WIPO magazine

NUMBER 3

Geneva, May/June 2005

THINK, IMAGINE, CREATE

World IP Day round up

DESIGN

Cars, fashion and eco-design

COPYRIGHT AND THE ECONOMY

Film industry boom
in India and Argentina

Editor's Note

The response to World IP Day this year was the best yet, with events across the world celebrating the Think, Imagine, Create theme, aimed particularly at young people. This month's issue picks up the theme with a round-up of World IP Day activities, a meeting with some young inventors from Iran, and the inspiring story of a young architect from Burkina Faso, whose creativity and vision has brought new hope to a community in one of the world's poorest countries.

Having covered developments in the PCT and Madrid system in the previous two issues, we continue the series with a look at the Hague System and industrial designs, including an interview with two users. IP and Business focuses on the design-driven fashion industry, and we dip into the world of product design with a look at some recent award winners and emerging trends.

Corrigendum

The reference to Kenya on page 3 of the March/April 2005 edition should have read as follows: "The first published trademark application from Kenya following accession to the Madrid system was *Tropical,* filed in 2004 by *Kenya Sweets Ltd.*"

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THE FIFTH WORLD INTELLECTUAL PROPERTY DAY | 26 APRIL

THINK, IMAGINE, CREATE

The fifth World Intellectual Property Day met resounding success on April 26, with events in over a hundred Member States. The theme "Think Imagine Create," directed towards young people, inspired celebrations from ***Azerbaijan*** to ***Colombia*** and from ***Scandinavia*** to ***Zimbabwe***. Member States and non-governmental organizations the world over found different ways to realize the words of WIPO Director General Kamil Idris: "Our goal for World Intellectual Property Day and beyond should be ***to encourage young people everywhere to recognize the creator, the problem-solver, the artist within themselves***."

Recognizing the creator

Recognizing and respecting the creator is at the heart of understanding IP and of appreciating our own creative potential. Members of ***Young Inventors International*** – aged from 18 to 35 – are actively realizing that potential. The ***Young Inventors*** responded to a challenge by the ***Canadian*** IP Office to come up with the most inventive way of celebrating the event.

The Canadian World IP Day pin

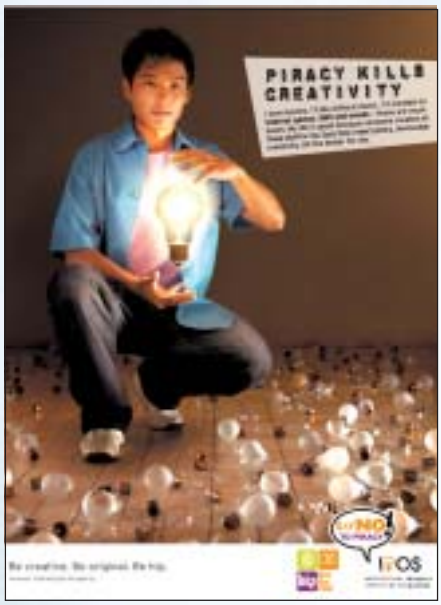
Events to honor inventors, such as award ceremonies, exhibitions and seminars, took place in ***Azerbaijan***, ***Bulgaria***, ***Finland***, ***Georgia***, ***Kenya***, ***Moldova***, ***Ukraine*** and ***Uzbekistan*** – to name but a few. ***Viet Nam***'s ***Center for Promotion of Invention and Innovation*** not only held a televised award ceremony in Ho Chi Minh City, but also announced plans for a film tracing the stories of Vietnamese winners of WIPO awards. The achievements of African creators will also be admired by future generations at the ***Museum of Inventions and Innovation*** inaugurated in ***Zimbabwe*** by the ***African Regional Intellectual Property Organization (ARIPO)*** on April 26.

Many countries broadcast WIPO's 30-second television spot aimed at promoting IP awareness and creativity in young people. Others produced their own material. ***Belize***, for example, broadcast and webcast "Creative Belize," throughout the month.

The problem-solver

Children are adept at finding unconventional solutions to problems. The challenge is to keep that natural creativity as they grow up. To do so, they must be encouraged to feel that their ideas are valuable and useful. Many IP offices geared their activities to reach young minds with that message. ***Iceland*** organized an innovation competition for children; while school children throughout ***Jamaica*** got a break from the standard curriculum with three days of specially prepared, interactive IP activities and presentations. Another Caribbean nation, ***Trinidad*** and ***Tobago***, produced IP Day kits for high school children.

Young people in Singapore put on their thinking caps to participate in the IP scavenger hunt. Excited groups of them could be seen racing through one of Singapore's most popular shopping malls – not in search of a sale but to locate clues and complete tasks related to IP. Their final challenge was to create an original work of art to illustrate what they had learned about IP, using items they had collected during the hunt. Participants walked away with prizes, a deeper knowledge of IP and the realization that they too could create and own IP.



An anti-piracy poster produced by Singapore for World IP Day

WIPO's "Striving for Excellence" exhibition (see page 8), inaugurated on World IP Day, also stimulates young people to think about the omnipresence of IP in their environment by looking at the world of sports.

The ***Estonian*** Patent Office, in collaboration with the ***European Patent Office*** (***EPO***), brought together stu-

THINK, IMAGINE, CREATE

INSPIRATIONAL CREATORS

Diébédo Francis Kéré, Architect

"A structure of grace, warmth and sophistication, in sympathy with the local climate and culture. The practical and the poetic are fused. [It] inspires pride and instills hope in its community, laying the foundations for the advancement of a people."

This tribute from the jury of the prestigious ***Aga Khan Award for Architecture*** captures both the architectural and socially transformative beauty of a low cost village school, designed and built from local materials by a young architect from ***Burkina Faso***.

Courtesy of D.F. Kéré

A joyful greeting for Diébédo Francis Kéré from Gando children outside their new school

Diébédo Francis Kéré's story is inspiring. It tells of one man's creative ability, enabled through his education, fired by his sense of social responsibility, and shared to create new opportunities for the future of an entire community.

There was no local school when Mr. Kéré was growing up in Gando, a remote village of some 3,000 inhabitants in one of the world's poorest countries. The son of the village headman, he already had instilled in him a keen sense of responsibility when his family sent him away to school at the tender age of seven. He did not disappoint them. After winning a scholarship from the German government to study in Germany, he became the first inhabitant of Gando to earn a university degree.

School bricks for Gando

While still studying for his architecture degree at Berlin Technical University, Mr. Kéré learned that the flimsy school building which had been erected in Gando some years previously was on the point of collapse. Determined to share with his community the advantages that education had given him, Mr. Kéré launched the ***School Bricks for Gando*** project and set about raising the US$30,000 funding needed to build a school.

Construction began in 2000. Mr. Kéré's approach to the project brought together intelligent architectural design, local materials and the involvement of the whole community. "This was much more than just a building project," the soft-spoken young architect told WIPO Magazine. "It was a labour of love. It was based on shared discovery between myself and the villagers, on creating something in which the whole community could take pride." Mr. Kéré trained local men in the techniques of building with compressed earth blocks. Village children proudly insisted on carrying mud and stones to the site. Women produced traditional clay flour. "The laying of a stamped floor was an unforgettable experience," he recalls.

Architecture for sustainable development

Guided by principles of sustainable development, Mr. Kéré placed importance on the use of clay as one of the main building materials. Clay, explains Mr. Kéré, has become known as "the material of the poor." It is cheap and readily available, but used in traditional building methods it is unstable and performs poorly compared to more expensive, imported materials. The Gando School project taught local people how to refine the clay and local materials, and how different construction techniques could further improve the performance of these materials.

The roof posed a conundrum, as there was no money to hire or transport a crane. To solve the problem, Mr. Kéré designed an innovative roof structure composed of long, curved sheets of corrugated tin and steel rebars, which the workers were able to erect by hand.

The structure of the building was designed to be aesthetically uplifting, while at the same time optimiz-

ing protection from the harsh climatic conditions. Steel supports lift the roof structure above the ceiling, creating spaces through which cooling air flows freely. The walls are shaded from both sun and torrential rain by the overhanging roof, which also provides covered areas for the recreation periods. The densely packed earth blocks of the walls and ceiling help to moderate the room temperature. Elegantly simple slats at the windows combine shade and ventilation.

Multiplier effect

Opened in 2001, the school now counts more than 300 pupils. Impressed by the building, the local government readily agreed to fund teachers' salaries. The construction of teachers' accommodations, of a standard to match the school building, is underway. The school not only provides education for the village children, but is used to pass on new skills and knowledge to the entire community. Moreover, the project is having a significant multiplier effect. Already two neighboring villages have followed the same model of community mobilization to build themselves schools. And the government is employing the Gando villagers with their new construction skills to work on other public projects.

Mr. Kéré remains driven by his desire to reinvest in his country. He leaves us with these two thoughts, on education and on architecture:

Gando School. Architecture to spur the development of a community.

Natural ventilation methods and compressed earth walls help to keep classrooms cool in the beating sun.

Photos: courtesy of Siméon Duchoud/The Aga Khan Award for Architecture

"From the classrooms of today will come the entrepreneurs, the scientists, the designers, the artists of tomorrow." –
WIPO Director General Kamil Idris, in his World IP Day message

"Africa is full of very bright and capable young people. But only through access to education will they be able to build themselves a better world. For me, Gando School is a success because the villagers no longer see it as a waste of time for their children to be in school instead of working in the fields. They look at what young Francis was able to do because of his education, and they are now able to believe that their own children can also achieve."

