

# WIPO MAGAZINE

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Stogie T: hip hop, IP and all that jazz

p. 8



Everyone can tackle water scarcity with Hydraloop

p. 2



Securing Serbia's cultural heritage: the case of "Kilim of Pirot"

p. 33



Building sustainable futures with traditional knowledge in New Caledonia

p. 25

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*This move will enable us to provide you with a more regular stream of content on topical issues relating to IP, innovation and creativity. It is also in line with the Organization's commitment to reduce its carbon footprint.*

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# Table of Contents

2	Everyone can tackle water scarcity with Hydraloop
8	Stogie T: hip hop, IP and all that jazz
13	Esports: an overview of a new(ish) frontier in digital entertainment
19	Digital economy: the search for new governance mechanisms
25	Building sustainable futures with traditional knowledge in New Caledonia
33	Securing Serbia's cultural heritage: the case of "Kilim of Pirot"
39	China leverages the blockchain to advance the development of smart courts
43	Nation branding: beyond a cosmetic symbol

Editor: **Catherine Jewell**

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# Everyone can tackle water scarcity with Hydraloop

By **Catherine Jewell**, Information and Digital Outreach Division, WIPO



Photo: WIPO/Berrod

(Left to right: Arthur Valkieser, Sabine Stuiver, WIPO Director General Daren Tang, H.E. Mrs. Tatiana Molcean, Ambassador of the Republic of Moldova to the UN Office in Geneva, and Chair of the WIPO General Assembly.)  
In July 2022, Hydraloop, founded by Arthur Valkieser and Sabine Stuiver, was among five winners of the inaugural edition of the WIPO Global Awards, which celebrated small and medium-sized enterprises that are using IP to make a positive impact at home and abroad.

Hydraloop, a decentralized greywater recycling system, allows households to cut water consumption and wastewater emissions by up to 45 percent, respectively. At a time when soaring temperatures are wreaking havoc around the world, causing water scarcity and drought, the availability of this award-winning water treatment solution could not be more timely.

Arthur Valkieser and Sabine Stuiver, the Dutch couple behind Hydraloop, are on a mission to solve the world's growing water crisis. In 2015, the two serial entrepreneurs came out of retirement to develop their consumer-friendly,

decentralized home water treatment system. Hydraloop was among the five winners of the first WIPO Global Awards for SMEs announced earlier this summer. Valkieser and Stuiver believe that winning the WIPO Award is an important boost in helping them deploy their ingenious water treatment solution globally.

***What prompted you to get into water recycling and to set up Hydraloop?***

**Stuiver:** Our planet has a finite freshwater resource. Climate change is causing severe drought and water stress is a challenge in many countries, including in Europe. Estimates suggest that by 2030, up to 700 million people could be displaced worldwide due to water scarcity. Yet, we still use fresh water to flush toilets, wash clothes and water our gardens. It just doesn't make sense. So, when Arthur came up with the idea of a decentralized greywater recycling system, we felt we had an obligation to act on it; so we pulled ourselves out of retirement in the South of France and returned to the Netherlands to start building the technology and the company.

**Valkieser:** By 2050, we will have 2 billion more people on the planet and we will need 55 percent more water than we are using today, so I just couldn't ignore the idea. I just had to do something with it. The current water crisis is a wake-up call for those of us who ignored all the warnings of increasing water scarcity, but the good news is that we can help solve it ourselves by using water twice.

***Did you have a background in water engineering?***

**Valkieser:** Not at all. I ran a big media company in the Netherlands. But in many ways, that was an advantage because I had no pre-conceived ideas. I wasn't constrained by any formal training. I knew what I wanted to achieve and basically worked everything out through trial and error. There were many challenges, but I learned that a problem is actually a gift, because when you solve it, you improve what you are doing.

