

## **Program and Budget Committee**

**Twenty-First Session**  
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STRATEGY FOR WIPO EXTERNAL OFFICES

*Document prepared by the Secretariat*

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## INTRODUCTION

1. The Program and Budget Committee (“the Committee” or “PBC”), at its 20th session, agreed to request the Secretariat to prepare an information paper and an in-depth study as follows:

“The PBC further requested the Secretariat to prepare the following documents regarding the matter of external offices, emphasizing the Member-driven nature of this process:

an information paper, including background documentation, to be circulated prior to the next session of the PBC, in response to questions and requests for further information made by delegations at the present session; and

an in-depth study to address, in a comprehensive manner, all the issues related to this matter including those that were raised by delegations at the present session.”

(see document WO/PBC/20/7; Summary of Decisions and Recommendations adopted by the Committee)

2. The draft Program and Budget for the 2014/15 biennium contains a proposal to establish five new External Offices (EOs) in China, Russian Federation, United States of America and two in Africa. In accordance with the above-mentioned agreement, the present document sets out the strategy for EOs with additional information requested by the Committee, and constitutes a combined and complete paper containing both the information paper and the in-depth study. Information contained in a white paper that was circulated during the last session of the Committee has been incorporated in this document, bearing in mind approaches to the issue suggested by the Committee.

3. The term “External Office” (EO) refers to a WIPO Office which is located outside of Geneva. The term “regional office”, which was used in the documents in previous years to refer to WIPO offices in certain regions, such as those referred to in WO/CC/62/4, has been replaced by the new term “WIPO External Office.” The new term is broader and more neutral, without prejudice to its mandate and functions. It also depends on the understanding that each WIPO EO has different mixes of functions in response to local priorities and specificities, and that each Office primarily focuses on activities to serve stakeholders and users in the host country and, where needed, its neighboring countries as a target zone of the Office. Most of the EOs do not have a predetermined region to cover, although certain Offices have acquired and established a zone of influence over the years of their activities and links to target countries. It is to be noted that WIPO has a liaison bureau in New York, the mandate of which is to liaise between WIPO and the United Nations (UN) Headquarter (HQ); thus, for the purpose of this paper, the WIPO liaison bureau in New York is not considered to be a WIPO External Office.

## EXISTING EOs AND PREVIOUS EOs

4. At present, the EOs are the WSO in Singapore, the WIPO Japan Office (WJO) in Tokyo, and WIPO Brazil Office (WBO) in Rio de Janeiro (in chronological order of establishment).

5. Prior to those EOs, two EOs were opened in Brussels in Belgium and in Washington D.C. in the United States of America. They were proposed in the draft Program and Budget for the biennium 2002/03, in order “to promote both understanding of WIPO and intellectual property issues through the WIPO offices in New York, Washington D.C. and Brussels” in Sub-Program 09.2 Media and Public Affairs. In September 2001, the WIPO Assemblies approved their establishment (see Annex I).

6. The preparations for establishing the WIPO Coordination Office in Brussels in Belgium led to a proposed agreement between the host country Belgium and WIPO which was submitted to the Coordination Committee at its Fifty-Second session in 2004 and was approved (see Annex II). The Office was located in the building of UNDP. The Office was closed in 2008, as a result of an evaluation and in a process of rationalization of EOs.

7. Approval of the WIPO Coordination Office in Washington D.C. was given in the Assemblies meetings in 2002 through the adoption of the Program and Budget for the biennium 2002/03 (see Annex I). As the United States of America did not require the HQ agreement, however, no document was submitted to the Coordination Committee. Like the Brussels Office, the Office was closed in 2008.

#### HOW AND WHEN WAS EACH EXISTING OFFICE ESTABLISHED?

##### WSO

8. WIPO Member States endorsed the establishment of the WSO during the fortieth series of Meetings of the Assemblies in September 2004 (see Annex III). The Government of Singapore and WIPO then signed an agreement establishing the Office in February 2005 and the agreement was submitted to the Coordination Committee at its Fifty-Third session in 2005 for approval. The Coordination Committee approved the Agreement between WIPO and the Government of Singapore (see Annex IV).

##### WJO

9. The Delegation of Japan made a formal offer at the General Assembly in September 2005 to host a WIPO office in Tokyo as an IP research center in cooperation with the United Nations University (UNU) in Tokyo on the condition that “no additional financial burden will be placed on WIPO”. The then Director General welcomed the offer and took note of no additional financial burden (see Annex V).

10. As it was too late to include the WJO in the Program and Budget for the biennium 2006/07, it was a draft Program and Budget for the biennium 2008/09 that included the WJO along with other Coordination Offices. The Program and Budget document defined the strategy that “the external relations Program at WIPO HQ, together with the WIPO Coordination Offices (Brussels, New York, Singapore, Tokyo and Washington), will continue to develop and manage networks of relationships with the external community” (see Annex VI).

11. WIPO and Japan confirmed the extension of the 1947 Convention on the Privileges and Immunities of the Specialized Agencies to the WJO in July 2006. As Japan did not require any HQ agreement, however, no document was submitted to the Coordination Committee.

##### WBO

12. In December 2008, the Program and Budget Committee at its 13<sup>th</sup> session discussed and approved the revised Program and Budget for the biennium 2008/09. It included, in Program 20, EOs and Relations, a proposal of creating a new WIPO Office in Brazil as follows: “A process of rationalization of WIPO's External Offices has begun, and in line with a refocusing of these offices, it is proposed that, following an invitation received from the Government of Brazil in October 2008 (accompanied by an offer to provide premises and infrastructure support

at no cost to WIPO), a new office will be opened in Brazil in 2009” (see Annex X). This revised Program and Budget for the 2008/09 biennium was adopted by the Assemblies (see Annex VII).

13. Following the approval of the Program and Budget, WIPO and the Government of Brazil prepared an agreement aimed at determining the legal status of a WIPO Brazil Office (WBO), which was submitted to the Coordination Committee in 2009 for approval.

14. The Coordination Committee approved the Cooperation Agreement between WIPO and Brazil, as set out in the Annex to document WO/CC/62/3, with the amendment to delete the third preambular paragraph reading as follows: “recognizing that, a dedicated office serving the region of Latin America and the Caribbean (LAC) shall also serve as a visible symbol of WIPO’s strong commitment to the region, lending weight to any project or initiative promulgated by WIPO” (see Annex VIII and Annex IX).

## MANDATE, OBJECTIVES, FUNCTIONS, DETAILS OF PLACEMENTS, ACTIVITIES OF EACH EO

### General

15. Over the last several years, the mandate and functions of the existing EOs have been updated and approved each time that the Program and Budget has been discussed and approved. The rationalization process of the existing EOs began at the end of 2008. The mandate and objectives of EOs before the process of rationalization were: “External Offices will continue to engage with other organizations of the UN system on intellectual property and on system-wide issues, as well as coordinating WIPO’s engagement with Civil Society and industry groups” to achieve the objective of “enhanced and more effective engagement of WIPO with the external community” (see Annex X).

16. During the rationalization process for EOs, the EOs and their objectives were also subject to the Strategic Realignment Program (SRP). The mandate and objectives of EOs became more integrated into the nine strategic goals of WIPO which were established in 2009. The objectives were shifted from the mere external coordination and better understanding of WIPO and IP issues to more advanced and profound ones to respond to the enhancement of the visibility and appreciation of WIPO and IP issues by Member States. The existing EOs are now engaged in supporting multiple strategic goals of the Organization. The Program and Budget of the 2012/13 biennium, which was approved in September 2011, included EOs in Program 20 and described the strategy of EOs as follows: “each of WIPO’s EOs will, within its respective host country and in the surrounding region, operating in a similar time zone, provide services in support of WIPO’s Global IP Services (Strategic Goal II), as well as capacity-building services in coordination with the respective regional bureau (Strategic Goal III).”

17. While reflecting the SRP in the rationalization of existing EOs and essentially maintaining the supportive roles of EOs to WIPO HQ, the proposed Program and Budget for the next biennium further extends the role of EOs to “contribute to the achievement of all Strategic Goals (emphasis added by the Secretariat for this document) in coordination with WIPO HQ” (see Program 20, Implementation Strategies). It aims at the complete integration of EOs into WIPO Strategic Goals. The proposed objective of EOs for the next biennium is to contribute to the achievement of WIPO strategic goals within the respective host countries and in the surrounding region and to support the delivery of the strategic objectives of the Organization. With the shared strategy and the above-mentioned general objectives, each EO can have more specific objectives and expected results which focus on local needs in the host country and the surrounding region.

18. The mandate of EOs is to take the responsibility for undertaking activities in accordance with the proposed results framework in the Program and Budget for the next biennium. The governance of WIPO will continue to apply, such as the reporting lines to facilitate the coordination between HQ and each EO, the preparation of work plans to implement activities and evaluation using the performance indicators as proposed in Program 20. The next section will discuss further details of each existing EO.

## WSO

19. The WSO facilities are located in the campus of the National University of Singapore (NUS), next to most other intergovernmental organizations based in Singapore: the Asia-Pacific Economic Cooperation (APEC), the Asia-Europe Foundation and the UNDP Global Center for Public Service Excellence. The office location provides opportunities to collaborate. The WIPO Arbitration and Mediation Center (AMC) in Singapore is located in the Maxwell Chambers along with other arbitration institutions such as the Singapore International Arbitration Center, the ICC and AAA.

20. The Government of Singapore provides the premises for both offices and pays the rental costs, as well as some utility charges and maintenance costs. It also provided basic outfitting costs related to the set-up of the WSO, which included furniture and equipment necessary for the installation and operation of the office (Paragraphs 3 and 4 of the WIPO-Singapore Agreement of 2005). The WSO has a function room with capacity for around 40 delegates, as well as a formal boardroom that can accommodate meetings of up to 18 participants. The WSO also houses a large collection of WIPO publications and brochures which are regularly consulted by visitors.

21. The WSO regularly permits other UN agencies or the IP Offices of Member States to use its meeting rooms to conduct meetings or job interviews of candidates based in Singapore or the region. It also lends its premises to various institutions for events related to IP, for example, the Sorbonne University (Singapore) recently utilized WSO premises to host a reception for delegates attending an executive program entitled “Legal Aspects of Luxury Business”, which provided the WSO with the opportunity to provide a presentation on the role of WIPO, and to promote WIPO’s global services.

22. Through a series of Agreements, Memorandum of Understanding (MOUs) and exchange of Notes verbales, signed in 2006, 2009 and 2010, the scope of cooperation between WIPO and the Government of Singapore has been expanded to provide joint activities to promote IP awareness and to build IP capabilities in developing countries and least developed countries in the region, to establish the WIPO AMC in Singapore and to enumerate the privileges and immunities of both offices and staff. By an exchange of Notes verbales in December 2010, the WIPO Office Agreement was extended for six years, i.e. until February 1, 2017. Each year the IP Office of Singapore and the WSO agree on a new Joint Program of activities designed to assist Member States in the region, with a particular focus on the States of the Association of South East Asian Nations (ASEAN).

23. The WSO’s objectives are to:

- (i) promote WIPO’s treaties and global services such as the PCT, Madrid and Hague systems;
- (ii) support and promote the WIPO AMC in Singapore (see Annex 3 for a summary of the Center’s services);
- (iii) assist the ASEAN Member States in the implementation of the ASEAN IP Rights Action Plan 2011-2015, particularly the areas for cooperation with WIPO requested by the ASEAN Working Group on Intellectual Property Cooperation (AWGIPC);

- (iv) work with stakeholders to establish and strengthen collective management organizations in the region;
- (v) perform on-site ICT assessments of IP offices in the region, including analysis of: business and legislative procedures, IP data volumes, current backlog, office resources, ICT infrastructure and automation status;
- (vi) manage and implement the Memorandum of Understanding between WIPO and the Government of Singapore which consists of joint activities; and
- (vii) support WIPO's Round-the-Clock service during the allotted time frame.

24. In accordance with Annex A of the 2005 Agreement between WIPO and Singapore, the Singapore Government shall bear the rental costs for office space as well as the costs for the maintenance of common areas and facilities, mechanical and electrical services and utilities, up to 50,000 SGD (1SGD=0.74 CHF). Every year WSO submits reimbursable claims to the Ministry of Law for 10,000 SGD on the understanding that under the 50,000 SGD per annum provision for maintenance, mechanical and electrical services and utilities under the WIPO-Singapore Agreement, approximately 40,000 SGD are paid by the Ministry of Law to United Premas Limited for maintenance of common areas and facilities.

25. The WSO will soon be equipped with Internet Protocol phones in order to reduce its communications expenses particularly with WIPO HQ. In addition, studies are currently being conducted with HQ in order to introduce more flexibility in the WIPO Travel Policy, allowing WSO and AMC to directly purchase air tickets from Singapore based agents rather than those in Geneva. This would allow the possibility to book online flights with low-cost companies for travel in the region. The availability of two meeting rooms at WSO is a significant motivating factor in the decision to organize meetings in Singapore. On average, the administrative cost of a meeting organized by WSO in its premises is around 2,000 CHF for a two-day meeting. This compares very favorably with commercial rates of hotels and other venues. It is to be noted that no translation or interpretation costs are usually borne for meetings organized in WSO. Moreover, the conference rooms are equipped for remote participation of speakers from WIPO HQ or from other parts of the world who are able, through online tools, to participate in meetings held in WSO.

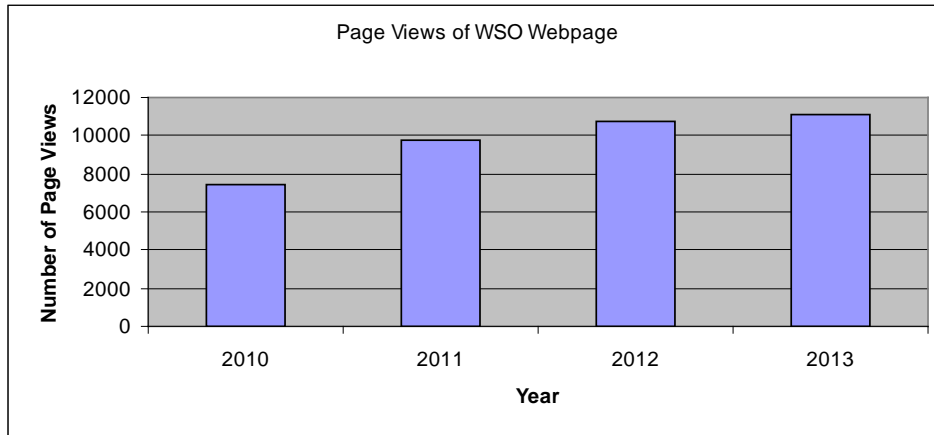
26. The WSO forms an important component of the service network offered by WIPO in its Round-the-Clock service. Calls made to WIPO when the Geneva office is closed are re-directed to Singapore during certain windows.

Table 1: Calls and E-Mails received by WSO

	WSO				AMC
	Calls		Emails		Calls
	Round-the-Clock	General	Internship	General	General
January - December 2012	18	60	25	37	60
January - June 2013	24	30	5	26	30

27. As regards communications and outreach activities, the chart demonstrates a trend of increasing usage of the WSO web site ([www.wipo.int/singapore](http://www.wipo.int/singapore)).

Figure 1: Pageviews of WSO's web site



Note: 2013 figure has been extrapolated based on data at the halfway point in the year

28. Since data was first recorded in 2010 with Google Analytics, the site has experienced an increase of 50 per cent based on 2013 traffic levels. This finding is indicative of the increasing importance of the ASEAN region in the IP world and the work of the WSO.

29. Furthermore, work was completed earlier in 2013 that improved both the structure and content of the WSO website. In addition, new tools were added to improve access to valuable WIPO web content such as the country profiles (which are now displayed on the WSO homepage) and the ASEAN IP Quickfind which allows customers to access different aspects of each Member State IP regime from one central portal. The WSO is active in seeking out opportunities to promote WIPO's global services through participation in events and proactively building relationships with associations and stakeholder groups. Apart from the workshops and missions facilitated by WSO staff, WSO and the AMC participated in 90 engagements, meetings and promotional events from June 2012 to July 2013. In addition the WSO identifies branding opportunities to increase WIPO brand awareness as well as ensuring that the WIPO logo is used in accordance with the Logo Policy and Guidelines.

30. Up until March 2013, when the UNDP Center for Public Service Excellence was opened in Singapore, WIPO was the only UN Organization represented in Singapore. The UNDP Center for Public Service Excellence is dedicated to policy research and the global exchange of knowledge and information on public service policies, strategies and institutions. Although, WSO keeps in close contact with the Center, there is no common field of work on IP. The WSO was invited to the release of the UNDP Human Development Report in Singapore on April 2013 and to present its activities to the Deputy Secretary General of the United Nations, Mr. Jan Eliasson, who visited the UNDP Center in May 2013.

31. In order to create better lines of communication and stronger relationships with other IP Technical Assistance (IPTA) providers in the region so that WSO is more informed of the work taking place and able to provide a more complete picture of IP activities in the region to HQ, WSO has initiated in March 2013 an informal roundtable meeting with the IP Attachés in embassies and those organizations who provide IP technical assistance in the ASEAN region (IP Attachés from the USA, France and the UK based in Singapore and representatives from IP Australia, AANZFTA/ASEAN Secretariat, the EU, ECAP (executed by the Office for Harmonization in the Internal Market (OHIM)), Japan and Republic of Korea based in the region).



32. The WSO has facilitated a range of events and study visits that have had both a regional and sub-regional focus, spanning the wide range of IP subject matter. Some figures below show the outcomes and achievements of 2012 and 2013:

- (i) Number of events facilitated by the WSO or the AMC Office in Singapore in the previous 18 months = 12, (attracting a combined total of more than 266 delegates from across the region);
- (ii) Number of national or sub-regional events WSO or AMC participated in the previous 12 months = 52;
- (iii) Study visit programs arranged/received = two; and
- (iv) Including other engagements, meetings and promotional events attended by the WSO or the AMC = 98.

### WJO

33. The relocation of the WJO from the UNU building to Kasumigaseki in January 2012 was strategic in order to reinforce the functions of the Office to serve users of WIPO's services and also to strengthen cooperation with government authorities of the host country and with Japanese industry. WJO is located in a commercially-rented building with robust security. The administrative office space is approximately 100 square meters. The annual rent is approximately 120,000 CHF, and in compliance with the offer made by the host government in 2005, with respect to no additional financial burden on WIPO, the rent of the office space has been financed by the government of Japan since then.

34. The WJO is now focusing on support for 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 with Japanese enterprises. PCT applications from Japan rose in 2012 by more than 10 per cent well in excess of the world average (on a volume that constitutes over 20 per cent of the worldwide PCT filings) and Madrid applications have risen by over 30 per cent in the same period.

35. The WJO currently has the following specific objectives and priorities:

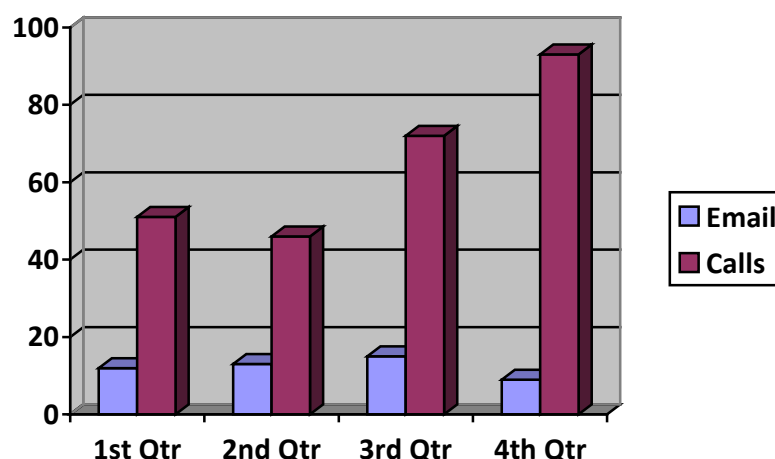
- (i) promote WIPO's global services such as the PCT and Madrid systems, and coordinate with the host government to prepare for Japan's accession to the Hague Agreement in the coming years.
- (ii) provide efficient and timely services to users and applicants of the PCT, Madrid systems, global databases such as PATENTSCOPE, as well as the WIPO Arbitration and Mediation Center services;
- (iii) collaborate with Japan's industry to develop and promote WIPO's global partnership projects such as WIPO GREEN and WIPO RE:SEARCH;
- (iv) coordinate with the host country and donor country of Funds-in-Trust (FITs) of Japan on industrial property and copyright, and assist the HQ in undertaking activities financed by FITs/JP, including the development of the WIPO knowledge database "IP Advantage" at <http://www.wipo.int/ipadvantage/en/>;
- (v) cooperate with the United Nations agencies present in Japan to organize outreach program activities as part of inter-agency cooperation;
- (vi) assist the HQ in coordinating with IP experts and policy makers from Japan in order to share Japan's experience in the use of IP systems for innovation through the participation of such experts in meetings;
- (vii) support WIPO's Round-the-Clock service during the allotted time frame.

36. The WJO undertook the following activities in 2012:

- (i) The Office organized nine meetings (under FIT/JP, in cooperation with the JPO, WIPO HQ as well as a local national authority (Thailand)), three workshops in Tokyo (IP Policy, Madrid, IT), one workshop in Bangkok, Thailand (PCT), and five training courses in Tokyo.
- (ii) The Office participated in 94 meetings (workshops, seminars etc.) to represent WIPO (30 meetings were attended both by WIPO HQ officials and WJO officials, and some 60 meetings were attended by WJO officials alone);
- (iii) The Office organized a total of 44 meetings for the promotion of the PCT and the Madrid system, the WJO organized and participated in all of them;
- (iv) The Office joined other EOs to launch the Round-the-Clock services;
- (v) The WJO updated and added 34 cases to WIPO IP Advantage database which now has more than 170 cases, which is well regarded as an important resources of case studies regarding the use of IP for enhancing the competitiveness of enterprises in developing countries; and
- (vi) The WJO's web site (bilingual in English and Japanese) has been updated to reach out to users of WIPO services in Japan (at <http://www.wipo.int/about-wipo/ja/offices/japan/>).

37. The statistics of calls and e-mails received by WJO are as follows;

Figure 2: calls and emails received by WJO in 2012



38. The WJO functions as a local support service provider for WIPO's Global IP Systems, as a support provider for WIPO's general customer response network and a supporter of capacity building. From 2012, the WJO has been deeply involved in service provision for WIPO's Global IP Systems. In its first year under this new initiative, the office focused increasingly on PCT and Madrid systems and undertook intensive promotion of WIPO's services. The WJO actively performed promotion activities that were executed at 44 venues all over Japan. Participants ranged from patent attorneys through private companies to academia and numbered almost 6,200. Among the 44 events, 34 were covered solely by the WJO, which significantly contributed to cost reduction for HQ and increased efficiency.

39. Information in the local language (Japanese) facilitates Japanese stakeholders' understanding of WIPO's IP systems and activities. As mentioned above, the WJO administers its bilingual website and provides information in Japanese. In 2012, the WJO posted more than 60 articles on the website for Japanese readers. In addition to that, the WJO produced Japanese translations of PATENTSCOPE's User Guide. These activities contributed to better communication with Japan's stakeholders and add value to the organization as a whole.