"Developing countries cannot be dependent on Europe for their architectural solutions. It should not be a North-South one-way street. We must develop our own solutions, and have pride in these. – Like this we will advance."

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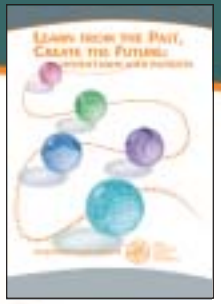
For more information see:
- ***www.akdn.org/agency/akaa/ninthcycle/page_04txt.htm***
- ***www.tu-berlin.de/presse/tui/05feb/kere.htm (in German only)***
- ***www.fuergando.de/eng/schulbausteine.htm***

THINK, IMAGINE, CREATE

Learn from the Past, Create the Future

New WIPO series for young people



"Inventions and Patents" is a WIPO publication with a difference. Due out in the summer of 2005, it is the first in a new series of publications

about intellectual property (IP) aimed at school children as the creators of our future. The publication marks a significant new effort by the Organization – in response to numerous requests from Member States – to provide practical and detailed IP curriculum materials for use in classrooms around the world.

Combining fun with facts, and packed with examples, the publication takes its young readers on a colorful journey through the world of inventions and patents. Easy-to-follow explanations of how patents work, why we need them, and how they contribute to scientific and technological progress are interspersed with the stories behind successful inventions, and young inventors who have patented and commercialized their ideas. ***Inventor Profiles*** are drawn from around the world, and teachers are encouraged to supplement these by getting their students to research inventions from their home country.

"Young people are our future," said WIPO Deputy Director General Rita Hayes. "They are the creators – and the consumers – of tomorrow. Developing a sustainable IP culture must include providing them with positive and informative messages about IP. This new series is a step in that direction."

Geared towards students from 8 to 14 years old, the publication takes the form of a self-contained workbook, which can be freely photocopied for classroom use. Taking a hands-on approach, it teaches the theoretical through the practical, and IP concepts through case studies. To play the ***PCT Detective*** game, for example, students learn to search WIPO's online PCT database for patent applications corresponding to a given description. ***"Think about it"*** boxes pose questions to provoke individual reflection and classroom debate.

Much of the material can be integrated into science classes. Teachers can build on the information provided by discussing with students the scientific principles behind some of the featured inventions, such as the combination of concave and convex lenses in the telescope, or the laws of thermodynamics in the Nigerian "pot-in-pot" cooling system.

"Inventions and Patents" debunks the fictional stereotypes of inventors as wild-eyed – and wilder haired – professors, and encourages students to recognize in themselves the essential qualities of curiosity, creativity and perseverance, which enable individuals to invent. It concludes with a roadmap for invention, taking students through the whole innovation process from idea, to IP protection, to commercialization.

The series is designed to respond to increasingly frequent requests from WIPO Member States and other groups for information products and educational material for younger audiences. WIPO currently plans three further volumes, to cover the topics of copyright, trademarks and industrial designs.

Further information

The publication is free of charge. It can be downloaded by schools and members of the public from the WIPO website (e-bookshop) in PDF format. It will shortly also become available in an interactive online format.

Limited paper copies and a print-ready CD-ROM will be distributed to National IP Offices and other government ministries in Member States.

Print copies can be ordered from WIPO's e-bookshop.

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YOUNG IRANIAN TALENT AT THE GENEVA INVENTIONS FAIR

It is not every day that you meet a 20-year-old with 23 patented inventions to his name, which he manufactures and sells from his own factory. So WIPO Magazine was intrigued to come across Seyed Hossein Khabbazi at the April 2005 International Exhibition of Inventions in Geneva.

Hossein, an engineering graduate from Mashad, Iran, began inventing at the age of 7. His first idea was a "closed circuit sound camera." But at the Geneva fair, Hossein was exhibiting his "trickle irrigation micro processor machine," designed to deliver to agricultural crops precisely the amount of water needed by each plant. He recounted how, having spent four years investigating variations in the electromagnetic fields given off by plants according to their water needs, he had produced a sensor, which was able to detect and respond to a plant's "water me!" signals. He cited data gathered from tests on 40,000 trees in Mashad indicating that his system could dramatically decrease water wastage compared to other trickle and timing-based irrigation systems.

Hossein described his factory, employing 21 staff, financed by the sales of his inventions. His best-selling product, the "Mild Wave Machine," removes bacteria from milk using a "cold pasteurization" method. And where do all his ideas come from? "From what I see around me. [For example], my sister suffers from diabetes, which gave me the idea I am working on next for a new diabetes testing method."

Sharing Hossein's passion for problem-solving were other young Iranian inventors exhibiting at the Geneva Fair. 17-year-old student Shima Rezaeian, frustrated by the limitations of conventional printers, showed us her patented printing machine, able to print directly onto any smooth surface. Rather than paper passing through the printer, her printer moves across the surface. Shima described her decision to seek patent protection as motivated by the satisfaction of having her achievement recognized, rather than by prospects of financial gain.

Pourya Roozban, from the Azad University of Qazvin, has already attracted local investors in his invention, a pocket-sized vibrating alarm for deaf people. Inspired by the needs of the deaf mother of a friend, the device is programmed to recognize 36 specified sounds – from a doorbell, to a smoke alarm, to a baby's crying – and to translate these into a digital display accompanied by a vibrating alert. Pourya was looking to license his certified technology to companies outside Iran.

The tireless Ali Reza Rastegar, 27, who had organized the Iranian group's participation at the Fair, had 10 inventions to his name. He was exhibiting an eco-friendly alternative to plastic, based on cellulose from the cotton plant.

Some 735 inventors from 42 countries participated in Geneva's annual International Exhibition of Inventions, most hoping to find investors.

Photos: Maria de Icasa

Student inventors Shima Rezaeian and Sadaf Alirezaey. Shima's printer had won her a bronze medal at the 2004 IENA inventions fair in Germany

20 year old engineer, Seyed Hossein Khabbazi, has patented 23 inventions in Iran

And not without reason: According to the Fair's president, Jean-Luc Vincent, approximately 70 percent of the inventions first shown in Geneva are subsequently commercialized.

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THINK, IMAGINE, CREATE

STRIVING FOR EXCELLENCE – AN EXHIBITION ON IP AND SPORT

What do world champion Stéphane Lambiel's ice-skates, top tennis player Roger Federer's racket, and world champion Sergey Bubka's pole vault have in common? They all feature in a lively exhibition on sport and intellectual property currently showing at WIPO. "Striving for Excellence," which opened on World Intellectual Property Day, offers a glimpse of the technological advances that have improved sport both on and off the track for top class athletes, for the millions who play sports for relaxation and health, and for the millions more who share the excitement from their television screens.

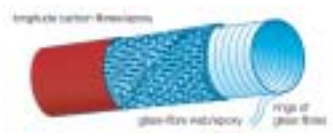
Roger Federer's tennis racket is stronger and more resilient thanks to Wilson's patented nCode™ nanotechnology process.

Photo: Siggi Bucher

Intellectual property (IP) is a major factor in the success of sporting events. Not only does it play a key role in spurring technological developments to improve the performance and safety of athletes, it underpins the commercial opportunities generated by the massive interest in sporting events and in the athletes themselves. IP also fosters development in broadcasting technology, and is pivotal in enabling the public to follow their favorite events in the comfort of their homes.

New materials, new heights

WIPO's exhibition traces the evolution of sports equipment and its impact on sporting performance. When pole vaulting, for example, emerged as a competitive sport in the late 1800s, vaulters used wooden (ash) poles, then bamboo poles with a sharp point. Improved technique and materials enabled athletes literally to reach new heights. The 1896 Olympic record, set with a bamboo pole, was approximately 3.2 meters. In 1957, a 4.48 meter record was set using an aluminum pole. This was upped to 4.80 meters in 1960 with a steel pole. Then came the fiberglass pole, revolutionizing vaulting techniques and breaking the record set with the steel pole the previous year. The current world record for men is 6.14 meters, set in July 1994 by the 6-times world champion, Sergey Bubka of Ukraine.



Cross-section of a modern pole vault

Other cutting edge technology featured in the exhibition includes:

- Wilson's patented nCode™ nanotechnology process, whereby tiny silicon oxide crystals are injected into the carbon fibers of tennis rackets to make them stronger and more resilient;
- the adidas-1 "intelligent" running shoe, which contains electronic devices to regulate cushioning in accordance with weather conditions and running surface;
- the Speedo® FASTSKIN FSII swimsuit fabric which, modeled on the skin of a shark, is designed to reduce drag and enable competition swimmers to gain those vital split seconds.

Tertius Picard/Touchline Photo-NOC SA

A picture perfect finish timed to the hundredth of a second.

Golfers can learn about the evolution of golf clubs which, since the 1940s, have benefited from research into synthetic and composite materials, offering greater rigidity, lightness and strength. The golf ball is also a marvel of ingenuity. Many patents have been taken out for improvements including to the cover of the ball, the mesh or design of the cover. William Taylor of Leicester, England, patented the idea of dimple markings on golf balls in 1905. The dimple pattern maximizes lift while minimizing drag. After many years of aerodynamic research, this remains the design principle for golf balls to this day.

