

# REPORT OF THE DIRECTOR GENERAL TO THE WIPO ASSEMBLIES 2012

*The Year in Review*





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Photo: WIPO / Emmanuel Berrod

#### OCTOBER 2011

*A major new public-private partnership – **WIPO Re:Search** – was launched to make IP available royalty-free for research into **neglected tropical diseases, tuberculosis, and malaria**. WIPO Re:Search provides a public database of available IP assets and resources to stimulate the development of new treatment options for these diseases, which affect the lives of over a billion people.*

1. I am pleased to have the opportunity to report on the main developments in the Organization over the year since the last annual meeting of the Assemblies of the Member States in September 2011. It has been a very good year for the Organization. The highlights include:

- the maintenance of a sound and **healthy financial condition** of the Organization, despite a fragile and challenged global economy;
- the successful conclusion of a new multilateral treaty, **the Beijing Treaty** on Audiovisual Performances, and good progress in a number of other areas under consideration in the normative agenda;
- expanding participation in, and strong demand for, the services of the Organization's **global IP systems**;
- the increasing maturity and scope of the Organization's **global technology and brand databases**, other IP information resources, and various platforms and tools linking the worldwide community of IP users and interested parties;
- an increasingly strategic focus in the delivery of **capacity building and other development services**;
- a new presence for the Organization in **social media**;
- further progress in management reform and the imminent successful conclusion of the **Strategic Realignment Program (SRP)**; and
- the advancement of our **construction projects**.

I shall start with a brief overview of the financial performance of the Organization and then deal with other developments under the headings of the Organization's strategic goals.

## Financial Performance

2. The financial condition of the Organization remains strong despite continuing uncertainty and fragility in the world economy. This strength can be attributed both to the good performance of the Organization's global IP systems, notably the Patent Cooperation Treaty (PCT), which together provide 93 percent of the revenue of the Organization, and to careful management and the effective deployment of cost-efficiency measures.

3. The biennium 2010-2011 concluded with a tight result, namely a marginal budgetary surplus of CHF 3.9 million, but an IPSAS<sup>1</sup>-adjusted deficit of CHF 45.8 million after deduction of expenditure from the reserves (CHF 41.9 million) and accounting for other, mainly long-term, liabilities (CHF 7.8 million). The External Auditors assessed the Organization as being IPSAS-compliant. This was the first biennium in which we have achieved this status. IPSAS is a learning experience for the Organization as we adjust to a different appreciation and picture of our financial condition. We have now moved in the current biennium to reflect estimates of IPSAS adjustments in our periodical financial reports.<sup>2</sup> In this way, we aim to maintain not only a budgetary balance, but also balanced accounting for estimates of IPSAS adjustments.

4. In the first seven months of the current biennium (to July 2012), we have achieved a surplus of CHF 12.2 million after accounting for estimates of IPSAS adjustments. There is, however, little room for complacency. Expenditure is typically lower at the commencement of a biennium. The risk of significant turbulence in the global economy and the reality of continued subdued economic growth are still present. In addition, it is likely that the Organization will need to make significant investments in information technology infrastructure in the future. We shall maintain a vigilant and cautious approach.

## Global IP Systems<sup>3</sup>

### 5. Patent Cooperation Treaty (PCT).

The PCT is the central node of the international patent system. It is also the fundamental pillar of WIPO's finances (generating 74.2 percent of the Organization's income), the largest employing unit in the Organization and key to the Organization's operational success.

6. The success of the PCT can be measured by its growing reach. It now covers 74 percent of the countries of the world, which are responsible for 93 percent of global economic output, 99 percent of

<sup>1</sup> International Public Sector Accounting Standards (IPSAS)

<sup>2</sup> See [www.wipo.int/export/sites/www/meetings/pdocs/en/memberstates/observatory/pdf/observatory\\_jun\\_2012.pdf#table1](http://www.wipo.int/export/sites/www/meetings/pdocs/en/memberstates/observatory/pdf/observatory_jun_2012.pdf#table1)

<sup>3</sup> Strategic Goal II: The Provision of Premier Global IP Services.



Photo: Selsby/farm/Dev.TV

#### NOVEMBER 2011

*The Committee on Development and Intellectual Property (CDIP) reviewed progress reports on some 18 Development Agenda projects. Above: the IP and Product Branding for Business Development project is working with small farmers in Uganda to develop branding strategies for their vanilla (pictured), cotton and sesame.*

global research and development (R&D) expenditure and 87 percent of the world's population.

7. The number of international patent applications filed under the PCT continues to rise in a robust manner. In 2011, 181,900 international applications were filed, an increase of 10.7 percent over 2010. This was an excellent result considering the restrained condition of the world economy. Consistently with the trend that has emerged in the past decade, the greatest growth<sup>4</sup> came from China, Japan and the Republic of Korea, which recorded increases of 33.4 percent, 21 percent and 8 percent, respectively. Asia accounted for 38.8 percent of PCT applications in 2011, while Europe and North America were the source of 30.9 percent and 28.3 percent, respectively. We also saw higher demand in 2011 from a number of other emerging countries, with the number of international applications rising by 20.8 percent from the Russian Federation, 17.2 percent from Brazil, 12.7 percent from Turkey and 11.2 percent from India.

8. In 2012, given the continuing uncertainty in the global economic outlook, we expect less robust growth than in 2011. Nevertheless, barring extraordinary turbulence, we expect to meet and surpass our budget targets. In the first six months of 2012, the number of international applications rose by 5.6 percent. Revenue from PCT applications over the same period rose by 24.7 percent.

9. We estimate that 54 percent of international patent applications<sup>5</sup> pass through the PCT. That also means that 46 percent of international patent applications do *not* pass through the PCT, but are filed using the so-called Paris Convention route. We aim to increase the percentage that makes use of the PCT. In addition to contributing positively to WIPO and its finances, this would increase transparency and traceability in the international patent system, as well as contribute to work-sharing and demand management in a context of continuously rising numbers of patent applications worldwide. There are several strategies that we are pursuing to increase the PCT share of international patent applications.

<sup>4</sup> Measured by reference to the base number of applications.

<sup>5</sup> An application for patent protection for the same invention filed in more than one country.

These include encouraging adherence to the PCT by important economies that remain outside the system; focusing on the provision of high quality services to users, cost-efficiency, and improving the operation of the system, both through the PCT Working Group and through the management of the processing of PCT applications.