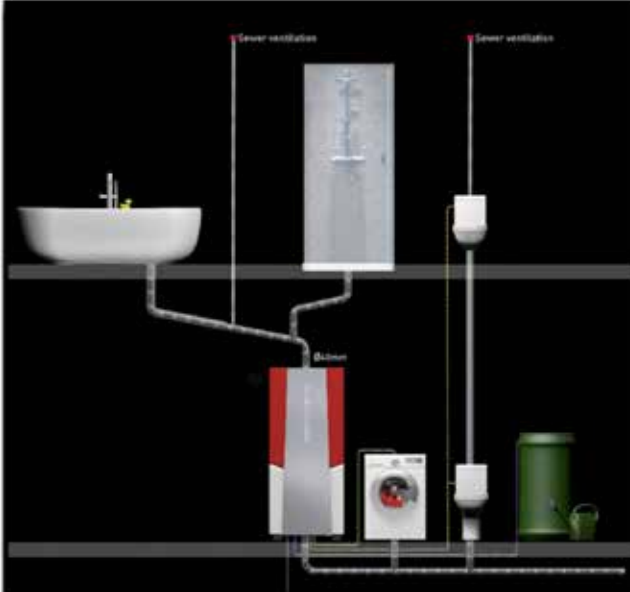
***The Hydraloop units look very sleek and attractive. What prompted this design approach?***

**Stuiver:** We are focusing on the huge number of people who are willing to contribute to a more sustainable planet, so we recognized that our solution had to be consumer friendly with no compromise on comfort or hygiene. We were clear that our product needed to be compact, low-maintenance, and needed to look good, because design is everything.

**Valkieser:** We really stand out because of our design, but also because our system treats greywater (from showers, washing machines, air conditioners, etc.) without the use of filters, membranes or chemicals. Our patented technology treats and cleans wastewater to the highest international standards, but without using filters that can clog up and need a lot of expensive maintenance.

## How Hydraloop works

Photo: Courtesy of Hydraloop



### Collect lightly contaminated greywater

Hydraloop collects water from the bath, shower, washing machine and dryer, as well as condensation water from heat pumps and air conditioners.



### Clean greywater at the source

Hydraloop's sustainable technology treats greywater in six steps, resulting in clean, clear, safe, and disinfected water for non-potable use.



### Reuse the cleaned water

The treated water is redistributed to toilets, washing machines, and optionally for garden irrigation and/or topping up swimming pools.

### *What are the environmental benefits of Hydraloop?*

**Valkieser:** Hydraloop saves water and energy and allows users to reduce their carbon footprint. With Hydraloop, it's possible to lower water consumption by 45 percent and to reduce wastewater emissions by 45 percent. This lowers users' carbon footprint because less water needs to be transported to their building and wastewater treatment facilities have less wastewater to treat.

**Stuiver:** At Hydraloop, we say, act wise, use water twice. With our "fit and forget" system, users can do this easily and conveniently without compromising hygiene or quality of life.

### *And how does it work?*

**Valkieser:** Hydraloop's patented water treatment system combines six different technologies: sedimentation, flotation, dissolved air flotation, foam fractionation, an aerobic bioreactor and disinfection of treated water with powerful UV light to produce water that meets the highest international standards. Every Hydraloop unit – we currently have two models, one for up to 5 people and one for up to 12 people – is monitored online 24/7 via a remote server. Users can monitor their water usage via our smartphone app, which offers useful water-saving tips. I started working on Hydraloop in mid-2015 and we brought it to market in 2017, so it took a little over two years to develop.

### *What were the high points of your entrepreneurial journey?*

**Stuiver:** We came to market in November 2017, at Aquatech Amsterdam. People were queuing up to talk to us. We knew we had something special, but we were

still making the units in our garage. In 2018 and 2019, we took Hydraloop to 26 exhibitions in Europe, the Middle East, South Africa and the USA. We were like missionaries explaining why decentralized water recycling is so important. For exhibition number 27, in January 2020, we were at the Consumer Electronics Show (CES) in Las Vegas. There we won four CES awards for: a) Best of innovation: sustainability, eco design and smart energy, b) Best sustainable product, c) Best startup company, and d) Best of the Best, beating the 20,000 other products exhibited at the show. That shot us to fame and gave us huge visibility.