Measuring a hair's breadth

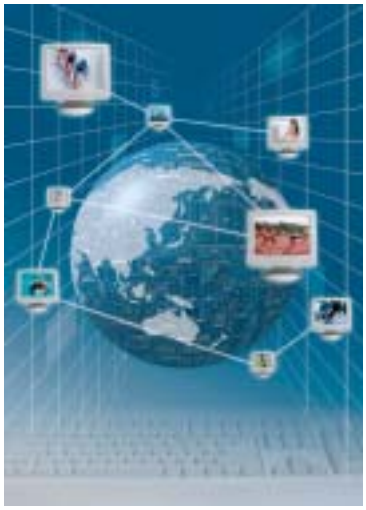
At the top sporting level, every millimeter or every fraction of a second can make the difference between winning and losing. The first four sprinters in the men's 100 meter final in the Athens 2004 Olympics all crossed the finish line within 1/100th of a second of each other. Minutely accurate measuring devices have become essential. Using the incentives built into the IP system, timekeepers have advanced from the stopwatch, to the electronic chronometer, to the slit video (an ultra-thin line, perfectly aligned with the finish line, and which scans 2,000 times every second to produce images recording athletes as they cross the line), to produce ever more accurate measurements.

Boosting revenue

The exhibition also looks at how sporting organizations and athletes use the IP system to generate income, be it through the protection and use of their trademarks to strike sponsorship, licensing and merchandizing deals, or through the sale of broadcasting rights. The Athens 2004 Olympic Games licensing program alone generated retail sales of over US$530.2 million and is expected to generate royalty revenues of US$86 million. Revenues from the sale of broadcasting rights represented 52 percent of Olympic revenue between 2001 and 2004.

In the 1930s when the Olympic Games were first televised, only a handful of terrestrial channels were available. Today, advances in communication technologies have revolutionized sports coverage, enabling billions of people around the world share the spectacle and excitement of major sporting events, and in turn generating new commercial opportunities. IP rights underpin the relationship between sports, television and other media. When these rights are traded, sporting organizations, commercial sponsors and the public can all benefit.

Sport, whether as big business or as one of life's simple pleasures, shows multiple facets of IP in action: patent-fuelled technological advances, design innovation, trademark-driven merchandizing, licensing of broadcasting rights. – Food for thought next time we kick a ball, put on our running shoes, or sit down to watch a match.



Advances in communication technology have revolutionized sports coverage.

The exhibition in the Information Center at WIPO's Geneva headquarters will run until August 26, 2005. Entrance is free.

"adidas", the adidas logo, the 3-stripe trademark and the Roteiro logo are registered trademarks of the adidas-Salomon group, used with permission.

The adidas Roteiro™, used during Euro 2004, uses the latest design innovations and high-tech materials.

THE HAGUE SYSTEM

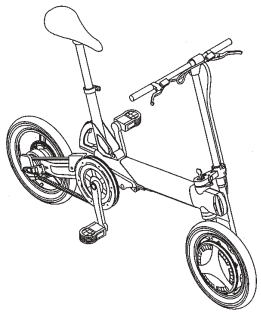
A tool for corporations and individual designers alike

By 2004 year end nearly 35,000 international design registrations were in force under the WIPO-administered Hague System for industrial designs. But unlike the Patent Cooperation Treaty (PCT) and the Madrid system for international trademark applications, the Hague System did not break records last year. Rather, while four more countries joined the System, the total number of new registrations filed decreased. What does this mean? We take a look at what lies behind the statistics, and at the building blocks being put in place to create a spring-board for the Hague System.

Broadening the spread

The WIPO-administered, global IP registration systems all operate on the same basic principle, i.e. offering users a ***cost effective, streamlined procedure*** for protecting their IP simultaneously in any – or all – of the respective Member States. It follows that the greater the number of Member States, and the wider the geographical scope of a system, the more attractive that system becomes to users and potential users. The Hague System – with 42 Contracting States, predominantly within Europe – is the smallest of these three systems and has the most limited reach.

But membership is rising as WIPO works with partners to expand the geographical scope. The latest countries to join the Hague System include Croatia, Egypt, Hungary, Turkey, Niger and Latvia. Meanwhile, accession discussions are underway with South Africa, Portugal, Norway and the European Community.



Sony's electric power assisted cycle design. *Although Japan is not yet a member, Sony's European arm, Sony Overseas S.A., holds the third largest portfolio of industrial designs registered under the Hague system.*

The ***Geneva Act*** of the Hague Agreement, which came into operation in April 2004, also marked a significant step forward (see box). As well as increasing user-friendliness, the Geneva Act introduced improvements specifically designed to increase membership of the Hague System by making it more compatible with major, national registration systems. Not least, it enables the accession of intergovernmental organizations such as the 25-country European Community (EC) bloc and the 16-country African Intellectual Property Organization (OAPI).

Impact of the European Community Design

It was no surprise that design applications in the Hague System decreased when the European Community Registered Design System came into operation in April 2003. Similar decreases were recorded in the national trademark operations of most European countries over the same period. The European Community system is a natural choice for applicants seeking uniform protection in the 25 markets it represents,

One System, three Acts

The Hague Agreement or Hague System comprises three independent Acts, the **London Act** (1934), the **Hague Act** (1960) and the **Geneva Act** (1999). The system was introduced to enable design owners to obtain protection in several States by means of a single international application filed with the International Bureau of WIPO. The precise terms covering a State's use of the System depends on which of these Acts the State is party. The successive Acts updated the System in response to the needs of rights holders and IP offices. The Geneva Act, operational since 2004, paves the way for wider membership and greater use of the system by offering new flexibilities such as:

- Giving design owners the option to **defer publication** of their new design for a grace period of up to 30 months. This means more time for market research, and the option of withdrawing a design in a designated country before publication, thereby avoiding wasted expenditure.
- Giving the examining offices of Contracting States the option to **extend the refusal period** to twelve months instead of the standard six months; as well as greater flexibility in setting fees.
- Providing for the **accession of intergovernmental organizations.**

although, as its system operates on a unitary basis, applicants do have to take into account that a refusal in one Member State invalidates the entire application. Because of this, the Hague route, operating on the basis of a "bundle" of national applications, is sometimes preferred by applicants even for registrations within European countries only.

The WIPO Secretariat and the Office of the European Community share the aim of creating structures which will maximize the benefit to the greatest number of users and potential users. The on-going discussions regarding modalities for the EC to join the Hague System will contribute to this aim, and EC accession should provide a major uplift to the Hague operations.

Taking care of the users

The formalities of the Hague System can appear dauntingly complex. But here the relatively small size of the Hague to date has offered some benefits. Users often express appreciation of the personal service they have received in correspondence and telephone conversations with the WIPO examiners. Advice, including careful explanations for new users, and money-saving tips such as fitting as many designs as possible on each page so as to reduce the per-page fee, helps new and established users to get the most out of the System. At the same time, such contact acts as a channel for feedback to help improve the service.

"Packaging" is one of the most requested classifications in the Hague System. In 2004, packaging accounted for 8 percent of design registrations. Bulgari filed for protection of the BLU perfume bottle in May 2004, requesting publication in color and submitting images of the BLU pour femme bottle taken from six different angles.

Design is different…

While the global IP registration systems have much in common, it would be misleading to expect the Hague System to mirror closely the development of, for example, the PCT. Designs, by their very nature, tend to have a far more ephemeral life-span than patents or trademarks. While some endure to become classics, many designs, such as for fashion items and footwear, go in and out of style within months rather than years. As such they naturally occupy a smaller share of the overall industrial property market.

In this fast-moving environment, the challenge for the Hague is to meet the essential needs of design creators for rapid, low-cost registration, without compromising on the high, formal standards which the application process requires in order to provide solid protection.

What is an industrial design?

Definitions of what constitutes an industrial design vary from country to country. Common elements include aesthetic appearance, multi-dimensional nature, embodiment in an article with utility, and the exclusion of shape dictated by function. Here is a sample:

- **Brazil**: *…the ornamental shape of an object or the ornamental combination of lines and colors that can be applied to a product, to give a new and original visual result in its external configuration and can serve as a model for industrial production.*
- **Pakistan:** *…features of shape, configuration, pattern or ornament applied to an article by any industrial process or means, being features which appeal to and are judged solely by the eye..*
- **Switzerland**: *…any arrangement of lines or any three-dimensional shape, whether or not combined with colors, that serves as a model for the industrial production of an article.*

HAGUE USERS SPEAK

European car manufacturers are major users of the Hague System, with Germany's DaimlerChrysler, Adam Opel, Porsche and Volkswagen topping the list. WIPO Magazine spoke to a representative from a long established user, DaimlerChrysler; and then to a first-time applicant, sports car designer Jean-Paul Oyono. Here is what they had to say about their respective experiences of the Hague System.

DaimlerChrysler

How has DaimlerChrysler's use of the Hague System increased?
The first application was filed February 2, 1959. Ten years ago the company was registering 36 industrial designs in 34 applications. Last year, we registered 223 industrial designs in 46 applications

Can you give us some examples of DaimlerChrysler designs registered under the Hague System?
The designs we registered most recently are for the New A-Class; new ML-Class; CLS-Class. DaimlerChrysler's best known industrial design is the SL gullwing door, filed under the Hague System in 1959.

What would you consider the main advantages of the Hague System?
The fact that one application gives wide country coverage. It is cost effective. And there is no need for an agent. The entry into force of the Geneva Act will bring wider country coverage and future benefits, but we will not feel the effect until Germany signs the Act.

The "legendary" Mercedes 300SL Coupé with gullwing doors

DaimlerChrysler uses the German national system, the European Community System and the Hague system. How would you compare them?
The decision as to which system to use to register a design is made on a case by case basis, depending on the particular product and the market. For example, we would take into account in which countries protection is necessary; the spare parts clause in the EU*, the different grace periods and/or deferment periods.