40. As for capacity building, the WJO has also played a significant role in cooperation with the Japan Patent Office (JPO) and HQ through effective and successful workshops and training. Participants at these workshops and training sessions were from all over the world such as the Asia and Pacific Region, Africa, and Latin America. Sessions covered a wide range of agendas, from Patent Examination Practices and Enforcement to IP Management and Information Technology Infrastructure.

41. The WJO represented WIPO in events outside Japan in countries such as Thailand and India, where the WJO contributed a speaker as well as a moderator on IP issues such as the Madrid Protocol, WIPO's ICT tools, and PCT.

42. One approach adopted by the WJO for the promotion of PCT and the Madrid System which has proven to be most effective is collaboration with the JPO. The organization of meetings was a joint effort for planning, delivery and evaluation. Individual visits to a number of actual and potential users of the PCT and the Madrid System were also strategically planned and organized jointly by the WJO and the JPO in coordination with WIPO HQ. Follow-up inquiries by participants were also effectively addressed by the WJO in collaboration with JPO. These joint efforts with a strategically planned promotion campaign resulted in a significant increase in PCT and Madrid applications in 2012.

43. As regards the coordination with the host government, the WJO has excellent communications and collaboration in organizing joint meetings for users and other stakeholders in Japan. For instance, industry, university and patent attorneys are three of the most relevant stakeholders in the IP field and this resulted in the initiative WIPO GREEN, taken by the Japan Intellectual Property Association (a group of two thousand Japanese companies on IP matters) in 2011 and 2012.

44. As regards cooperation with UN agencies located in Tokyo, the experience of the WJO was that cooperation with other UN agencies remained at the level of general awareness building of IP among the UN circles in Tokyo and did not make a valuable contribution to WIPO strategic goals, mainly because IP is such a specialized area that other UN agencies have little idea of how inter-agency collaboration on IP issues could be undertaken. The WJO made efforts to sensitize officials of UN agencies in Tokyo as an initial step. Examples of cooperation are as follows:

- (i) UN day (annually, usually in October: UN organizations hold events under a specific theme. In 2012, the theme was "Post 'Rio+20': Achieving the Future We Want", and the WJO's materials included those related to the environment. In addition, the WJO created a flyer for the event that highlights sustainable innovation case studies from IP Advantage.);
- (ii) Global Festa (October); this may not be an perfect example, but in this event which is co-sponsored by Japanese governmental agencies including the Ministry of Foreign Affairs, many International organizations including UN agencies participate in the event. The WJO joined in 2012 where it presented and distributed material of WIPO's activities to raise awareness of IP.

45. The UN agencies represented in Tokyo are IAEA, ILO, UNAFEI, UNDP, UNFPA, UNHCR, UNIC, UNICEF, UNIDO, UNU, UNV, WFP and WIPO.

46. In 2012, the WJO responded to requests from other Member States to share IP knowledge from Japan with stakeholders in those countries. The WJO gave a presentation at meetings in Thailand and India in 2012. The presentation covered WIPO's ICT tools, the promotion of the Madrid system in Japan, and the strategic use of patents by Japanese

industry. Since these Asian countries are much closer to Japan than Geneva, it contributed to more efficient implementation of activities.

## WBO

47. The WBO moved to a safe and commercial area which is increasingly attracting businesses, companies and organizations such as the World Bank Regional Office. The area also offers easy access to public transportation and hotel facilities. The office uses commercially rented building space and the annual rent (including electricity, internet connection, telephone and maintenance) is approximately 140,000 CHF, which is charged to WIPO budget.

48. The WBO negotiated with the Brazilian Government the establishment of FITs; the first focusing on promoting the use of the IP system and the development of competencies on IP protection and commercialization, and a second dedicated to promote collaborative activities based on South-South cooperation. Both Agreements are an outcome of WBO's capacity to foster additional financial support for WIPO activities and the two Funds are managed from the WBO.

49. The WBO has the following specific objectives and priorities and activities:

- (i) to assist the HQ in missions and activities taking place in Brazil;
- (ii) to assist the HQ in missions and activities taking place in the LAC region, as well as in other regions;
- (iii) to plan, implement and administer the work to be carried out under the two FITs/BR, as defined in line with objectives set by the Brazilian Government and with WIPO Strategic Goals;
- (iv) to promote new sources of income for the Organization. Two concrete examples were:
  - a. the signature of the new FITs/BR;
  - b. the signature between WIPO and the Government of Brazil of the MOU for the creation of the Center for the Defense of Intellectual Property (CDPI) (Mediation Center), which was inaugurated in March 2013;
- (v) to be part of WIPO's Round-the-Clock service;
- (vi) to promote WIPO's treaties and global services, such as the PCT, Madrid and Hague systems;
- (vii) to assist HQ with promotion and implementation of WIPO projects, such as WIPO Green, Economic Studies on IP and development, IPAS etc.;
- (viii) to administer mediation and arbitration services in cooperation with the Arbitration and Mediation Center.

50. The WBO is now 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. The work to promote the use of the IP system has been reflected in, for example, the increase by 17 per cent of PCT filings by Brazilian residents from 2010 to 2011.

51. In 2012, two new MOUs were signed with the Brazilian Government, with funding provided by Brazil. Under one MOU, the WIPO AMC cooperates with the Brazilian IP Office (INPI) to support the structuring of the INPI Center for the Defense of Industrial Property, as well as to administer mediations and arbitration for trademark and patent oppositions and disputes.

Under the second MOU, as indicated before, Brazil funds a series of South-South activities and projects.

52. As regards inquiries by telephones and the Round-the-Clock services, the statistics are as follows:

Table 2: Calls received by WBO in 2012

Means Period/Services	Calls		Emails	
	Round-the-Clock	General	Round-the-Clock	General
September to December 2012	108	n/a	83	n/a
January to December 2012	n/a	1200	n/a	120

53. At the national level, the WBO attended approximately 130 meetings in 2012 with partners such as the FIOCRUZ Institute, the National Confederation of Industries (CNI), the Federation of Industries of the State of Rio de Janeiro (FIRJAN), the Federation of Industries of the State of São Paulo (FIESP), the Brazilian Innovation Agency (FINEP), the National Development Bank (BNDES), the National Institute of Industrial Property (INPI) of Brazil, the Ministry of External Relations (MRE), the Ministry of Culture (MINC), the Ministry of Development, Industry and Trade (MDIC), the Ministry of Science, Technology and Innovation (MCTI), the Innovation Agency of the Catholic University of Rio de Janeiro (PUC-Rio), the National Forum of Technology Managers (FORTEC), the Technology Network of Rio de Janeiro (REDETEC), the National Association for Research and Development of Innovative Companies (ANPEI), and the Brazilian Cooperation Agency (ABC) of the Ministry of External Relations.

54. In addition, the WBO has facilitated a wide range of events and study visits at the national, regional and inter-regional focus, covering a wide range of IP matters. In February 2102, as a result of a partnership established with ANPEI and INPI, WBO organized a one week study visit of fifteen representatives of industry and government to WIPO HQ. This initiative was inspired by four successful previous experiences organized for Members of Parliament, High Court Judges and Federal Attorneys.

55. The list of the main activities carried out by the WBO in 2012 includes (non-exhaustive):

- (i) Organization of International and Inter-Regional Conferences and Meetings such as (a) the Inter-Regional Meeting to Discuss IP Governance; GRTKF and Copyright and Related Rights (Brasília, Brazil), (b) International Conference on the Strategic Use of Intellectual Property by the Sports Industry (Rio de Janeiro, Brazil), (c) Inter-Regional Meeting on IP Office Automation (Rio de Janeiro, Brazil), and (d) International Symposium on Geographical Indications (Fortaleza, Ceará);
- (ii) Organization of Regional Meetings such as Regional Roundtable on IP and Competition (Rio de Janeiro, Brazil);
- (iii) Support for the organization of regional meetings such as three meetings of the Technical and the Directive Committees of the Regional Collaborative System PROSUR (Rio de Janeiro, Brazil; Lima, Peru; and Santiago, Chile)
- (iv) Organization of training programs such as (a) two sessions of the series "IP and Emerging Topics", (b) two editions of "Training programs on IP Mediation – basic and intermediate", and (c) Lectures at the Master Course on IP, Innovation and Development of INPI-Brazil.
- (v) Participation in technical meetings and committees such as (a) member of the working group for the establishment of a Lusophone Trademark System, (b) member of the Steering Committee of the IP Network of Rio de Janeiro, and (c) invited guest at the IP Committee of National Association for Research and Development of Innovative Companies (ANPEI) of Brazil.

- (vi) Participation in several meetings organized by the National Confederation of industries (CNI) and State Federation of Industries to promote the use of the IP system, with special focus on the accession to the Madrid System and on the challenges and opportunities for the export sector.

56. The following several examples explain certain activities undertaken in 2012, most of them funded from FIT/BR 1 and 2. In addition to the fact that FIT/BR 1 and 2 funded those activities, there was a considerable cost saving on the part of WIPO, as many activities were implemented in the field. The non-exhaustive list which follows indicates the magnitude of cost saving by the WBO as a result of representing WIPO HQ in the field.

57. The WBO also visited representatives of the National Congress in order to further promote the relevance of a future accession of the country to the Madrid Protocol. Expense WBO: 2,531 CHF, thus saving about 8,000 CHF for each mission, which would have been carried out by a WIPO official based in Geneva. Several meetings and video conferences among the WBO, WIPO's AMC and INPI took place between April and June, 2012, which discussed matters about the implementation process for the establishment of INPI's Mediation and Arbitration Center. These meetings enabled WIPO to save at least 4 missions of WIPO staff based in Geneva, which corresponds to approximately 32,000 CHF.

58. On May 8, 2012 the WBO, INPI and the Brazilian Cooperation Agency met in Rio de Janeiro to discuss the main terms of the agreement which was submitted later by the Government of Brazil to WIPO. The mentioned cooperation agreement had, as its main objective, the promotion of South-South collaborative activities. This new Funds-in-Trust was signed during the First WIPO Interregional Meeting on South-South Cooperation on IP that took place in Brasilia from August 8 to 10, 2012. This initiative saved one mission of a WIPO Official based in Geneva, amounting to approximately 10,000 CHF.

59. The VI National Meeting of the Forum of Managers of Innovation and Technology (FORTEC), that took place in Belem, Pará, in the Amazon Region, from May 17 to 19, 2012, brought together 233 participants from Technological Innovation Centers (the same as Technology Transfer Offices - NITs) of universities, and research centers as well as representatives of State and Federal Governments, and of enterprises. FIT/BR funded the mission of an international expert from Israel amounting to 4,159 CHF. The WBO funded one staff mission amounting to 1,468 CHF. This activity saved one mission of a WIPO official based in Geneva amounting to approximately 8,000 CHF.

60. On meetings with the Government of the Sultanate of Oman, participants agreed in recommending that the following activities take part in a future South-South Cooperation Project: (1) a study visit of an Omani delegation to Brazil to institutions that integrate the Brazilian innovation system; (2) Training Programs on protection and commercialization of IP; (3) The Organization of a series of Seminars to promote IP and Innovation among policy makers and potential users. WBO financed one Staff mission amounting to 14,376 CHF.

61. From June 4 to 6, 2012, professionals from the ICT area of 15 countries from Latin America and Africa (One participant from the IP Office of the following countries attended the event: Angola, Chile, Cape Verde, Costa Rica, Cuba, Ecuador, El Salvador, Honduras, Dominican Republic, Mexico, Mozambique, Paraguay, and Uruguay) gathered for the first time in Brazil at INPI to discuss solutions and existing systems for IP administration, with a specific focus on the IPAS project. During the meeting, participants discussed the following topics: challenges of IP Office automation, moving from paper-centric work processes to fully-automated processes, data governance, expanding the accessibility of the IP system provision of online services to applicants and the general public and regional collaboration. Two professionals attended from the HQ to advise on possible solutions for the establishment of a

better and adequate IP infrastructure for the LAC Region as well as for lusophone countries. This activity was funded by FIT/BR to the sum of 32,929 CHF

62. A meeting of the Steering Committee of PROSUR (the project of operational cooperation system in IP in South America) was held in Santiago, Chile. Heads of the following IP Offices attended the event financed by FIT/BR and organized by the WBO: Argentina, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Surinam and Uruguay. During the meeting, the Heads of the said IP Offices signed the Agreement which formalized the institutionalization of PROSUR. In addition, during the event in Chile, the Technical and Steering Committees of PROSUR approved the use of the Collaborative Platform of Electronic Examination (e-PEC). E-PEC aims at the reduction of the patent backlog in order to allow better quality and higher degree in efficiency in patent examination. FIT/BR funded the participation of a total of 16 participants in the event held in Santiago, Chile.

63. A Program for South-South cooperation was structured in the context of the Development Agenda. In this connection, Member States approved the organization of the Inter-Regional Meeting to Discuss IP Governance; GRTKF and Copyright and Related Rights, which took place in Brasília, from August 8 to 10, 2012. Representatives from twenty-six developing countries from Latin America, Africa, the Middle East and Asia discussed actions that could foster the use of IP as a tool for economic and social progress. The mentioned meeting focused on: fostering the exchange, among developing countries and least-developed countries (LDCs), of national experiences on issues related to IP Governance; GRTKF; and Copyright and Related Rights. FIT/BR financed four international speakers amounting to 32,148 CHF. WBO financed one staff mission amounting to 1,478 CHF. This initiative saved about 8,000 CHF, corresponding to one mission of a WIPO official based in Geneva.

64. On September 12 and 13, 2012 the International Conference on the Strategic Use of Intellectual Property by the Sports Industry took place in Rio de Janeiro. This major conference discussed the protection of IP with special focus on the use of patents, trademarks and broadcasting as tools for boosting innovation in the national sports industry. The discussion gained more attention as Brazil will host major sports events such as the 2014 FIFA World Cup and the 2016 Olympic Games. Speakers pointed out the opportunities countries may create when they receive sports events and what are the elements that should be considered in order to achieve economic and social gains out of sport activities. More than 200 participants attended the Conference. Other seminars are planned to be organized in cities that will host games of the 2014 FIFA World Cup. Following the Opening Ceremony, a MOU between WIPO and the INPI for the Provision of Alternative Dispute Resolution Services to Parties involved in Cases submitted with INPI-Brazil was signed. In addition, the Director General also signed the Executive Agreement between WIPO and the Government of Brazil for the promotion of South-South Cooperation for a better use of the IP system by developing countries. FIT/BR financed four participants from Argentina, Chile, Colombia and Uruguay and 5 speakers from Australia, United Kingdom, Switzerland, Portugal and Spain, amounting to 45,756 CHF. The WBO financed the conference room, amounting to 12,323 CHF.

65. The horizontal (South-South) cooperation in the training activities organized by the WBO or with the WBO's assistance included officials from several Latin American, African, Middle Eastern and Asian countries.

66. Funds in Trust for the "Dissemination of the Intellectual Property Culture and the Incorporation of the Best Practices" (FIT 1): total project value (approximately 3,231,000 CHF)

- (i) Amounts received by WIPO:
  - On December 20, 2011: 359,493 CHF
  - On November 7, 2012: 370,543 CHF
  - On February 8, 2013: 292,906 CHF

- (ii) FIT 1 expenses in 2012: 287,456 CHF  
FIT 1 expenses until March 2013: 403,204 CHF  
Funds available: 616,394 CHF
- (iii) FIT/BR to Promote South-South Cooperation (FIT 2): total project value  
(approximately 1,050,000 CHF)
- (iv) Amounts received by WIPO:  
On February 19, 2013: 96,110 CHF  
On July 10, 2013: 85,495 CHF  
Funds available in July 2013: 181,605 CHF

67. In Rio de Janeiro, besides the WBO, there are many UN representative offices such as UN-HABITAT, IFC, International Finance Corporation – PANAFTOSA, Pan American Foot-and-Mouth Disease Center, OCHA, UNISDR, UNICEF, UNIC, UNESCO, UNRWA and UNDSS. The WBO cooperates with these agencies in security matters and for the recently re-launched process for the establishment of an UN House in Rio de Janeiro.

68. In summary, WBO's activities in 2012 are described in terms of a total number of participants in over 130 meetings organized, supported and/or attended by the WBO. The events organized by the WBO or with the WBO's assistance, including training activities, gathered an audience of nearly 5,000 participants. Approximately 300,000 CHF were saved in 2012 alone with activities organized by the WBO or with the WBO's assistance, once they counted with the participation of WIPO staff based in Rio de Janeiro, in addition to the amount spent (funded by FIT1 and FIT2) in the implementation of the activities listed above. These savings added to the amount invested by FIT 1 and FIT 2 in 2012 represented an approximate figure of 750,000 CHF.

#### ENHANCEMENT OF EXISTING EOs SINCE THEIR ESTABLISHMENT

69. As apparent in the activities undertaken by the existing EOs, there has been considerable improvement in the services provided by, and enhancement of the role of, the existing EOs. These improvements have resulted from efforts in several different areas.

#### Improvements

70. The first area of focus has been to clarify the role and functions of each EO, bearing in mind WIPO Strategic Goals and results framework of the Program and Budget with respect to EOs in general. This resulted in the following evolving results:

- (i) The WBO and WSO started to play a role with respect to support for Global IP Systems, technical assistance for the implementation of infrastructure projects, capacity building, South-South cooperation and, in the case of the Brazil Office, also the administration of activities under the Brazil FIT;
- (ii) The WJO initially ceased its functions with respect to research in collaboration with the UNU and subsequently started to focus on support for Global IP Systems, capacity building and the administration of activities under Japan FIT.

71. The second area of focus was on the relocation of the existing Offices to locations that are more suitable for the redefined missions of the Offices. This does not affect the WSO, which is situated in an optimal location adjacent to the campus of the NUS. In the case of the WBO,



however, following the overall transfer of the INPI, new premises were rented in an area in which infrastructure needs were fully met. In January 2012, The WJO moved to new premises near the JPO and the center of business activities with respect to intellectual property.

72. The third area of focus has been to define more consistently which areas within the sphere of capacity-building should be devolved to the EOs. This is work-in-progress but some achievements were made as explained below. The final area of focus has been ensuring that the skill profiles of staff in the existing EOs correspond to the role and functions attributed to the respective Offices. This is again a work-in-progress, being undertaken within existing resource constraints and also within the context of the initiative on Organizational Design within the SRP.

73. The fourth area where the Secretariat enhanced the EOs relates to the services provided by the existing EOs and the use thereof to perform services that cannot be provided at HQ. A system was put in place for the Round-the-Clock services or 24-hour servicing of WIPO's switchboard. After 6 pm Geneva time, calls to WIPO's number are automatically referred to the WIPO liaison bureau in New York or the WBO (depending on whether the language of communication is English, Spanish or Portuguese). Following closure of business in the Americas, calls to WIPO's number are automatically referred to the Japan and Singapore Offices (depending on whether the language of communication is Chinese, English or Japanese). Following closure of business in Asia, calls revert to HQ.

74. The Round-the-Clock service was launched in September 2012 and as statistics included in each section describing each EO above, the number of calls have grown steadily since the commencement of the service. Based on statistics in 2012, the HQ received about 8,200 calls per month. It is to be noted that the service was intended to respond to general inquiries from the public and for this purpose particular telephone numbers were indicated in a dedicated web site of "Contact Us". There were other telephone calls made by, say, users of WIPO Global IP systems such as PCT and the Madrid, who usually dial particular direct numbers which connect to officers in charge (in the case of the PCT and the Madrid System infolines (direct service query lines)).

75. The public has become more familiar with the Internet and inquiries are also made by e-mails. The HQ received some 1,100 emails per month to "Contact Us" e-mail addresses. The number of e-mails received by EOs has steadily increased, as indicated in the respective section with regard to activities of the existing EOs.

76. The WJO and WSO created their own web sites partly mirroring WIPO HQ web sites with local content. The WSO web site attracted a growing number of visitors, as a graph in the section on WSO shows. The WJO website is bilingual in English and Japanese, and the Japanese edition shows greater attraction of users in Japan.

Table 3: EOs Web Sites (unique pageviews) in 2012

Page	English	Japanese	TOTALS
WBO	no website	n/a	n/a
WJO	4,510	48,190	52,700
Singapore office	8,032	n/a	8,032
WIPO HQ	All UN languages	n/a	31,430,269

77. The fifth area concerns WIPO's ICT infrastructure for the delivery of services in the Global IP Systems and, increasingly, in other areas such as outreach activities. WIPO has developed its ICT infrastructure and enhanced the network connectivity for the improved delivery of services (such as the ePCT system) and for assistance for developing countries in business modernization (IPAS, or Industrial Property Automation System, and WIPOCOS, or the WIPO-provided IT system for collective administration of creative works).

78. The digital delivery of services and communications with stakeholders give strategic implications to the consideration of EOs. First, ICT and WIPO online tools can enhance services from the HQ to the world but also pose challenges and risk. WIPO ICT systems are not likely to replace the necessity of new EOs but should create synergy and added value that the collaboration between the HQ and EOs could create.

79. As discussed later in more detail, a slow response time (latency) of WIPO web sites such as PATENTSCOPE for users in Asia cannot be resolved by WIPO HQ alone, as servers of PATENTSCOPE are located only in Geneva. EOs can present a possible solution to this problem by providing mirror functions for services previously provided only by servers at WIPO HQ.

80. In response to a shift in WIPO's means for service delivery from conventional communications means such as telephone calls, e-mails and web sites to computer-to-computer data transactions using the state-of-the-art ICT in the Global IP Systems and other areas, needs for enhancing ICT systems at EOs arose with a need to integrate the systems to provide a WIPO global office network. Global connectivity of the HQ and EOs inevitably gives rise to issues with security of ICT systems and designs of networks of EOs with the HQ which are essential for effective communications and coordination for the global delivery of services. The reinforcement of the ICT infrastructure of EOs for global digital delivery of services has made progress, following the best practices in the industry.

81. The objectives of each EO are different but some common objectives exist. The objectives, priorities and expected results of each EO are linked to WIPO Strategic Goals and the relation is described in the proposed Results Framework of the draft Program and Budget 2014/15. The following table shows the link and for further details. For further details, see the Results Framework of Program 20.

Table 4: The links between Objectives of the Existing Offices and WIPO Strategic Goals

Strategic Goals	WSO	WJO	WBO
II Provision of Premier Global IP Services	x	x	x
III Facilitating the Use of IP for Development	x	x	x
IV Coordination and Development of Global IP Infrastructure	x	x	x
VII Addressing IP in Relation to Global Policy Issues	x	x	x
VIII A Responsive Communications Interface between WIPO, its Member States and All Stakeholders	x	x	x

82. It is generally agreed that EOs should not duplicate work performed at HQ, but should perform work that cannot be performed at HQ or that can be performed more efficiently or effectively in the EO than at HQ. As activities are undertaken, and achievements made, by the existing EOs indicate in the respective activity report in the above sections, the added value of the existing EOs can be summarized as follows:

- (i) a strong communications interface with the local stakeholders and the host government cannot be created by occasional missions and visits, EOs contributed to cooperation with Member States to meet demands from users of WIPO services;
- (ii) numerous missions were saved by having EOs participate in meetings in the host country and its neighboring countries which supplemented activities by WIPO HQ;
- (iii) EOs were able to increase the number of activities such as seminars and workshops in the host country in which otherwise delegations from WIPO HQ might have been unable to participate due to the limited human and financial resources, thus strengthening capacity-building and provision of technical assistance;
- (iv) WIPO's geographical coverage became global (a global customer network or the Round-the-Clock service) in providing WIPO's services which WIPO HQ alone cannot achieve; and
- (v) EOs constitute an integral part of a WIPO global office network as a means of providing timely and efficient services to stakeholders over the world.

