

WIPO External Offices

1. At present, WIPO has external offices in the following locations: in Brazil (Rio de Janeiro), Japan (Tokyo) and Singapore (Singapore) (hereinafter called the “WIPO external offices”). (WIPO also has a liaison bureau to the United Nations in New York, which is not considered to be an External Office.)
2. In the draft Program and Budget for the 2014/2015 Biennium, it is proposed to establish five new external offices – two in Africa and one each in China, Russian Federation and the United States of America.

Questions on New External Offices and Answers from WIPO Secretariat

What functions do External Offices perform¹?

3. It is generally agreed that External Offices should not duplicate work performed at Headquarters, but should perform work that cannot be performed at Headquarters or that can be performed more efficiently or effectively in the external office than at Headquarters.

¹ At open, informal consultation meetings held on December 13, 2010, and June 16, 2011, it was generally agreed that:

(1) External offices should add value and undertake activities that can be performed more efficiently or effectively than at Headquarters;

(2) External offices could have different mixes of functions in response to regional priorities and specificities;

(3) A new external office should only be established if it is financially feasible for the Organization to do so; and

(4) A phased and prudent approach should be adopted towards the establishment of functions and corresponding resourcing in the EOs.

4. There are five functions that meet the criterion of adding value and not duplicating work performed at Headquarters.

5. The first function consists of local support services for WIPO'S Global IP Systems (the Patent Cooperation Treaty (PCT), the Madrid System for Marks, the Hague System for Industrial Designs and the WIPO Arbitration and Mediation Center). WIPO derives around 95% of its revenue from fees for services rendered under its Global IP Systems.

6. Demand for WIPO's Global IP Systems comes from around the world. In the PCT, which accounts for 75% of the Organization's revenue, around 30% of the demand comes from the Americas and over 39% comes from Asia. In other words, over two-thirds of the demand comes from applicants operating in time zones where the working hours occur mainly during the Geneva night time or after business hours Geneva time.

7. An essential part of the services that WIPO provides in respect of its Global IP Systems consists of information and assistance services to users of the Systems. For example, in the case of the PCT and the Madrid System infolines (direct service query lines), the Organization receives around 5,000 calls per month and around 1,000 emails per day. For the PCT, around 38.4% of the calls come from the Americas and around 27% of the calls come from Asia. External Offices can perform an indispensable service in supporting the Organization's Global IP Systems in the relevant time zones and in the locally applicable language.

8. A second function is to provide support for WIPO's general customer response network. The Organization receives each week thousands of calls relating to intellectual property and the general work program from IP Offices and other agencies of Member States and the general public. In June 2012, a global response network was implemented for these calls using the existing External Offices in Rio de Janeiro, Singapore and Tokyo, as well as the New York Liaison Office. If a person calls the general number of WIPO after business hours in Geneva, the call is automatically

received and answered, depending on the time, in one of the existing External Offices. In the short time since its inception, this new service has proven to be a very valuable addition to the Organization's services.

9. A third (proposed) function is the administration of mirror sites for the Organization's IT systems, platforms and databases for the purposes of IT security, business continuity, disaster recovery and load-sharing. All of the services provided by the Organization are acutely dependent on IT systems. Most applications under the Global IP Systems are received and processed using Internet-based systems. At the same time as the Organization's dependence on online IT platforms and systems has grown, intellectual property has assumed a higher public profile, increasing the vulnerability of the Organization's IT systems to cyber attacks. In the past year, for example, the group "Anonymous" has carried out multiple DDOS (distributed denial of service) attacks on the websites of agencies of Member States in protest over various intellectual property policies or initiatives.

10. The security of the Organization's IT platforms and systems, the capacity to provide business continuity in respect of them, the capacity to recover from a disaster and the capacity to provide even response times to users around the globe will be greatly enhanced by the strategic establishment of a limited number of mirror sites that can be administered or supervised through External Offices.