The advantages for us of the ***German national system*** are filing in our own language; multiple applications [as with the Hague and the European systems]; the short mailing distance to the German Patent and Trademark Office, which means a same-day application date; the 24-hour postbox; the possibility of postponement for 30 months; the 12 month grace period; and the full protection for spare parts.

The ***European system*** offers the advantage of one application providing uniform protection in all European Union member states with a single examination. It is possible to file in German; it offers a uniform postponement period of maximum 30 months, and a uniform grace period of 12 months.

The ***Hague System*** offers the greatest scope in terms of countries, both in Europe and worldwide. The system works on the basis of national effect in each country. The disadvantages are the lack of uniform regulation of grace periods, deferment, duration, fees, etc.

What improvements would you like to see to the Hague System?
For the time being, there are no problems for DaimlerChrysler anymore – thanks to the help of WIPO. But it is a complicated administration system with many exceptions; the fee system is complex. A fee calculator might help, but a unified country fee system would be easier as would a single fee for publication, rather than charging per copy and per page. The application form is not easy to understand. More seminars and explanatory notes in more languages (e.g. Spanish, German) might help.

For further information, visit
www.daimlerChrysler.com

* The EU's definition of spare part includes things such as parts of cars, bumpers, bonnets (engine hoods), lights, etc. These are not excluded from registration but they have limited protection.

Jean-Paul Oyono, independent car designer

How did you become a car designer?
I've always wanted to design cars. The Art Center [College of Design] has a reputation as the innovative leader in art and design education, especially in the car industry. I went to their European campus in Vevey, Switzerland. Then, I worked for BMW and indirectly for the Fiat Group. Now I am launching my first independent project.

Can you say more about the project?
I've designed a mid-engine sports car. The level of involvement of the designer from concept to realization of the final product is very high. When designing, one must understand the whole process from engineering to marketing and take it all into account in the design. The design is there. Now, in order to launch the project, which requires various experts – electronics, engineering, etc – I need to advertise it. But I can't disclose my design, in case someone else appropriates it. Registering it under the Hague System gives me the freedom to do so. Non-disclosure clauses would not suffice.

How did you find out about WIPO's services?
I had a problem on a previous project while working as a consultant when an Italian design subcontractor claimed my design as its own. You're not entirely prepared for that kind of situation when you go to design school. Now I'm keener on protecting my ideas. I want any exploitation of my work to recognize my paternity. I had vaguely heard of WIPO, but it remained obscure. After I had my idea stolen, a friend told me about the protection of industrial designs.

Was it difficult to understand how to register your design?
I read up on the Hague system, so I understand the basics, but it is rather legalistic and technical. I also spoke to the person responsible for the registrations at WIPO. From him, I learned some things I would have never thought of, like the need also to protect scale models of the car.

What are the pluses/minuses of the Hague system for you as an individual user?
International recognition – filing an international application through WIPO enhances credibility, which will be recognized in the negotiation process and which permits the creator to be more at peace. The big disadvantage for independents like me is [coming up with funds] to cover the cost. I know the argument is that it works out cheaper than filing separate applications in several different countries, but registration should cost less for individual users than for corporations, or there should be more ways to adjourn payments.

French-Cameroon national Mr. Jean-Paul Oyono is a sports car designer, based in France. With no corporate backing, he needs to minimize the legal and administrative costs of protecting his IP. He came in person to WIPO to obtain information on the Hague System and to register his designs.

For further information, contact Mr. Oyono at ***jeanpauloyono@neuf.fr***

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A design from Mr. Oyono's portfolio

WINNING DESIGNS

Design makes all the difference. For a teenager choosing a T-shirt, it makes the difference between cool or un-cool; for a website-user seeking information, the difference between clarity and confusion; for a wood-worker using a screwdriver, the difference between a firm grip and a palm full of blisters. Design is where function meets form. And in good design, the two work in harmony: the practical with the beautiful, the consumer's needs with the consumer's desires. In this article we sample some award-winning product designs and reflect on emerging trends.

"There was a time in the 1970s and 1980s when products were trying to impress with their technological complexity. …Now there is a rejection of whatever is adding complexity." – ***Stefano Marzano, Philips Design.***[1]

Design as science

Companies which previously relied on their technological innovation to stay ahead of the competition are re-thinking their product development strategies and are now investing heavily in design as central to success. This is evident in the technologically sophisticated consumer electronics sector, where market leaders vie with each other to lure customers to choose ***their*** latest mobile phone or television set.

Siemens SK65, the first mobile phone to offer complete e-mail communication via its Blackberry *function, won awards from iF, Reddot, and GSM Association. Recognized for its compact and sophisticated design, based on simplicity, balance and symmetry, combined with an ingeniously simple mechanical solution.*

Credit: Siemens press pictures

The Dutch electronics group Philips, which collected 12 awards at the 2005 International Forum Design (iF) awards in Germany, has no doubt of the importance of design to the company's success. Philips Design employs not only top creative designers, but also anthropologists and psychologists to research human needs, desires and behavior. Research showing that adapted ambient lighting makes for a more relaxing television-watching experience led to Philips' development of ***Ambilight***, in which light with adjustable colors is diffused behind the television set. Two ***Ambilight*** televisions were among the iF design winners in May.

Among current trends in industrial design, Chief Executive Officer and Creative Director of Philips Design Stefano Marzano highlights above all simplicity, both in form and function. He also notes a trend towards "humanization," in which products are endowed with greater emotional appeal, including more human attributes; and a "feminization," in which softer shapes and colors increase a product's appeal. These trends are reflected in the designs of other iF award winners, such as Korean company LG Electronics. LG notes that the innovative arched back design of their LX40 series Liquid Crystal Display (LCD) monitors has been compared to a human bodyline, inspiring Italian designer, Giorgetto Giugiaro, to wax lyrical: "This is not a design, this is a poem."

Everyday objects

But design is not just about the latest high tech product, or about adding even more luxury for wealthy customers. The London Design Museum in February 2005 published results of a poll of 40,000 visitors, in which the humble ball-point pen, or biro, emerged as the people's choice for the best ever low cost design innovation (i.e. for "under a tenner" or £10). The biro, patented by the Hungarian Biro brothers in the 1930s, drew praise as an unsung icon of simple, practical design, which has endured the test of time, unchanging in the face of competition from flashier rivals.

Improving the design of everyday objects is an ongoing challenge. The 2004 International Bicycle Design Competition, held in Taiwan, revealed an abundance of ideas. First prize was won by a professor and two students from the industrial design program of Purdue University,

[1] Interview with the Financial Times, April 29, 2005

U.S., who produced ***SHIFT,*** a bike to help children learning to ride. It has two flexible rear stabilizer wheels, which move inwards to merge into one back wheel when the bicycle is moving and the child gains balance, then move back out for greater stability when slowing down. The design has attracted bidding from 12 potential investors.

Eco-design

Sustainable development is becoming a buzzword in design, with considerations such as recycling materials, reducing waste in production, increasing energy efficiency, eliminating toxins and extending product life, all feeding into the design concept.

The organicAWARDS competition recognizes design innovation combined with environmental responsibility. Among the trends in eco-design, the competition organizers noted a readiness to experiment with bio-composite materials, such as panels made from sunflower seeds, and natural mulching felt. 2004 award winners included cardboard desktop speakers by Japanese lifestyle retailer Muji; and carpet tiles by Interface Carpets, which have a high recycled content and are designed to be laid anyway around for minimal wastage.

At the ***disa*** Design Excellence Award scheme, run by the Design Institute of South Africa, concern for the environment and for sustainable development inspired the 2004 winner of the Chairperson's Award for the most exceptional entry: The ***Vesto*** stove is a low cost, bio-mass burning stove, produced for developing country needs by New Dawn Energy Systems. It requires only about one third of the wood or dung normally used to cook a meal, and the low smoke emissions reduce health risks. It is safer than paraffin or comparable stoves, and if knocked over the fuel will not spill. The ***disa*** award scheme forms part of South Africa's "design for export" initiative, aimed at ensuring that the country's manufacturing industry can compete effectively in international markets.

Humanizing medical design

The winner of this year's ***disa*** Chairperson's Award was a high tech medical scanner from Lodox Systems Ltd. The ***Statscan Critical Imaging System*** is a digital X-ray system for use in emergency medical centers. It produces a full body scan within approximately 13 seconds, enabling medical staff to have a complete picture – literally from head to toe – of a patient's injuries. The X-ray dose used is estimated to be about 25 percent of other equivalent techniques.

Positive trends in the less typical design area of medical and life sciences were noted by commentators at the prestigious 2005 Reddot Awards. The jurors praised entries for designs showing sensitivity and greater focus on the emotional and atmospheric aspects of the patient's experience. They also highlighted the use of design to simplify the operation of medical appliances, and to reduce the possibility of error by users.

The "Croissant Sofa" by award-winning Philippino designer Kenneth Cobonpue is made from buri palm, abaca rope and steel.

Combining tradition and innovation

Many highly successful, individual designers fuse traditional and modern elements in their designs. Kenneth Cobonpue from Cebu in the Philippines runs a furniture design and manufacturing company, Interior Crafts of the Islands, Inc. His acclaimed creations sell worldwide, and have won awards including the Japan Good Design Award (2003), and the Golden Shell Award (2002) for embodying the ideals of Asian design. Integrating locally sourced, traditional materials – such as bamboo, abaca hemp and buri palm – with innovative, hand-made production techniques, Mr. Cobonpue seeks an alternative to the Western definition of modern design.