### Resources and Cost Efficiency

83. One of benefits was the financial or in-kind contribution made by the host country to the existing Offices. The provision of the premises that the existing EOs can use removes WIPO's long-term liability as far as premises are concerned.

Table 5: Contributions by the host government

Contribution	WSO	WJO	WBO
Privileges and immunities extended to the Office	x	x	x
Provision of the premises	x	x	
Joint organization of meetings	x	x	x
FIT		x	x

84. Resources allocated to the existing EOs are indicated in the following table which shows the resource breakdown for the existing EOs budgeted under Program 20 (it shows also resources to New York liaison bureau for comparison):

**Table 6; Approved/Proposed Budgets for External Offices**  
(in thousands of Swiss francs)

	<i>Revised Budget</i>	<i>Approved Budget</i>	<i>Approved Budget</i>	<i>Proposed Budget</i>
	<i>2008/09</i>	<i>2010/11</i>	<i>2012/13</i>	<i>2014/15</i>
<b>New York</b>				
Personnel	1,441	1,284	1,051	895
Non-Personnel	906	884	880	792
<b>Total</b>	<b>2,347</b>	<b>2,168</b>	<b>1,931</b>	<b>1,687</b>
<b>Brazil</b>				
Personnel	n/a	593	1,145	1,742
Non-Personnel	n/a	85	510	519
<b>Total</b>	<b>n/a</b>	<b>678</b>	<b>1,655</b>	<b>2,261</b>
<b>Tokyo</b>				
Personnel	637	334	401	834
Non-Personnel	22	21	200	204
<b>Total</b>	<b>659</b>	<b>355</b>	<b>601</b>	<b>1,038</b>
<b>Singapore</b>				
Personnel	375	1,534	1,848	1,781
Non-Personnel	154	176	548	493
<b>Total</b>	<b>529</b>	<b>1,710</b>	<b>2,396</b>	<b>2,274</b>
<b>Total, Existing Offices</b>	<b>3,535</b>	<b>4,911</b>	<b>6,583</b>	<b>7,260</b>

85. The expenditure of the WSO, WJO and WBO in 2012 were respectively about 215,000 CHF, 92,000 CHF, and 287,000 CHF (all non-personnel costs), and excluding the expenditure of FITs.

86. WIPO's cost efficiencies achieved in 2012/13 have been fully taken into account in the baselines used for the draft Program and Budget 2014/15. The Secretariat's continued efforts to achieve further efficiencies has made it possible to accommodate a number of upward pressures on costs for specific initiatives, including the establishment of the new EOs. Accordingly, no additional funds are foreseen to be used to this purpose beyond what has been clearly set out for consideration and approval of Member States as part of the draft Program and Budget for the next biennium 2014/15.

87. As regards human resources, since 2008, WIPO has kept the total headcount of the Organization unchanged and, within these constraints, WIPO has managed to staff the existing EOs. This means that there has been, so far, no additional long-term liability of human resources for the existing offices. Furthermore, as a recent procurement of administrative service shows, local services are less expensive in Brazil (less than half when compared to Geneva rate), or give higher quality services of bilingual staff (English and Japanese) in Tokyo and trilingual staff (English, Spanish and Portuguese) in Brazil, in comparison with equivalent services available in Geneva at the same rate.

88. The human resources of the WSO are as follows: one D, one P5, one P4 and one short-term employee. IP Office Business Solutions Division (Program 15) employed a fixed-term

expert (non-staff contract) at the WSO in order to assist the delivery of technical assistance to the region. The WIPO AMC also deployed two short-term employees at the AMC Office in Singapore which is located in another building in the city.

89. The human resources of the WJO are as follows: one P5 and one P4 are financed by WIPO budget and two short-term employees are financed by FIT/Japan. One half-time administrative support is provided by man-power company and financed by WIPO budget.

90. The human resources of the WBO are as follows: one D2, one P5, two short-term employees financed by WIPO budget.

## **DEMAND FOR NEW EOs**

### **REQUESTS OR APPLICATIONS**

91. The demand for new EOs has continued to increase during the process of consultations (see below) and, as of July 2013, the Director General has received a number of official requests for the Organization to establish new EOs in their respective territories. As of July 2013, those requests amounted to a total of 23 countries as follows. Some requests were made in writing, while others were made orally by senior level officials of the country.

Algeria, Bangladesh, Cameroon, Chile, China, Egypt, Ethiopia, India, Jordan, Mexico, Morocco, Nigeria, Panama, Peru, Tunisia, Turkey, Senegal, South Africa, Republic of Korea, Romania, Russian Federation, United States of America, and Zimbabwe (in alphabetical order).

### **INFORMAL CONSULTATIONS HELD**

92. The Director General received the above-mentioned official requests more particularly after a decision of the WIPO General Assembly in September 2010 (see Annex XI and Annex XII). The Assembly agreed to the commencement of a process of informal consultations amongst the Member States to develop a policy on the establishment of new EOs.

93. A first open informal consultation was held on December 13, 2010. The invitation was sent to Permanent Representatives of all Permanent Missions in Geneva. A second such consultation was held on June 16, 2011. The invitation was also sent to all Permanent Missions. The Director General presented an informal information note (see Annex XIII) for the first consultation and a second information note (see Annex XIV) for the second informal consultation. Two documents were made available in English, French and Spanish and were posted on a special web site accessible by Permanent Missions.

94. During the two informal consultations, it was generally agreed that:

- (i) EOs should add value and undertake activities that can be performed more efficiently or effectively than at HQ;
- (ii) EOs could have different mixes of functions in response to regional priorities and specificities;
- (iii) A new EO should only be established if it is financially feasible for the Organization to do so; and
- (iv) A phased and prudent approach should be adopted towards the establishment of functions and corresponding resourcing in the EOs.

95. At the PBC, at its 19<sup>th</sup> Session held in September 2012, in response to interventions made by two delegations, the Secretariat outlined issues in relation to the creation of new EOs and recognized a need for extensive consultations. Since then, the Director General has had opportunities to consult with the interested Member States individually or at informal meetings of some Member States.

96. Consultations in the first half of 2013 did not result in concrete proposals from the interested Member States with regard to the policy or criteria of selection of countries in the region where interested countries were located. There was no objection to the principles which were included in the information notes distributed at the two informal consultations in 2010 and 2011. The Director General has indicated on a number of occasions that consultations should be driven by Member States and such consultations should be a continuing process rather than distinct events. While some countries were engaged in the continuing process of consultation, essentially among countries in certain regions, other countries willing to host new EOs wished to accelerate the process and urged the Director General to include a concrete proposal for formal discussions at the Program and Budget Committee. Based on inputs from interested countries and reflection on principles suggested to Member States, the Director General believed that the inclusion of a proposal in the draft Program and Budget should facilitate the consultation process for moving on to a next stage.

97. The Secretariat provided a white paper for discussions at the PBC held in July 2013 to consider the proposal of the five new EOs (see Annex XV). The white paper was intended to facilitate a Member States-driven process. The paper responded to several key questions that had been raised during the preparatory consultations prior to the Committee.

## THE ROLE OF EOs IN WIPO

### Needs and Justification

98. One measure of the need to create new EOs is the request by more than 20 countries to establish EOs in their respective territories. It is a question for the Member States to decide how to respond appropriately to such strong demand from so many countries.

99. The Secretariat sees the following needs with respect to EOs:

- (i) A need to respond to a geographical shift of the locus of technology production and IP activities confirmed by many indicators;
- (ii) A need to respond to the rise of the importance of innovation and creativity and the role to be played by IP in a knowledge-based economy in an increasing number of developing countries and countries in transition where WIPO's presence is non-existent or weak, as compared with the networks of external offices or regional centers of similar UN agencies;
- (iii) A need to reflect the evaluation of the existing EOs into the planning of the Program and Budget cycle and extend EOs to other geographical areas with no WIPO presence, in order to bring WIPO closer to more regions;
- (iv) A need to adjust the current model of service delivery to a modernized and dynamic model corresponding to the present century in creating networks of ICT infrastructure for the operation of WIPO Global IP protection systems; and
- (v) A need to ensure that the dependence of the Organization on ICT systems for the administration of its revenue-generating services is properly insured against risk.

100. The need mentioned above in paragraph 99(v) requires some further explanation. The starting point of the explanation is that 95 per cent of the revenue of the Organization is received from services rendered in the Global IP Systems administered by WIPO, namely, in order of magnitude of income, the PCT, the Madrid System, the Hague System and the WIPO AMC. The dominant (almost exclusive) route for use of these systems and for service delivery under them is ICT, specifically web-based ICT applications.

101. Four challenges or risks arise in relation to these ICT systems:

- (i) security from infiltration, attack and loss of confidential data;
- (ii) the assurance of business continuity or the capacity to continue operations in the event of a disruption, which may be caused by a malicious attack, a system failure on another threat such as a localized or regional pandemic;
- (iii) the assurance of the capacity to recover from a disaster and to ensure that critical systems have not been destroyed or valuable data lost; and
- (iv) the assurance of an even quality of service to users, regardless of their location in the world (service response times differs for several reasons, most notably the routing channels for traffic on the Internet).

Collectively, these four challenges or risks are referred to in the following paragraphs as “redundancy capacity”.

102. The Secretariat, like any other responsible institution or enterprise with essential ICT systems or assets, has, with the aid of external consultants, developed (and continues to develop) a strategy to deal with the foregoing challenges and risks. The strategy constitutes a set of instructions for any badly intentioned person to break into WIPO systems and to damage, disrupt or destroy them. Naturally, therefore, details of the strategy cannot be published in a way that compromises the strategy and the Organization’s ICT systems and assets and, thus, its revenue and its reputation. The normal principle with respect to such matters is restriction of disclosure only to those with a demonstrable need to know. With this in mind, details necessary for the purposes of the consideration by Member States of the question of EOs are set out in the following paragraphs.

103. A broad distinction is made between, on the one hand, non-critical systems and public data and, on the other hand, critical systems and confidential data.

104. An example of a non-critical system is a web-based application for a request for information or a registration in a conference. An example of public data is PATENTSCOPE, which consists of published patent applications.

105. An example of a critical system is the PCT or Madrid electronic dossiers. An example of confidential data is unpublished international patent applications under the PCT.

106. In the case of non-critical systems and public data, the Secretariat is developing redundancy capacity in a variety of ways that include cloud-based services and hosting arrangements in the patent offices of Member States (since no conflict of interest is involved).

107. In the case of critical systems and confidential data, the strategy involves the development of a capacity to continue business operations in the event of a cessation of operations or impossibility to continue operations in Geneva in two EOs, namely, in China and the United States of America. The former will provide the requisite capacity for the Madrid and Hague Systems and the latter will provide the requisite capacity for the PCT. In each case, a processing team capacity will be established in the corresponding EOs.

108. The budget considerations for the establishment of the technical capacities has been included in the Program and Budget (Program 25) dealing with ICT. The budget considerations for the establishment of the processing team capacities are included in Programs 5, 6 and 31 dealing with the PCT System, the Madrid System and the Hague System. As and when the processing team capacities are established, appropriate clarity in the allocation of resources for these purposes within the relevant programs will be provided.

109. The Secretariat is of the view that all the above-mentioned needs can be met through the creation of a limited number of additional EOs in accordance with the strategy outlined below. It is also recalled in this respect that:

- (i) While the existing three EOs contribute to meeting the needs mentioned above, they are not enough to satisfy demands and optimize WIPO program activities if all the needs are to be met;
- (ii) EOs have been created and rationalized over the last three biennia and WIPO has firmly established solid governance and management of EOs with minimal risk in terms of control; and
- (iii) The proposed approach of no additional headcounts and receipt of an expected offer of the premises by the host government in most instances is cost-neutral or low cost and prudent enough to keep the integrity of the Program and Budget and WIPO's long-term liability acceptably low.

## STRATEGY

110. For the sake of clarity, it should be stated that WIPO EOs, whether existing or new, are not intended to be means of delocalization or off-shoring.

111. The demand for the establishment of new EOs is coming from Member States. It is a question of finding an appropriate expression to give to that demand that can meet the approval of all Member States as a shared understanding of the place of EOs. It is suggested, in this regard, that the shared understanding be that the Organization has a **small, limited, strategically positioned and geographically representative network** of EOs that can add value by providing political and logistical support for the delivery of the strategic objectives of the Organization in a way that cannot be achieved through operations at WIPO HQ alone. The next section will elaborate on the meaning of the words used in this strategy by subject.

### Small

112. Both EOs and the network of EOs would remain small in size in terms of human and financial resources (the two redundancy capacities would constitute minor exceptions to this rule, but they would still remain small). As stated above, the network of EOs is not intended to be a means of delocalizing activities, but a means of supplementing HQ's operations through local delivery of program objectives.

### Limited

113. The total number of EOs cannot be determined *a priori*, as the process is driven by Member States. However, it is the view of the Secretariat that the number of additional EOs should be limited to establish a prudent and appropriate balance between the HQ and EOs.



Strategically positioned

114. As mentioned in a section discussing the approval of the previous Program and Budget, WIPO's strategy for EOs, initially focused on the external coordination for better understanding of WIPO and IP issues. WIPO's response to recent changes is reflected in the SRP and one of the core values is service orientation to increase WIPO's responsiveness to global stakeholders and to satisfy WIPO's customers with WIPO Global IP systems and services. This is based on the fact that WIPO derives around 95 per cent of its revenue from fees for services rendered under WIPO's Global IP Systems. As for the existing EOs in 2012, the local support includes the organization of seminars and workshops for training purposes and the provision of local support services for WIPO's Global IP Systems.

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

116. 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 the PCT, around 38.4 per cent of telephone calls for advice on PCT come from the Americas and around 27 per cent of the calls come from Asia. EOs can perform an indispensable service in supporting the Organization's Global IP Systems in the relevant time zones and in the locally applicable language.

117. To explain the strategic impact from on-line delivery of services, it may be useful to use the WIPO web site as an example. WIPO has a number of popular web pages and the total unique pageviews in 2012 amounted to more than 130 million. The number of users of WIPO's on-line services or web information and the distribution are shown below to better understand the strategic implications for WIPO.

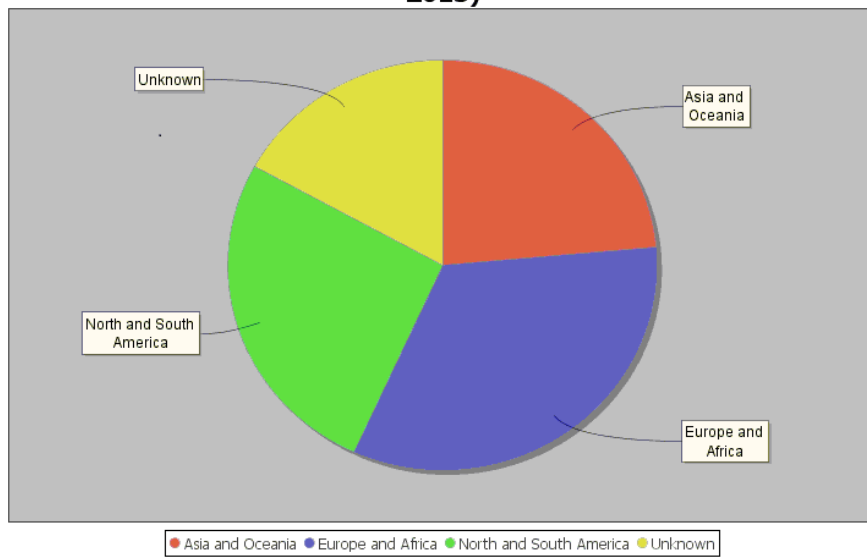
Table 7: Top 10 WIPO web sites pageviews in 2012

PATENTSCOPE	98,728,090
ROMARIN	14,255,516
WIPO Portal	3,937,523
Madrid	4,873,650
WIPO Lex	2,880,905
PCT	2,683,011
AMC	1,939,070
Global Brand Database	1,909,276
Treaties	1,708,202
Patents	1,467,486

118. PATENTSCOPE attracts particular users seeking technological information contained in patents (PCT and national patent collections). The users regularly access PATENTSCOPE web site in Geneva from the areas given below. This shows about half of users come from the opposite side of the globe to Geneva. The speed of access to PATENTSCOPE from those areas is slow compared to the speed available for users from Europe (the latency problem). WIPO also experiences technical issues for PATENTSCOPE occurring during the peak time of usage from Asia or the west coast of America, outside HQ working hours.

Figure 3: Access to PATENTSCOPE by users/visitors

**Distribution of unique visitors per time zone for (APR 2013 to JUL 2013)**



119. Users of other WIPO web sites show a similar geographical distribution as shown below (in the atlas, the thicker the color is, the higher the number of visitors to WIPO web sites).

Figure 4: WIPO Web site visitors

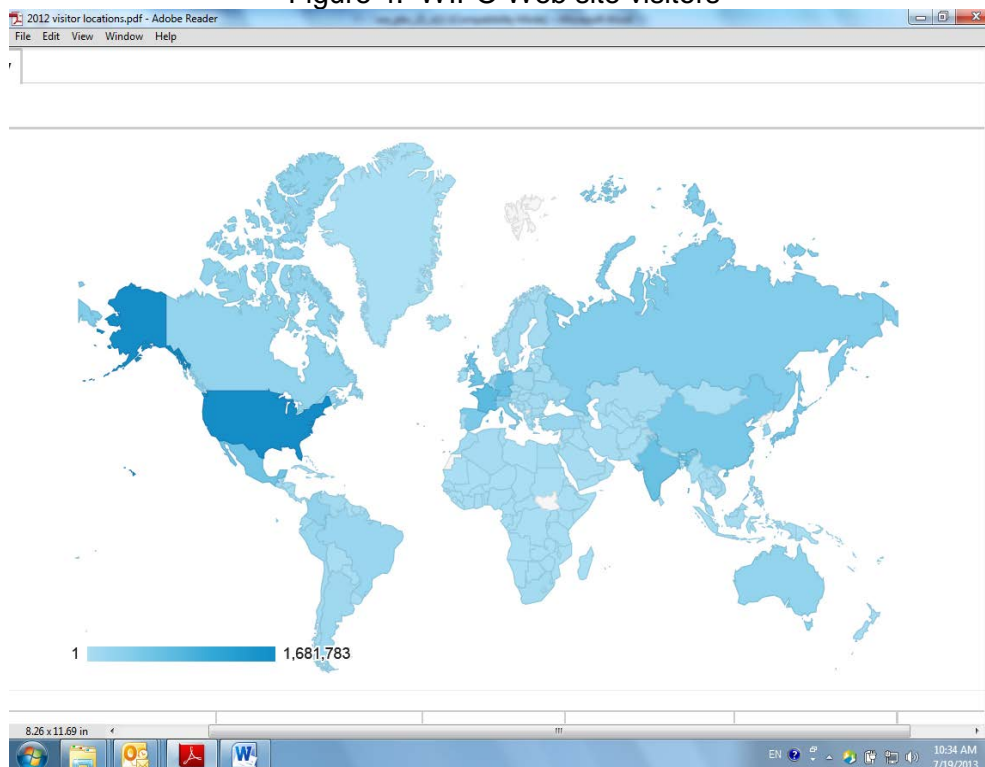


Table 8: Visitors to WIPO web site by country

Country / Territory	Visits	Pages / Visit	Avg. Visit Duration	% New Visits	Bounce Rate
	<b>12,928,166</b> <small>% of Total: 100.00% (12,928,166)</small>	<b>4.37</b> <small>Site Avg: 4.37 (0.00%)</small>	<b>00:04:00</b> <small>Site Avg: 00:04:00 (0.00%)</small>	<b>46.42%</b> <small>Site Avg: 46.38% (0.09%)</small>	<b>47.61%</b> <small>Site Avg: 47.61% (0.00%)</small>
1. United States	1,681,783	3.00	00:02:29	51.31%	55.92%
2. France	786,938	4.19	00:03:32	48.33%	47.49%
3. Germany	676,152	5.78	00:04:06	35.73%	30.85%
4. India	638,657	3.07	00:03:04	53.10%	54.03%
5. United Kingdom	571,785	3.76	00:03:03	41.91%	48.13%
6. Mexico	555,297	2.72	00:02:30	64.78%	64.89%
7. Japan	471,248	3.90	00:03:36	25.53%	44.16%
8. China	469,713	5.70	00:05:12	42.63%	40.23%
9. Spain	442,638	4.54	00:03:21	50.06%	46.62%
10. Russia	387,051	6.61	00:06:18	31.29%	39.62%
11. Switzerland	344,092	5.50	00:04:19	32.16%	30.62%
12. Italy	339,013	6.11	00:04:37	35.78%	28.49%
13. Colombia	259,768	2.36	00:02:16	68.38%	65.35%
14. Australia	232,458	3.42	00:03:05	42.74%	51.22%
15. Canada	229,345	2.87	00:02:22	54.86%	58.49%
16. Netherlands	192,586	4.37	00:04:07	36.90%	41.56%

120. The geographical distribution of users of WIPO web services clearly indicates the need to create a global networked model of ICT infrastructure for effective delivery of WIPO services and information. The Secretariat's internal and external expert studies confirmed an urgent need for adjustment of the current ICT architecture of WIPO to a modernized model pertinent to this century, which should, on the one hand, optimize the cost efficiency and added value in use of digital-networked delivery systems, and, on the other hand, mitigate any risks arising from the vulnerability of the model centered on a single place.

121. PATENTSCOPE and other WIPO websites contain published and non-confidential information. However, certain on-line services WIPO started recently, such as ePCT, contain highly confidential unpublished information of patent applications. It is crucial for the Organization to ensure the security of the Organization's ICT 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 consistent response times to users around the globe. These functions will be greatly enhanced by the strategic establishment of a limited number of mirror sites that can be administered or supervised through EOs.

Geographically representative

122. The locations of EOs need to be geographically representative. This does not mean that EOs should be offices representing the particular region, as explained above.

123. As described in the section on existing EOs, activities undertaken to assist the HQ in strengthening WIPO's program activities for the provision of technical assistance and capacity building in a number of countries that were covered by those EOs proved to be cost effective,

timely delivered, tailor-made to specific local needs, valuable, and supplementary to activities of WIPO HQ.

124. However, the existing EOs coverage is limited and there are many other Member States which could benefit from collaboration between WIPO HQ and EOs by creating new EOs in areas where there is extensive need for technical assistance and capacity building. The proposed Program and Budget addressed these needs by proposing two EOs in Africa where no EO has yet been established. Following a holistic approach to the issue of criteria and strategy for EOs, geographical distribution is particularly important to the delivery of WIPO's services for technical assistance and capacity building.

