

RECORD DEMAND FOR **WIPO SERVICES** IN 2007

In 2007, WIPO saw an increase in both Patent Cooperation Treaty (PCT) applications and in international trademark registrations under the Madrid system, as well as an unprecedented number of complainants filing cybersquatting cases.

PCT – 30 years and going strong

The PCT received a record 156,100 applications (provisional estimate) in 2007, an average of over 400 applications per day. The most notable growth rates came from countries in northeast Asia, which accounted for a quarter of all international applications. Applications from China grew by 38.1 percent as compared to 2006 and the Republic of Korea by 18.8 percent, making the latter the fourth top filing PCT country. However, the US, Japan and Germany preserved their spots at the top of the list.

PCT International Applications – Top 10 Countries of Origin

	2006	2007 estimate	Share of 2007 total	Growth over 2006
U.S.A.	50'941	52'280	33.5%	2.6%
Japan	27'033	27'731	17.8%	2.6%
Germany	16'732	18'134	11.6%	8.4%
Republic of Korea	5'944	7'061	4.5%	18.8%
France	6'242	6'370	4.1%	2.1%
United Kingdom	5'090	5'553	3.6%	9.1%
China	3'951	5'456	3.5%	38.1%
Netherlands	4'529	4'186	2.7%	-7.6%
Switzerland	3'577	3'674	2.4%	2.7%
Sweden	3'316	3'533	2.3%	6.5%

The largest number of applications from developing countries came from the Republic of Korea (7,061), China (5,456), India (686), South Africa (390), Brazil (384), Mexico (173), Malaysia (103), Egypt (41), Saudi Arabia (35) and Colombia (31). The PCT currently has 138 member countries, 108 of which are developing countries.

Matsushita (Japan) moved into first place on the list of top PCT users with 2,100 published applications, overtaking the Dutch multi-national Philips Electronics N.V. Siemens (Germany) retained third place, while Huawei Technologies (China) jumped nine places to become the fourth largest applicant.

The largest proportion of PCT applications published in 2007 related to inventions in the fields of telecommunications (10.5 percent), information technology (10.1 percent) and pharmaceuticals (9.3 percent). The fastest growing technology areas are nuclear engineering (24.5 percent increase) and telecommunications (15.5 percent).

As the PCT celebrates 30 years of operations in 2008, "WIPO will continue to enhance the System and its operations," says WIPO Deputy Director General Francis Gurry, "to ensure that applicants benefit from access to ever-more efficient, cost-effective quality services of the highest caliber."

The Madrid system

WIPO received a record 39,945 international trademark applications under the Madrid system in 2007, representing a 9.5 percent increase on figures for 2006. Applicants from Germany, for the 15th consecutive year, led the list of top filers, followed by users in France, the US and the European Community. China remained the most designated country in international trademark applications, reflecting increasing levels of trading activity by foreign companies in China.

A number of countries experienced significant growth in filings in 2007. The Russian Federation, for instance, enjoyed a 43 percent increase, the US 19 percent, Japan 16 percent, the UK 12 percent, and both Denmark and Sweden 20 percent. In 2007, the third full year of the EC as a member of the Madrid system, the 27 countries of the European Union together accounted for 26,026 applications. Developing countries accounted for 2,108 filings, representing 5.3 percent of total applications and a 10.5 percent growth over 2006.

By the end of 2007, there were 483,210 international trademark registrations in force in the international register. They contained some 5.4 million active designations and belonged to 159,420 different trademark holders.

The Madrid system also allows for the central administration of an international trademark portfolio, as it provides for procedures which enable trademark holders to record modifications to international registrations (for example, changes of ownership, changes in name or address of the holder or changes in the appointment of the representative of the holder) through the submission of a single request at WIPO. Modifications recorded in 2007 increased by some 20 percent over 2006.

Growing Concern over Cybersquatting

Last year, a record 2,156 complaints alleging cybersquatting – or the abusive registration of trademarks on the Internet – were filed with the WIPO Arbitration and Mediation Center, representing an 18 percent increase over 2006 and a 48 percent increase over 2005 in the number of generic and country code Top Level Domain (gTLDs and ccTLDs) disputes. In 2007 alone, named parties to WIPO cases represented over 100 countries. The US, France and the UK remained the most frequent base for complainants, while the US, the UK and China remained the most represented countries by respondents.

The introduction of a number of new gTLDs announced for late 2008 is a growing cause of concern for trademark owners, in view of the increase in cybersquatting cases and developments in the domain name registration system, such as domain name tasting, the use of privacy and proxy registration services and the evolving role of certain domain name registrars. “The potentially useful purposes of any new domains would be frustrated if these get filled predominantly with pay-per-click content,” said WIPO Deputy Director General Gurry. “This is not just an issue of protecting the rights of trademark holders, but also an issue of the reliabil-

ity of the addressing system of the Internet in matching interested parties with authentic subjects.” Mr. Gurry said WIPO is ready to assist the Internet Corporation for Assigned Names and Numbers (ICANN) in its policy work in this regard.

Domain name tasting, the practice of registering domain names during a five-day registration fee grace period for pay-per-click revenue, frequently involves trademarks. This often automated practice of “tasting” effectively prevents rights holders from assembling reliable and timely information that would enable the filing of a Uniform Domain Name Dispute Resolution Policy (UDRP) complaint.

The Center faces an increasing number of cases where respondents are making use of privacy or proxy registration services. Recent WIPO panel decisions have pointed out that a privacy shield should not be used to protect cybersquatting practices. Panels have recognized legitimate uses of such services, but also make it clear that the shielding of information hinders the determination of the identity of the domain name registrant for cases brought under the UDRP.

Close to 1,000 companies are now accredited by ICANN to act as registrars for one or more gTLDs. This enormous increase from only a handful of registrars in the year 2000 raises heightened concerns about cases where certain registrars appear to engage in or collude with cybersquatting practices. This situation can blur the distinction between the ICANN-mandated obligations of a registrar and speculative behavior in the domain name marketplace, often at the expense of trademark holders.