From hi-tech to low, from luxuries to life's necessities, from east to west, innovative product design will continue to make all the difference.

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Photo: C. Pemberton-Pigott

The Vesto stove, based on a modified 25-litre paint can. Chambers preheat the incoming air, boosting the stove's efficiency.

INTELLECTUAL PROPERTY IN THE FASHION INDUSTRY

"In order to be irreplaceable one must always be different."

– Coco Chanel

Versace's medusa motif, the ***Vera Wang*** wedding dress, ***Dr. Martens*** boots – all these are products of applied intellectual creativity and skill in the fashion industry. No one doubts the tremendous value of intellectual capital to the creation and marketing of products in the fashion industry, be it high fashion or ready-to-wear. Yet many small and medium-sized enterprises pay little attention, if any, to protecting such intellectual assets. In the current business environment, the primary source of competitive advantage for all businesses, including those in the fashion industry, is innovation and original creative expressions. Business managers need to identify such valuable intangible assets in a timely manner, determine their business relevance, and agree on those to be protected and leveraged through the intellectual property (IP) system.

This article looks at the strategic management and use of IP rights to reduce risk, develop business partnerships, and enhance competitiveness of all types of businesses in the fashion industry.

Designs

At the heart of fashion are fresh, new designs. Among the range of IP tools, the protection of industrial designs – also simply referred to as designs – is the most clearly relevant to the fashion industry. Registration of a design helps the owner to prevent all others from exploiting its new or original ornamental or aesthetic aspects, which may relate to a three-dimensional feature, such as the shape of a hat, or a two-dimensional feature, such as a textile print. (For some definitions of industrial design, see page 10.)

The fashion industry invests huge sums to create new and original designs each season. Despite this significant investment, little use is made of relevant national and/or regional design law to register and protect these designs. In some countries, fashion designs may be adequately protected by copyright law as works of applied art. However, a frequently cited explanation for not registering fashion designs is that the short product life cycle – often no more than one six-to-twelve month, season – does not justify the considerable time and financial cost involved.

The arguments for registering a new design have to be considered on a case-by-case basis. Registering a design should help to deter others from copying it, and to fight unscrupulous competitors who do so. Moreover, design protection is not always a major financial burden, at least to begin with. Some countries and regions, such as the United Kingdom and the European Union (EU), offer an ***unregistered form of protection*** for industrial designs for a relatively short period of time. Unregistered design protection, wherever available, is extremely useful for fashion designers or businesses with limited budgets, and for all those that wish to test market new designs before deciding which to register. The unregistered community design right of the EU offers protection for a maximum period of three years, starting from the date on which the design is first made available to the public in any of the 25 countries of the EU.

While fashion trends may come and go in the blink of an eye, some never pass. Many items become classical pieces. There is a one year waiting period at the French fashion house ***Hermès*** for the classic "Kelly" Bag, which grew to fame in 1956 after Princess Grace Kelly of Monaco appeared carrying the bag on the cover of LIFE Magazine. The classic ***Chanel*** suit – designed by Coco Chanel in the 1930s – is still sold today, for US$5,000 a suit. Many fashion houses strive to create such

Credit photos: Hermès

The Hermès Kelly Bag and the new Hermès Plume Bag – Hermès is one of the top ten users of the Hague System for the international registration of industrial designs (see page 10), with hundreds of designs registered through the System.

classic design pieces. When they succeed, if they have not obtained the appropriate IP protection in time, imitators will be able to 'free ride' on their creative work.

For fashion items with a long life span, filing an application for a registered industrial design may be the best way to prevent others from using the design. It is possible to request at the time of filing – not after – that the publication of the application be deferred for up to 30 months. This is a particularly useful feature, offered under the Hague System, the EU community mark, and many national systems, for those who may want to keep their design secret until it comes to market.

Branding and trademarks

Big fashion houses value their brand equity. Most develop a bond with their customers through their brand names and fiercely protect these through registration of trademarks and protection of associated artwork by copyright law. Trademarks are just as important for a small or start-up company in the fashion industry.

The Italian clothes company, ***Pickwick*** (***www.pickwick.net***), offers an interesting example of the strategic use of a trademark to build a successful business in the fashion industry. Pickwick now sells a range of casual fashion wear to adolescents across Europe. But not so long ago, all that the company had was the trademark itself, which depicted a young, faceless boy with a spiky hairstyle. The trademark owner started his business by selecting items he judged would have particular style appeal to teenagers, adding his distinctive trademark and distributing them through the local shops in Rome. Initially, the business costs were kept low by operating from a garage.

Teenagers perceive the Pickwick logo as trendy and are willing to pay extra for clothes bearing its trademark. Today, the company subcontracts the manufacturing and focuses on marketing, distribution and monitoring and controlling the use of the trademark.

Patents

Patents may not immediately spring to mind when considering the fashion industry. Yet technical innovation can equally put a fashion business ahead of the competition. A portfolio of patents may, for example, reflect technical superiority in inventing new fabrics that do not crease, or are softer, or more weather-resistant, etc. Such a patent portfolio could help attract business partners or investors.

Novozymes, a Danish biotech company specializing in enzymes and microorganisms (***www.novozymes.com***), pioneered the use of enzymes in the treatment of fabrics. Though not previously involved in the fashion industry, in 1987 the company developed and patented a technology for the treatment of "stone washed" denim jeans. This technology is based on an enzyme called cellulase, which removes some of the indigo dye from denim so as to give the fabric a worn look. Within three years, most of the denim finishing industry was using cellulase under license from Novozymes. Today, Novozymes' technology for improving production methods and fabric finishing has been licensed worldwide. The company holds more than 4,200 active patents and patent applications, and

Israel's Textile Patents

Israel has over 40 fashion and textile exporters, which account for annual exports estimated at approximately US$1.1 billion, reports the Israel Export and International Cooperation Institute. The country's textile industry keeps inventing ways to improve clothing and this innovation has kept the industry alive and growing against stiff competition. Products resulting from Israeli patents, such as suits that can be cleaned in a standard washing machine or sports socks that always remain dry, can probably be found in your closet.

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pursues a pro-active licensing strategy to maximize royalty revenue from these IP assets.

The Italian company ***Grindi Srl.*** invented Suberis, an innovative fabric made of cork, said to be as smooth as velvet, light as silk, washable, unscratchable, stain-resistant, waterproof and fireproof. After testing and codifying the treatment, Grindi filed an international patent application under the PCT in 1998 to protect its unique product in a large number of countries. The Suberis fabric is used in the manufacture of clothing, footwear and sportswear, as well as in many other applications. The story of Grindi Srl and Suberis can be found at ***wipo.int/sme/en/case_studies/suberis.htm.***

Trade secrets and new business models

Trade secrets may range from a list of key suppliers and/or buyers, to use of software tools for fashion design, to logistics management of the entire value chain. In some fashion businesses, core trade secrets serve to protect the computer-implemented, software-based business models, which underpin an entire business strategy, based on stealth and speed, to supply a limited quantity of fashion products.

For example, the Spanish retail fashion chain, ***ZARA***, uses a proprietary information technology (IT) system to shorten their production cycle – i.e. the time from identifying a new trend to delivering the finished product – to a mere 30 days. Most of their competitors take from 4 to 12 months. The company receives daily streams of e-mail from store managers signaling new trends, fabrics and cuts, from which its designers quickly prepare new styles. The fabric selected is immediately cut in an automated facility, and sent to work shops. A high-tech distribution system, with some 200 kilometers of underground traces and over 400 chutes, ensures that the finished

Fashion Design Success in South Africa

The South Africa Fashion Week, created as a showcase for the abundance of fashion talent that was largely unnoticed in the country, is now in its ninth year. The resounding success of last year's Fashion Week showed how far the industry had advanced in developing fashion into a serious business, creating wealth through design, and giving South Africa's designers a presence on the international stage.

Fashion Week exclusively promotes the South African design industry – clothing, accessories, footwear and textiles. Its organizers hold workshops fusing fashion and craft in the country's smaller remote provinces. They also support talent competitions for young South African designers – winners get an opportunity to launch a debut collection at the Fashion Week.

Photo: Ivan Naude

The Bongiwe Walaza collection at South African

SA FASHION WEEK

The rich colors and exotic designs in South African fashion set it apart from others. Many of the country's designers take inspiration from their cultural heritage. South Africa's fashion industry is moving forward with confidence that it is being taken seriously. The next South Africa Fashion Week will run July 28 to 31, 2005.

items are shipped and arrive in stores within 48 hours.

Other fashion houses use IT to make customized products in response to an individual customer's request. For example, ***Shirtsdotnet (www.shirtsdotnet.com)*** aims to reshape the traditional clothing industry by reversing the process of decision making and following the made-to-order business model. Shirtsdotnet is a Business to Business clothing software platform provider, offering made-to-measure, mass customization clothing solutions for mail order companies. Customers can design and order apparel directly from the virtual shop. The business relies on proprietary software, which is protected as a trade secret and by copyright law.

The above examples show that the strategic use of new information technology, protected by the tools of the IP system, can play a critical role in establishing and consolidating a market position.

The fashion industry is driven by creativity and by the intellectual capital invested in it. Protecting that intellectual capital in the form of IP assets serves to boost income through sale, licensing, and commercialization of differentiated new products, to improve market share, raise profit margins, and to reduce the risk of trampling over the IP rights of others. Good management of IP assets in a business or marketing plan helps to enhance the value of an enterprise in the eyes of investors and financing institutions.