125. As proposed in the Program and Budget 2014/15 (Program 15, Business Solutions for IP Offices), challenges facing the Secretariat include a shift from an initial deployment by the Secretariat of software packages and ICT systems for IP Office operation towards a more sustainable model in which IP Offices will take over the support and operation and acquire knowledge for further adaptation of the system. The initial intervention by the Secretariat for the deployment of the system requires a number of missions (for instance, more than 100 missions to 54 countries were undertaken in 2012 to deliver technical assistance to deploy and support IPAS and other business solutions applications, at a total cost of 635,000 CHF). In the service provider model, more resources would be devoted to providing software support using the Geneva-based development team, and delivery to IP offices would be handled, to the extent possible, by regionally-based staff. Overall coordination and direction would remain with the headquarters staff in Geneva. There would be a focus on knowledge transfer and promoting autonomy in the operation and support of systems within and between IP offices.

126. As many businesses have discovered, the importance of a local presence cannot be over-estimated. A regional expert, based in an EO (the WSO), is closer to the IP offices that need support, in the same time zone, often speaking the same language and sharing the same culture. These factors have intangible benefits that make the local support much more effective than remote support from Geneva.

127. The Secretariat will continue to intervene on-site whenever necessary, since there are always cases where remote intervention is not effective, especially in the area of knowledge transfer. New EOs are expected to be used as nodal points where technical experts are pooled and stationed for rapid delivery of services and on-site interventions. The presence of locally recruited experts should also contribute to effective transfer of knowledge, and enhancement of mutual support through creation of regional networks.

128. Experience of having technical experts on non-staff contracts has proved to be successful and demonstrated the potential of saving considerable resources. For instance, in 2012, WIPO had six locally recruited experts in the field (Africa, Latin America, Asia) and they supplemented technical assistance delivered by the HQ in a cost effective way. For comparison, a mission of one week by a local expert to a country in the same region typically costs around 2,500 CHF whereas the equivalent mission by Geneva-based staff would cost 7,000 CHF. The figures are similar for Africa, Asia and Latin America, and cost savings are less for the Arab and Eastern European regions. This means that significant cost savings are realized by having experts based in the regions, although the total cost saving depends on the extent to which local experts can substitute Geneva-based staff. In 2012, only one of the local experts was based in an EO (the WSO). The EOs provides office infrastructure such as robust secured network connectivity between WIPO HQ and EOs, administrative support, administrative supervision, and improves communications and coordination with Member States in the respective region through nodal points.

129. Many Member States IPOs have also established capability in IP operation, and partnerships with IPOs in those countries is strategically wise. Geographically representative

presence of new EOs will address the future needs arising from countries which have proactively used IP for development. If IP statistics are not very helpful to measure the future potential, it may be useful to consider a list of countries which have started to develop IP technical infrastructure through the deployment of IPAS. The following list of countries which use IPAS may be a good indicator to discuss where nodal points for technical assistance could be effectively made and what countries could be better partners for the provision of technical assistance.

Table 9: Use of WIPO IP Office software packages; breakdown by country and by region (2012)

	AIPMS	IPAS ID	P	TM	WIPOScan
<b>AFRICA (totals)</b>			<b>8</b>	<b>15</b>	<b>7</b>
ARIPO					1
Botswana			1	1	1
Ethiopia			1	1	
Gambia				1	
Ghana				1	
Kenya			1	1	1
Madagascar			1	1	
Malawi				1	
Mauritius				1	
Mozambique			1	1	
Namibia				1	1
South Africa					1
Uganda				1	
United Republic of Tanzania			1	1	
Zambia			1	1	1
Zanzibar (Tanzania)			1	1	
Zimbabwe				1	1
<b>ARAB (totals)</b>	<b>10</b>		<b>1</b>	<b>3</b>	<b>3</b>
Algeria	1			1	
Bahrain	1				
Egypt	1				1
Jordan	1				
Kuwait	1				
Lebanon	1				
Morocco			1		1
Oman	1				
Qatar	1				
Sudan	1				
Syria	1				
Tunisia				1	
United Arab Emirates				1	1
<b>ASPAC (totals)</b>		<b>3</b>	<b>7</b>	<b>9</b>	<b>2</b>
Bhutan			1	1	

Cambodia				1	
Indonesia		1	1	1	
Lao People's Democratic Republic				1	1
Nepal			1	1	
Pakistan			1	1	
Papua New Guinea		1	1	1	1
Philippines		1	1	1	
Sri Lanka			1	1	
<b>CCEA (totals)</b>		<b>1</b>	<b>4</b>	<b>6</b>	<b>1</b>
Albania			1	1	
Azerbaijan					1
Belarus			1	1	
Kosovo				1	
Macedonia			1	1	
San Marino		1		1	
Serbia			1	1	
<b>LAC (totals)</b>			<b>8</b>	<b>12</b>	<b>3</b>
Argentina					1
Bahamas				1	
Barbados				1	
Belize			1	1	
Brazil				1	
Chile			1	1	
Costa Rica				1	
Cuba			1	1	
Dominican Republic			1	1	1
Jamaica			1	1	
Panama					1
Saint Lucia			1	1	
Trinidad and Tobago			1	1	
Uruguay			1	1	
<b>GRAND TOTALS</b>	<b>10</b>	<b>4</b>	<b>28</b>	<b>45</b>	<b>16</b>

NOTE: AIPMS; Arab IP Management System  
 IPAS ID; IP Office Administration System for Industrial Design  
 IPAS P; IPAS for Patents  
 IPAS TM; IPAS for Trademarks

*Geographic representation of other similar UN specialized agencies and of IP institutions*

130. The geographic representation of the offices of other similar UN specialized agencies reflects the strategic and organizational objectives of each individual agency. For comparison, the main regional, or other, offices of ITU, ILO, WHO and WMO are listed below with brief

statements on the strategic function these offices hold within the structure of each agency. All information is taken from the agencies' websites.

## ILO

131. "ILO action in the field bring (sic) together regular budget and extra-budgetary activities, in full consultation with the tripartite constituents at the regional, sub-regional and country levels, to provide services in the areas of standards and fundamental principles and rights at work, employment, social protection and social dialogue. The network of field offices and technical specialists underpins the ILO's work in promoting the *Decent Work Agenda* as an integral part of national development policies".

- Ethiopia; ILO Regional Office for Africa - Addis Ababa
- Lebanon; ILO Regional Office for Arab States - Beirut
- Peru; ILO Regional Office for Latin America and the Caribbean - Lima
- Thailand; ILO Regional Office for Asia and the Pacific - Bangkok

## ITU

132. "ITU's policy on regional presence is designed to enable the Union to work as closely as possible with its members and to tailor ITU activities to meet the ever-increasing and diverse needs of the world's developing and least developed countries. ITU currently manages a network of thirteen field offices". These are:

- Barbados; Bridgetown ITU Area Office
- Brazil; Brasilia ITU Regional Office
- Cameroon ; Bureau de zone de IUIT Yaoundé
- Chile; Santiago ITU Area Office
- Egypt; Arab Regional Office
- Ethiopia; Regional Office - Addis Ababa
- Honduras; Oficina de Area de Tegucigalpa
- Indonesia; Jakarta ITU Area Office
- Russian Federation; Area Office (CIS) - Moscow
- Senegal; Area Office - Dakar
- Thailand; Regional Office for Asia and the Pacific - Bangkok
- United States of America; Liaison Office to the United Nations - New York
- Zimbabwe; Harare ITU Area Office

133. ITU field offices provide support for all Union activities, helping implement its strategic and policy objectives through direct, sustained contact with national authorities, regional telecommunication organizations and other relevant bodies. They also assist developing and least developed countries to meet their development goals. In addition to providing technical and logistical support to development activities, field offices fulfill the basic functions of the development sector as a specialized and executing agency, resource mobilizer and information center.

134. ITU's regional presence serves also to assist the ITU General Secretariat, the Radiocommunication Bureau and the Telecommunication Standardization Bureau in fulfilling their missions by:

- (i) promoting their work, representing them at regional and national events

- (ii) assisting them in organizing events of a regional character in their respective domain of activities or in joint activities with BDT
- (iii) representing ITU's elected officials at regional events
- (iv) expressing the visions and the needs of the countries in the different domains of activities and proposing actions for responding to their needs.

#### WHO

135. "Each region of the world is served by a Regional Office with a responsibility to support the Member States in the generation and the use of appropriate health information to support decision making, health care delivery and management of health services, at the national and sub-national levels".

- Congo; Regional Office for Africa - Brazzaville
- Denmark; Regional Office for Europe - Copenhagen
- Egypt; Regional Office for the Eastern Mediterranean - Cairo
- India; Regional Office for South-East Asia - New Dehli
- Philippines; Regional Office for the Western Pacific - Manila
- United States of America; Regional Office for the Americas - Washington
  
- Belgium; WHO Office at the European Union – Brussels
- France; International Agency for Research on Cancer (IARC) – Lyon
- Japan; WHO Centre for Health Development – Kobe
- Tunisia; WHO Mediterranean Centre for Health Risk Reduction - Tunis
- United States of America; WHO Office at the United Nations – New York, and WHO Office at the World Bank and the International Monetary Fund (Washington)

#### WMO

136. "The overall objective of the Regional Programme (RP) is to ensure the efficient and effective functioning of the six Regional Associations of the Organization in coordinating meteorological, hydrological, climatological and related activities of their Members. The RP provides a framework for regional cooperation in the implementation of the WMO strategies, policies and programmes taking into account regional requirements, capacities and priorities".

"The Mission of the Regional Offices:

- (i) Assist Members in their respective Regions to develop their national Meteorological or Hydrometeorological and Hydrological Services (NMHSs) to enable them to play their full role in the economic and social development of their countries as well as in any high priority areas of the Organization;
- (ii) Contribute to the development and implementation of the WMO Regional Programme and to assist the relevant Departments of the WMO Secretariat in discharging their responsibilities related to regional activities;
- (iii) Promote and advise Members on any new high-priority activities of the Organization such as those emanating from the follow-up to UNCED and other relevant global and regional Conferences;
- (iv) Liaise with bodies and agencies of the UN system located within the respective Regions and with regional inter-governmental bodies."

137. The existing offices are:

- Bahrain; WMO Office for West Asia - Manama
- Costa Rica; WMO Office for North America, Central America & the Caribbean - San Jose



- Kenya; WMO Office for Eastern and Southern Africa - Nairobi
- Nigeria; WMO Office for North, Central and West Africa - Abuja
- Paraguay; Regional Office for the Americas (RAM) - Asuncion
- Paraguay; WMO Office for South America – Asuncion
- Samoa; WMO Office for South-West Pacific - Apia
- Switzerland; Regional Office for Africa (RAF) – WMO, Geneva
- Switzerland; Regional Office for Asia and the South-West Pacific (RAP) – WMO, Geneva
- Switzerland; Regional Office for Europe (ROE) – WMO, Geneva

### *IP Institutions*

138. IP Institutions such as national IP Offices and regional IP Organizations have geographic representation in certain regions in order to execute projects in collaboration with the host country, advocate best IP rights management practices in the region and reach out to and foster relations with users of IP registration services rendered by the IP institutions. For instance, the Trade Marks and Designs Registration Office of the European Union (OHIM) has a representation in China, Mexico and Thailand. The United States Patent and Trademark Office instituted its Overseas Intellectual Property Rights Attaché program and it has a geographic representation in Brazil, China, Egypt, India, Mexico, Russian Federation, Switzerland and Thailand. Similarly, the United Kingdom IP Office has a representation in the ASEAN region, Brazil, China and India. In the region of ASEAN, there are several IP Attachés established by IP institutions (see paragraph 31 above). These Institutions apparently believe that it is beneficial to an IP Institution to establish and maintain representation in these regions.

### *Other Geographically Representative Factors*

139. To show the remoteness of locations from Geneva, the following table may be useful. According to the current policy of WIPO, flights shorter than 9 hours are in economy class, and this is reflected in the following travel cost estimate.

Table 10: Distance and travel cost to various locations

	Countries	Travel time in hours	Travel cost in CHF
Africa	Algeria	2.00	745
	Cameroon	9.50	4,090
	Egypt	4.00	633
	Ethiopia	9.40	3,106
	Morocco	2.55	533
	Nigeria	8.50	1,133
	Senegal	7.35	1,320
	South Africa	12.15	4,221
	Tunisia	1.55	480
	Zimbabwe	13.05	3,955
Asia and the Pacific	Bangladesh	13.15	3,498
	China	10.30	3,479
	India	9.20	3,047
	Jordan	5.50	940
	Republic of Korea	12.00	3,431
	Turkey	3.00	739
Countries in transition	Romania	4.00	674
	Russia Federation	3.30	576
Latin America and the Caribbean	Chile	19.05	5,016
	Mexico	13.55	3,940
	Panama	14.45	4,252
	Peru	15.40	3,998
America	USA (West coast)	14.35	5,185

140. In order for EOs to function as a nodal point to provide services to the host country and the zone of influence, it is necessary for an EO to be located in the country which has a good hub airport with effective travel connectivity.

141. In conclusion of this section, if a proposal of WIPO's global, small, strategically positioned and geographically representative network of EOs is supported by Member States, this will facilitate further consideration of the criteria of EOs. Before discussing the criteria, it may be useful to make it clear that WIPO's strategic objectives would continue to apply to new external offices within the results framework and the governance of the Program and Budget.

## MONITORING OF STRATEGIC OBJECTIVES

142. The Existing EOs are an integral part of WIPO's results-based management framework. Like any other organizational unit at WIPO, the work of the existing EOs is governed by a comprehensive results framework comprising of expected results, indicators, baselines and targets (see pages 144-146 in the draft Program and Budget 2014/15 (English version) ). The strategic goals and expected results to which a particular external office contributes will depend on its defined functions.

143. The biennial results frameworks form the basis for annual workplans for each existing EO which are reviewed for organizational consistency and coherence and approved by the Director General.

144. The results frameworks also form the basis for monitoring and assessing organizational performance, both internally on a continuous basis within the Secretariat and through the performance dialogue with Member States on the annual and biennial Program Performance Reports. Satisfactory or unsatisfactory performance by EOs based on the performance criteria supports decision-making regarding renewal of the mandate of the EOs, eventual corrective measures and, in the extreme case, closure.

145. The performance of new EOs would be subject to the development of similar comprehensive results framework to those for existing EOs in the draft proposed Program and Budget for the biennium 2014/15. Such frameworks will be developed as soon as new EOs are approved by the WIPO Assemblies and will be reported on in subsequent PPRs.

## CRITERIA

146. Analysis of needs, strategic objectives and the requirements for implementing a proposed strategy leads to elements which may be considered as indicators of criteria for selecting new EOs. Some data are given below, bearing in mind a proposed strategy, that is, to use EOs to contribute to the achievement of strategic goals through a global, small, limited, strategically-positioned, geographically representative network of EOs with a view to add value by providing political and logistical support for the delivery of the strategic objectives of the Organization in a way that cannot be achieved through operations at HQ alone.

147. Apart from general information about the host country, such as the size of the country and population, other UN agencies (generally humanitarian aid agencies) appear to have considered such elements as financial structure (measured by salary levels), infrastructure (ICT connectivity), people's skills and ability (human development index) and environment (political stability, flight availability, etc.). In addition to these generic UN factors, it is useful to examine other factors particularly relevant to WIPO's mission. Recalling that WIPO encourages and

promotes innovation and creativity through the IP system, the host country is expected to share the common goal. In this regard, the degree of innovation and creativity recently measured by the Global Innovation Index 2013 may be a good reference.

148. In the case where Strategic Goal II, Provision of Premier Global IP Services is relevant to the host country concerned, the intensity of IP activities and the concentration of users of WIPO Global IP Services are relevant elements and the most authoritative and representative indicator may be the number of PCT applications.

149. In the case where Strategic Goal III, Facilitating the Use of IP for Development is relevant to the host country concerned, certain elements concerning the delivery of technical assistance and capacity building are important to consider. In this regard, the minimum technical infrastructure (such as Internet connectivity and stable supply of electricity) for this assistance, as measured by the Infrastructure index included in the Global Innovation Index could be useful. A list of IPAS system users indicated above may be also relevant.

150. WIPO will continue to work with other UN specialized agencies, as described in the proposed Program and the Budget (see Program 20). The presence of other UN organizations, in particular, those with which WIPO has strengthened collaboration, may facilitate the continued partnerships also through EOs. In this regard, the location of other UN agencies such as ITU and WHO, as listed in the previous section could be relevant. Based on the recent experience gained by the existing EOs, however, collaboration with other UN EOs in the field did not yield noteworthy results, mainly because the expertise required for technical assistance and capacity building in the field of IP could not be found except in WIPO itself.

151. To summarize, the following indicators may be useful to discuss criteria:

- (i) Global Innovation Index;
- (ii) PCT applications;
- (iii) Infrastructure index;
- (iv) Travel connectivity (represented by ranking of hub airports);
- (v) Institutional Considerations.

152. Without prejudice to the adoption of these indicators as criteria, the following table shows value of the indicators of each location by world rank.

Table 11: Locations and their positions in the respective world ranking

Countries		A	B	C	D	E	F	G	H	I
Africa	Algeria	10	34	138	140	90	129	-	93	93
	Cameroon	51	54	125	110	91	102	-	150	126
	Egypt	29	16	108	114	51	125	-	112	66
	Ethiopia	28	13	129	117	-	137	-	173	113
	Morocco	54	39	92	107	52	95	-	130	87
	Nigeria	30	7	120	74	73	139	-	153	133
	Senegal	85	70	96	62	109	86	-	154	104
	South Africa	24	25	58	68	27	68	74	121	83
	Tunisia	91	79	70	33	84	81	-	94	68
	Zimbabwe	60	71	132	93	95	120	-	172	132
Asia and the Pacific	Bangladesh	94	8	130	131	-	134	-	146	109
	China	2	1	35	96	4	106	2	101	44
	India	7	2	66	65	19	123	34	136	89
	Jordan	110	105	61	59	101	91	-	100	90
	Rep. Korea	105	26	18	54	5	56	33	12	4
	Turkey	36	18	68	69	25	117	30	90	73
Countries in transition	Romania	80	55	48	80	59	63	-	56	35
	Russian Fed.	1	9	62	101	21	113	54	55	49
Latin America and the Caribbean	Chile	37	59	46	96	39	41	-	40	40
	Mexico	14	11	63	48	33	105	53	61	57
	Panama	116	129	86	45	64	76	-	59	62
	Peru	19	40	69	41	73	104	-	77	64
America	USA	3	3	5	19	1	44	22	3	17
Existing EOs	Brazil	5	5	64	72	24	71	96	85	51
	Japan	61	10	22	63	2	21	5	10	9
	Singapore	184	115	8	40	22	10	18	18	6
HQ	Switzerland	131	95	1	2	8	6	-	9	8

- A: World rank by surface area (World Bank data)
- B: World rank by population (World Bank data)
- C: World rank by Innovation Index (The Global Innovation Index 2013)
- D: World rank by creative outputs (The Global Innovation Index 2013)
- E: World rank by PCT applications in 2012 (WIPO Country Database, WIPO)
- F: Political Stability Indicator (The Global Innovation Index 2013)
- G: World rank of airports by Airports Council International (the airport located in the capital)
- H: Human Development Index (UNDP 2013)
- I: Infrastructure Index (The Global Innovation Index 2013)

## ANALYSIS OF THE FIVE PROPOSED EOS

153. The five proposed EOs will have general strategic objectives and specific priorities to respond to local needs. General objectives are to contribute to all strategic goals of the Organization. Without prejudice to the outcome of the consultation, strategic objectives of the five proposed offices may correspond to the following WIPO strategic goals.

Table 12: The links between Objectives of the Proposed EOs and WIPO Strategic Goals

Strategic Goals	Africa	China	Russian Federation	USA
II Provision of Premier Global IP Services		x	x	x
III Facilitating the Use of IP for Development	x	x	x	
IV Coordination and Development of Global IP Infrastructure	x	x	x	x
VII Addressing IP in Relation to Global Policy Issues	x	x	x	x
VIII A Responsive Communications Interface between WIPO, its Member States and All Stakeholders	x	x	x	x

154. As summarized in paragraph 82, the existing EOs have added value and not duplicated work performed at HQ in five areas. It is expected that the proposed EOs will achieve similar results by caring out the following five functions and depending on the local priorities and objectives of each EO, some or all of the five functions are carried out. For instance, apart from the third function which is a new proposition, the existing offices perform all the other four functions. As regards the third function (the administration of mirror sites for the Organization's ICT systems and the delivery of services in case of disruption of services at WIPO HQ in Geneva), it is expected that two EOs should be able to function as back-ups and additional capabilities of redundancy which should constitute a dynamic and resilient network of institutions in the world. In summary, five functions indicated below are cumulative and supplementary to the functions of WIPO HQ.

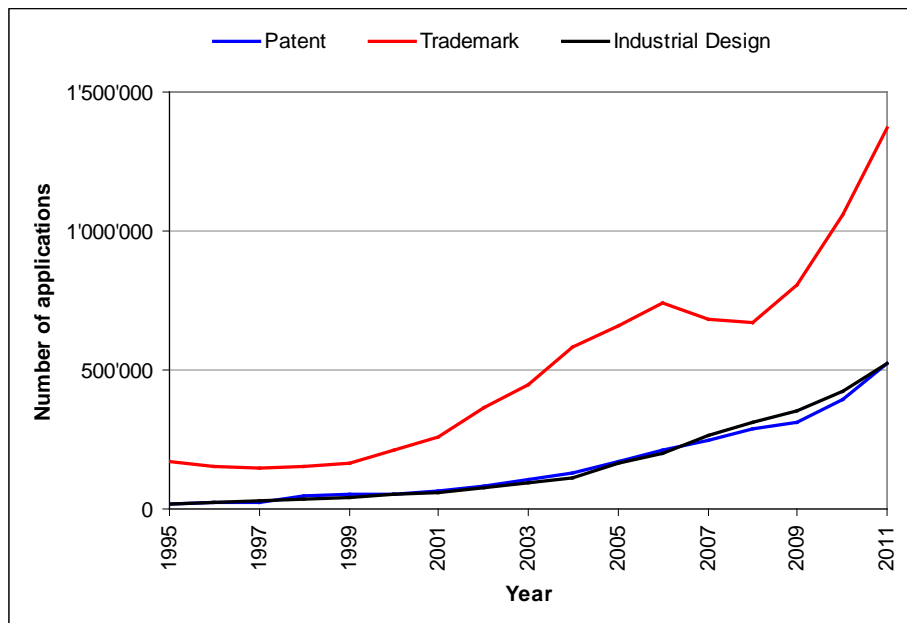
- (i) local support services for WIPO'S Global IP Systems;
- (ii) to provide support for WIPO's general customer response network;
- (iii) the administration of the requisite redundancy capacity and/or mirror sites for the Organization's ICT systems, platforms and databases of the purposes of ICT security, business continuity, disaster recovery and load-sharing;
- (iv) the provision of technical support in relation to the various technical assistance programs administered in the Global Infrastructure Sector of the Organization; and
- (v) general capacity building and other development cooperation activities.

### China

155. 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.

156. 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 5: Patent, Trademark and Industrial Design Applications in China



157. 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 per cent 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 per cent 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.