### ***And the low points?***

**Stuiver:** After CES we really needed to scale up the company in terms of staff, production and investment. Until then, we had been funding Hydraloop privately ourselves. Investors were queueing up after CES, but then COVID struck and they all left. So, it was a very uncertain and tricky time, but for our small management team and shareholders giving up was not an option. Soon after, we found investors and things kicked off again. We're doing another round next year and are optimistic because we have built a strong brand, which many people already know. Our strategy now is to go global.

### ***How are you planning to go global?***

**Valkieser:** We believe that the installation of decentralized water systems will become a building code standard, like heat pumps and air conditioners are today. This is a huge market and the only way we can go global is through partnerships.

**Stuiver:** We already have 140 partners in 50 countries selling Hydraloop-branded units. These include plumbing companies, hotels, architects, gardening suppliers and water products companies that want to include sustainable products like Hydraloop in their portfolio. And we are also talking with various large white goods companies. Here we're looking at various options, from co-marketing and co-branding for a white label, to licensing deals, especially in countries where we are not active. That way, our technology can be made locally and more cheaply. But we need investment. We can't meet these global goals without it.

### ***Is the world ready for home-water-treatment systems like Hydraloop?***

**Valkieser:** Hydraloop is opening up the market. The market is there, but there are certain regulations that need adjusting. Of course, when you do something new, nothing is ready for it. That's why, in addition to running the company, I'm also an expert on the European Water Standardization Commission, where I co-wrote the standard on rainwater and recycled water for non-potable applications. Every country has different long-standing laws

and regulations that made sense once, but many of them are no longer relevant and are actually blocking innovations from getting to the market. So, it's important to write new standards for waste water management and to also get rid of old, unhelpful standards. I'm also a Board Member of Water Europe, which promotes water-related innovation in Europe. I see this as an important way to address solutions to Europe's water-related issues. Reports written ten years ago already predicted the situation we're in today, but nobody takes action on a report. Unfortunately, we first need to feel the pain before things happen. Now, we need wise politicians that are ready to take action. And we need funding for the implementation of solutions because they will not be for free.

**Stuiver:** I am in Water Europe's Policy Advisory Committee, which raises awareness about the value of water for our society and economy. The Committee also lobbies for the inclusion and uptake of innovative solutions and approaches in European policymaking and legislation. There has been a lot of focus on innovation and there are economically and technically viable solutions out there to solve the water crisis. This is great news, but in many regions, water is still very cheap. So, we are advocating for three things: first, that water-saving devices become an integral part of building codes everywhere; second, that builders and end-users are actively encouraged to use these devices; and third, that differential pricing schemes are introduced so people pay a higher rate if they use more water than usual. This will build awareness of the true value of water and ensure it's used responsibly.

#### ***What role does IP play in your company?***

**Stuiver:** Having IP has helped Hydralooop on all fronts; in funding our mission and in enabling us to expand production and sales exponentially to become a market leader in this space. Our mission is to get Hydralooop into many new buildings and homes around the world in the next decades. This means we need to collaborate with others and protect ourselves. Our IP makes that possible.

**Valkieser:** We realized from the outset that we needed IP. We were not going to invest so much time and energy in developing our idea and run the risk of somebody else copying it.

**Stuiver:** We have developed a patented product that everyone can use for a fee and our IP rights allow us to scale up production, marketing and sales. Through licensing deals, we can partner with other companies and roll out this much-needed product around the world very rapidly. IP has also made our company much more interesting to investors. Besides our team, it is IP that protects and gives value to the company.

#### ***Why was it important for Hydralooop to be independently certified?***

**Valkieser:** First, certification enabled us to enter the market. And second, understanding the requirements of the certification bodies helped me design Hydralooop. My goal was to meet the requirements of the most stringent certificate, namely the NSF/ANSI-350 in the USA. While these certifications don't tell you how to do water treatment, they do tell you what you have to achieve. They gave me the direction I needed to come up with the system that is now patented.