Brimful Designs – Pakistan

For the past seven years Brimful Designs, a textile design studio based in Lahore, Pakistan, has produced and marketed a successful brand of high quality, printed cotton designer clothing under the label Yahsir Waheed Designer Lawn *(www.yahsirwaheed.com)*. But in 2003 the very existence of the company was threatened by large scale copying. Inferior quality copies of Yahsir Waheed's original designs for its spring/ summer collection flooded the market under various labels at a third of the price of the original product. Salesmen used the Yahsir Waheed Designer Lawn's product catalogue to sell the fake designs, thus confusing Brimful's loyal customers.

A negative backlash from customers led to a rapid decline in the company's market share. Brimful consulted local experts at an IP training seminar organized by Pakistan's Small and Medium Enterprise Development Authority (SMEDA), who recommended seeking protection under Pakistan's Industrial Design Ordinance 2000. Brimful engaged legal counsel and since 2004 has registered all designs for the Yahsir Waheed Designer Lawn Collection with the aim of deterring infringers and providing the possibility of legal action.

Photo: Salman Akhter Mahmood

Model Amna Shafaat in a 2003 Yahsir Waheed design

As yet, their battle continues. The infringers are no longer replicating the exact designs, but the copies are still close enough to confuse buyers. While IP legal counsel is becoming widely available in Pakistan, this remains an expensive route; and Brimful owners note that the process of obtaining and implementing a court injunction currently takes too long. They would like to see strong, high profile punitive action by the authorities against IP violators in the textile sector in order to give teeth to design protection legislation and to deter further wide scale copying.

Based on a case study prepared by Aisha Amjad, SMEDA, Ministry of Industries and Production, Pakistan; with additional comments from Brimful Designs.

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For more information on various practical aspects of the IP system of interest to business and industry, please visit the website of the SMEs Division at www.wipo.int/sme. The next article in the IP and Business series will discuss "Role of IP in Innovation and New Product Development"

ENTERTAINMENT: IT'S HAPPENING IN INDIA

WIPO Deputy Director General Rita Hayes meets leading figures from the Indian and international film industry.

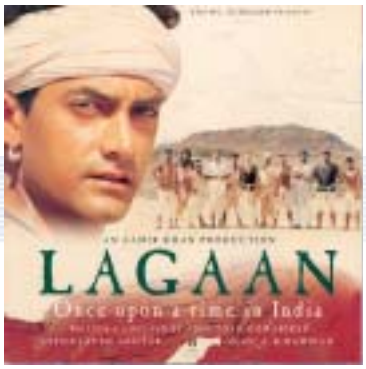
A not-to-be-missed event for entertainment industry leaders of the Asian region, FRAMES held its sixth annual convention from April 4 to 6 in Mumbai on the theme: ***Entertainment: It's happening in India.*** An initiative of the Federation of Indian Chambers of Commerce and Industry (FICCI), FRAMES reflected the entertainment sector boom in India and India's rising leadership position in the global entertainment marketplace.

The "Bollywood" film industry is one manifestation of this. Bollywood, with recent international hits such as ***Monsoon Wedding, Bride and Prejudice*** and ***Veer Zaara***, represents a particular kind of movie, developed around dance, romance and strong family themes. "Like Hollywood movies, Bollywood movies take us away from our ordinary lives," said Dan Glickman, the President of the Motion Picture Association of America, Inc. attending the FRAMES Conference. "Great stories make great movies, in any language and in any culture. There is evidence of increasing cross-fertilization between these two great film capitals."

Rising trend

PriceWaterhouse Coopers' (PWC) 2005 report ***"The Indian Entertainment Industry: An Unfolding Opportunity,"*** presented at FRAMES, identifies the Indian film industry as the largest in the world in terms of the number of films produced and of admissions to cinemas. India produced some 934 films in 2004, including 254 in Hindi, 208 in the south Indian language of Telugu, and 130 in Tamil. Admissions in 2004, reached a record 3.1 billion, the highest in the world – the United States lags far behind at 1.5 billion. The creative industries sector is one of the fastest growing in the Indian economy, and growth is predicted to continue at an 18 percent compound annual rate. The largest contributor is expected to be the television sector – substantial investments have been made in the pay TV sector – followed by film.

Emerging technology such as digitalization and broadband will pave the way for the Indian copyright-based industries' growth into the next decade. The animation industry and the gaming sector are also growing at a rapid pace. The combination of creativity, technological capabilities and competitive production costs explains why significant segments of the animation markets are being outsourced to India, and why the number of co-productions is increasing. However, discussions at FRAMES stressed that success will depend upon the industries' ability to secure rights over content. According to the PWC report, television piracy is a major problem in the region: "Consumers either tap into lines or use illegal set top boxes. India has the greatest piracy loss in the region at US$565 million in 2004."



The FRAMES inaugural ceremony gathered S. Jaipal Reddy, Minister for Information and Broadcasting, film star Amitabh Bachchan (known to fans as "Big B"), renowned director- producer Yash Chopra and ZEE TV Chairman Subash Chandra. WIPO Deputy Director General Rita Hayes gave a keynote address, in which she underlined the unprecedented interest in Indian entertainment and the consolidation of the Indian position on the global entertainment map. She stressed the need to provide a secure market place through effective enforcement and education of the stakeholders and the public to deal efficiently with the challenges of piracy.

Together with FICCI, WIPO also initiated a pioneering educational program on contracts for Indian filmmakers at the FRAMES convention. Top industry executives and a prominent New Delhi IP lawyer discussed how contractual obligations between producers, distributors, exhibitors, directors and actors should be drafted and executed in order to prevent the illegal distribution of films.

ARGENTINA'S FLOURISHING FILM INDUSTRY

Argentina is known for the vibrancy and diversity of its artistic production. Brought up on a rich and varied cultural diet, the Argentinian people possess a high level of appreciation for the valuable contribution made by the country's cultural industries to their quality of life as well as to their national economy. These industries, such as in the audiovisual sector, have traditionally crossed global borders, in terms of both what they give to – and what they gain from – other countries of the world.

Recent years have witnessed significant growth in the size and technical capacity of Argentina's film, television and advertising industries. A new generation of talented young film directors is attracting international interest, as are the high standards of output by the country's authors, actors and producers. Argentinean films are winning critical acclaim at international festivals, and on cinema and television screens around the world.

Boosting export revenues

The country's 2004 economic indicators reflect this dynamism. Revenue from Argentina's exports in the film sector last year rose faster than in any other sector, with an increase of ***1,000 percent*** over the 2003 figures. Some 70 new films were produced or co-produced nationally. Daniel Burman's ***El Abrazo Partido*** (***Lost Embrace)*** won two prestigious Silver Bear awards – for Best Picture and for Best Actor – at the 2004 Berlin Festival. Crowds thronged to the annual international film festivals in Buenos Aires and Mar del Plata. Rights to Argentinean screenplays were bought by major Hollywood producers: Fabian Bielinksy's ***Nueve Reinas*** (***Nine Queens***) was recently remade by Hollywood as ***Criminal.*** Lucrecia Martel's 2004 Cannes Film Festival Competition entry, ***La Niña Santa*** (***Holy Girl),*** opened in New York in May. Meanwhile, the sector's reputation for professionalism resulted in a steady demand from outside film companies seeking to engage local producers.

Copyright as a tool

As the cultural industries have expanded, so has the importance of copyright and related rights as the means of providing IP protection for the creators, and for all those involved in distributing and commercializing their works. This was the conclusion shared by the producers, directors, actors and entertainment lawyers attending a WIPO seminar in Buenos Aires in April 2005 on the subject of "Audiovisual works: their creation, production and exploitation."

The seminar was held in the University of Buenos Aires, with the support of the National Institute of Cinema and Audiovisual Arts (INCAA) and the Spanish Collective Management Society for the Rights of Audiovisual Producers (EGEDA), as well as other governmental and non-governmental organizations from Argentina, Spain and Latin America. Discussions included legal questions, such as the various forms of contracts used in the different sectors; financial and taxation aspects, including financial subsidies; and issues relating to distribution and access to international markets. The aim was to offer a dynamic approach to the management of audiovisual works, based on a vision of copyright as a tool to reward creativity, to promote access to knowledge and to entertainment, and to strengthen cultural diversity.

" [Since the 2001 economic collapse] I decided that I'm going to do what I really want to do, which is to tell stories.[1] " – Director Pablo Trapero. His acclaimed story of police corruption, "El Bonaerense" was presented at the 2002 Cannes Film Festival.

Director Daniel Burman's poignant comedy "Lost Embrace" was one of several Argentinean films to enjoy success in the US recently.

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[1] Quoted in El Pais, May 1, 2005

COPYRIGHT-BASED INDUSTRIES: ASSESSING THEIR WEIGHT

Evaluating the link between copyright and economic development has been a challenge for intellectual property (IP) professionals for years. Much has been written in academic literature about the economics of patents, while copyright has been somewhat neglected. But as copyright-based industries expanded in the 1970s, so did the interest in determining how copyright's contribution to development could be described in economic terms. Studies in a number of countries and regions began to gather evidence. But there was still little research in developing or transition countries; and differences in methodologies, practices and objectives made it difficult to compare results from existing surveys.