10. The positive engagement of Member States in driving improvement in the PCT System was apparent in the new proposals presented by a number of participants in the May 2012 Session of the PCT Working Group. These new proposals promise to continue the direction of the PCT Roadmap, implementation of which has made good progress in the last twelve months, in ensuring that the PCT System continues to have a plan for future improvement. It is pleasing also that the PCT Assembly, at its meeting during the current session of the WIPO Assemblies, will consider a number of amendments to the PCT Regulations that will simplify use of the PCT for all applicants as a consequence of a change in the national law of the United States of America.

11. Among the most important of the current improvements in the International Bureau's management of the operations of the PCT is the electronic service known as ePCT, which offers secure access for PCT applicants and to national IP Offices to relevant parts of the files and databases maintained by the International Bureau for the processing of PCT applications. At the time of the 2011 Assemblies, ePCT was a small-scale pilot system with a limited group of applicants. It is now in use by applicants from over 80 countries and has recently been made available to offices. An additional feature, introduced in July 2012, allows third parties to submit observations concerning prior art that is relevant to published PCT applications. These observations are available to International Authorities and designated offices to assist in making judgments on patentability. It is an example of using the power of the Internet to assist in the pursuit of quality outcomes in the patent process. The number of third-party observations so far submitted is relatively small (18 as of September 17, 2012), but the seriousness of the submissions thus far vindicates the usefulness of the new facility. The next important step in



Photo: Courtesy of IPOPHIL



Photo: Courtesy of OMPC



Photo: WIPO / Ituku Elangil Botoy

**DECEMBER 2011 / JANUARY 2012**

Survey results were published showing continuing demand for the **TISC** program – through which WIPO has to date assisted some 35 countries to establish and run **Technology and Innovation Support Centers (TISCs)**. The TISC program promotes innovation by facilitating access both to patent information and to non-patent scientific and technical resources. Above: TISCs in operation in the Philippines (top left) and Morocco (top right), and a regional workshop underway in Cameroon.

the evolution of ePCT will be a web-based PCT application filing system, which will allow applicants to file without installing any special software, and which will offer better error-checking and validation than is currently possible.

12. In my Report last year, I emphasized the importance of a rapprochement of the PCT and the Patent Prosecution Highway (PPH) – a network of bilateral agreements under which a patent application which has been the subject of a first substantive review and report in the country of first filing will receive accelerated processing in the country of second filing. I am pleased that progress continues to be made in this rapprochement, as evidenced by the fact that 35 PPH arrangements (as of September 17, 2012) have been concluded that allow for the international search and international preliminary report on patentability under the PCT to be used as a basis for accelerated processing between the parties to a PPH arrangement. The inclusion of the PCT within PPH arrangements is working to the advantage of both the PCT and the PPH.

13. Translation continues to constitute a major cost-burden of the PCT System. The budget for the current 2012-2013 biennium envisages expenditure of 43 million CHF on PCT translation. We are pleased to report that, through careful management of our translation services, including competitive out-sourcing and the increased use of information technology, the unit cost of translation has fallen, enabling us to continue to maintain stable PCT fees, despite rising work loads and the greater complexity of translation work that results from the increasing linguistic diversity of PCT applications. It is this same linguistic diversity, however, that underlines the great value added by PCT translation, which makes available an English and French language abstract or summary of every published PCT application, as well as an English language version of every international preliminary report on patentability. This invaluable service makes the technology disclosed through the PCT System more widely accessible.

14. **The Madrid System for the International Registration of Marks.** The calendar year 2011 saw international trademark applications under the Madrid System reach a record high of 42,270, which

represented a 6.5 percent increase over the previous year. We expect more subdued growth in 2012, most likely in the region of 2 to 3 percent. There are now over half a million (540,000) active international registrations, corresponding to 5.5 million marks protected at the national and regional level. Those registrations belonged to 178,500 trademark owners. 80 per cent of these holders may be categorized as small and medium sized enterprises (SMEs) which confirms that the Madrid system is seen as beneficial for SMEs as well as for larger companies.

15. The Madrid System is undergoing a major expansion in its membership and geographical coverage, which is expected to continue in the next three years. In the year to date, the Philippines, Colombia and New Zealand have joined the System. More accessions are expected before the end of the year as India and Mexico have concluded their respective constitutional processes and signaled their intention to accede. It is expected that those Member States of the Association of South East Asian Nations (ASEAN) that have not yet acceded to the System will do so by 2015.

16. It is still hoped that a one treaty system may become a reality in the near future. Only one State remains party to the Madrid Agreement without being party to the Madrid Protocol. The expected accession of this State to the Protocol will simplify greatly the operation of the Madrid System.

17. The International Bureau continues to strive to improve the user experience and the ease with which users can acquire, maintain and manage international trademark registrations. Recent business improvements introduced include:

- a new version of the Madrid Goods and Services Manager, WIPO's highly regarded translation and classification tool for indications of goods and services, which is now available in 10 languages (English, French and Spanish, the working languages of the Madrid System, and Arabic, Dutch, German, Hebrew, Italian, Portuguese and Russian); and
- three new web-based client service tools: the Madrid Portfolio Manager, which enables users to manage online their portfolio of registrations;

# PCT

**181,900** applications

up **10.7%**

**38.8%** of applications from Asia

# Madrid

**42,270** applications

up **6.5%**

**540,089** registrations in force

# Dispute

# Resolution

**2,764** cybersquatting complaints

**24,000+** UDRP cases since 1999

**1,500** arbitrators & mediators from **70+** countries

# Hague

**2,363** registrations

up **6.6%**

**26,000** registrations in force

FEBRUARY / MARCH 2012

*The annual reports released on WIPO's **global IP services** showed a record-breaking year in 2011. Despite difficult economic conditions, WIPO recorded the highest ever numbers of international patent applications filed under the **PCT**, as well as of international trademark applications under the **Madrid** system. International design activity under the **Hague** System also showed healthy growth. A record number of cybersquatting cases were also filed with the WIPO **Arbitration and Mediation Center**.*

Madrid Real-time Status, which enables users to consult the current status of their applications and registrations; and the Madrid Electronic Alert, which provides interested parties with information on registration activities in specified areas.

18. **The Hague System for the International Registration of Industrial Designs.** After a good year in 2011, which saw international registrations under the Hague System increase by 6.6 percent to 2,363, it is expected that demand will be steady in the economic environment of 2012. The Hague System remains small. The number of Contracting Parties to the Geneva Act edged up by three over the past year to 45, with the accessions of Montenegro, Tajikistan and Tunisia. It is expected, however, that the market reach of the System and, thus its attractiveness to users, will be transformed in the course of the next three years, with China, Japan, the Republic of Korea, the United States of America and the Member States of ASEAN all making preparations for, or giving serious consideration to, accession.