Hydraloop, a decentralized greywater recycling system, allows households to cut water consumption and wastewater emissions by up to 45 percent, respectively.



Photo: Courtesy of Hydraloop

### ***What is your vision for the future?***

**Stuiver:** We are facing a global water crisis and without water, we cannot survive. Water is life. Many people don't realize that water is essential for social well-being, economic development, business growth and the health of natural ecosystems. The good news is that we can solve this crisis. The solutions are already here. We just need to implement them!

**Valkieser:** Our vision is that in 10 years, decentralized water recycling systems will be installed in every building as a standard part of building codes everywhere. And we want to make a real impact on the global water crisis by becoming a market leader in this space.

### ***What does it mean to win the WIPO Global Award for SMEs?***

**Stuiver:** It means a huge amount. First, I am really proud, because it recognizes Arthur's invention and all his hard work. It's been a roller coaster of a journey. And second, it gives us more visibility and credibility to advance our mission, because what we do really matters. We're not here to sell a product. We want to change the world.

### ***What advice do you have for other SMEs embarking on their business journey?***

**Valkieser:** Never give up.

# Stogie T: hip hop, IP and all that jazz

By **Catherine Jewell**, Information and Digital Outreach Division and **Edward Harris**, News and Media Division, WIPO



Stogie T performing at an event at WIPO's Geneva headquarters in April 2022, to mark World Intellectual Property Day 2022.

In 2016, pioneering South African hip hop artist, Tumi Molekane, the lead vocalist of the now disbanded group, Tumi and the Volume, launched his solo career as Stogie T. The popular rap artist recently sat down with *WIPO Magazine* in a wide-ranging interview where he talks about his passion for hip hop music, his recent signing with Def Jam Africa and how important it is for young musicians to understand how to protect and manage their IP rights.

### ***Why is music important to you?***

For me, it's the only way of being in the world. I'm useful as a musician to my community, my country and the world. That's what gets me up every morning.

***What drew you to hip hop?***

Hip hop was the most vibrant form of music in the eighties, when I grew up. Hip hop always felt “on” to me. It spoke to me. I also have a knack for talking fast. Then, one day, someone gave me an envelope for doing what I thought was just a passion and the rest, as they say, is history.

***Tell us about your musical development.***

I started out as a rapper in the streets with all my rap friends. That was exciting until it felt limiting. Until it didn't allow for all the poetry I read, all the Tchaikovsky I fell in love with. So, spoken word became more attractive to me. But I also had this rap thing with music and beats in my locker. These eventually merged into a band called Tumi and the Volume, which was me, as a spoken word artist, with a musical band performing my poetry. I toured the world with the band, but that meant what I had built in South Africa started to dwindle. So, I decided to record some solo classic hip hop work to keep the name relevant within the hip hop genre back home.

In South Africa at the time, there was this live music scene, with its poetry and varied styles, and then there was the classic hip hop scene, and they never quite met. It was incredibly frustrating and because I wanted to walk into every room as my full self – sincerity, honesty and authenticity have always typified what I do – I felt it would be incredibly dishonest to continue doing something just because an audience wanted that from me. Also, as I got older, I had different priorities, my world had changed and I wanted to continue evolving as an artist. I wanted to reflect a wider range of subjects and to give expression to South African stories. So I decided to change my name to Stogie T.

***Why Stogie T?***

I really enjoy cigars and stogie is another name for cigars, which for me reflects the idea of craftsmanship and the time it takes to craft a cigar, how you savor it and take the time to enjoy it. That's how I approach my art.

***You recently signed with Def Jam Africa. What does this mean to you?***

Def Jam Africa is a subsidiary of Def Jam Music, which has an incredible legacy in hip hop music. Signing with Def Jam Africa is a dream come true. It's also a step in the right direction in terms of allowing my music to find a global audience.