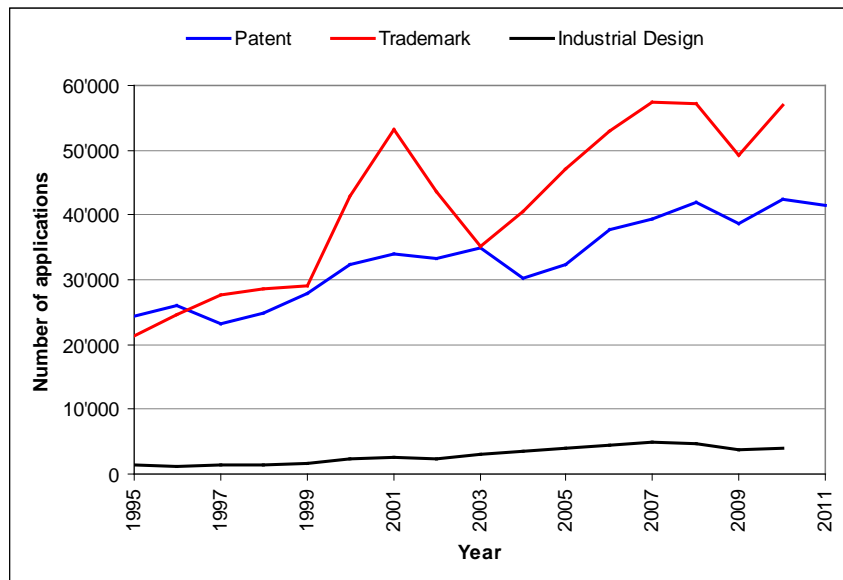
158. The existing use by China of WIPO's Global IP Systems is one of the most active in the world. When the level of domestic applications is considered, the potential for further growth in use of WIPO's Systems is enormous. To achieve this, however, intense engagement with the enterprise sector in China,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

159. 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.

160. 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 6: Patent, Trademark and Industrial Design Applications in the Russian Federation



161. 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 per cent (having increased by 35.6 per cent 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.

162. An EO 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

163. 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 per cent of all applications. It is the second largest filer of Madrid applications, filing 12.3 per cent 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 concentration of creative industries in the world. It is, in short, the largest producer of innovation and creative outputs in the world.

164. 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 per cent 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 per cent of all patents granted to US residents in 2010. California is also the home of Hollywood, the highest value film industry in the world.

165. 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

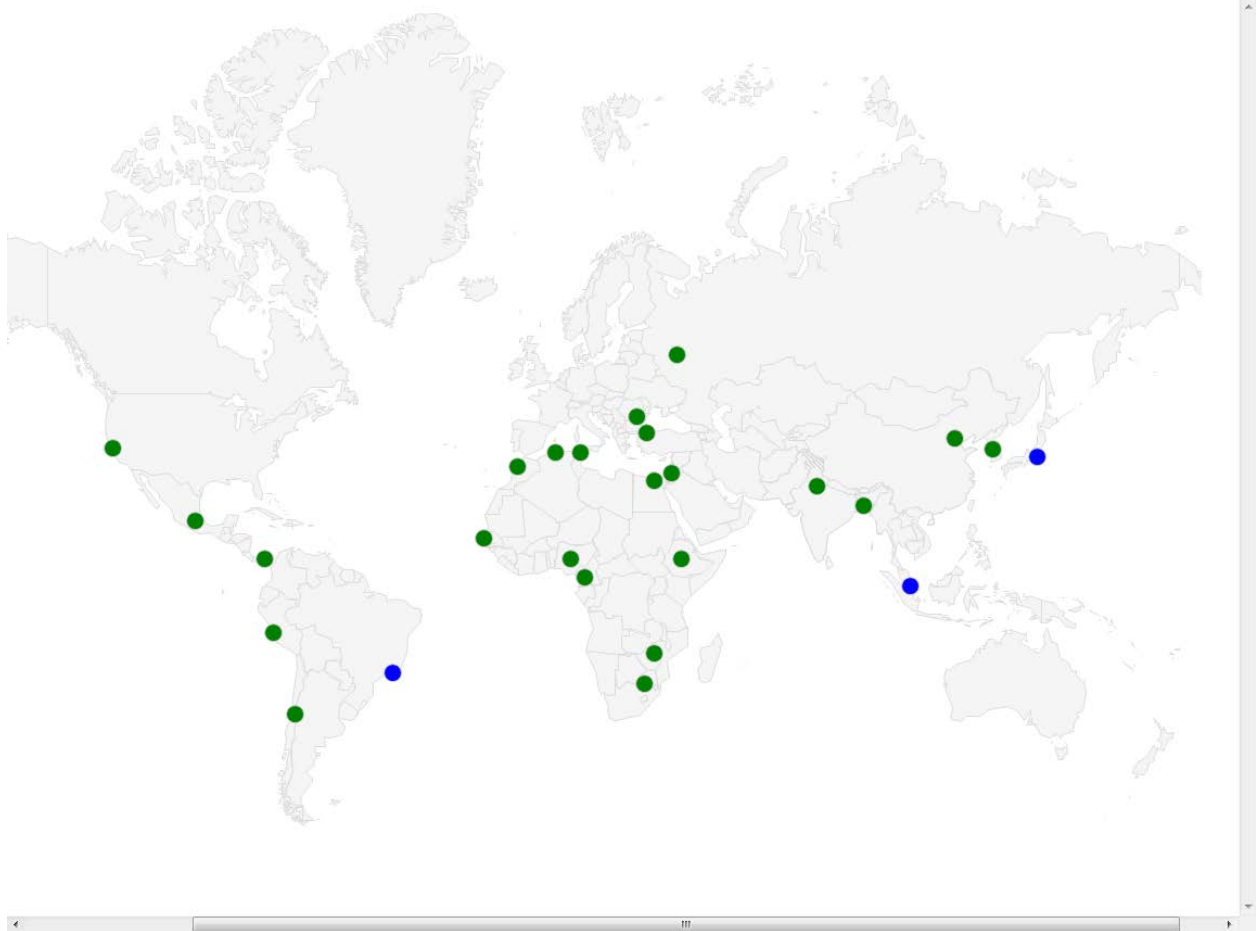
166. Africa comprises 54 countries and a vast territorial area and is not represented in the existing EOs. The interest in both WIPO and IP has been growing steadily in the region, particularly now that growth rates have stabilized and that Africa is, overall, the fastest growing region of the world 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.

167. The proposed EOs in Africa would focus essentially on capacity building, as described in the outline of the functions of EOs 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.

### *Map of External Offices (Existing, Proposed and Requested)*

168. The following map illustrates locations of the existing EOs and all locations of capitals or cities from countries which have filed requests before July 2013 with the Director General to host new EOs.

Figure 7: Locations of external offices (including those requested by certain Member States)





## COST, FINANCIAL DETAILS AND THE PROPOSED BUDGET

169. The resources proposed for new EOs allocation is based on a standard model of a new EO, which is similar to existing offices, in which the following staff will gradually be deployed:

- (i) One Director of the Office;
- (ii) One or two Professional grade staff for the management and implementation of program activities;
- (iii) One general-service staff (most likely recruited locally as a short-term employee at an initial stage).

170. The cost estimate of each EO for human resources also depends on the local job markets. To give an idea of the estimated cost in countries which requested WIPO EOs, without prejudice to the selection of new EOs, the following table shows the post adjustment of professional staff in locations of the current 23 applications, alongside with existing EOs and WIPO HQ for comparison. It is to be noted that the lower post adjustment in some of the duty stations listed may in part or in total be offset by higher costs of assignment grant and other benefits related to field duty stations. The amounts depend also the mobility status of the job holder and on the hardship classification of the duty station.

Table 13: Post Adjustment index in different locations

Countries		Post adjustment index (ICSC data as of July 15, 2013)
Africa	Algeria	143.2
	Cameroon	150.6
	Egypt	134.3
	Ethiopia	141.9
	Morocco	136.3
	Nigeria	174.1
	Senegal	156.4
	South Africa	128.4
	Tunisia	125.1
	Zimbabwe	151.5
Asia and the Pacific	Bangladesh	143.9
	China	170.1
	India	136.1
	Jordan	147.4
	Republic of Korea	166.7
	Turkey	144.6
Countries in transition	Romania	122.8
	Russian Federation	180.4
Latin America and the Caribbean	Chile	138.7
	Mexico	151.6
	Panama	136.7
	Peru	147.9
America	USA	159.1
Existing EOs	Brazil	171.6
	Japan	198.3
	Singapore	193.2
HQ	Switzerland	195.9

171. Lastly, it is expected that the premises will usually be provided by the host government. Any additional contribution and in-kind support such as personnel resources will also have to be factored in.

172. The draft Program and Budget has been prepared on the assumption that the five proposed EOs will gradually be staffed by using existing posts without increasing the headcount of the Organization. WIPO's HR Strategy does not make specific reference to EOs but states in a general way that new activities have to be funded by redeployment of existing resources. The phased implementation of the EOs has been factored in the estimate of personnel resources required for external EOs. The Secretariat introduced in the revised SRR the category of National Professional Officers (NPO) who are recruited locally at a duty station outside of Geneva. Salary scales for the NPO category are established on a local basis by comparison with best prevailing conditions of service in the duty station. NPOs are also entitled to the same allowances and benefits as General Service staff except for overtime compensation. It is also to be noted that the post adjustment applies only to internationally-recruited staff and that NPOs do not get post adjustment. The availability of local corporations providing administrative support will be considered.

173. Taking all the above factors into consideration, the estimated costs in the biennium 2014/15 for the existing EOs and the five proposed EOs are included in the table below.

Table 14: Estimated Resources of the five proposed EOs in 2014/15  
(in thousands of Swiss francs)

	2014/15 Proposed Budget			2014/15 Budgeted Staff Resources
	Personnel	Non-personnel	Total	
<b>Existing External Offices:</b>				
(New York Liaison bureau)	895	792	<b>1'687</b>	1D, 1 GS
Brazil office	1'742	519	<b>2'261</b>	1D, 2P, 1 temp
Japan office	834	204	<b>1'038</b>	2P
Singapore office	1'781	493	<b>2'274</b>	1D, 2P, 1 temp
<b>Proposed External Offices:*</b>				
US office	485	} 1'500	} <b>3'925</b>	1P
Africa office 1	485			1P
Africa office 2	485			1P
China office	485			1P
Russian Federation office	485			1P

\* Personnel resources for the proposed EOs will be redeployed using existing resources (no new posts). In the biennium 2014/15 one P staff is planned. The cost is an average and based on the standard cost of a P5. The longer term staffing of the proposed external offices is referred to in paragraph 169.

174. As part of WIPO's business continuity and disaster recovery plan which will involve certain EOs, resources requirements for the two mirror sites to create the desired redundancy capability will be met by other relevant Programs in order to gradually develop processing team capacities, one for the PCT, and the other for the Madrid/Hague operation.

#### LEGAL ISSUES AND PROCEDURES FOR CREATING NEW EOs

175. The decision to establish a new EO is taken by the Assemblies in the adoption of the Program and Budget and upon the advice and recommendation of the PBC. A separate question from the decision to establish an EO is the terms and conditions under which the EO 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 EO, but constitutes the agreement of the terms and conditions under which an EO will operate. As described above, the existing EOs were included in the Program and Budget for approval by the Assemblies meetings.

176. As regards a question raised by some delegations at the July session of the PBC in connection with the procedures and legal questions on agreements with Russian Federation and China, the Legal Counsel clarified this matter. The Secretariat signed the agreements and included express provisions in both agreements that they were subject to confirmation by the Coordination Committee. This has been the practice each time an agreement is submitted to the Coordination Committee for its approval. If the Member States so wish, the practice can be changed such that, in future, agreements will only be signed after they have been approved by the Coordination Committee. They do contain the necessary provision: Article 8(3) of the agreement with the People's Republic of China, and Article 7(3) of the agreement with the Russian Federation both state that they "shall enter into force on the date of the last notification where either Party notifies the other in writing of the completion of the respective internal procedures required for the entry into force" of the agreements. Only the Coordination Committee gives its approval under WIPO's internal procedures.

## **BEYOND THE PROPOSED FIVE**

177. It is considered that the establishment of EOs is a process, rather than a single event. Five new offices within a Biennium represent what is considered to be optimal in order to ensure a smooth deployment of a geographically representative and strategically important sample. However, there are strong demands for additional offices. The Group of Latin America and the Caribbean (GRULAC) has called for the establishment of a second office in the region, notably one that might be located in a Spanish-speaking country. The countries of GRULAC consider that the proposal in the draft Program and Budget should be expanded to six EOs, including a second office in Latin America as the sixth. India, the second most populous country in the world and the tenth largest economy in the world, has also requested to host an EO. It is understood that the patience being demonstrated by India for the coming Biennium, does not lessen the strength of its conviction that an EO should be established in India. The list could be further extended. These other demands will need to be discussed and decided upon.

178. As agreed at the PBC in July 2013, further informal consultations are planned on the basis of this document, and a member-driven process will determine what process should be established to decide whether and what additional EOs should be created in the next biennium and beyond.

## LIST OF DOCUMENTS IN ANNEX

179. At the request of several delegations, this document reproduces the previously published relevant documents as annexes, as follows:

Annex I	Paragraph 144 of document WO/PBC/4/2
Annex II	Annex IV of document WO/CC/52/1
Annex III	Paragraphs 67 and 142 of document A/40/7
Annex IV	Annex I of document WO/CC/53/2
Annex V	Paragraphs 38 and 141 of document A/41/17
Annex VI	Document WO/PBC/12/3 (Program 02 External Coordination)
Annex VII	Paragraph 39 of document A/46/12
Annex VIII	Document WO/CC/62/3
Annex IX	Document WO/CC/62/4
Annex X	Page 122 of document WO/PBC/13/4
Annex XI	Document A/48/12 Rev.
Annex XII	Paragraph 262 of document A/48/26
Annex XIII	Information note distributed at the first informal consultation in 2010
Annex XIV	Information note distributed at the second informal consultation in 2011
Annex XV	White Paper distributed at the Program and Budget Committee in July

[Annexes follow]

## ANNEXES

### ANNEX I                      PARAGRAPH 144 OF DOCUMENT WO/PBC/4/2

144. During the biennium, WIPO's Coordination Office in New York further strengthened its contact and network with the international intellectual property community, including industry leaders, governments from developing countries that do not have representations in Geneva, and the United Nations. This Office will continue to network with the United Nations, especially in matters having an impact on WIPO, and expand its outreach efforts in the business and media sectors as well as with organizations and interest groups representing civil society. Furthermore, the Organization will expand and optimize its links with intergovernmental, governmental, business, professional and civil society circles through the establishment of offices in Brussels and Washington, D.C. These offices will also be key in establishing good working relations with the economic and mass media.

[Annex II follows]

ANNEX II      ANNEX IV OF DOCUMENT WO/CC/52/1

AGREEMENT BETWEEN  
THE GOVERNMENT OF THE KINGDOM OF BELGIUM  
AND  
THE WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)

The Kingdom of Belgium, hereinafter referred to as “Belgium”,

The World Intellectual Property Organization, hereinafter referred to as “WIPO”,

Considering that WIPO desires to establish a Coordination Office in Brussels (hereinafter referred to as “the Office”),

Considering the Convention on the privileges and immunities of the Specialized Agencies of 21 November 1947 (hereinafter referred to as the “Convention”),

Considering that it is important to provide for specific provisions relating to the privileges and immunities granted to the Office on the Belgian territory,

Desirous to conclude to this end an Additional Agreement to the Convention,

Have agreed as follows:

ARTICLE 1

1. The Director of the Office shall be granted the privileges accorded to the members of the diplomatic personnel of diplomatic missions. His/her spouse and minor dependent children living under the same roof shall enjoy the advantages given to the spouse and minor dependent children of personnel of diplomatic missions.
2. Without prejudice to Article VI, Section 19 of the Convention, the provisions of the first paragraph shall not be applicable to Belgian nationals.

ARTICLE 2

1. All WIPO staff members shall enjoy exemption from all taxes on salaries, emoluments and allowances paid to them by WIPO.
2. The provisions of §1 of the present article shall not apply to persons who do not occupy a permanent job of WIPO considering the mission and the statutory regulations of this Organization.

3. The tax exemptions referred to in §1 of the present article shall not apply to pensions and annuities paid by WIPO in Belgium to its former staff members or to their beneficiaries.

#### ARTICLE 3

1. Without prejudice to the obligations arising for Belgium from the treaties concerning the European Union and to the application of laws and regulations, the WIPO staff members shall enjoy the right, during a period of twelve months following their first taking up their duties in Belgium, to import or purchase, in exemption of value added tax (VAT), furniture and a car for their personal use.
2. The Minister of Finance of the Government of Belgium shall determine the limits and conditions under which this article applies.
3. Belgium shall not be bound to grant its own nationals or permanent residents the advantages referred to in §1 of the present article.

#### ARTICLE 4

The Office and its staff shall comply with the Belgian laws and regulations, in particular with those on civil liability insurance concerning the use of motor vehicles. The Office shall maintain an appropriate civil liability insurance coverage for vehicles used in Belgium.

#### ARTICLE 5

Within the framework of the applicable Belgian and international legislation, the Belgian Government shall facilitate the entry into, presence on, and departure from Belgian territory of persons invited by the Office for official purposes.

#### ARTICLE 6

1. Belgium and WIPO affirm their common intention to guarantee all persons insured by them a high level of social protection.
2. Staff members WIPO who are not exercising in Belgium any other gainful activity except that required by their functions, choose to be covered either by the social security schemes applicable to WIPO Headquarters staff members under the rules provided for by those schemes, or by the Belgian social security scheme for salaried workers.
3. WIPO will guarantee its staff members working in Belgium, who are covered by the WIPO social security schemes, advantages equivalent to those granted by the Belgian social security system, respecting the guarantees recognized in Belgium concerning the free choice of a medical practitioner, the therapeutic freedom of the providers of medical care and the protection of medical secrecy.

4. Persons engaged by the Office, who do not occupy a permanent job of WIPO considering the mission and the statutory regulations of this Organization, shall be covered by the Belgian social security system.
5. Belgium may obtain from the Office the repayment of costs incurred for any aid having a social character it may have to provide to WIPO staff members who are covered by the WIPO social security schemes.

#### ARTICLE 7

Each Party shall notify the other Party that the procedures required for the entry into force of this Agreement have been completed.

IN WITNESS WHEREOF, the plenipotentiaries of the parties have signed this Agreement.

Done in Brussels, on [date], in three originals, in the French, Dutch and English languages. In the event of inconsistency, the French text shall prevail.

For the  
Kingdom of Belgium

For the World Intellectual  
Property Organization

[Annex III follows]



ANNEX III PARAGRAPHS 67 AND 142 OF DOCUMENT A/40/7

67. The Delegation of Singapore congratulated the Chairman and commended the Director General on his opening statement and his strong leadership of WIPO. The Delegation expressed satisfaction with the program implementation overview, and thanked the secretariat for its work. Tribute was paid to Dr. Arpad Bogsch, a friend of Singapore who would be greatly missed. In the previous year, WIPO and Singapore had cooperated successfully in developing an IP culture and in raising IP awareness in Singapore. Singapore remained committed to developing a robust IP rights framework, and to using IP as a tool to give it strategic advantage in its economic development. Amendments to IP laws had recently been made in the interests of modernization and to adapt them to new technological trends and the needs of businesses operating both in Singapore and the Asia-Pacific region generally. The Delegation was pleased that WIPO had played an active role in the Asia-Pacific region. As the region further embraced an IP culture and deepened its use of IP as a powerful tool for economic development, WIPO's work there would intensify. In order to strengthen WIPO's work in this context, the Singapore Government wished to present a formal offer to host a WIPO Office. It was envisaged that the Office would serve the needs of WIPO's Asia-Pacific constituents, and enable WIPO to build on its work and accelerate the development of an IP culture in the region. Singapore would be honored to host this Office. The Singapore Government would provide newly-built office space on a long-term, rent-free basis, and would also assume the outfitting and maintenance costs. The proposed Office would thus not have any extra financial implications on WIPO's budget, and would represent a win-win arrangement for both WIPO and the Asia-Pacific region.

142. The Director General thanked the distinguished delegates for supporting both the work completed in the previous biennium, and the work program foreseen for the future. The appreciation expressed for the work of the Secretariat would be transmitted to the staff. The Director General had been encouraged to hear that delegations were mindful that for WIPO to fully carry out its work program resources were needed, and that they were ready to work together to find an adequate solution in view of the current financial situation. The Director General wished to underline that the formulation of a solution was imperative. Note had been taken of the various areas of the Organization's work which were of particular importance and priority for Member States, including notably, norm-setting activities, integrating the development dimension into the Organization's program of work, the continuing need for training and institutional building, emphasis on further developing the economic dimension in the work in developing countries and, not least, further simplification and rationalization of WIPO's international protection systems. Listening to the statements of delegations of developing countries and least developed countries (LDCs), the Director General had been struck by the road traveled since 1998. The culture of intellectual property had spread so far that today it could be said that everyone, without exception, agreed that intellectual property was essential to national development strategies. This was a major breakthrough in the perception of intellectual property. With regard to the development work carried out in developing countries, with special attention to LDCs, the Director General said that this would continue to be done on the ground in the countries themselves, on a demand-driven basis. The results would be owned by the countries themselves, be of practical use in the market place, and be supportive of the efforts of creators, inventors and small and medium-sized enterprises (SMEs). WIPO would continue to facilitate an open dialogue and examination of the public policy aspects of applying intellectual property to development ends, especially in relation to the concerns of health, access

to information and knowledge and technology transfer. Many practical tools had been or were being made available by the Secretariat to developing countries, including four guides on various aspects of licensing, an intellectual property audit tool, accounting approaches for the valuation of intellectual property assets and principles for the successful management of intellectual property assets at both the country and enterprise levels. Further, conceptual, statistical and methodological tools would be extensively used to measure the economic impact on national economies of various categories of intellectual property. WIPO would intensify its work in making available to universities and research and development institutions the means to create services which supported and managed their inventions and innovations. Note had also been taken of the call for more financial resources for the work in support of developing countries, and above all for LDCs. Regarding helping Member States to obtain statistics on the impact of intellectual property activities on national GDP, WIPO had conducted national studies on the contribution of copyright-based or cultural industries in the four Mercosur countries. Five Arab countries and one Asian country were also being studied. Similar studies were under way in a number of other countries, including two which recently joined the European Community. A pilot project was under way to measure the overall impact of intellectual property on the national economy in each of five African countries. An additional 10 African countries would also be covered in the survey in the first half of 2005. The Director General welcomed the generous offer of funds made by the Government of the Republic of Korea to support WIPO's work in favor of developing countries. The organization of a conference for Ministers from LDCs would be a landmark occasion for an exchange of experiences among different regions, and the lessons from the Republic of Korea's successful use of the intellectual property system as a tool for development would thus be shared with countries from other regions in an outstanding instance of knowledge transfer. The Delegation of the United States of America had earlier stated that in the past decade, WIPO's spending on cooperation for development had grown by 1,000%. Following contacts with the Delegation, it had been clarified as to which data were used as a basis for this statement, and it had emerged that the data were based on a misreading of WIPO's Program and Budget: the figures for the biennia 1994-95 and 1996-97 were artificially low because they did not include staff costs, while the figures for the 2002-03 and 2004-05 biennia were artificially high because they included programs other than purely cooperation for development such as those on SMEs, public outreach, publications and information material. In short, different categories had been used for different biennia. Furthermore, in addition to cooperation for development, the figures used by the Delegation of the United States of America had covered the Worldwide Academy as well as cooperation with Eastern and Central Europe. Therefore, the increase was not ten-fold, but closer to three-fold, and moreover, the relative share of cooperation for development in the overall WIPO budget had remained basically constant throughout the decade. The Director General stressed that the resources made available for cooperation for development in WIPO's budget followed from decisions of WIPO Member States, and that as of the 1996-97 biennium, increased resources were approved in view of the new technical assistance mandate given to WIPO by the WIPO-WTO Agreement of 1996, which called upon it to assist countries in meeting the requirements of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) by the established deadline. It was also worth noting that in the period from 1994 to 2004, the global intellectual property system had expanded substantially. Membership of the PCT system had increased by 100%, membership of the Madrid system by 90%, and membership in the Paris and Berne Conventions by 40% and 53% respectively. The bulk of new members had been developing countries or countries in transition, and part of the resources which were being defined as those for cooperation for development had in fact been used to promote treaty accession and to support post-accession work. With reference to the figures cited by the Delegation of the United States of America regarding PCT fees, the Director General mentioned that these figures required more

precision, and that WIPO would be pleased to further clarify these with that Delegation. As a final point, the Director General emphasized that PCT fees had been increased by several national and regional offices, in order to respond to the same phenomenon currently faced by WIPO; if fees at WIPO were not readjusted, it would mean crippling the Organization, and could have serious implications. The work program for developing countries should be of as much interest to developed countries as to developing countries, because the pursuit of development was common to both. The Secretariat would seek to promote a new dialogue and partnership among all Member States without distinction as to level of development. This partnership would be pursued in the various WIPO fora and above all in the Permanent Committee on Cooperation for Development Related to Intellectual Property (PCIPD). The importance of the ongoing work in WIPO's standing committees and the intergovernmental committee could not be over emphasized. The Director General assured all Member States that the Secretariat and the Director General personally would provide all the necessary support for consensus building and for progress to be achieved. The Director General extended thanks to the Delegation of Singapore for the generous offer to host a WIPO office in Singapore, and noted the unanimous support for this from ASEAN Member States. The Secretariat had had some contacts with the representatives of Singapore and had found no additional financial implications in having a very modest WIPO presence in that part of the world. It was considered that such an office, as the Director General had understood the concept from the Delegation, would help to support WIPO's work and make it more efficient and effective for the ASEAN countries. The Secretariat would discuss and finalize the details of this offer with the Government of Singapore.

