national networks in developing and least-developed countries

- Public-Private Partnerships on Access to Information and Knowledge
  - ARDI
    - part of UN partnership “Research4Life” with free/affordable access to 28,000 science and technology books/journals
    - 910 institutions actively using ARDI
  - ASPI – free/affordable access to seven commercial patent databases
Accessible Books Consortium

- Consortium between authors, publishers, libraries, blind associations

- Functions
  - International (Accessible Format) Book Exchange
    - 102,000 loans of books in accessible formats to individuals
    - 6,000 files downloaded by 25 Authorized Entities (AEs), resulting in savings to AEs of approximately USD 12 million
  - Inclusive Publishing
    - ABC Charter for Accessible Publishing
  - Capacity Building
    - Capacity building projects in Argentina, Bangladesh, India, Nepal and Sri Lanka
Global initiative established to encourage and facilitate the sharing of intellectual property assets to advance drug, vaccine, and diagnostic development for malaria, tuberculosis, and neglected tropical diseases (NTDs)

121 members from 31 countries
112 agreements/collaborations, plus capacity building
Statistical Reports

• World Intellectual Property Indicators
  - Published each December for preceding year
  - Reports on IP filings worldwide

• Annual Reports on PCT, Madrid and the Hague Systems
  - Published each April for preceding year
Global Innovation Index

- Published each year in cooperation with INSEAD and Cornell University
- Provides benchmarks for innovation capacity and best practices
Global Innovation Index 2016 – Worldwide Media Pickup

7,440 Gil press articles generated (= CHF570 million equivalent advertising value)

1.8 million impressions of number of WIPO tweets – with Gil and Marrakesh on top.

100% + increase in page views of press release

China: 3,860 articles (52%) / USA: 940 (13%) / India: 390 (5%)

Sources: Google Analytics. Data covers release day plus 2 days, compared to equivalent periods in 2014 and 2015.
Capacity Building and Development Cooperation

• 21% of expenditure of Organization
  ▪ National Strategies
  ▪ Regulatory Framework
  ▪ Technical Infrastructure
  ▪ Capacity-Building
  ▪ LDCs and Appropriate Technology

• 2016
  ▪ Conference on Development and Intellectual Property, April
  ▪ Independent Review of Implementation of Development Agenda Recommendations
451 World IP Day celebrations in 121 countries around the world in 2016
World IP Day events over time

Countries and Events Celebrating World IP Day Featured on Events Map

<table>
<thead>
<tr>
<th>Year</th>
<th>Countries</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>124</td>
<td>71</td>
</tr>
<tr>
<td>2012</td>
<td>143</td>
<td>77</td>
</tr>
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<td>2013</td>
<td>236</td>
<td>93</td>
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<td>2014</td>
<td>352</td>
<td>110</td>
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<tr>
<td>2015</td>
<td>349</td>
<td>105</td>
</tr>
<tr>
<td>2016</td>
<td>451</td>
<td>121</td>
</tr>
</tbody>
</table>
A global fan base on Facebook

Composition of Fans by Country

- **India**: 2,740; 8.5%
- **United States of America**: 2,652; 8.2%
- **Mexico**: 2,498; 7.7%
- **Pakistan**: 608; 1.9%
- **Brazil**: 1,530; 4.7%
- **Egypt**: 1,569; 4.8%
- **Spain**: 581; 1.8%
- **France**: 657; 2.0%
- **United Kingdom**: 664; 2.0%

**Rest of the world & n/a**: 18,280; 56.4%

**Rest of the world**: 11,645; 35.9%

**n/a**: 6,635; 20.5%

“Likes” of World IP Day Facebook Page.
Other Selected Highlights/Challenges in 2017

1. Management
   - Transition to new investment policy
   - Gender and geographical balance in Secretariat
   - IT Projects

2. Entry into force of Beijing Treaty
   - 16 of 30 required accessions

3. External Offices
   - Establishment of Offices in Algeria and Nigeria
   - Decision on up to four new Offices (one in 2017; three in 2018-2019)

4. Progress on the Normative Agenda

5. World IP Day
   - April 26
   - Innovation – Improving Lives

6. Global Innovation Index 2017 Launch