***Why is it important for artists to retain rights in their creative works?***

I remember when I told my mom that I needed money for a studio. She asked me why and I remember explaining: here's the thing. I sit at home and figure out an idea and I have a friend who figures out how to make the beats, and we own that idea and the beats. And then, we go to some guy and record with him, and if we can't pay him, we have to share ownership of the recording with him. Then some other guy comes in, and we have to split the proceeds with him too. And, Mom, you go to work, you put your hours in and get paid. And I would love to do that too. But the way things are, the guy I record my work with wants me to do something else because he thinks my way won't work. So, I have to do this on my own.



Photo: WIFO/Berrod

“I would like for there to be more space for voices outside the traditional hip hop lens, so we get a more global perspective on the genre,” says Stogie T.

That idea of independence taught me that I had to protect myself in every way. It started with mailing my lyrics to myself to prove I wrote them. And then I found out there are collecting agencies that defend your rights, and music publishers that can help you leverage the value of your rights and promote your work. I learned on the job.

I tell every 18-year old who wants to rap that if they spend just one hour understanding what music publishing is, what IP is, what royalties are, and what their rights are, they will do more for their music than the three hours they spend on YouTube figuring out how to mix a new drum pattern. The entry barrier to music is virtually nonexistent now because of technology. That makes musicians vulnerable and means they need to be IP savvy.

Musicians often have a “big, bad wolf perception” of record labels who, in turn, have, a “you don’t know what you’re talking about” attitude towards artists. It will serve everyone if artists understand the language of the music industry and have a clear view of their rights, what they mean, how to protect them and how they can benefit from them.

### ***What is distinctive about South African hip hop and its evolution?***

When hip hop first emerged in South Africa, it was rooted in the traditional hip hop culture of the Bronx. It was beatboxing, graffiti, rapping, deejaying and the idea of self-knowledge and community involvement. That’s the hip hop you find in Cape Town today.

At the same time, the hip hop that emerged from Johannesburg had a commercial tilt towards Kwaito, which was the biggest genre at the time. It reflected the new South African spirit of the township emerging from the shadows. The guys who were making this music in the local vernacular became the biggest stars. They started to marginalize traditional suburban hip hop artists who performed in English, which most people didn't understand. But Kwaito, was rejected, at least in traditional hip hop spaces. Hip hop is incredibly elitist. And remember, at that time, it's emerging, it's young and it's like a secret cult movement for us.

I came up with both. We were all in the clubs together and I watched how artists would flip-flop from one camp to another, depending on where the economics of the stomach lay. It gave me an interesting perspective on the idea of being authentic, standing your ground and being who you are, regardless of what's happening around you. It also showed me that there's value in what these guys are doing. But as to whether there is a South African hip hop sound? That's a big debate right now. Is it Amapiano? Is it Kwaito? We keep creating these sounds and everyone keeps saying maybe this is South African hip hop. Maybe this is how that evolution happens?

But for me, if it's good and if it finds an audience, that's great. People always forget that hip hop is music and reflects the people making it. Young people have gravitated towards hip hop all over the world. It's like religion in that people insert their own values into it. In Japan, it has a certain tilt to it. And it's the same in Africa or in South Africa, in that people want it to reflect who they are. They want to rap in their own languages and they want it to reflect Indigenous music. And there's nothing wrong with that.

***What's the high point in your career?***

Oh, it changes, but I think now it's just the blessing of being able to still do hip hop and to have been able to pivot to Stogie T. I still wonder how we were able to achieve that.

***What big challenges are you facing as an artist today?***

It really depends on the context, but in general, the challenge is to be taken seriously, so that even when I do a song that people aren't expecting, I am still perceived as an intelligent rapper who has a view on the world and am interesting because I do this "other" thing.

***How would you like to see hip hop music evolve?***

I would like for there to be more space for voices outside the traditional hip hop lens, so we get a more global perspective on the genre.

**“It will serve everyone if artists understand the language of the music industry and have a clear view of their rights, what they mean, how to protect them and how they can benefit from them.”**

***Has streaming been a plus for artists?***

Hip hop was always an early adopter of new technologies. Not too long ago in South Africa, before streaming emerged, it was part of an artist's strategy to have their music bootlegged online for people to access it, because that opened up an income stream.