[Annex IV follows]

ANNEX IV          ANNEX I OF DOCUMENT WO/CC/53/2

AGREEMENT BETWEEN  
THE WORLD INTELLECTUAL PROPERTY ORGANIZATION  
AND  
THE GOVERNMENT OF SINGAPORE  
TO DETERMINE THE LEGAL STATUS OF WIPO IN SINGAPORE

The World Intellectual Property Organization (“WIPO”) and the Government of Singapore (“the Government”) (hereinafter referred to as “Party” singularly or “the Parties” collectively),

*Aware of*, the benefits that may derive from closer cooperation between the Parties in fostering development in the field of intellectual property,

*Desiring to*, strengthen cooperation between the countries of the Asia-Pacific Region in the furtherance of their common goals in respect of development in the field of intellectual property,

*Recognizing* that, a dedicated office serving the Asia-Pacific Region shall also serve as a visible symbol of WIPO’s strong commitment to the region, lending weight to any project or initiative promulgated by WIPO,

*Considering*, the domestic laws and regulations in the Republic of Singapore conferring privileges and immunities on international organizations,

*Have agreed as follows:*

General

1. WIPO will establish a WIPO Office in Singapore (“WIPO Office”) that will be staffed with officials assigned by WIPO. Locally-recruited staff will also be employed according to WIPO’s Staff Regulations and Staff Rules and WIPO’s prevailing policies.
2. WIPO will notify the Ministry of Foreign Affairs, Singapore of the arrivals and departures of all WIPO officials who are assigned to the WIPO Office, once they take up their duties and at the end of their designations, respectively.
3. Unless otherwise provided for in this Agreement, the privileges and immunities provided for in this Agreement shall not apply to Singapore Nationals and Permanent Residents of Singapore.

### The WIPO Office

4. The WIPO Office shall enjoy such privileges and immunities as are customarily granted to International Organizations in Singapore.

5. The Government will recognize the inviolability of the premises of the WIPO Office, including its archives, properties and assets in accordance with international law in like manner as the inviolability accorded to diplomatic missions.

6. The Government further stipulates that:

(a) WIPO shall be guaranteed freedom of communication in Singapore. The official communications of the WIPO Office will not be subjected to censorship, and the WIPO Office shall have the right to use codes and to dispatch and receive correspondence by courier or in sealed bags, which shall have the same inviolability as that recognized for diplomatic couriers and bags. If the WIPO Office so requests, the Government will, without charge, provide the necessary permits, licenses or other authorization needed to enable the WIPO Office to connect to, and to utilize fully WIPO's private telecommunications network;

(b) WIPO may, without being restricted by financial controls, regulations or moratoria of any kind, to the extent necessary to carry out its operations provided for in this Agreement, hold funds, gold or currency of any kind and operate accounts in any currency, and may freely transfer its funds, gold or currency from or to Singapore or within Singapore and convert any currency held by WIPO into any other currency. Furthermore, WIPO may purchase, in exchange for any convertible currency, the national currency of Singapore in such amounts as WIPO may from time to time require for meeting its expenditures in Singapore at the official exchange rate, which shall not be any less favorable than that accorded to other international organizations or diplomatic missions in Singapore.

### WIPO Officials

7. Officials serving with the WIPO Office shall enjoy such privileges and immunities as are granted to international civil servants, in accordance with the domestic laws and regulations of Singapore.

8. The Director of the WIPO Office, and any other official of equivalent or higher grade designated by WIPO with the consent of the Government shall be granted the privileges and immunities accorded to the members of diplomatic personnel of diplomatic missions. His/Her spouse and minor dependent children living under the same roof shall enjoy the advantages given to the spouse and minor dependent children of the personnel of diplomatic missions.

9. WIPO agrees that its officials serving at the WIPO Office shall cooperate at all times with the Government to facilitate the proper administration of justice, secure the observance of police regulations and the laws in Singapore, and prevent the occurrence of any abuse in connection with the privileges, immunities and exemptions accorded by this Agreement and International Law. Where the Government considers that such abuses have occurred, the Director of the WIPO Office or another appropriate representative of WIPO shall consult with the appropriate authorities of the Government in a timely fashion to determine whether such abuse has occurred and, if so, to ensure that no repetition occurs.

10. The Government will:

(a) allow the officials of WIPO serving with the WIPO Office and their spouses and dependants entry into Singapore without requiring them to obtain entry visas and extend the same privileges with respect to exchange facilities to them as are available to members of the diplomatic corps serving in Singapore;

(b) give the officials of WIPO serving with the WIPO Office, their spouses and dependants the same repatriation facilities in times of international crises as are made available to members of the diplomatic corps serving in Singapore;

(c) consider favorably applications by spouses and dependants of officials of WIPO serving with the WIPO Office who are not Singapore Nationals or Permanent Residents of Singapore to take employment in Singapore subject to prevailing rules and regulations regarding foreign talent; and

(d) provide identification cards to officials of WIPO assigned to the WIPO Office to certify that they are entitled to the privileges, immunities and exemptions provided for in this Agreement.

#### Tax Privileges

11. The Government will exempt the WIPO Office, and officials assigned to the WIPO Office, from the following categories of taxation or levies:

(a) Income tax in respect of salaries and emoluments and allowances paid by WIPO to WIPO officials, who are not Singapore Nationals or Singapore Permanent Residents. This exemption will not apply to pensions and annuities paid in Singapore to WIPO's former officials or to their beneficiaries;

(b) all vehicle taxes, including Goods and Services Tax and fees including the requirement for certificates of entitlement registration fees and additional registration fees in respect of a vehicle intended for personal use, provided that each WIPO official serving in the WIPO Office may only avail himself of the exemption provided for in this subparagraph in respect of one vehicle in every four-year period;

(c) radio and television license fees;

(d) customs duties on all dutiable goods, including tobacco and liquor;

(e) Goods and Services Tax on all imports, for their personal use;

(f) Goods and Services Tax in respect of the local consumption of goods and services by the WIPO Office;

(g) government tax on utilities bills and telephone charges, incurred by the WIPO Office;

(h) property tax and stamp duty in respect of the tenancy agreements that may be entered into for the premises of the WIPO Office and the residence of the Director of the WIPO Office; and

(i) foreign domestic worker levy for one foreign domestic worker employed by the Director of the WIPO Office (provision of a security bond in the employment of such foreign domestic worker shall also be waived if the worker is a home-based domestic worker, or a Malaysian).

The exemptions in subparagraphs (b) to (e) apply only in respect of designated officials, in accordance with paragraph 8, who are not Singapore Nationals or Singapore Permanent Residents.

12. Other staff of the WIPO Office who are not Singapore Nationals or Singapore Permanent Residents will, for six months after they first take up their posts in Singapore, be entitled to exemptions from import duties and from Goods and Services Tax for personal and household effects (but not extending to tobacco, liquor and vehicles).

#### Final Provisions

13. This Agreement may be amended by mutual consent of the Government and WIPO. Any such amendment shall not prejudice any right or obligation accruing or incurred prior to the effective date of amendment.

14. Any dispute regarding this Agreement shall be resolved amicably by negotiations between the Parties.

15. This Agreement shall take effect from \_\_\_\_\_ [day] \_\_\_\_\_ [month] 2005 and, in the case of WIPO, subject to the approval of the WIPO Coordination Committee, and shall remain in force for a period of six [6] years. This Agreement may be terminated by mutual consent. The Government and WIPO will review the Agreement six [6] months prior to its expiration. WIPO shall be eligible to extend this Agreement for another six [6] years.

FOR THE WORLD INTELLECTUAL  
PROPERTY ORGANIZATION

FOR THE GOVERNMENT OF  
SINGAPORE

Kamil Idris  
Director General

S. Jayakumar  
Deputy Prime Minister and  
Minister for Law, Singapore

Date

Date

[Annex V follows]



## ANNEX V PARAGRAPHS 38 AND 141 OF DOCUMENT A/41/17

38. The Delegation of Japan commended the Director General and WIPO staff for the remarkable accomplishments, and stated that to achieve sustainable growth in the world economy, the international community had to address the important development issues, which could not be solved by IP systems alone, although such systems were important tools for economic growth. It was therefore important to discuss what role an IP system, and what role WIPO, as a UN specialized agency, should play. Regarding the WIPO Development Agenda, a constructive discussion had started, and Japan would continue to take an active part in this discussion and make various contributions towards development from an IP point of view. The Delegation also stated that Japan had undertaken various development cooperation activities, such as human resources development and IP awareness raising programs, aimed at providing assistance to developing countries in their effort to achieve economic growth through IP systems, by means of the Japan Funds-in-Trust (FIT) contribution to WIPO. Japan was determined to continue these activities taking into consideration the needs of developing nations, and to participate in discussions about the IP system. The Delegation further stated that Japan was one of the countries which had achieved economic development by effectively utilizing the IP system, and that the IP system had played an important role in expanding and strengthening technological development in Japan. The Government of Japan was considering IP as an essential tool for economic growth, focusing specifically on the three steps of the so called "Intellectual Property Creation Cycle": creation; protection and exploitation of IP. Relevant government industries and agencies had thus been coordinating their efforts to advance the national IP strategy, the IP creation cycle, and make Japan an IP-based nation. Specifically, the IP Strategic Program, incorporating concrete policies for the implementation of Japan's IP strategy, had been formulated on an annual basis since 2003, based on the progress of previous years. The Delegation was of the view that it was important to discuss IP policies and strategies among high-level policy makers worldwide, including from developing countries. Therefore, using the Japan FIT, Japan and WIPO planned to hold a High-level Forum on IP Policy and Strategy in January 2006, in Tokyo, aiming at providing an opportunity for Member States to reach a common understanding on IP policies and strategies and how IP plays an essential role in economic development. Prior to the Forum, the National Center for Industrial Property Information and Training would host the International Patent Licensing Seminar in Tokyo. Furthermore, the Delegation stated that Japan intended to host a new WIPO Office for research, following discussions among Member States at various WIPO meetings about the need to discuss the issue of IP and development from a wider perspective rather than considering IP only from a technology assistance point of view. To make the discussion a constructive one, Japan believed that research on the issue of IP and development was indispensable, and was therefore willing to host a new WIPO Office in Japan which would function as a WIPO IP research center coordinating IP-related joint research activities to be conducted by WIPO and the United Nations University (UNU), located in Japan. Japan intends to host the WIPO Office on condition that approval is given by the financial authority of Japan and the budget for the next Japanese fiscal year is approved by the Diet. Japan will offer resources and facilities for the new WIPO Office and therefore, no additional financial burden will be placed on WIPO. UNU was conducting research on development issues from a variety of perspectives closely linked to IP, and in 2004 WIPO and UNU had signed a memorandum of understanding to the effect that the two organizations would work more closely together to enhance research in the field of IP. Such cooperation would greatly help to effectively address the new issue of IP and development, and the Delegation trusted that the offer of the Government of Japan, with no additional financial burden on WIPO, would enhance the

cooperation between WIPO and UNU. In particular, joint IP research activities, on subjects such as the economic impact of the IP system and the relationship between the IP system and technology transfer, were expected to generate information and insights which would be very helpful for the discussion about IP and development, and would provide all WIPO Member States, both developed and developing countries, with valuable knowledge, and would increase the awareness of the importance of IP in general. The Delegation added that the UNU is going to start preparations on a research project in the field of traditional knowledge and genetic resources, and this pilot study could be expanded if the WIPO Office in Japan assisted the work in the future. Regarding the efficiency of WIPO activities, the Delegation appreciated WIPO efforts to reduce expenses, and hoped that the Internal Audit Charter and the WIPO Audit Committee would be introduced as soon as possible to achieve effective and transparent administrative processes in WIPO, and, as a result, build confidence in WIPO, which the Delegation considered of utmost importance. It also stated that to make WIPO's financial situation sound and healthy, WIPO should ensure a steady income by making the PCT and Madrid systems as well as other services more attractive, which could be achieved by computerizing WIPO services and making them more accessible to users. The Delegation appreciated the balanced budget policy adopted in the Program and Budget 2006-2007, and it hoped that WIPO would make continuous efforts to enhance the efficiency of administrative processes and improve the attractiveness of its services, which would ensure a sound and well-balanced budget management. Concerning counterfeiting and piracy, the Delegation noted that these were still serious problems for both developed and developing countries, and consequently, all countries worldwide should work together to tackle this problem. Japan would therefore take actively part in the discussions in the Advisory Committee on Enforcement, and continue to extend technical assistance to encourage developing nations to improve their IP enforcement capabilities. Furthermore, the Delegation noted that the need to harmonize the existing patent systems had become more urgent, and that Japan jointly with the United States of America, at the Tenth Session of the SCP in September 2004, had proposed a revised approach that limited the work of the SCP to an initial package of priority items. At the SCP Informal Consultations in Casablanca in February 2005, an agreement had been reached that the six issues: prior art; grace period; novelty; inventive step; sufficiency of disclosure and genetic resources, should be addressed in parallel, accelerated processes; the first four in the SCT and the remaining two issues in the IGC. The Delegation further stated that the harmonization of patent systems would help reduce burdens on IP Offices and applicants, and it therefore hoped that the Assemblies would confirm the agreement reached at the SCP Informal Consultations and speed up the discussion on the harmonization of patent systems. The Delegation also hoped that an examination of the issue regarding the interrelation between access to genetic resources and disclosure requirements in IP rights applications would be taken up at the Assemblies, an issue which the CBD had invited WIPO to address, and that WIPO would continue to hold discussions on this issue from a technical point of view in which Japan would actively participate. The Delegation further highlighted discussions on IP and development in international fora other than WIPO, and it hoped that WIPO would make fully use of its expertise and address the development issue in cooperation with other international organizations. Regarding the WCT and the WPPT, the Delegation noted that it would be desirable that more countries become members of those treaties as soon as possible to ensure adequate copyright protection. It also made reference to the WIPO Broadcasting and Audiovisual Performances Treaties, and regretted that no agreement had been reached with respect to the former at the Assemblies last year. Japan hoped that progress would be made at the ongoing Assemblies. The latter Treaty had been discussed in WIPO since the Diplomatic Conference in 2000, and the Delegation stated that in order to keep a balance with the WCT and

WPPT, an early adoption of both Treaties was desirable and Japan would actively participate in the discussions. Finally, The Delegation looked forward to the revision of the TLT at the Diplomatic Conference in March 2006.

141. The Director General thanked Member States, IGOs and NGOs for their statements and interventions and said that he was most appreciative of the numerous expressions of support and thanks addressed to him personally, which he dedicated to his colleagues in the WIPO Secretariat who had worked hard to ensure that the Assemblies would become a success. The Director General was also pleased to learn of the many positive developments which had taken place in the IP systems of Member States over the past 12 months, and he had, in particular, noted the tremendous expansion in the use of IP in a number of developing countries and LDCs. The double-digit growth in applications, whether for patents, trademarks, or designs in those countries, he said, all pointed to the health of the IP system, and demonstrated how the judicious use of IP, based on comprehensive IP policies and strategies, could make a significant difference in countries' economic output and growth. The Director General then assured all Member States, in particular developing countries and LDCs, that the Organization remained more committed than ever in supporting them in their efforts to strengthen their national and regional IP systems, as well as in developing well-articulated national IP policies and accompanying action plans. The Director General was, however, fully conscious of the aspirations and expectations of developing countries and LDCs regarding the creation of public policy space in the use of IP, especially with regard to health, education, food, security, better living conditions, employment and the eradication of poverty, and he stressed that WIPO would continue to emphasize those concerns in its development cooperation program, and would enhance its support to LDCs in making more effective use of their IP to advance their development and social goals. The Director General also took note and welcomed the offer of the Government of Japan to host a WIPO-Japan Office, which would be dedicated to conducting research in cooperation with the United Nations University in Japan. He stated that such an Office would certainly be of great benefit to the entire membership of the Organization, and welcomed that the offer would not have any financial implications for the Organization. He would engage in discussions with the Government of Japan to agree on suitable arrangements. The Director General concluded by thanking the Chairman and all Delegations for the very constructive discussions, and said that he was confident that they would continue in the same spirit in order to conclude all items under consideration successfully.

[Annex VI follows]

ANNEX VI DOCUMENT WO/PBC/12/3 (PROGRAM 02 EXTERNAL COORDINATION)

STRATEGIES

The external relations Program at WIPO headquarters, together with the WIPO Coordination Offices (Brussels, New York, Singapore, Tokyo and Washington), will continue to develop and manage networks of relationships with the external community. In particular, WIPO's external environment will continue to be systematically monitored, and engaged with. This would ensure that WIPO is fully informed of relevant IP related developments, and there is a greater understanding and more informed debate on IP issues among external stakeholders. To this end, networks of stakeholders will also be developed and nurtured, including through the Coordination Offices.

[Annex VII follows]

ANNEX VII      PARAGRAPH 39 OF DOCUMENT A/46/12

39. The Member States of WIPO and of the Unions, each as far as it is concerned, adopted the Revised Program and Budget for the 2008/09 biennium as proposed in document WO/PBC/13/4, with the following modifications:

- (a) change the language for Strategic Goal VI, Program 17;
- (b) delete the word “sustainable” from the title of Strategic Goal III;
- (c) Program 1: amend performance indicators;
- (d) Program 17: add Program 4 under program links;
- (e) remove reference to Development Agenda recommendation 20 from the Development Agenda Links under Program 4;
- (f) add reference to the General Assembly decision on the five Development Agenda recommendations in paragraph 42 of document WO/PBC/13/4;
- (g) the amount of 4.6 million Swiss francs will be allocated (to be reflected in Annex II of document WO/PBC/13/4) for the implementation of the five recommendations of the Development Agenda (2, 5, 8, 9 and 10) to provide up to 8 million Swiss francs for the same; and
- (h) the amount of 1 million Swiss francs to be allocated to the continuing activities of WIPO Academy from the PCT System.

[Annex VIII follows]

ANNEX VIII      DOCUMENT WO/CC/62/3

## APPROVAL OF AN AGREEMENT

### *Memorandum of the Director General*

#### I. INTRODUCTION

1. In accordance with Article 12(4) of the Convention Establishing the World Intellectual Property Organization, any agreement concluded with a view to defining the legal status of WIPO on the territory of a Member State, shall be approved by the Coordination Committee.

#### II. AGREEMENT BETWEEN WIPO AND THE FEDERATIVE REPUBLIC OF BRAZIL

2. The Director General of WIPO and the Government of the Federative Republic of Brazil have prepared an agreement aimed at determining the legal status of a WIPO Office in Brazil. The text of the Agreement between WIPO and the Government of the Federative Republic of Brazil is set forth as Annex to the present document.

*3. The Coordination Committee is invited to approve the Agreement between WIPO and the Government of the Federative Republic of Brazil, as set forth in Annex I of the present document.*

[Annex of document follows]

**AGREEMENT BETWEEN  
THE FEDERATIVE REPUBLIC OF BRAZIL AND THE WORLD  
INTELLECTUAL PROPERTY ORGANIZATION ON THE ESTABLISHMENT  
OF A COORDINATION OFFICE OF THIS ORGANIZATION IN BRAZIL**

The Federative Republic of Brazil

and

The World Intellectual Property Organization ("WIPO")  
(hereinafter referred to as "Parties "),

Aware of the benefits that may derive from closer cooperation between the Parties in fostering development in the field of intellectual property;

Desiring to strengthen cooperation between the countries of Latin America and the Caribbean in the furtherance of their common goals in respect of development in the field of intellectual property;

Recognizing that, a dedicated office serving the region of Latin America and the Caribbean shall also serve as a visible symbol of WIPO's strong commitment to the region, lending weight to any project or initiative promulgated by WIPO;

Considering, the domestic laws and regulations in the Republic of Brazil conferring privileges and immunities on international organizations;

Have agreed as follows:

**Article I**  
General

1. WIPO will establish a WIPO Office in Brazil ("WIPO Office") that will be staffed with officials assigned by WIPO. Locally recruited staff will also be employed according to Brazilian labour regulations and the current policies of WIPO.
2. WIPO will notify the Ministry of External Relations of Brazil of the arrivals and departures of all WIPO officials who are assigned to the WIPO Office, once they take up their duties and at the end of their designations, respectively.

3. Unless otherwise provided for in this Agreement, the privileges and immunities provided for in this Agreement shall not apply to Brazil nationals and permanent residents of Brazil.

## **Article II** The WIPO Office

1. The WIPO Office shall enjoy such privileges and immunities identical to those granted to specialized agencies of the United Nations.