19. As the Hague System expands, it will be important to simplify its operation and to modernize its electronic systems and platforms. Simplification is a long process of international legal house-keeping, achieved by moving Contracting Parties to the latest Act of the Hague Agreement – the Geneva Act. The freezing of the 1934 Act took effect on January 1, 2010, and we are moving towards the termination of that Act. As with the Madrid System, the ultimate aim is to achieve a single treaty system, based on the Geneva Act.

20. In anticipation of a more widely used Hague System, in January 2012 the publication cycle of registered designs moved from a monthly to a weekly basis. A new e-filing platform will also be made available on the WIPO website by the end of 2012, which will have a number of enhanced functionalities to facilitate the filing of international applications (user account, facilitated uploading of reproductions, automatic check and transformation of images, integrated fee calculator and payment of fees).

21. **The Lisbon System for the International Registration of Appellations of Origin.** The Working Group on the Development of the Lisbon System

has been engaged in a major review of the Lisbon System, with a view to broadening the participation in the System from its present membership of 27 States. The Working Group has entered a more intense phase of its work, having met twice since the 2011 Assemblies, and is now considering draft treaty texts that also envisage extending the System to geographical indications. This is an extremely important and difficult exercise, which has the potential of establishing a truly international register for geographical indications and appellations of origin. To achieve such an ambitious goal, however, more extensive participation and engagement in the Working Group, which has until now attracted only a relatively small number of delegations, will be needed.

22. **WIPO Arbitration and Mediation Center.** There are three main areas of the Center's work over the past year that may be highlighted. The first area is Internet domain name dispute resolution, where the Center continues to be the pre-eminent service-provider worldwide. Since December 1999, when the Uniform Dispute Resolution Procedure (UDRP) was introduced on the basis of WIPO's recommendations, the WIPO Arbitration and Mediation Center has administered over 24,000 UDRP based cases. Demand for this WIPO service continued in 2011, with trademark owners filing 2,764 cases, an increase of 2.5 percent over the previous year.

23. A major change in the domain name system (DNS) is about to take place, which may have fundamental implications for the security of trademarks on the Internet, and for the predictability and reliability of the DNS as a mechanism for the orderly differentiation of enterprises and products in electronic commerce. The Internet Corporation for Assigned Names and Numbers (ICANN), the body responsible for the technical management of the DNS, is proposing to introduce a potentially unlimited number of new generic top-level domains (i.e. the last part of a domain name to the right of the final dot). In the first stage of this expansion, it is expected that around 1,300 new domains will be introduced in the second half of 2013. This expansion is likely to render the task of monitoring the illicit use of a trademark more difficult and more expensive. WIPO has been working to try to safeguard the general principles of intellectual property in these new domains. We will

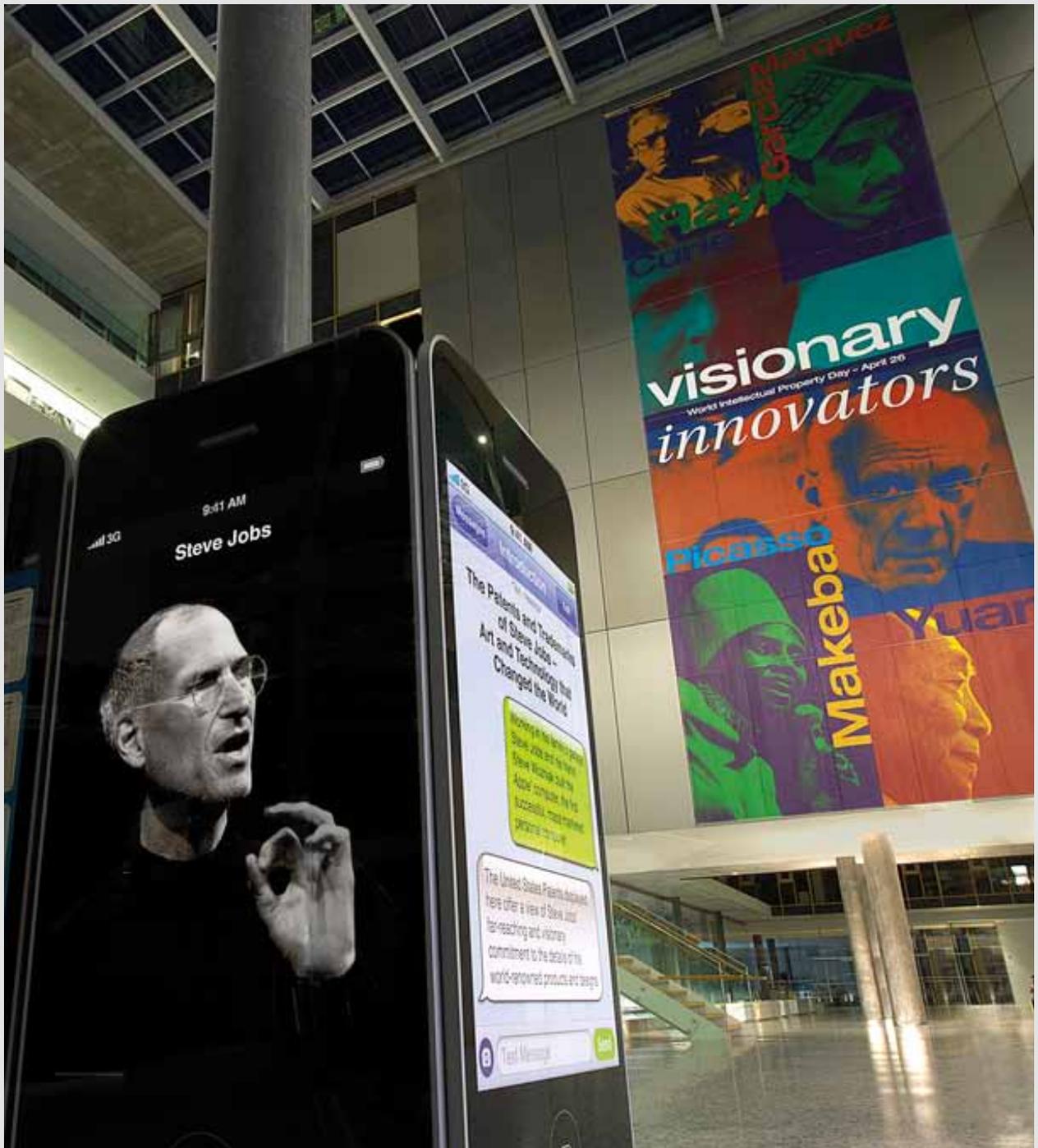


Photo: WIPO / Emmanuel Berrod

#### APRIL 2012

Participation in the annual **World IP Day** outreach campaign was boosted through **social media** communications, as WIPO opened new communication channels via **Twitter, Flickr and Scribd**. Over 5,000 fans joined in the World IP Day “Visionary Innovators” celebration on Facebook; and the top IP Day “tweet” reached over one million people.

administer, through the Center, a so-called pre-delegation procedure for “Legal Right Objections,” designed to ensure that new domains do not infringe trademark rights. In addition, the usual UDRP will continue to apply to new second-level registrations (i.e. the part to the left of the dot).