11. A fourth function is the provision of technical support in relation to the various technical assistance programs administered in the Global Infrastructure Sector of the Organization. These programs include the implementation of automation systems for IP Offices, where projects are underway in over 80 countries; the establishment of Technology and Innovation Support centers (TISCs) that make available patent information and other scientific and technical information to IP Offices, universities and research institutions throughout the developing world; and the implementation of IT systems for collecting societies in support of copyright administration. These and other cognate programs, for which the demand is overwhelming, require intensive technical

support, which may be provided most cost efficiently through experts attached to External Offices, rather than through the dispatch of such experts from Headquarters.

12. A final function concerns general capacity building and other development cooperation activities additional to those mentioned in the preceding paragraph. Capacity-building activities cover an extensive range, including conferences, training seminars, on-the-spot training of a technical nature (for example, for patent or trademark examiners or for technical resources in relation to technical databases), participation in academic programs and courses, study visits and training in foreign patent offices. It is clear that the implementation of part of the capacity-building activities of the Organization through external offices could result in cost savings through the reduction of travel by officials located at Headquarters.

How are the existing External Offices performing?

13. A plan to improve the services and to enhance the role of the existing External Offices has been implemented over the past year. Each Office has been given a specific focus and the plan is yielding good results:

- (i) The Brazil Office is focusing on support for the Global IP Systems, particularly with respect to Brazil's examination of the Madrid System and the Hague System; participation in the global customer response network; support for the many IT and infrastructure projects with IP Offices in the Latin American region; and South-South cooperation. Two new Memoranda of Understanding (MoUs) have been signed with the Government of Brazil, with generous funding provided by Brazil. Under one MoU, the WIPO Arbitration and Mediation Center is cooperating with the Brazilian IP Office (INPI) to administer mediations for trademark oppositions and disputes. Under the second MoU, Brazil is funding a series of South-South activities and projects.
- (ii) The Japan Office is focusing on support for the Global IP Systems, particularly with respect to the PCT, the Madrid System and Japan's examination of the

Hague System; participation in the global customer response network; and capacity-building activities, largely funded by generous contributions from the Government of Japan. Excellent results are being obtained through the vigorous engagement of the WIPO Office with Japanese enterprises. PCT applications from Japan rose in 2012 by more than 10% (on a volume that constitutes over 20% of the worldwide PCT filings) (well in excess of the world average) and Madrid applications have risen by over 30% in the same period.

- (iii) The Singapore Office is focusing on support for the Global IP Systems, particularly with respect to the proposed entry of the Member States of the Association of South East Asian Nations (ASEAN) into the Madrid System and the Hague System by 2015; participation in the global customer response network; support for the many IT and infrastructure projects with IP Offices in the South East Asian region; and support for the implementation of the ambitious IP Action Plan adopted by ASEAN for the period 2011-2015.

Why are more External Offices needed?

14. The demand for new External Offices is not coming from the Secretariat, but from the Member States, over 20 of which have made applications to the Director General for such offices to be established in their territories. However, it is believed that a **limited network of strategically placed external offices** would enhance the quality of service and credibility of WIPO as a global service organization.

Why was it decided to propose the locations that have been identified in the Program and Budget?

15. China has a population of 1.3 billion people. Its national language is Mandarin, which is one of the official languages of WIPO and the UN. It has the largest trademark office in the world, the largest patent office, the largest designs office and one of the largest and most vibrant creative sectors.

16. Intellectual property activity in China is exploding. Over the past 15 years, the number of patent applications filed in China has risen from 18,699 to 526,412; the number of trademark applications from 172,146 to 1,057,480; and the number of industrial design applications from 17,688 to 521,468:

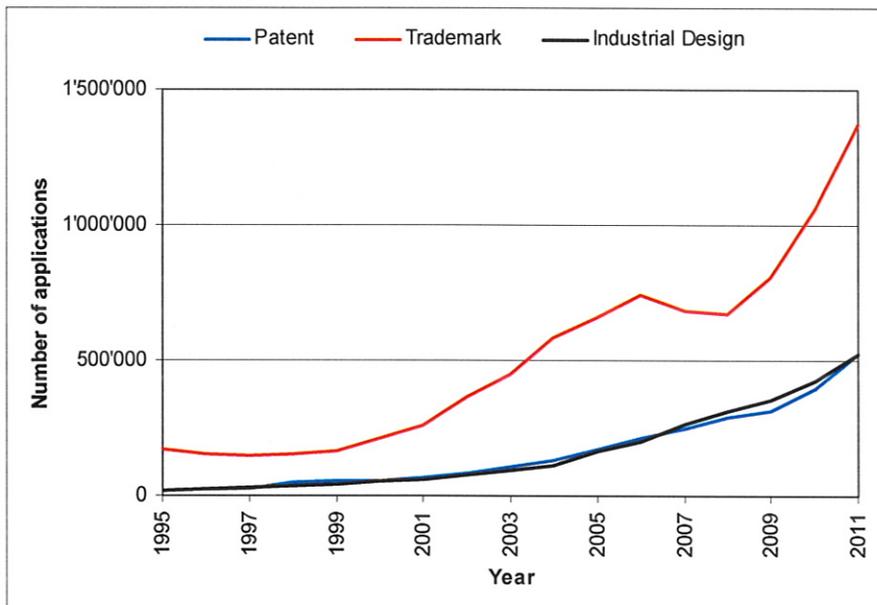


Figure 1: Patent, Trademark and Industrial Design Applications in China

17. The number of domestic IP applications in China that are being internationalized through filings under WIPO's Global IP Systems is growing at a very rapid pace. China files just over 10% of PCT applications and is expected to pass Germany in 2013 to become the third largest filer of PCT applications after the United States of America and Japan. It is the eighth largest filer of Madrid applications (filing over 5% of all Madrid applications) and the most designated country in the Madrid System (that is, the country that applicants around the world designate most frequently to obtain protection for their marks). It is actively examining accession to the Hague System.

18. The existing use by China of WIPO's Global IP Systems is one of the most active in the world. When the level of domestic applications is considered, the potential for further growth in use of WIPO's Systems is enormous. To achieve this, however,

intense engagement with the enterprise sector in China, in the Chinese language, is required. Rare would be the Organization that relies on China for a substantial part of its revenue and that does not have a presence in China to service the Chinese market. It may also be expected that China will, in the future, play an increasingly important role in capacity-building activities.

Russian Federation

19. The Russian Federation is the ninth most populous country in the world, with a population of over 140 million people. Russian is one of the official languages of both the UN and WIPO and is also widely spoken throughout Central Asia and Eastern Europe.

20. The importance of intellectual property and innovation in the sustainable economic development of the Russian Federation has been emphasized by the country's leadership. The scientific tradition in the country is extremely strong and the creative output in literature, film and music is rich. The use of intellectual property has been steadily increasing. Over the past 15 years, the number of patent applications filed in the Russian Federation has risen from 24,444 to 41,414; the number of trademark applications from 21,403 to 56,856; and the number of industrial design applications from 1,370 to 3,997:

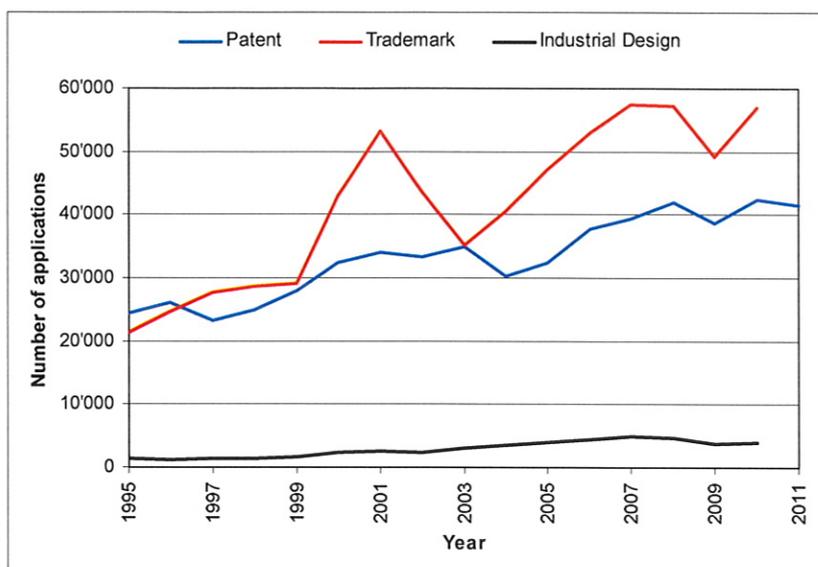


Figure 2: Patent, Trademark and Industrial Design Applications in the Russian Federation