WIPO's ***Guide on Surveying the Economic Contribution of the Copyright-Based Industries***[1] (published in 2003) set out to fill some of these gaps. This article explains what the Guide offers, and reports on the latest findings from surveys using the WIPO-recommended methodology.

The Working Group of Experts, who contributed to developing the Guide

Background and purpose

Triggered by interest from WIPO Member States, the ***Guide on Surveying the Economic Contribution of the Copyright-Based Industries*** provides a ***practical tool*** for evaluating the contribution of copyright-based industries. The Guide aims (a) to summarize existing experience in surveying the copyright-based industries, (b) to develop a practical set of recommendations and research methods, and (c) to establish a basis for meaningful comparisons to be made between different studies.

Why survey the copyright-based industries? At a time when fundamentals of IP are being questioned, policy makers need hard evidence of the positive effects of copyright on the economy. ***Statistical proof*** is required to demonstrate convincingly the competitive advantages that arise from a nation's creative and information sector, particularly if this feeds into government policy and legislative practices.

Scope

In order to measure the size of the copyright-based industries, the Guide recommends that survey teams consider three main ***indicators***: the percentage of Gross Domestic Product (GDP) which is attributable to those industries ***(value added)***; ***employment*** in the industries***;*** and ***international trade*** (share in exports and imports) generated. All three are industry-focused, statistical in character, and produced on a regular basis. The Guide sets out research methods to assist survey teams in compiling, extracting or calculating information on these indicators. It recommends a multidisciplinary approach, involving copyright professionals as well as economists and industry experts.

The Guide identifies which industries to include in surveys, and it categorizes these according to the extent to which their activities are dependent on copyright. It provides guidance as to how to estimate for each category and what percentage of these industries' economic contribution should be counted as attributable to the copyright element. The categories are:

- ***Core copyright industries***, defined as ***wholly engaged*** in the creation, production, performance, exhibition, communication or distribution and sales of copyright protected subject matter. These include literature, music, theatre, film, the media, photography, software, visual arts, advertising services and collective management societies.
- ***Inter-dependent copyright industries,*** which deal with products jointly consumed with the core industries, or with facilitation equipment. They include the manufacture and sale of equipment such as television sets, CD recorders and computers; of musical and photographic instruments; of photocopying and re-

[1] Publication no. 893E, available from WIPO e-bookshop on: ***www.wipo.int/ebookshop***

cording material, etc. They provide the means for the production, dissemination and consumption of copyright goods and services.

- ***Partial copyright industries,*** in which only part of the production is linked to copyright protected material, such as design, architecture, jewelry, furniture and other crafts., etc. (The element attributable to copyright varies according to the extent to which they are protected by copyright legislation).
- ***Non-dedicated support industries***, which only remotely rely on copyright material, and where copyright generates a very small portion of their business, such as telephony, transportation and general wholesale. The copyright-related contribution of these industries is calculated on the basis of an appropriately weighted copyright factor.

Latest findings

Results have now been published from the first surveys using the WIPO guidelines, which were carried out in Singapore, the U.S., Canada and Latvia. These have already highlighted some noteworthy trends, as well as providing a wealth of statistics to inform policy makers.

Trends running through the survey results include the following:

- The contribution of the copyright-based industries was shown to be considerable, and indeed higher than suggested by previous research in those countries. This reflects the development of the copyright industries, but also the more detailed scope of the surveys.
- These industries showed a higher overall growth rate than the rest of the economy. By the same token, compared to traditional sectors of the economy, they both contract and expand more rapidly in response to fluctuations in the economy.
- Unsurprisingly, those copyright industries linked to the digital revolution grew faster than in previous periods.

Letting the statistics speak

Singapore

The study was commissioned by the Intellectual Property Academy of Singapore and carried out by the National University of Singapore.[2] Completed in October 2004, the survey took 2001 data and showed that value generated by the total copyright-based industries accounted for 5.7 percent of the total GDP. The copyright-based industries employed 118,600 workers or 5.8 percent of the total workforce. Exports of copyright goods and services generated foreign trade worth 3.5 billion Singapore dollars.

From 1986 to 2001 these industries grew at an average of 8.9 percent per annum - compared to the economy's average annual rate of 7.6 percent. But they also proved more vulnerable to the fluctuations in the economic cycle: while GDP declined by 1.9 percent between 2000 and 2001, the decline in the value of the copyright industries was a striking 9.5 percent.

The Singapore study also documented a significant economic multiplier effect. Every 1 million dollars of output by the core copyright industries generated employment directly for 6 persons, and indirectly for a further 5, giving an employment multiplier of 11. This demonstrates that the core copyright industries have a greater impact on the economy in terms of generation of output, GDP and jobs, than the average for the industry.

United States of America

The U.S. survey was prepared by Economists Incorporated for the International Intellectual Property Alliance.[3] It showed that the value added by the ***core*** copyright industries accounted for 6 percent of the U.S. economy in 2002, while ***total*** copyright industries accounted for

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[2] Economic Contribution of Copyright Industries in Singapore, Leo Kah Mun, Chow Kit Boe,Ong Chin Huat, NUS Consulting, 2004.
[3] Copyright-based industries in the US Economy, The 2004 Report, Stephen E. Siwek, Economists Incorporated

an estimated 12 percent ($1,25 trillion). Over 4 percent of the U.S. workforce were employed in the core copyright industries, with the total copyright-based industries employing twice that figure, i.e. 11.47 million workers. Foreign sales generated by the copyright industries at over US$89 billion were higher than the equivalent figures for major sectors such as the chemical industry.

Between 1997-2001 employment in the core copyright industries grew at more than double the annual employment rate for the U.S. economy in general.

Canada

The study on Canada, published in March 2004, was prepared for Canadian Heritage by Wall Communications Inc.[4] It showed that the total copyright industries contributed 5.38 percent to the Canadian economy in 2002, compared to 3.87 percent in 1991. This was greater than the contribution of agriculture or mining. The overall growth rate in the copyright-based industries was twice the rate of the overall economy . They provided jobs to 6.9 percent of the employment total. The exports of copyright goods doubled within 5 years to reach almost 2.3 billion dollars in 2002.

The largest copyright contributors to the Canadian economy are the software and database industries, followed by press and literature publishing, photography and visual and graphic arts.

Latvia

Published in February 2005, this was the first survey of its kind, not only in Latvia, but in Central Europe as a whole. It was commissioned by the Ministry of Culture and carried out by an international team[5] using statistics from the year 2000. While noting some gaps in the available statistics, the survey showed that core and interdependent copyright industries contributed 4 percent of GDP (Euro 315 million in value added). This was two and half times more than the textile manufacturing industry, and accounted for 4.4 percent of the overall employment in Latvia. Copyright related exports from Latvia generated over Euro 35 million – or Euro 16.7 million more than copyright related imports.

Print media, advertising, software and databases made the most important contributions. Comparisons with other EU member states showed that the economic contribution of Latvia's copyright industries was broadly in line with the average contribution in EU countries.

Looking ahead

These surveys demonstrate that the WIPO guidelines can be applied effectively in developed, developing and transition countries. Studies are currently ongoing in Hungary, Brazil, the Philippines, Russia and Benin. WIPO will continue to provide expert advice and assistance to research in the field of the economics of copyright, which is now firmly on the copyright agenda.

[4] The Economic Contribution of Copyright Industries to the Canadian Economy is available at: ***www.pch.gc.ca/progs/ac-ca/progs/pda-cpb/pubs/economic_contributieconomic_contr_e.pdf***

[5] The Economic Contributions of Copyright-Based Industries in Latvia 2000, Robert Picard, Jonkoping University, Sweden and Timo Toivonen, Turku School of Economic and Business Administration, Finland, 2005.

Endorsement of the WIPO 2006-2007 Program and Budget

On April 29 the WIPO Program and Budget Committee endorsed the Proposed Program and Budget for the 2006-2007 biennium presented by WIPO Director General Kamil Idris. This will now be sent to the WIPO General Assembly in September 2005 for adoption. Three delegations stated at this time that they were not able to support the proposal.

The Program and Budget Committee endorsed a budget amounting to 531 million Swiss Francs (SFr). Addressing delegates at the opening of the meeting, WIPO Financial Controller Carlotta Graffigna stressed that the Proposed Budget for 2006/07 introduced a policy based on budgetary balance following four consecutive biennia of budgeted deficits. This was proposed with no increase in the fees levied on WIPO services to the private sector, no deficit, no surplus, and reserves at the level set by Member States.

Mrs. Graffigna noted that income was expected to grow by 4.4 percent in 2006/07. Demand for the services provided by WIPO to the private sector continued to grow, while contributions from Member States were at a historically low level – less than 7 percent of the overall income. Within an effectively ***status quo*** budget (only eight million SFr higher than the revised budget for 2004/05), resources for cooperation with developing countries would increase from 71.7 million SFr to 73.7 million SFr. Thanks to vigorous efforts led by the Director General to implement cost-saving and efficiency measures , the deficit in the 2004/05 biennium was contained at a minimum, leaving reserves almost untapped.

While the Committee endorsed the proposal, it stipulated that the General Assembly in September 2005 could make adjustments as appropriate in order to take into account any budgetary implications resulting from ongoing discussions on the WIPO Development Agenda or other issues.