24. A second area of the Center’s work that has developed over the past year has been partnerships with IP Offices for the administration of mediation procedures for trademark oppositions and other disputes. The Center has concluded Memoranda of Understanding in this regard with the IP Office of Singapore and with the National Institute of Industrial Property of Brazil (INPI). The first disputes filed under the Singapore arrangement have been brought to settlement. In addition to sharing the administration of the disputes, the Center provides capacity-building training and other support services. The advantages of these partnerships are cost-effectiveness, the reduction of pressure on the caseloads of courts or administrative tribunals, and the freeing of an asset (the trademark) from an uncertain or disputed status, enabling it to be used productively in the economy.

25. The third area of development is the mainstream alternative dispute resolution procedures for general IP disputes administered by the Center. Here, cases arrive now at a regular rhythm. There is a steady rise in numbers from a low base. In some instances, the values in dispute are high, in one case reaching one billion United States dollars. We believe that, with globalization and the increasing use of open innovation models, the potential for neutral, international procedures that offer innovative means of conflict management is growing. In this light, we are seeing more licensing disputes submitted to mediation or, typically, the combined procedure of mediation followed, in the absence of a settlement, by expedited arbitration.

### The International Normative Framework<sup>6</sup>

26. The great event of the past year for the Organization was the conclusion of the Beijing Treaty on Audiovisual Performances in Beijing in June 2012.

The Beijing Treaty is the first treaty on substantive intellectual property law to be concluded since 1996. The event was wonderfully hosted by the Chinese authorities and was characterized by a tremendously constructive spirit of engagement on the part of all Member States. I would like to express the deep appreciation of the international intellectual property community to the Government of the People’s Republic of China for its generous hospitality and impeccable organization.

27. The Beijing Treaty redresses the disadvantaged position of performers in the audiovisual industry by providing a clearer legal basis for the international use of audiovisual productions, both in traditional media and in digital networks. The Treaty will contribute to safeguarding the rights of singers, musicians, dancers, actors and other performers against the unauthorized use of their performances in audiovisual media such as television, film and video.

28. Forty-eight States have signed the Beijing Treaty. We hope that more States will sign the Treaty over the remaining months of the year during which the Treaty is open to signature. We have developed an ambitious plan for the promotion of accession to the Treaty, which we hope to see come into force over a wide geographical area in the near future.

29. It was very noticeable that, in their concluding statements at the Beijing Diplomatic Conference, most delegations expressed the hope that the spirit of the Beijing Conference would be carried over into the rest of the normative agenda of WIPO. A number of items on that agenda are now approaching maturity, and it is hoped that the 2012 Assemblies will develop a clear path forward for those items. In particular, I urge Member States to endorse the proposed road map for a new international instrument on improving access to published works on the part of the visually impaired and the print disabled. A great deal of convergence is developing both on the substance and the form of the instrument, and I strongly encourage Member States to capitalize on this convergence to convoke an extraordinary session of the General Assembly in December 2012 in order to consider convening a diplomatic conference to conclude a treaty on this subject in the middle of 2013.

<sup>6</sup> Strategic Goal I: Balanced Evolution of the International Normative Framework for IP



Photos: WIPO / Emmanuel Berrod

**MAY 2012**

*WIPO began **live webcasting** of all its **Committee meetings** – further delivering on the commitment to openness and transparency. Above: delegates meet in the SCP (May), the IGC (June) and the SCCR (July).*

30. I would also like to urge the Member States to move towards a diplomatic conference to conclude a new treaty on design law formalities. The substance of the proposed treaty is well developed. A study prepared at the request of Member States on the impact of the proposed treaty is favorable, and shows that it would result in improved access to design protection around the world, particularly for SMEs. It is clear that compliance with the proposed treaty would involve a cost for IP Offices, and technical assistance for the developing and least developed countries (LDCs) would be needed. In the recent session of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT), no delegation opposed the treaty. Divergence exists, however, over timing, with some delegations being ready to advance to a diplomatic conference in late 2013 and others unconvinced that the moment has yet arrived.

31. An international instrument on intellectual property and genetic resources, traditional knowledge and traditional cultural expressions is a major priority for the Organization. Progress has been made over the past two years, but there is still some distance to travel. The immediate task before the Member States is to design a process for the next twelve months that will lead to a positive outcome and result at the 2013 Assemblies. To achieve that outcome, an intensive process and a great deal of commitment and engagement on the part of all delegations will be required.

32. The next year should also see intensive engagement on the protection of broadcasting organizations, where the Member States have foreseen the possibility of a diplomatic conference in 2014. In addition, work will continue in a number of other areas, which include, notably, the commitment to address the other exceptions and limitations (libraries, archives and educational materials) on the agenda of the Standing Committee on Copyright and Related Rights (SCCR).

## Development<sup>7</sup>

33. In line with the Member States' policy of mainstreaming development cooperation, all Sectors of the Secretariat address in their work the special

needs of developing countries and LDCs in order to assist in building their capacity to participate in – and use – the intellectual property system. The Development Sector in the Secretariat is specifically responsible for:

- (i) assistance in relation to the formulation of national IP and innovation strategies;
- (ii) capacity-building;
- (iii) the program addressing the specific needs of the LDCs and, in particular, the WIPO Deliverables for LDCs approved at the 2011 Assemblies;
- (iv) the coordination of the inputs of other parts of the Organization in the annual work plans in relation to each country;
- (v) the implementation of the WIPO Development Agenda.

Similar responsibilities are handled for transition and related countries by the Division for Certain Countries in Europe and Asia and, in the area of copyright, by the Culture and Creative Industries Sector.