2. The Brazilian Government will recognize the inviolability of the premises of the WIPO Office, including its archives, properties and assets in accordance with international law in like manner as the inviolability accorded to offices of international organizations.

3. The Brazilian Government further stipulates that:

(a) WIPO shall be guaranteed freedom of communication in Brazil. The official communications of the WIPO Office will not be subjected to censorship, and the WIPO Office shall have the right to use codes and to dispatch and receive correspondence by courier or in sealed bags, which shall have the same inviolability as that recognized for diplomatic couriers and bags. If the WIPO Office so requests, Brazilian Government will, without charge, provide the necessary permits, licenses or other authorization needed to enable the WIPO Office to connect to, and to utilize fully WIPO's private telecommunications network;

(b) WIPO may, without being restricted by financial controls, regulations or moratoria of any kind, to the extent necessary to carry out its operations provided for in this Agreement, hold funds, gold or currency of any kind and operate accounts in any currency, and may freely transfer its funds, gold or currency from or to Brazil or within Brazil and convert any currency held by WIPO into any other currency. Furthermore, WIPO may purchase, in exchange for any convertible currency, the national currency of Brazil in such amounts as WIPO may from time to time require for meeting its expenditures in Brazil at the official exchange rate, which shall not be any less favorable than that accorded to other international organizations or diplomatic missions in Brazil.

## **Article III** WIPO Officials

1. Officials serving with the WIPO Office shall enjoy such privileges and immunities as are granted to international civil servants, in accordance with the domestic laws and regulations of Brazil.



2. The Director of the WIPO Office, and any other official of equivalent or higher grade designated by WIPO with the consent of the Brazilian Government shall be granted the privileges and immunities accorded to the representatives of offices of international organizations. His/Her spouse, and minor dependent children living under the same roof shall enjoy the advantages given to the spouse and minor dependent children of the personnel of offices of international organizations.

3. WIPO agrees that its officials serving at the WIPO Office shall cooperate at all times with the Brazilian Government to facilitate the proper administration of justice, secure the observance of police regulations and the laws in Brazil, and prevent the occurrence of any abuse in connection with the privileges, immunities and exemptions accorded by this Agreement and International Law.

#### **Article IV** Tax Privileges

1. Brazil will exempt the WIPO Office, and officials assigned to the WIO Office, from the following categories of taxation or levies:

- (a) Income tax in respect of salaries and emoluments and allowances paid by WIPO to WIPO officials, who are not Brazil Nationals or Brazil Permanent Residents. This exemption will not apply to pensions and annuities paid in Brazil to WIPO's former officials or to their beneficiaries;
- (b) Tax on the purchase of imported vehicle for the Office of WIPO, with restrictions on the sale of three (3) years, and tax on the purchase of a vehicle made in Brazil, with restrictions on the sale of one (1) year. The Director of the Office of WIPO may purchase the same restrictions of sale of the Office of WIPO. The remaining international staff working in the Office of WIPO will be exempted from taxes in the first six months, counting from the beginning of their mission, and may purchase only one (1) vehicle with a restriction on the sale of three (3) years if the vehicle is imported, or one (1) year if the vehicle is made in Brazil;
- (c) radio and television license fees;
- (d) taxes on goods and luggage;
- (e) Goods and Services Tax (ICMS) in respect of the local consumption of goods and services by the WIPO Office; and its officials levied on electricity, telecommunications and gas;
- (f) Real state (estate?) and urban taxes and real state (estate) transmission on taxes premises owned by WIPO;

(g) Taxes and charges levied for specific services will not be exempted.

2. Other staff of the WIPO Office who are not Brazil Nationals or Brazil Permanent Residents will, for six months after they first take up their posts in Brazil, be entitled to exemptions from import duties on goods for personal use and household effects.

**Article V**  
Final Provisions

1. This Agreement may be amended by mutual consent of the Brazilian Government and WIPO. Any such amendment shall not prejudice any right or obligation accruing or incurred prior to the effective date of amendment.

2. Any dispute regarding this Agreement shall be resolved amicably by negotiations between the Parties.

3. This Agreement shall enter into force, for a period of 6 (six) years, 30 (thirty) days after:

(a) The Brazilian Government has notified WIPO of the fulfillment of its internal procedures for its approval; and

(b) WIPO has notified Brazil of the approval of this Agreement by the WIPO Coordination Committee.

Done at \_\_\_\_\_, on \_\_\_\_\_ 2009, in two originals, in the Portuguese and English languages, both texts being equally authentic.

FOR THE FEDERATIVE REPUBLIC  
OF BRAZIL

FOR THE WORLD INTELLECTUAL  
PROPERTY ORGANIZATION

\_\_\_\_\_  
Roberto Carvalho Azevêdo

\_\_\_\_\_  
Francis Gurry

[Annex IX follows]

## REPORT

*adopted by the Coordination Committee*

1. The Coordination Committee was concerned with the following items on the Consolidated Agenda (document A/47/1): 1, 2, 3, 4, 5, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 22, 39 and 40.
2. The report on the said items, with the exception of items 11 and 22, is contained in the General Report (document A/47/16).
3. The reports on items 11 and 22 are contained in the present document.
4. Mr. Mario Matus (Chile) was elected Chair of the Coordination Committee; Mr. Dennis Francis (Trinidad and Tobago) and Ms. Liew Li Lin (Singapore) were elected Vice-Chairs.

### ITEM 11 OF THE CONSOLIDATED AND ANNOTATED AGENDA

#### APPROVAL OF AGREEMENTS

5. Discussions were based on document WO/CC/62/3.
6. Introducing the matter, the Legal Counsel explained that document WO/CC/62/3 concerned the approval of an agreement between WIPO and the Federative Republic of Brazil on the legal status of an office for WIPO in Brazil. He said that following informal consultations among Member States, it was proposed to make a slight revision of the agreement. The slight revision was simply to delete the third preambular paragraph reading as follows: “recognizing that a dedicated office serving the region of Latin America...promulgated by WIPO”. It was proposed that this agreement be adopted on the understanding that it would not include the said preambular paragraph.

He therefore invited the Coordination Committee to approve the agreement between Brazil and WIPO on the understanding that the third preambular paragraph would be deleted before it is signed by the two parties.

7. The Delegation of Ecuador stated that for its Delegation and for its Group, it was an honor to see the Chair in his capacity as Chair of the Coordination Committee since he was an important member of the Group. As the Coordinator of GRULAC, the Delegation of Ecuador wished to inform that members of the Group had held a meeting concerning the working document and the issues of the agreement being negotiated between WIPO and the Federative Republic of Brazil. The Delegation suggested that a mechanism should be set up for consultation among Member States to agree on procedures for establishing WIPO regional offices in various parts of the world.

8. The Delegation of Chile welcomed the proposed amendment to the document and noted that the original version of the document gave rise to some confusion, as it gave the impression that WIPO was setting up an office for the Latin American and Caribbean region. In GRULAC, as the Coordinator had mentioned, Brazil had clarified that this was in fact a WIPO office in Brazil whose only remit was to coordinate WIPO programs in Brazil and not a regional office for the Latin American and Caribbean region. The Delegation noted therefore that it was more a kind of official approval of the office set up in Brazil last year. It once again welcomed the amendment and stated that the Member States could now approve the agreement concerning the legal status of the WIPO office in Brazil. The Delegation supported the statement made by Ecuador suggesting the establishment of a working group to clarify the objectives, financial implications, and indeed, institutional systemic implications of offices, both for the countries and regions and for the Organization in terms of setting up of these regional offices. The Delegation said that the idea of regional offices was a good one, and that was why it wished to indicate to the Secretariat that if it decided to set up regional offices, Chile wished to be considered as a candidate for establishing a regional office in Chile. Chile believed strongly in regional cooperation and also believed that GRULAC countries needed to step up coordination and cooperation in intellectual property, which was consistent with the Director General's goal to use technical assistance as a key strategic tool. Finally, the Delegation reiterated that documents should be available early enough to give time to consider them in advance. This was even more important for the countries in its region where working documents in French and English required time for translation in order to be able to read them in various capitals.

9. The Delegation of Spain expressed its support for the statement by the Delegation of Ecuador on behalf of GRULAC as well as the statement by the Delegation of Chile on setting up a working group on the criteria for setting up regional offices. The Delegation said that it had always thought and continued to think that there was need to regulate this process to avoid conflicts and confusion in future.

10. The Delegation of South Africa stated that the principle articulated by the GRULAC region seemed to be sound, and that for example if WIPO wanted to establish

a regional office in SADC countries, consultations among Member States should take place at a regional level.

11. The Delegation of Guatemala expressed its support for the statement made by the Delegation of Ecuador on behalf of GRULAC, and the Delegation of Chile, in particular concerning the establishment of a regional office for Latin American and the Caribbean. The Delegation noted that having a regional office would enable countries in the region to have a more direct link with WIPO, allowing a permanent contact with the needs and interests of the respective countries of the Group. He said that this would focus on the intellectual property needs of developing countries. The Delegation elaborated that because of the importance of a regional office for its region, it was vital for the Organization to adopt parameters and guidelines for managing the setting up of such offices, as this would ensure that it worked effectively.

12. The Director General, responding to some of the observations that had been made by delegations, apologized for the fact that the agreement had been so late in its production and distribution. He explained that the purpose of the agreement was not to establish an office, but to deal with the question of a headquarters agreement between the Organization and a country in which an office had been established. He said that, if Member States looked at the agreement itself, it dealt with such matters as the status of staff, questions of immunity, privileges, taxation and all related questions that arose with the existence of an organization with an international legal personality within the territory of one of its Member States. The act of the setting up of the WIPO Brazil office had taken place last year in the course of the approval of the WIPO revised program and budget for the year 2009. He explained that the lateness with which the document was distributed accounted for some of the confusion as to whether this was a document which established an office or a document which defined the legal questions that he had just outlined. The Director General observed that, admittedly, some of the wording in the preamble was perhaps a bit loose but that had been corrected. If one looked at the substance of the articles, it was very clear that the agreement was dealing with the normal questions that are dealt with in a headquarters agreement. The Director General explained that the lateness of the submission of the document had resulted from the process of negotiations between WIPO and the Ministry of Foreign Affairs in Brazil. If the opportunity had been missed to approve it at these Assemblies, the Organization would have had to wait another 12 months and the consequence would be that there would be an office operating on the territory of a Member State without a headquarters agreement approved.

13. On the observations made with respect to regional offices, the Director General outlined some of the considerations in this regard. The Director General stated that, at the moment, as Member States were aware, the Organization had an office in New York, in Singapore, in Brazil and in Tokyo. There had also been an office in Brussels which had been closed at the end of last year. He explained that the office in New York dealt mainly with questions of liaison with the United Nations in New York. The Director General explained that, since the decision to open an office in Brazil, a large number of

official requests had been made by Member States to open offices all over the whole world. It was the Organization's intention to prepare a paper for consideration of Member States to try to come to some form of policy for the Organization with respect to external offices. He observed that a number of questions arose for decision by the Member States in this regard. The most fundamental concerned the role of such offices. What were they meant to do? With the WIPO office in Singapore and also with Brazil, the Organization was seeking to follow the model of these offices being service centers, that is being able to provide on a local level all of the services, including capacity building services, that the Organization provided from headquarters and to do so in close proximity to the Member States and with a certain degree of cost-effectiveness. Another important element to analyze was the economics of an external office. What would be the savings in terms of travel, for example? The third element was where the Organization would have such offices. He reiterated that he had received a significant number of official requests for, together with a significant number of expressions of interest in, the establishment of external offices, and these were all matters that the Organization was intending to put before the Member States in terms of a draft policy paper that would raise questions for their consideration and also refer to the experiences of some of the other international organizations in this regard. The Director General also stated that, if the Organization went down the track of establishing more external offices, the very important question would arise as to who takes the decision about the location of those external offices. In this regard, there was already significant experience in some of the other international organizations. The Director General said that he would personally welcome the proposal that had been made by GRULAC for a vehicle for the consideration of this question. He was of the view that preliminary work needed to be done for that body in terms of mapping out some of the basic research and some of the experience so that the discussions of that body would be facilitated.

14. The Delegation of El Salvador wished to thank the Director General for the explanation, and expressed its satisfaction with what he had said. It wished to reaffirm what the Delegation of Ecuador had said on behalf of GRULAC and indeed, what many other members of its Group had stated. The Delegation concluded that it did not want to miss the opportunity to congratulate the Federative Republic of Brazil for this important office that had been opened.

15. The Coordination Committee approved the Cooperation Agreement between WIPO and the Federative Republic of Brazil, as set out in the Annex to document WO/CC/62/3, with the amendment read out by the Legal Counsel as reflected in paragraph 6 of this report.

[Annex X follows]

**STRATEGIC GOAL VIII: A Responsive Communications  
Interface between WIPO,  
its Member States and all Stakeholders  
Summary of Strategic Goal VIII**

- **Program 19: Communications**
- **Program 20: External Offices and Relations**

Strategic Goal VIII signals the high priority attached by the new WIPO administration to promoting effective communication at all levels and to developing a culture of customer service. WIPO's customers are not only the users of its income-generating services, but are first and foremost the Member States, as well as other stakeholders to which the Organization provides wide ranging services including support to the Committees on normative activity, capacity-building services, information and technical services. Trusted communication between the various stakeholders is a precondition to the effective functioning of the Organization. There are two Programs listed directly under this Strategic Goal. However, the staff in every program across the Organization, starting with the Director General (Program 21), will share the responsibility for realizing the goals of responsive communication and customer service. The Communications area under Program 19 has been the starting point for the strategic realignment process, in order to begin putting in place structural and policy changes to improve external communication and customer service. The Program is also central to WIPO's work in promoting an IP culture, and in providing support to Member States, particularly developing countries and Least Developed Countries, with public awareness-raising tools, activities and materials. Program 20 (External Offices and Relations), working closely with the new Program 18 (IP and Global Challenges), will continue to engage with other organizations of the UN system on intellectual property and on system-wide issues, as well as coordinating WIPO's engagement with Civil Society and industry groups. A process of rationalization of WIPO's external offices has begun, and in line with a refocusing of these offices, it is proposed that, following an invitation received from the Government of Brazil in October 2008 (accompanied by an offer to provide premises and infrastructure support at no cost to WIPO) a new office will be opened in Brazil in 2009. Program 20 is also responsible for extrabudgetary resource mobilization and for the development of partnerships for technical assistance and capacity-building work, and as such will have a key role in delivery of Development Agenda objectives.

[Annex XI follows]

ANNEX XI DOCUMENT A/48/12 REV.

POLICY ON WIPO EXTERNAL OFFICES

*Document prepared by the Secretariat*

1. WIPO currently has four external offices, located (in chronological order of their establishment) in New York, United States of America; Singapore; Tokyo; and Rio de Janeiro, Brazil. The New York Office has served principally as a liaison office for the United Nations and has been in existence since WIPO became a specialized agency of the United Nations. The remaining offices were more recently established, in response to offers to host them by the respective host countries.
2. A significant number of other Member States have approached the Director General in the past two years and have expressed an interest in hosting, or have made a concrete proposal to host, an external office for the Organization. The extent of interest is a very welcome sign of engagement in, and support for, the Organization. It highlights, however, the absence of a clear policy on the part of the Organization for the establishment of new offices. The Director General proposes, therefore, to initiate a consultation process with Member States in the coming twelve months, with a view to being able to recommend a policy for the consideration of Member States at the meetings of the WIPO Assemblies in September/October 2011. It is not intended in this process to re-consider the agreements already concluded with Member States concerning the existing external offices.
3. It is intended that the consultation should cover at least the following questions:
  - (i) What needs and purposes may be served by external offices?
  - (ii) What functions should external offices perform?
  - (iii) What is the cost/benefit analysis of performing those functions through external offices compared to performance of the functions from Headquarters?
  - (iv) How would the relationship between Headquarters and external offices function?
  - (v) How should the location of external offices be decided?

*4. The Assemblies of the Member States of WIPO are invited to note the information in this document and to comment thereon.*

[Annex XII follows]



ANNEX XII      PARAGRAPH 262 OF DOCUMENT A/48/26

262. The Assemblies of the Member States of WIPO noted document A/48/12 Rev. and expressed support for the proposal to initiate a consultation process among Member States in the next 12 months with a view to agreeing on a policy on the establishment of WIPO external offices.

[Annex XIII follows]

ANNEX XIII INFORMATION NOTE DISTRIBUTED AT THE FIRST INFORMAL  
CONSULTATION IN 2010

**Information Note**

**Policy on WIPO External Offices**

**Consultation with Member States  
Room A, AB Building  
December 13, 2010**

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## **A. BACKGROUND**

A significant number of Member States have approached the Director General in the past two years and have expressed their interest in hosting, or have made concrete proposals to host, an external office for the Organization.

In response to the growing number of requests, the Secretariat brought the matter before the 2010 WIPO General Assemblies and submitted document A/48/12 REV.

During the discussion at the Assemblies, several Member States expressed their support for a consultative process on this matter. They also requested the Secretariat to collect more information on practices of other UN agencies as well as provide information on the existing WIPO external offices.

Subsequently, the General Assembly noted the above-mentioned document and expressed support for the proposal to initiate a consultation process among Member States in the next 12 months with a view to agreeing on a policy on the establishment of WIPO external offices (A/48/26 Para.262).

## **B. REVIEW OF PRACTICES OF UNITED NATIONS AGENCIES CONCERNING EXTERNAL OFFICES: BROAD CONCLUSIONS**

In response to the request from Member States for an analysis of current United Nations practices, the Secretariat consulted informally with the following Geneva-based UN agencies on their field structure.

- World Health Organization (WHO)
- International Labour Organization (ILO)
- Office of the High Commissioner for Human Rights (OHCHR)
- World Meteorological Organization (WMO), and
- International Telecommunication Union (ITU)

Based on these consultations, the following matrix was compiled to provide an overview of the field structures of those UN agencies:

### **Broad Conclusions**

#### **Field structure:**

- Field structures are not static but evolving.
- A 'two tier' model, as represented below, is generally followed:  
Headquarters → Regional Office → Area/Country/Field Office
- Many agencies have other types of miscellaneous field presences for responding to specific needs.

### Human resources

- No typical staffing pattern – depends on mandates/needs of the agencies concerned.
- New external offices result in adjustments in Headquarters (development of new roles and responsibilities, accountability frameworks, working methods and additional staff training programs).
- Some agencies have formal mobility policies, while others do not.

### The location of external offices

- No established principles.
- Locations vary, depending on nature of mandates and requirements of agencies.
- Establishment of external offices based on different considerations (security, economic, political and availability of human and financial resources).
- Sometimes, locations with established UN presence are preferred.

### Relationship between headquarters and external offices

- Agencies seek to reduce duplication of effort.
- They recognize the need for clear channels of reporting.
- In most cases, agencies have a centralized structure. Most decisions are taken from headquarters and external offices are responsible for implementation.
- Reporting chains vary. External offices report to either the Executive Head or to relevant departments/divisions in headquarters.

### Host country arrangements

- No common legal practice followed for establishment of external offices. Model agreement used in some cases. In other cases, agreement used on a case-by-case basis.
- A range of host country contributions are available that reduce the cost of external offices (office space, operating costs, local staff). In general, agencies seek host country contributions.

In summary, it may be concluded that:

- UN agencies do not have a single model for external offices.
- No common policy for establishment / staff mobility.
- Field structures reflect the specific mandates and requirements of the agencies.
- Nature of external offices depends on specific region/country needs.

**Information on external offices of select UN Agencies**

Agency Secretariat	Field Structure	Nature of offices <sup>1</sup>	No. staff in field offices <sup>2</sup>	No. offices	Level of centralization	Functions	Reporting chains	Host country arrangements	Staff mobility	Decision maker
<b>WHO</b>	Two-tier <sup>3</sup>	- Regional offices - Inter-Country Support Teams or subregional offices - Country Offices	5648 as of 31 October 2010	- Regional: 6  - 151 offices in countries, territories and areas	High level of decentralization including nomination of regional directors by the regional committees, subject to final appointment by the Executive Board	<u>Regional offices</u> - Policy-making at regional level - Programme implementation - technical cooperation - Resource mobilization <u>Country Offices</u> - Representation - technical cooperation - Advocacy	- Regional Offices report to HQ <sup>4</sup> as part of the development of organization-wide reports  - coordination mechanism at senior level of the secretariat  - Head of country office reports to head of regional office	- Host agreement for regional offices - Standard "Basic agreement" for country offices	Yes, it is a policy	- Regional office: decision by the Executive Board on delegation from the Assembly - Country office or subregional: decision by the regional director
<b>ILO</b>	Two-tier	- Regional - Decent Work Technical Support Teams or DWTs <sup>5</sup> - Country/ other	P staff: 418 (38%)  National officers: 373 (100%)  G staff: 824 (61%)	Regional: 5 DWTs: 13 Country/ other: 35  Locations: 48	Decentralised from HQ. Certain responsibilities centralized in regions. Other responsibilities with individual offices.	<u>Regional Offices:</u> - Political - Coordination/ administration - Promotion <u>Country Offices</u> - Coordination/ administration - Representation - Resource mobilization <u>DWTs</u> - Technical support & capacity building	Regional Offices report to Executive Head (DG).	Various.	Yes, it is a policy.	ILO Governing Body approved a recent (2009) restructuring proposal from the Executive Head.
<b>WMO</b>	Two-tier	- Regional - Sub-regional	24 out of approximately 250 total staff.	Regional: 4 Sub-regional: 6  Locations: 6	Centralised.	<u>Regional and Sub-Regional offices:</u> - Resource mobilization - Advocacy & partnership building - Technical cooperation - Liaison - Project	Regional Offices report to a Department in HQ.	Various.	No, but staff in the field are invited to HQ for consultations.	Executive Head proposes with quadrennial Congress to approve.

<sup>1</sup> Not including miscellaneous presences in the field (ILO National Coordinators, WMO time-limited project offices etc.).

<sup>2</sup> Includes Professional and G-level staff.

<sup>3</sup> 'Two tier' refers to two tiers beneath HQ.

<sup>4</sup> Headquarters

<sup>5</sup> Technical support and capacity building teams deployed in the field.

Agency Secretariat	Field Structure	Nature of offices <sup>1</sup>	No. staff in field offices <sup>2</sup>	No. offices	Level of centralization	Functions	Reporting chains	Host country arrangements	Staff mobility	Decision maker
						development - Info collection.				
<b>OHCHR</b>	Two-tier	- Regional Offices - Country & Stand-alone Offices - Human Rights Advisers (HRA) in UNCTs <sup>6</sup> - Human Rights Components (HRC) in Peace Missions (DPKO/DPA)	462 (47% of total staff)	- Regional: 12 - Country/ Stand-alone: 12 - HRA: 18 - HRC: 15  Locations: 24 (not including HRAs and HRCs)	Centralised.	<u>Regional &amp; National</u> - Promotion - Protection - Needs assessments - Technical cooperation	Field Presences report to High Commissioner in HQ though Geographic Divisions (collaborative arrangements, HRAs & HRCs have dual reporting lines to RCs & SRSGs <sup>7</sup> respectively)	Standard agreement.	No formal policy.	High Commissioner
<b>ITU</b>	Two-tier	- Regional Offices - Area Offices	52 (5% of total staff)	Regional: 5 Area: 8  Locations: 13	Centralised with a degree of operational flexibility.	<u>Regional and Area Offices</u> - Technical cooperation & assistance - project development - technical capacity building - Representation & liaison - coordination - Resource mobilisation - Info. provision - Promotion	Area offices report to Regional offices. Regional offices report to HQ (Deputy to the Director, Telecommunication Development Bureau) Regional offices may also coordinate directly with other Sectors of ITU, and the Office of the secretary General on specific issues.	Case by case basis	A policy is being reviewed by the organization. To date mobility is based on local needs & voluntary motivation of staff.	Governing Organs approve.