21. The use of WIPO's Global IP Systems by the Russian Federation has also been rising. PCT applications filed by applicants in the Russian Federation have risen considerably over the past five years. The number of Madrid applications in 2012 rose by 19.7% (having increased by 35.6% in the preceding year), making the Russian Federation the ninth largest filer in the Madrid System. It was also the third most designated country in the Madrid System. The Russian Federation is actively considering accession to the Hague System.

22. An External Office in the Russian Federation would offer considerable advantages in terms of strengthening the participation of the country in WIPO's Global IP Systems, enabling the Organization to service more effectively a vast territory and its surrounding region, and would assist in building capacity for the use of IP in a region where most national economic strategies aim to use a rich resource base as a foundation for value addition in more knowledge-based industries.

United States of America

23. The USA is the largest economy in the world, with the third-largest population. It is the largest filer of PCT applications, filing around 27% of all applications. It is the

second largest filer of Madrid applications, filing 12.3% of all applications, and is the third most designated country in the Madrid System. It is expected to accede to the Hague System in the near future. It also has the largest creative industries in the world. It is, in short, the largest producer of innovation and creative outputs in the world.

24. The State of California is the home of the much admired and much emulated Silicon Valley, a pioneer of the successful innovation ecosystem. Almost half of PCT applications filed from the United States of America and more than 10% of total PCT filings have at least one applicant or inventor with an address in California. The University of California files more PCT applications than any other university in the world. According to figures from the United States Patent and Trademark Office (USPTO), the share of US patents granted to Californian applicants has steadily increased over the past years, reaching 25.4% of all patents granted to US residents in 2010. California is also the home of Hollywood, the highest value film industry in the world.

25. Enormous opportunity exists to increase the use of WIPO's Global IP Systems through a presence in Silicon Valley. Such a presence would also offer a more effective way of servicing the largest customer base of those Systems in the world.

Africa

26. Africa comprises 54 countries and a vast territorial area and is not represented in the existing External Offices. Interest in both WIPO and IP has been growing steadily in the region, particularly now that growth rates have stabilized and that Africa is, overall, the fastest growing region of the world economy. The need for capacity-building activities in order to increase the region's use of, and participation in, the intellectual property system is huge.

27. The proposed External Offices in Africa would focus essentially on capacity building, as described in the outline of the functions of External Offices given above. Locations within Africa for the two proposed offices have not been specified, as this is the subject of a continuing discussion with and within the African Group.

What are the plans for more External Offices?

28. It is considered that the establishment of External Offices is a process, rather than a single event. Five new offices within a biennium represents what is considered to be the maximum that can be absorbed within that time period in order to ensure a smooth deployment. It is the case, however, that there are strong demands for additional offices. For example, the Group of Latin America and the Caribbean has called for the establishment of a second office in the region, notably one that might be located in a Spanish-speaking country, and India, the second most populous country in the world and the tenth largest economy in the world, has requested to host an External Office. The list could be extended. It is considered that these other demands will need to be discussed and decided depending on the response to the current proposal.

What is the process of approval of agreements before the Coordination Committee?

29. The decision to establish a new External Office is taken by the Assemblies in the adoption of the Program and Budget and upon the advice and recommendation of the Program and Budget Committee. A separate question from the decision to establish an External Office is the terms and conditions under which the External Office will operate in a host country. These terms and conditions, including the application of privileges and immunities, are defined in an agreement which is submitted to the Coordination Committee for approval. This agreement does not constitute the agreement to establish an office, but constitutes the agreement of the terms and conditions under which an office will operate.

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