34. In order to respond to the increasing number of Member States wishing to develop national strategies, a number of practical tools have been prepared under a Development Agenda Project. These include a methodology handbook, which establishes a process for the formulation of the IP strategy in sequential steps, including data collection from desk research and interviews with IP stakeholders, preparation of a draft strategy with the support of an expert, and refinement of the strategy through a multi-sectoral national consultation process; practical templates and a baseline survey questionnaire for the conduct of desk and field research; and a handbook on benchmarking indicators to support the use of the baseline survey.

35. Capacity-building activities range across the full spectrum of support infrastructure and services for intellectual property and involve most sectors of the Organization's activities. The WIPO Academy is the primary vehicle for capacity-building programs. In 2011, a total of 33,732 persons from 192 countries benefited from WIPO Academy programs (33,019 of them through the Distance Learning Program). Eight summer schools were conducted in different locations around the world, attracting 338 participants. Further progress was made in

<sup>7</sup> Strategic Goal III: Facilitating the Use of IP for Development



Photo: XU Zhen

#### JUNE 2012

Member States signed a new international treaty, bringing 12 years of negotiation to a successful conclusion. The **Beijing Treaty on Audiovisual Performances** brings the rights of performers and actors for the first time into line with those available to authors, musicians and recording artists. Participants described the collaborative spirit of the Beijing negotiations as multilateralism at its best.

implementing the Development Agenda project for establishing Start-Up Academies, with plans for such Academies progressing in six countries. At the end of 2011, the Academy deployed a new e-learning platform in all six official languages and Portuguese. Thirteen courses are offered over the platform, which uses collaborative teaching methodologies with the aid of video, wikis, blogging and discussion fora.

36. The implementation of the recommendations of the Development Agenda continued to be a priority. To date, 26 projects have been approved to implement those recommendations, with a total budget of about 24 million Swiss francs. Six of the projects were completed in 2011 and independent evaluation reports on them were presented to the Committee on Development and Intellectual Property (CDIP). Completion and evaluation reports for another six projects will be presented to CDIP at its session in November 2012.

37. In the area of copyright, in addition to assisting in the strengthening of human-resource capacity and of the legal and regulatory framework, we have endeavored to bring new energy to our collective management program. The credibility of collective management is a crucial factor in the creative industries. We are seeking to establish, with stakeholders, a new voluntary international quality assurance standard for collective management organizations. The project is being executed under the branding of the “TAG of Excellence,” namely excellence in transparency, accountability and governance.

### Global Infrastructure<sup>8</sup>

38. The Global Infrastructure program provides an integrated approach to enhancing the capacity of developing countries to use information and communication technologies (ICT) in support of IP administration and to take advantage of global knowledge databases and networks; making available through free global databases the technological, scientific and marketing information

developed worldwide by the intellectual property system; and developing, in cooperation with Member States, platforms and tools that enhance cooperation and promote efficiencies by reducing redundant functionalities between IP Offices.

39. **Modernizing IP Offices and enhancing their capacity to use ICT.** We continued to assist IP Offices around the world to automate the processing of IP applications and, thereby, to provide improved services to stakeholders. Demand for WIPO’s assistance increased significantly in the past 12 months. More than 90 countries now receive some form of assistance in this area. More specifically:

- 62 offices use one or more of the WIPO-provided automation systems;
- 44 offices are using IPAS (Industrial Property Administration System);
- 14 offices are using AIPMS (Arab IP Management System);
- 16 offices are using WIPO Scan (a digitization and workflow management system);
- two offices are using WIPO EDMS (electronic document management system).

Many requests for assistance are outstanding and are being prioritized according to the availability of resources. The data generated by the WIPO-provided automation systems are, with the kind cooperation of the participating IP Offices, not only used locally, but also used to populate the global IP databases made available by WIPO.

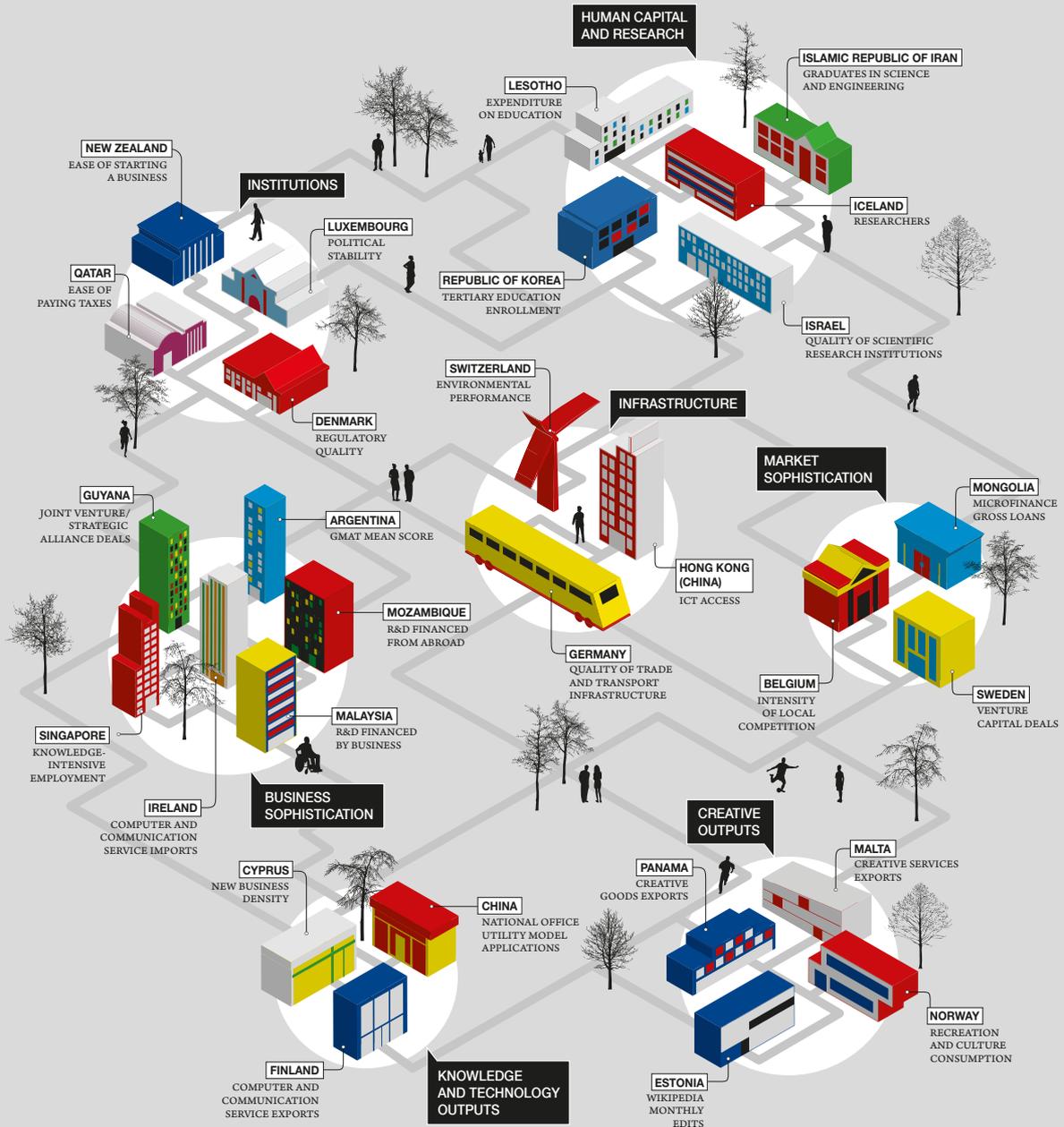
40. **Global databases and other knowledge services.** Major strides have been made over the past twelve months in the development of the Organization’s global databases and other services that improve access to knowledge products for developing countries and LDCs.