<sup>6</sup> UNCT: UN Country Team

<sup>7</sup> Resident Coordinators and Special Representative of the United Nations Secretary General

### C. WIPO EXTERNAL OFFICES: FACT SHEET

WIPO has three external offices located in Brazil, Japan and Singapore. There is also a WIPO Coordination Office in New York. Information on their functions, human resources, reporting chains, budget and on support provided to these offices by host countries are reflected in the following fact sheet.

	WIPO Singapore Office (WSO)	WIPO Japan Office (WJO)	WIPO Brazil Office (WBO)
<b>When established</b>	June 2005	September 2006	October 2009
<b>Location in country</b>	Heng Mui Keng Terrace: same location as some IGOs including the APEC Secretariat.	UN University (UNU) Headquarters Building, Tokyo.	INPI Building in Rio de Janeiro.
<b>Functions</b>	<ul style="list-style-type: none"> <li>- Representation</li> <li>- Cooperation including with governments in the Asia-Pacific region</li> <li>- Awareness raising</li> <li>- Support services in respect of PCT, Madrid and The Hague systems</li> <li>- Collective management, arbitration and mediation and development activities.</li> </ul>	<ul style="list-style-type: none"> <li>- Representation</li> <li>- Joint research activities between WIPO and the UNU.</li> <li>- Development, outreach and capacity building activities.</li> </ul>	<ul style="list-style-type: none"> <li>- Representation</li> <li>- Cooperation between Brazil and WIPO</li> <li>- Provision of support services in respect of PCT, Madrid and The Hague systems</li> <li>- Collective management, arbitration and mediation and development activities</li> </ul>
<b>Human resources</b>	6 (3 international staff, 3 locally recruited staff)	2 (1 international + 1 locally recruited).	3 (2 international + 1 locally recruited).
<b>Reporting chains</b>	<ul style="list-style-type: none"> <li>- Reports to the DDG for Development; coordinates with ASPAC Bureau and other substantive sectors as appropriate;</li> <li>- AMC<sup>8</sup> staff reports to the AMC HQ</li> </ul>	Reports to the DDG for Development; coordinates with ASPAC Bureau and other substantive sectors as necessary.	Reports to the DDG for Development; coordinates with LAC Bureau and other substantive sectors as necessary.
<b>Regular budget provision</b>	For 2010, regular budget allocation is CHF1,167,000.	For 2010, regular budget is CHF223,000.	For 2010, regular budget is CHF 603,000.
<b>Host country support provided</b>	Government of Singapore (GOS) provided office premises including set-up cost. GOS also covers maintenance costs of common areas and facilities and utilities up to an agreed amount. In addition, some activities of the WSO are co-funded by the GOS under an existing MOU.	Government of Japan covers the administrative expenses of running the office, including the rental of the office space, and operational activities through the Japan/FIT. An average of CHF360,000/year, is sourced from the JAPAN-FIT.	Nothing specific in the Agreement although INPI Brazil has offered to host the WBO by providing office space in its building, some furniture and equipment and a secretary. In 2010, the Office implemented activities under the Brazil/FIT amounting to approx CHF472,000 in cooperation with Headquarters.

<sup>8</sup> Arbitration and Mediation Center

**WIPO Coordination Office in New York**

When established	The WIPO Liaison Office in New York was established following WIPO's recognition as a Specialized Agency of the United Nations (UN) in December 1974. The General Assembly unanimously approved the Agreement between the UN and WIPO (Relationship Agreement). The Director General of WIPO and the Secretary General of the UN signed a Protocol in January 1975 bringing the Relationship Agreement into force. The Office commenced operations in 1975.
Location in country	New York, United States of America
Functions	<ul style="list-style-type: none"> <li>- To represent WIPO in the UN system and to raise awareness among UN Member States, the UN Secretariat and civil society about the role of IP and the activities of WIPO;</li> <li>- To increase the visibility and engagement of WIPO with the UN system;</li> <li>- To report to Geneva Headquarters on important and relevant meetings of the UN in New York;</li> <li>- To monitor the UN dialogue with the Bretton Woods Institutions;</li> <li>- To organize training for UN diplomats on IP related issues.</li> </ul>
Human resources	3 (1 professional staff, an Administrative Assistant and a short-term Secretary)
Reporting chains	The Head of the New York office reports to the Executive Director of the Department of External Relations (DER) and through DER to Deputy Director-General, Global Issues Sector
Regular budget provision 2010	Approx CHF 1,080,000
Host country support provided	No support provided by the host country



#### **D. Consultative Process: Issues for Consideration**

Based on the information contained in this note, it is evident that there is ***no common model or policy among UN agencies*** for the establishment of external offices. WIPO also does not have a policy on this matter. Against this backdrop, guidance is, therefore, sought from Member States, through a process of consultations.

The consultative process is expected to help the Secretariat evolve a policy on external offices. This process may, inter alia, cover the following key areas:

- I. What needs and purposes may be served by external offices?
- II. What functions should external offices perform?
- III. What is the cost/benefit analysis of performing those functions through external offices compared to performance of the functions from Headquarters?
- IV. How would the relationship between Headquarters and external offices function?
- V. How should the location of external offices be decided?

[Annex XIV follows]

ANNEX XIV INFORMATION NOTE DISTRIBUTED AT THE SECOND INFORMAL  
CONSULTATION IN 2011

1. The World Intellectual Property Organization (WIPO) has four external offices, located (in chronological order of their establishment) in the United States of America (the WIPO New York Office), Singapore (the WIPO Singapore Office), Tokyo (the WIPO Japan Office) and Rio de Janeiro (the WIPO Brazil Office).

2. The Director General has received official requests from a significant number of States requesting the Organization to establish new external offices in their respective territories. Following a decision of the WIPO General Assembly in September 2010 (see documents A/48/12 Rev. and A/48/26, paragraph 262), a process of informal consultations is underway amongst the Member States to develop a policy on the establishment of new external offices. A first open informal consultation was held on December 13, 2010. A second such consultation will be held on June 16, 2011.

3. The purpose of this Note is to provide material to assist the informal consultations. It builds upon the Information Note published for the first informal consultation on December 13, 2010, which provided background material on the policies and practices of other United Nations agencies and programs with respect to external offices<sup>1</sup>. The Note also provides an update on the ongoing discussions between the Director General and the host States of the four existing WIPO external offices to improve the services and to enhance the role of those offices.

#### General Principles

4. At the conclusion of the first informal consultation, four principles were suggested as a basis for a policy on new offices:

- (i) External offices should add value. They should not duplicate work performed at Headquarters. Rather, they should perform work that

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<sup>1</sup> Available at : [www.wipo.int/meetings/pdocs/en/memberstates/external\\_offices/](http://www.wipo.int/meetings/pdocs/en/memberstates/external_offices/)

Username: memberstates

Password: consultations

cannot be performed at Headquarters or that can be performed more efficiently or effectively than at Headquarters.

- (ii) Given the diversity of circumstances of Member States and of their needs, it is appropriate for external offices to have different mixes of functions, rather than the same functions. For example, an external office located in a developed country that is a major user of WIPO's Global IP Systems might concentrate its role on support for those Global IP Systems, whereas an external office located in a developing country that is not a major user of those Systems might focus on capacity building.
- (iii) A new external office should only be established if it is financially feasible for the Organization to do so.
- (iv) A gradual and empirical approach should be adopted, based on the results being achieved from existing offices.

#### Adding Value through New or Non-Duplicative Services performed in External Offices

5. There are three areas in which value could be added through services performed out of external offices, where the same value could not be added if the services were performed out of Headquarters:

- (i) Support services for WIPO'S Global IP Systems (the Patent Cooperation Treaty (PCT), the Madrid System for Marks, the Hague System for Industrial Designs, the Lisbon System for Appellations of Origin and the WIPO Arbitration and Mediation Center).
- (ii) Delivery of technical assistance in developing countries in relation to the global infrastructure programs of the Organization.
- (iii) Delivery of capacity-building activities.

#### Global IP Systems

6. WIPO derives around 92% of its revenue from fees for services rendered under the Organization's Global IP Systems. None of these systems is a monopoly; there is an alternative to the services rendered by WIPO under each. Applicants can file applications in foreign countries using the national route and taking advantage of the priority rights established under the Paris Convention for the Protection of Industrial Property, rather than use the PCT, the Madrid System or the Hague System. In the case of the WIPO Arbitration and Mediation Center, disputants can use the services of other alternative dispute-resolution providers or chose litigation before national courts. Whether applicants or users choose to avail themselves of the services of WIPO's Global IP Systems or to use these alternative routes or services depends entirely on the relative cost-effectiveness, quality and attractiveness of WIPO's services.

7. Broadly speaking, the services that WIPO delivers under its Global Systems fall into three main categories: (i) the processing of applications or the administration of dispute-resolution procedures; (ii) the provision of advisory services to applicants about the nature of procedures or in connection with specific problems that may arise in the course of the filing or prosecution of an application or the administration of a dispute-resolution procedure; and (iii) the provision of information products, training and awareness-building activities. Services performed in the first of these categories are part of centralized and team-based systems, relying significantly, if not wholly, on sophisticated information technology and centralized quality control and management procedures.

8. Demand for WIPO's Global IP Systems comes from around the world. In the PCT, which accounts for 75% of the Organization's revenue, over 30% of the demand comes from the Americas (about 27.5% from the United States of America, 1.6% from Canada and the remainder from the rest of the continent) and over 34% comes from Asia and Australasia (about 19.6% from Japan, 7.5% from China, 5.9% from the Republic of Korea and 1.1% from Australia). In other words, around 65% 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.

9. The advisory and information services provided by the Organization in support of WIPO's Global IP Systems respond mainly to queries and requests from applicants. The Organization has established a Customer Service Center, as well as customer service units in various sectors. Since customer service units are new in some parts of the Organization, complete statistics on calls and requests for assistance are not yet available. However, in the case of the PCT and the Madrid System infolines, the Organization receives around 2,250 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.

10. It is believed that the presence of qualified officials, with professional experience and training in WIPO's Global IP Systems, in external offices located in or close to the markets from which the major demand for those Systems emanates could:

- lead to a better quality of service to the users of the WIPO Systems, especially through the availability of services in real time within the time zones in which users are located and through knowledge of the language, culture and customs of the markets;
- lead to an increase in the use of those systems;
- provide better feedback from users on areas where the services could be improved, and, thereby,
- contribute to a sustainable financial basis for the Organization and its activities.

11. In addition to these potential improvements in support services, external offices could be well used to reduce the cost of delivery of training and awareness-building programs in relation to WIPO's Global IP Systems (paragraph 7 (iii), above). By locating appropriately skilled staff in the external offices, many of these activities could be resourced locally, thereby reducing travel time and expense.

## Global Infrastructure

12. WIPO's Global Infrastructure Sector has a number of programs involving the implementation locally of information technology (IT) projects, tools and platforms. These include:

- (i) The Program of Business Solutions for Intellectual Property Offices, under which the Organization has projects in 60 countries for office modernization and the implementation of automation systems (Intellectual Property Automation System ("IPAS")). 20 additional countries have requested for such assistance.
- (ii) The establishment of Technology and Innovation Support Centers (TISCs) to improve access to the technology disclosed through the patent system and other scientific and technological information. In conjunction with the establishment of TISCs, WIPO offers, with the generous collaboration and assistance of publishers and commercial database vendors, preferential access to a database of scientific, technical and medical periodicals (Access to Research for Development and Innovation ("aRDI")) and preferential access to technology and patent information databases (Access to Specialized Patent Information ("ASPI")). TISCs have been established in 11 countries<sup>2</sup> and there are outstanding requests for the establishment of such facilities in 47 countries.
- (iii) The development of a platform for sharing search and examination results amongst offices in Latin America ("PROSUR"). The platform will use essentially the same architecture as a similar platform under development for a similar purpose with the offices of Australia, Canada and the United Kingdom (Centralized Access to Search and Examination ("CASE")).

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<sup>2</sup> Algeria, Democratic Republic of the Congo, Dominican Republic, Ecuador, Honduras, Kyrgyzstan, Morocco, Mozambique, Philippines, Senegal and Tunisia.

13. The implementation of the projects mentioned in the previous paragraph requires, in most cases, intensive field collaboration in the form of technical IT assistance. In 2010, it is estimated that approximately one third of the work program was spent in the field for the deployment of IPAS. The location of a technical resource in an external office where such office is located in the developing world could be cost-effective, since the missions otherwise effected from Headquarters would be undertaken from the external office. The various global infrastructure programs would continue to be led and coordinated from Headquarters.

#### Capacity-Building Activities

14. A major part of the work of the Organization consists of capacity-building. Capacity building is a major strategy for achieving Strategic Goal III (Facilitating the Use of IP for Development) and forms an integral part, in particular (although not exclusively), of Programs 9 (Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries), 10 (Cooperation with Certain Countries in Europe and Asia) and 11 (The WIPO Academy). 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. Conferences and training seminars comprise the major component of these various activities. In 2010, 261 regional and national meetings and training programs were organized by WIPO in developing countries and countries with economies in transition.

15. 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. The most appropriate part would seem to be conferences and training seminars. More work would be required, however, to determine a rational and effective definition of which conferences and seminars would be organized through external offices (all or only part and, if only part, which part) and which would remain to be organized from Headquarters. In the absence of a clear demarcation between local and Headquarters execution, there is a risk that the work of the external offices would be a duplication of work already carried out from Headquarters.

#### Resource Requirements

16. It is difficult to indicate an exact resource requirement for an external office, since the nature of the resources needed would differ according to the mix of functions carried out by the office (paragraph 4(ii), above) and according to the definition of capacity building activities that it may be decided to attribute to external offices rather than Headquarters. Nevertheless, generally speaking, the following resources would be required for an average office:

- (I) One Director of the Office
- (II) One professional for the management and implementation of activities related to Global IP Systems (if such activities are carried out from the Office concerned)
- (III) One professional for technical assistance in the implementation of projects in the Global Infrastructure Sector (if such projects are carried out in the area covered by the office in question)
- (IV) One professional for capacity-building activities (again, if such activities are carried out in the area covered by the office in question)
- (V) One general-service staff (perhaps two, depending on the mix of functions specified in the preceding sub-paragraphs).

If the Office had a staff of one Director, two professional staff and one general-service staff, the personnel costs of the Office would amount to approximately 845,000 Swiss francs in a developed country and 690,000 Swiss francs in a developing country (precise figures can only be given in relation to specific locations, since the cost varies according to the multiplier applied to different posts). This amount should not, however, be a pure addition to the budget of the Organization. On the basis of the principle in paragraph 4(i), above, the activities of the external office should not duplicate activities undertaken from Headquarters).

17. In addition to personnel costs, the cost of premises and equipment needs to be taken into account. Again, it is difficult to give precise figures, since the practice of host countries differs in relation to the provision of rent-free accommodation. Generally speaking, the premises and running costs would be approximately 224,000 Swiss francs in a developed country and 183,000 Swiss francs in a developing country (naturally, the differences in cost estimates for countries can be considerable according to the rental markets in question).

18. A budget also needs to be provided to the office for its program activities. Again on the basis of the principle in paragraph 4(i), above, however, the program budget of an office should generally be neutral in the overall budget of the Organization.

#### Enhancement of Existing Offices

19. In the course of the past twelve months, the Secretariat has been engaged in a dialogue with the host States of the existing WIPO external offices to improve the services and to enhance the role of those offices. This has involved discussion and action on five fronts.

20. The first focus has been to clarify the role and functions of each office, bearing in mind the considerations set forth above with respect to external offices in general. This has resulted in the following evolving results (it being the case that this process will continue over the next twelve months and that the right skill sets need to be deployed in the various offices (see paragraph below)):

- (i) The Brazil and Singapore Offices will play a role with respect to support for Global IP Systems, technical assistance for the implementation of infrastructure projects, capacity building, South-South cooperation and, in the case of the Brazil Office, the administration of activities under the Brazil Funds-in-Trust;

- (ii) The Japan Office will cease its functions with respect to research in collaboration with the United Nations University and will focus on support for Global IP Systems, capacity building and the administration of activities under Japan Funds-in-trust;
- (iii) The United States Office in New York will cease to have as its focus relations with the United Nations and will concentrate on support services for Global IP Systems. Relations with the United Nations will be strengthened by management from Headquarters. These relations concern in the first place the Chief Executives Board (CEB), the High-Level Committee on Programs (HLCP) and the High-Level Committee on Management (HLCM), all of which are handled out of Headquarters. The principal relations outside these three instances that the Organization has with the United Nations System are with the specialized agencies and programs, particularly (in alphabetical order) the Food and Agriculture Organization (FAO), International Telecommunication Union (ITU), Secretariat of the Convention on Biological Diversity (SCBD), United Nations Education Scientific and Cultural Organization (UNESCO), United Nations Environment Programme (UNEP), World Health Organization (WHO), World Trade Organization (WTO), all of which are located in Europe or outside the United States of America.

21. The second area of action has been on the improvement of the services provided by the Offices and the use of those Offices to perform services that cannot be provided at Headquarters. In this regard, in particular, a system is being put in place for the 24-hour servicing of WIPO's switchboard. After 6 pm Geneva time, calls to WIPO's number will automatically be referred to the United States or Brazil Office (depending on whether the language of communication is English, Spanish or Portuguese). Following closure of business in the Americas, call to WIPO's number will automatically be referred to the Japan and Singapore Offices (depending on whether the language of communication is Chinese, English or Japanese). Following closure of business in Asia, calls will revert to Headquarters. In addition, the software being used at Headquarters for logging, recording and processing calls and emails for assistance will be deployed in the existing external Offices to enable statistics on demand for services to be maintained accurately.

22. The third area of focus has been on the re-location of the existing Offices to placements that are more suitable for the re-defined missions of the Offices. This does not affect the Singapore Office, which is situated in an optimal location adjacent to the campus of the National University of Singapore. In the case of the Brazil Office, however, following the overall transfer of the National Patent Office (INPI), new premises have been rented in an area in which infrastructure needs are fully met. The Japan Office is being moved to new premises near the Japan Patent Office and the center of business activities with respect to intellectual property. For the United States Office, a move from New York to Silicon Valley in California is under active consideration. 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. 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.

23. The fourth area of focus has been to define more consistently which areas within the sphere of capacity-building should be devolved to the external Offices (Brazil, Japan and Singapore). This is work-in-progress.



24. The final area of focus has been ensuring that the skill profiles of staff in the existing Offices correspond to the role and functions attributed to the respective Offices. This is again a work-in-progress, being undertaken within existing resource constraints and also within the context of the initiative on Organizational Design within the Strategic Realignment Process (SRP).

[Annex XV follows]

ANNEX XV      WHITE PAPER DISTRIBUTED AT THE PROGRAM AND BUDGET  
COMMITTEE IN JULY

**Program and Budget Committee  
Twentieth Session  
Geneva, July 8 to 12, 2013**

**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 perform<sup>9</sup>?**

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.
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

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<sup>9</sup> 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.

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:

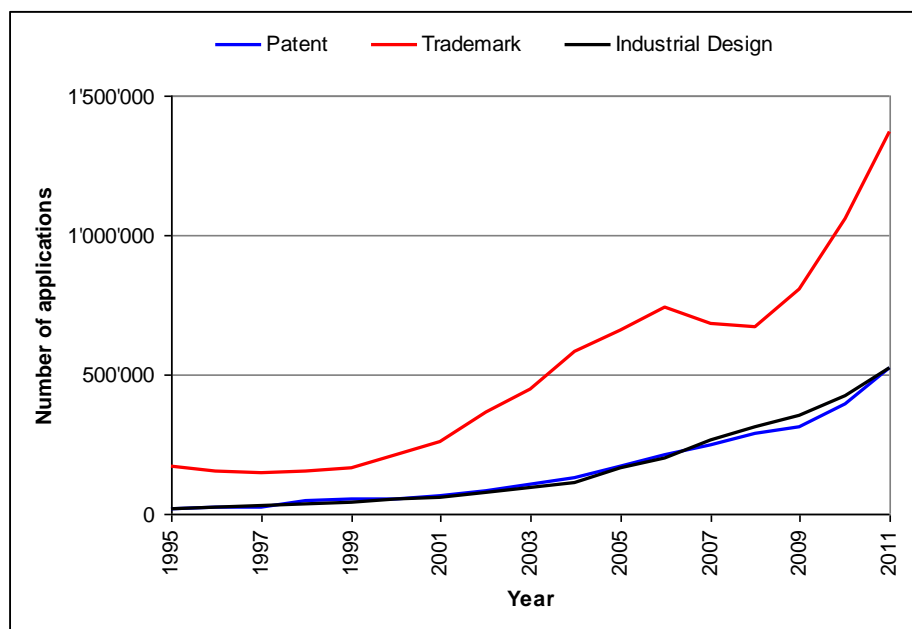


Figure 1: Patent, Trademark and Industrial Design Applications in China

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:

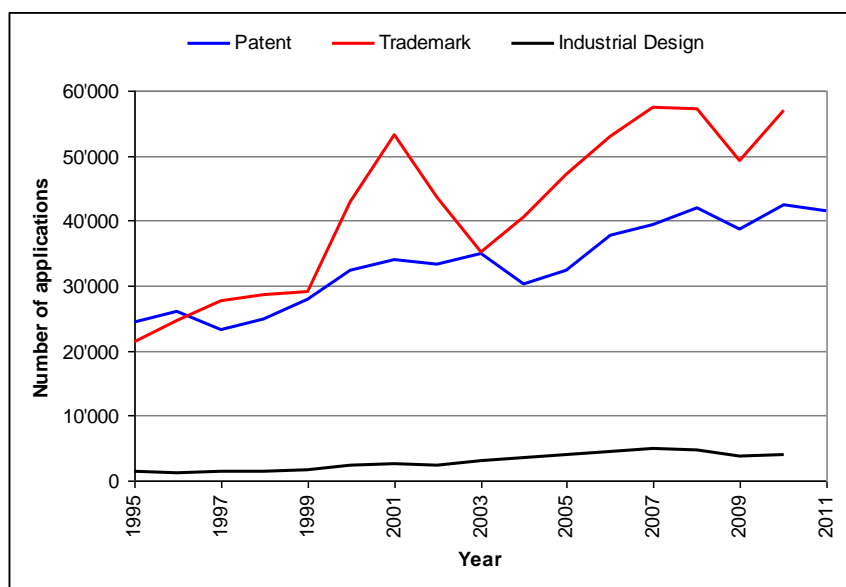


Figure 2: Patent, Trademark and Industrial Design Applications in the Russian Federation

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.

[End of Annex XV and  
of document]