Funding of new building

Delegates also supported a proposal for WIPO to take out a bank loan to fund the revised construction project for a new administrative building. Subject to the endorsement of the General Assembly meeting in September 2005, construction work would resume in 2006 following a tender for the bank loan, a new international tender for the general contractor and a tender for a company to provide external management of the implementation of the project. Decision on the tender for the general contractor and for the external management would be taken by an independent jury of representatives of Member States. The total estimated cost of the revised project is 125.4 million SFr (details available at ***www.wipo.int/edocs/mdocs/govbody/en/wo_pbc_8/wo_pbc_8_inf_1-main1.pdf***).

Implementation of JIU report

Member States commended the Secretariat for its full cooperation with the United Nations Joint Inspection Unit (JIU) in respect of their report entitled "Review of Management and Administration in WIPO: Budget, Oversight and Related Issues." They recommended that the Secretariat report to the WIPO General Assembly in September 2005 on the implementation of the recommendations of the report which are addressed to the Director General, and that it transmit the other recommendations to the competent WIPO bodies for consideration. WIPO's preliminary observations on the report of the JIU are available at ***www.wipo.int/edocs/mdocs/govbody/en/wo_pbc_8/wo_pbc_8_inf_2.pdf***.

Member States also established an open-ended working group of the Program and Budget Committee to consider, ***inter alia***, proposals for the establishment of a WIPO Audit Committee, and to report to the General Assembly in September 2005 on this question.

The Program and Budget Committee session was chaired by Mr. Jae-Hyun Ahn (Republic of Korea). Mr. Li-Feng Schrock (Germany) and Mrs. Ivana Milovanovic (Serbia and Montenegro) were elected as Vice-Chairs of the Committee.

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Member States Agree Basic Text for Revised Trademark Law Treaty

The Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT), which met from April 18 to 22, agreed on a text to be proposed as a basis for negotiations at the Diplomatic Conference for the Adoption of the Revised Trademark Law Treaty (TLT). The SCT meeting was followed, on April 25 and 26, by a Preparatory Meeting for the Diplomatic Conference, in which Singapore offered to host the diplomatic conference.

Basic proposal for the revised TLT

The TLT, concluded in 1994, introduced standard requirements to be followed in procedures before trademark offices. The text agreed by the SCT proposes new provisions covering:

- the electronic filing of trademark applications and associated communications;
- the formalities concerning the representation of all types of marks, including visible signs (and certain forms of visible signs, such as hologram marks, color marks, position marks or motion marks) as well as non-visible signs;
- the recording of trademark licenses;
- relief measures when certain time limits have been missed;
- and the establishment of an assembly of the Contracting Parties.

There was consensus among Member States on a "basic proposal" to be presented at the diplomatic conference from March 3 to 31, 2006.

Preparations for the Diplomatic Conference

The Preparatory Meeting for the Diplomatic Conference for the Adoption of a Revised TLT adopted the provisional rules of procedure for the diplomatic conference. It decided that the Member States of WIPO, the European Community, the African Intellectual Property Organization (OAPI) and the African Regional Intellectual Property Organization (ARIPO) should be invited to the Diplomatic Conference as member delegations. Member states of the United Nations who are not members of WIPO, as well as all organizations with permanent observer status with WIPO, and all observers to the SCT would be invited as observers.

The meeting noted with gratitude an offer made by the Government of Singapore to host the diplomatic conference. As the September 2004 WIPO General Assembly had already decided that Geneva would be the venue for the conference, the meeting agreed to defer this question to the next WIPO General Assembly in September 2005.

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DEVELOPMENT AGENDA: INTERNATIONAL SEMINAR

Following a decision taken by its Members States at the 2004 General Assemblies, WIPO hosted an International Seminar on Intellectual Property (IP) and Development in Geneva on May 2 and 3. The seminar aimed to provide a forum for an open, inclusive and interactive debate on IP issues of international concern, focusing on the challenges facing developing countries. Over 120 participants attended the event, representing a wide cross-section of stakeholders from governments, civil society, industry and universities. The seminar was organized jointly with the United Nations Conference on Trade and Development (UNCTAD), the United Nations Industrial Development Organization (UNIDO), the World Health Organization (WHO), and the World Trade Organization (WTO).

Under the two broad themes of ***IP and public policy*** and ***IP and development***, the seminar covered a wide spectrum of issues, including public health, traditional knowledge, biodiversity, copyright and related rights in the digital environment, competition policy, creating value from IP assets, technology transfer and national best practices. Panels of experts, representing a balance of interests and opinions, delivered presentations on the different thematic topics.

Participants from all regions of the world analyzed the role that the IP system plays in development, and exchanged views on how the current IP system might be improved. Discussions were constructive and motivated by a shared concern to examine how IP can best contribute to meeting the needs of developing countries.

This seminar was one in a series of meetings on IP and development, which resulted from the agreement by Member States at the 2004 Assemblies to take a fresh look at the development dimension of WIPO's work. The first of three ***Intersessional Intergovernmental Meetings*** (IIM) ***on a Development Agenda for WIPO*** was held in April. WIPO Magazine will report separately on the preliminary results of the IIM discussions in the run-up to the 2005 WIPO Assemblies.

The proceedings of the seminar are available on CD-ROM from ***ipedd@wipo.int***.

The IIM draft record is at: ***www.wipo.int/edocs/mdocs/mdocs/en/iim_1/iim_1_6_prov.doc***

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CALENDAR of meetings

JUNE 6 TO 10
(GENEVA)

Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (Eighth session)

The Committee will continue its work based on the renewed mandate established by the General Assembly, and will consider revised texts of policy objectives and principles for the protection of traditional knowledge and traditional cultural expressions/folklore.

Invitations: As members, the States members of WIPO and/or the Paris Union, and the European Community; as observers, certain organizations.

JUNE 13 TO 17
(GENEVA)

IPC Revision Working Group (Thirteenth session)

The Working Group will continue consideration of IPC revision proposals and will discuss various projects aimed at the implementation of IPC reform results.

Invitations: As members, the States members of the IPC Union and certain organizations; as observers, States members of the Paris Union, which are not members of the IPC Union.

JUNE 20 TO 22
(GENEVA)

Inter-sessional Intergovernmental Meeting (IIM) (Second session)

This session will continue discussions and consideration of the proposals submitted by Member States at the First session of the IIM held from April 11 to 13, 2005. Member States have also been invited to submit additional proposals on the establishment of a development agenda for consideration at this session.

Invitations: As members, the States members of WIPO; as observers, other States and certain organizations.

JUNE 23 AND 24 AND 27 AND 28
(GENEVA)

WIPO Workshops for Mediators in Intellectual Property Disputes

An annual event for all parties interested in WIPO mediation procedures.

Invitations: Open to interested parties, against payment of a fee.

JUNE 30 AND JULY 1
(GENEVA)

WIPO Advanced Workshop for Mediators in Intellectual Property Disputes

A new event for all parties who wish to further develop the mediation skills taught by the instructors of the annual WIPO Workshops for Mediators in Intellectual Property Disputes.

Invitations: Open to interested parties, against payment of a fee.

JUNE 30 AND JULY 1
(GENEVA)

International Symposium on Intellectual Property Education and Research

The international symposium on Intellectual Property education and research will discuss the changing environment in relation to IP human resources development, paying particular attention to the role of academic institutions in using IP as a tool for development. Speakers from academic institutions around the world will identify possible areas for enhanced international cooperation and suggest appropriate action to the IP community for further development of education and research.

Invitations: Open to interested parties. On-line registration is recommended via the website of the WIPO Worldwide Academy (http://www.wipo.int/academy/en/meetings/iped_sym_05/).

JULY 4 TO 8
(GENEVA)

Ad hoc Working Group on the Legal Development of the Madrid System for the International Registration of Marks

The Working Group will make recommendations to the Madrid Union Assembly concerning the review of the refusal procedure and the safeguard clause envisaged in the Madrid Protocol, and possible amendments to the Common Regulations under the Madrid Agreement and Protocol.

Invitations: As members, the States members of the Madrid Union and the European Community; as observers, other States and certain organizations.

JULY 20 TO 22
(GENEVA)

Inter-sessional Intergovernmental Meeting (IIM) (Third session)

The IIM will continue discussions and consideration of the proposals submitted by Member States at the First and Second sessions of the IIM held from April 11 to 13 and June 20 to 22, 2005, respectively.

Invitations: As members, the States members of WIPO; as observers, other States and certain organizations.

SEPTEMBER 19 TO 23
(GENEVA)

Standing Committee on Information Technologies (SCIT) - Standards and Documentation Working Group (SDWG) (Sixth session)

The Working Group will continue its work in the adoption of new WIPO standards and the revision of existing WIPO standards, as well as in related matters, and will receive reports from the different SDWG task forces that have been established for that purpose.

Invitations: As members, the States members of WIPO and/or the Paris Union; as observers, certain organizations.

NEW PRODUCTS

Clefs de la propriété intellectuelle - Guide destiné aux petites et moyennes entreprises exportatrices
Français No. ITC/P163(F)
40.00 francs suisses (port et expédition non compris)

Guide pour l'évaluation de la contribution économique des industries du droit d'auteur
Français No. 893(F)
50.00 francs suisses (port et expédition non compris)

Looking Good
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La propriété intellectuelle et les expressions culturelles traditionnelles ou expressions du folklore
French No. 913(F), Spanish No. 913(S)
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French No. 920(F), Spanish No. 920(S)
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The WIPO Magazine is published bimonthly by the Communications and Public Outreach Division, World Intellectual Property Organization (WIPO). It is not an official record and the views expressed in individual articles are not necessarily those of WIPO.

The ***WIPO Magazine*** is distributed free of charge.

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WIPO Publication No. 121(E)
ISSN 1020-7074