41. Around 14 million patent data sets from the PCT and 30 national or regional patent data collections are now searchable in PATENTSCOPE (an expansion from 8 million data sets covering 27 collections last year). New collections include those from Japan, Kenya and the Russian Federation. A new platform with higher performance characteristics has also been commissioned.

<sup>8</sup> Strategic Goal IV: Coordination and Development of Global IP Infrastructure

INNOVATION METROPOLIS

IN A PERFECT WORLD FOR INNOVATION, WHO WOULD DO WHAT?  
Top ranking countries/economies for selected indicators from the Global Innovation Index 2012



JULY 2012

The publication of the **Global Innovation Index (GII)** made impact worldwide with its in-depth evaluation of the innovation capabilities and results of 141 economies. The **GII** was a timely reminder at a time of economic crisis that effective policies to promote innovation are critical to spurring sustainable economic growth.

42. Several new functionalities have been added to PATENTSCOPE to improve access to its multilingual resources:

- (i) multilingual search is now available in 12 languages (an increase of three over last year) through WIPO CLIR (cross lingual information retrieval) by the addition of Dutch, Italian and Swedish (to, Chinese, English, French, German, Japanese, Korean, Portuguese, Russian and Spanish);
- (ii) Microsoft machine translation has been integrated; and
- (iii) KIPO (Korean Intellectual Property Office) machine translation has also been integrated.

The Organization's machine translation and knowledge technologies have been shared with other United Nations (UN) entities, notably UN Headquarters in New York and the International Telecommunication Union (ITU). Other new functionalities added to PATENTSCOPE include support for technology markets through notifications of the availability of PCT applications for licensing.

43. WIPO's **Global Brand Database** has been recognized as having world-class search and other functionalities. The expansion of its data coverage is now well underway. At the moment, in addition to data from the Madrid System, notifications of State insignia and the names and acronyms of intergovernmental organizations (Article 6ter of the Paris Convention) and registration of appellations of origin under the Lisbon System, the Global Brand Database includes data on marks registered in Algeria, Canada and Morocco. We hope to add collections from four further countries in the coming weeks.

44. In addition to the global databases, we have developed, in partnership with publishers and commercial database vendors, two other programs for enhancing access to technology and knowledge for developing countries and the LDCs. Under these programs, access to scientific and technical periodicals and commercial databases is available free for persons and institutions in LDCs or at very favorable preferential rates for those in middle-income developing countries. The Access to Research

for Development and Innovation (ARDI) program provides access to leading scientific periodicals. The number of registered users in ARDI has increased from 25 institutions to over 70, with a further 30 in the process of becoming registered. The content available has increased from 200 to around 250 publications. ARDI provides the basis for WIPO's participation in the Research4Life (R4L) public-private partnership that includes similar programs from the Food and Agriculture Organisation (the AGORA program), United Nations Environment Programme (the OARE program) and the World Health Organisation (HINARI program). The R4L partnership has been extended by its partners beyond the initial date set by the Millennium Development Goals of 2015 to at least the year 2020. The second program of WIPO in this area is the Access to Specialized Patent Information (ASPI) program, which enables patent offices and academic and research institutions in developing countries to receive free or low-cost access to sophisticated tools and services for retrieving and analyzing patent data.

45. In order to assist persons and institutions in developing countries to take advantage of the various technology and knowledge databases, we promote the establishment of Technology and Innovation Support Centers (TISCs). In the past year, 30 agreements have been signed for the establishment of TISCs, with initial training events on searching technology databases carried out in 12 countries, and intermediate and advanced training workshops conducted in a further 10 countries. Over 1,500 TISC staff have received training since the commencement of the TISC project three years ago.

46. **Platforms and tools.** Improvements have been made in the two platforms that the Organization offers for file-sharing, WIPO CASE (Centralized Access to Search and Examination) and WIPO DAS (Digital Access Service). A new version of CASE was made available to participating offices (so far, Australia, Canada and the United Kingdom). The improvements included patent family searching and remote access to the digital libraries hosted by the participating offices. Likewise, a new version of DAS was released, which offers a simplified and more attractive system for access to priority documents. Currently, eleven offices participate in DAS.

GENEVA



Photo: J.Erandi/UNIGE

WASHINGTON D.C.



Photo: USPTO

MEXICO CITY



Photo: Jorge Aponte

AUGUST 2012

*The WIPO Academy Summer Schools in Mexico City and Washington D.C. brought to eight the number of Summer Schools on intellectual property for students and young professionals run by the WIPO Academy over the past twelve months. In addition to the well-established WIPO-University of Geneva Summer School here in Switzerland, the Academy also ran schools in Croatia, South Africa, Republic of Korea, Russian Federation and Ukraine.*

47. The international classification systems are indispensable tools for coherent IP administration worldwide. The process for the revision of these classifications has been accelerated in response to the quickening pace of both technological and business change. The IT systems that support publication and revision of the classifications have also been enhanced.

### WIPO as a Global Reference for IP Information<sup>9</sup>

48. In addition to our online databases and access services, WIPO provides a number of unique world references for IP information.

49. **WIPO Lex** is the world's most comprehensive and authoritative resource of IP laws and treaties. It makes available online some 10,000 legal texts from nearly 200 jurisdictions in several languages. Global use of WIPO Lex has doubled since last year. Page views of the instruments in the database are nearing two million and WIPO Lex has become the fifth most widely consulted page on the WIPO website (up from its 10<sup>th</sup> position last year and 19<sup>th</sup> position when it was launched in 2010). The technical platform of WIPO Lex is being enhanced. The coverage of languages in which the database is available is also being enlarged. In addition to English, French and Spanish, it is expected that the database will be available in Arabic and Chinese soon. Already, the IP legal profiles of all Arabic-speaking countries and Chinese-speaking jurisdictions are fully accessible in those languages.

50. In November 2011, WIPO launched its first **World Intellectual Property Report** on the theme of *The Changing Face of Innovation*. This new economic publication series aims to explain, clarify and contribute to the analysis of IP trends, with a view to facilitating evidence-based policy-making. The 2011 Report recognizes that innovation is a key ingredient of sustained economic growth. It outlines how the innovation landscape has changed, and provides perspectives on important IP-related policy matters, including how to deal with increasingly crowded patent landscapes and how best to harness public research for innovation. Work is underway on the

next World Intellectual Property Report, focusing on a different theme. The new report will be published in 2013.

51. In July this year, WIPO co-published the **2012 Global Innovation Index (GII)** with INSEAD. The GI has evolved into a valuable bench-marking tool to facilitate the evaluation of innovation capacity by policy-makers, business leaders and other stakeholders. It is supported by Alcatel-Lucent, Booz Company and the Confederation of Indian Industry (CII) as Knowledge Partners.

52. We continue to improve our collection and reporting of data on IP activity worldwide, where the WIPO Statistics Database is the world reference. We have been able to expand the country coverage of our data as a result of a greater number of responses to our annual IP statistics survey. WIPO's regular statistics publications now include the World IP Indicators, WIPO Facts and Figures, the PCT Yearly Review, the Hague System Yearly Review and Country Statistical Profiles.

53. The *WIPO Guide on Surveying the Economic Contribution of the Copyright-based Industries* continues to provide the leading world methodology for measuring the economic contribution of the copyright-based industries. Some thirty national studies based on the methodology have now been published, demonstrating the enormous contribution to GDP and to employment made by creative industries.

### Engagement with Global Policy Issues<sup>10</sup>

54. Several initiatives address the role of IP in relation to global policy challenges. The most mature is **WIPO Re:Search**, which is led by WIPO in partnership with BIO Ventures for Global Health (BVGH). Under the initiative, public and private sector organizations make IP and expertise available on a royalty-free basis to qualified researchers anywhere in the world in order to promote the development of new drugs, vaccines and diagnostics to treat neglected tropical diseases (NTDs), malaria and tuberculosis (TB). The consortium includes leading pharmaceutical companies and governmental and

<sup>9</sup> Strategic Goal V: World Reference Source for IP Information and Analysis

<sup>10</sup> Strategic Goal VII: Addressing IP in relation to Global Policy Issues

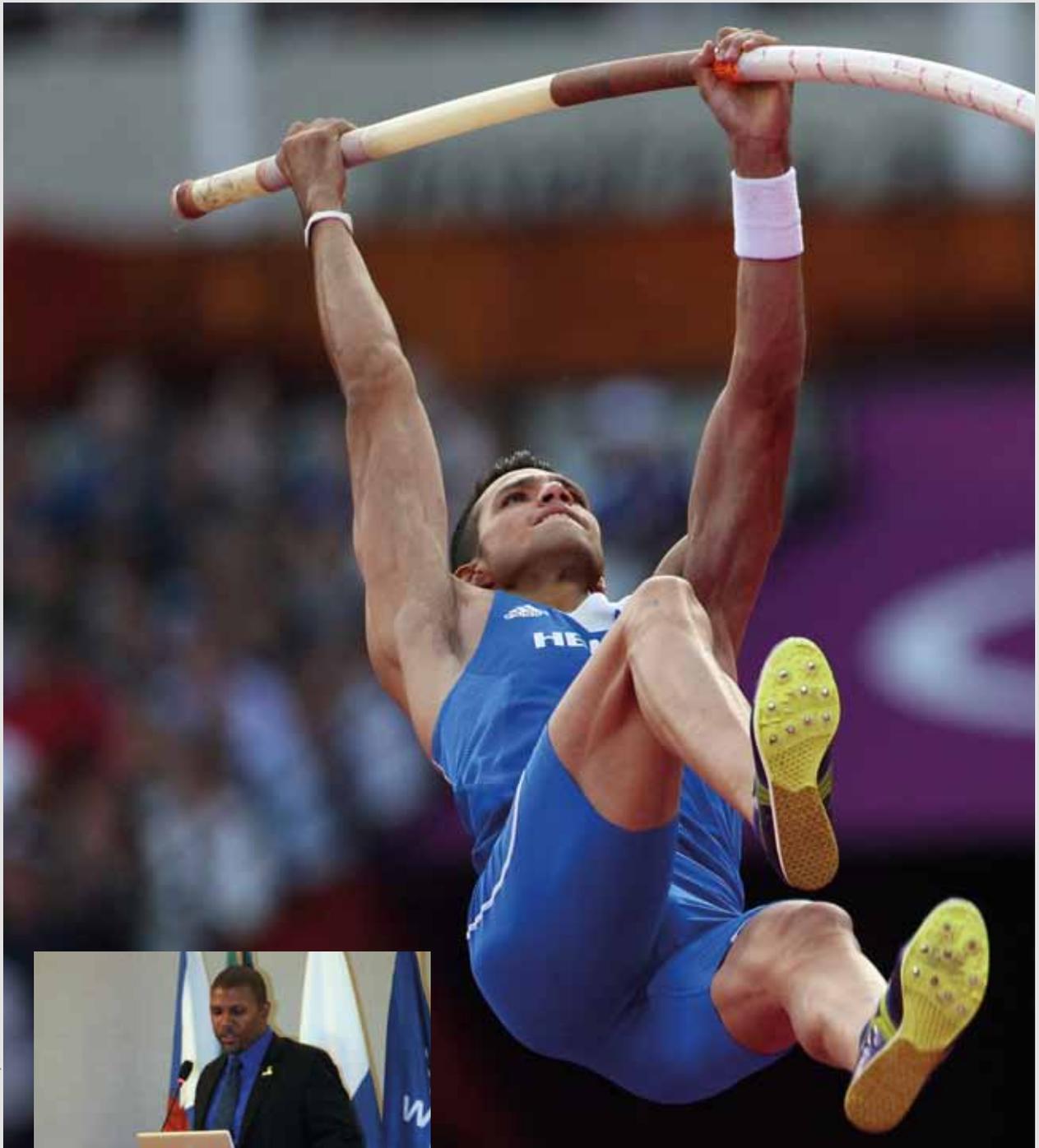


Photo: © Tim Clayton/Corbis



Photo: Guilherme Maia

#### SEPTEMBER 2012

*An international conference on the Strategic Use of IP by the Sport Industry (pictured left) held in Rio de Janeiro, Brazil, was the latest in a series of events on the value of **IP in sport** to support economic development. The issues were explored in a series of articles and new information resources published on the WIPO website.*

non-governmental research and health institutions. At the time of the launch of WIPO Re:Search in October 2011, it counted 30 members. By August 2012, membership had grown to 50, including 38 providers and potential users and twelve supporters. The WIPO Re:Search consortium has reached out specifically to research institutions in Africa, particularly those that are members of the African Network for Drug and Device Innovation (ANDI). Four ANDI centers, in Cameroon, Ghana and Kenya, are now members of WIPO Re:Search.

55. The WIPO Re:Search database includes 172 technology entries submitted by 17 different providers. The first three agreements for collaborative research under the terms of WIPO Re:Search were announced in August 2012, involving AstraZeneca, the UK-based pharmaceutical company, on the one hand, and two universities and one pharmaceutical company based in South Africa, on the other hand, which were given access to compounds and research data in respect of certain NTDs and TB.

### Communications<sup>11</sup>

56. In the past year, we have expanded considerably our use of social media as tools of communication. The purpose has been to address audiences that we would not otherwise reach and to acknowledge that more and more of our conventional audience is, changing its behavior and habits in relation to the sources and means through which it obtains information. Our approach to the use of social media has been incremental, with all decisions based on prior research and analysis to determine which platforms and which type of content best suit the needs of the Organization and its stakeholders. The need to ensure the sustainability of any new communication channels has also been a central consideration.

57. In addition to the WIPO You Tube Channel, and the popular annual World IP Day campaign on Facebook, we launched official WIPO presences in March 2012 on Twitter (micro-blogging), Flickr (photo-sharing) and Scribd (publication-sharing). We exploited the full range of these social media

to share with stakeholders and the wider public significant results achieved, such as the conclusion of the Beijing Treaty on Audiovisual Performances and the publication of the Global Innovation Index 2012. The most popular “tweets” since the launch have reached between 900,000 and one million people. We were encouraged to have achieved, within the first three months of the launch, a higher influence score on Twitter (as measured by Klout) than many comparable organizations with much longer established Twitter presences

### Administration and Management<sup>12</sup>

58. The Strategic Realignment Program (SRP) has guided the Secretariat over the past few years for the introduction of improvements in procedures, processes and management across the whole Organization. Through four Core Values (service orientation; accountability for results; working as one; and environmental, social and governance responsibility), 19 initiatives have shaped the future of numerous work areas. We are nearing formal completion of the SRP, which is planned for the end of 2012. Some initiatives will, of course, not yet be completed (for example, the Enterprise Resource Planning (ERP) system), but the Secretariat will move from a mode of intense process review and reform to one of continuous improvement.

59. The Internal Auditor plays a key role in support of the Chief Executive and management. A new Internal Auditor was appointed and commenced work this year. Several other key positions in the Internal Audit and Oversight Division (IAOD) were also filled. IAOD issued eight reports delivering about 85 recommendations for improvements. The areas audited and evaluated included program and project management, results-based management, human resources management and ICT management. IAOD followed up on recommendations from previous years to ensure that they had been addressed effectively. More than 95 percent of the recommendations of the past two years were accepted and management is making good progress towards implementation of all accepted recommendations. The backlog of

<sup>11</sup> Strategic Goal VIII: A Responsive Communications Interface between WIPO, its Member States and all Stakeholders

<sup>12</sup> Strategic Goal IX: An Efficient Administrative and Financial Support Structure to enable WIPO to deliver its Programs



**OCTOBER 2012**

*During the twelve months since the 2011 Assemblies, WIPO welcomed 31 new adherences by 19 countries to the treaties it administers.*

cases for investigation is also now under control. IAOD's work is closely scrutinized by the Independent Advisory and Oversight Committee (IAOC). I should like to record our thanks to the IAOC for its highly professional work.

60. A new Director of the Human Resources Management Department (HRMD) was also recently appointed and commenced work. One of the major internal exercises of the past year has been the revision of the Staff Regulations and Rules (SRR). Work on the revision was undertaken in a Consultative Group jointly chaired by, and composed of, representatives of management and of the staff. The Consultative Group worked tirelessly and professionally and I would like to record my deep appreciation for their excellent work, which will be before the Coordination Committee for consideration at this session of the Assemblies.

61. Following consultation with staff, a WIPO Code of Ethics was adopted earlier this year. A values-based, as opposed to rules-based, instrument, the Code is a short, high-level statement of principles in accessible language. A draft Whistleblower Protection Policy has been under consultation. A mandatory training program in ethics of all staff will also be launched later this year.

62. With the adoption of the new language policy in 2011, we have provided six-language coverage for all WIPO Committees from January 2012 and will be extending that coverage to all main bodies during the current biennium. We also aim to have all WIPO core publications available in the six official languages in the next biennium.

63. In addition to better language coverage, we have endeavored to improve conference management with the addition of webcasting and video on demand (VoD). Since January 2012, the proceedings of all major WIPO meetings, including the Beijing Diplomatic Conference, have been webcast and published on the Internet for VoD viewing. In total, 47 meeting days have been covered during the first seven months of 2012.

64. There will be a delay in the delivery of the new Conference Hall, which is now expected to be completed by the end of 2013. We are proceeding under a "classical mandate" of direct management of the construction project and have, by joint agreement of the parties, ended the contract with the general contractor. We have reinforced our internal team and management structure, as has the pilot, who assists us with the management of the project, and the architect. Our other construction project, the upgrade of the safety and security standards of the WIPO premises, is proceeding on track.

65. Let me finish by paying tribute to the staff of WIPO. I believe that this Report demonstrates that the staff have accomplished many things over the past year and have, in their sphere of responsibility, moved the Organization forward. We have many fine staff, who work in a highly professional, enthusiastic and dedicated manner. I am deeply grateful to them.



Francis Gurry  
Director General



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