These days, as an artist, you can tour and if you prove to a brand that your free download attracted thousands of eyeballs, then brand endorsements become an option. These channels open up new income streams. Then you look at streaming platforms and you realize they're not really paying anybody and won't ever be your main revenue source. Streaming is like a business card; it's a way to get people familiar with your music while you take advantage of other channels to make money.

***Is there a downside to streaming?***

The problem I have with streaming is that it doesn't take account of different audiences and markets. It doesn't distinguish between a popular musician whose (millions of) fans are willing to only pay two cents for a stream and a jazz artist whose smaller fan base is willing to pay two dollars to listen to their work. As things stand, the jazz artist can't take advantage of it.

***What was the inspiration for your Albums *The Empire of Sheep and Yeah*.***

The *Empire of Sheep* is a reflection of where I feel like South Africa is. Unfortunately, as in so many parts of the world, we've got a situation where it's more important to have followers than leaders.

***Where do you get inspiration from?***

Sometimes it's challenging yourself to look at a situation and ask if there's another painting to be made. The biggest source of inspiration, at present, is making sense of this crazy pandemic we're coming out of and synthesizing that into a collection of songs.

***What message do you have for aspiring young artists?***

As an artist, you always need a place where you can listen to yourself, and where you can properly figure your music out. Today, it's so easy to get a phone and broadcast yourself. And that's amazing. But there isn't a place for you to bounce your ideas around and get honest feedback. It's important to surround yourself with people who are honest with you about what you're doing and who can help you angle your music and your message.

# Esports: an overview of a new(ish) frontier in digital entertainment

By **Andrea Rizzi** and **Francesco de Rugeriis**,  
Andrea Rizzi & Partners, Milan, Italy

Only a fraction of esports involves virtual simulators of traditional sports like soccer or basketball. *League of Legends*, the videogame developed by Riot Games, is one of the most popular “esports” worldwide but on the face of it has nothing to do with “sport.”



Photo: © Riot Games

## PARDON ME: AN E...WHAT?

According to the definition in the *Oxford Advanced Learner’s Dictionary*, an esports is “a video game played as a competition for people to watch as entertainment”. Albeit with some approximation, this definition captures the essence of the phenomenon and helps us introduce this **first very important point**: any videogame (whether it’s a virtual simulation of a traditional sporting activity or not) can be an esports.

Only a small fraction of esports involves virtual simulators of traditional sports like soccer or basketball. *League of Legends*, the videogame developed by Riot Games, is one of the most popular “esports” worldwide and yet, on the face of it, it has nothing to do with a “sport;” it’s a battle-based videogame set in a fantasy world where teams of fanciful characters fight for victory and glory.

## THE SIGNIFICANCE OF ESPORTS

The significance of esports should be appreciated both from an economic and a communications standpoint. In economic terms, in 2022, the esports industry is



The esports landscape is expanding and esports are growing in popularity as videogames become an increasingly important entertainment and communication medium for younger generations.



“Unlike in traditional sports, where nobody ‘owns’ the game as such, in videogames a whole host of (physical or legal) persons may have proprietary rights to the game or its components.”





Photo: © Riot Games

expected to generate USD 1.38 billion, up from USD 1.11 billion in 2021, with year-on-year growth of 16.4 percent, according to Newzoo's *2022 Global Esport & Live Streaming market report*.

From the communications perspective, esports can connect with both newer and older generations with a high spending capacity. As such, they are becoming an interesting target for big brands like Louis Vuitton and Mastercard, which until recently, were totally unrelated to the gaming world. Their ability to reach a broader and more varied audience is appealing. In 2019 the League of Legends World Championship Final had roughly 100 million viewers, while the NFL Superbowl had “only” 98 million spectators.

### ESPORTS AS IP PROTECTED VIDEOGAMES

For there to be an esports, there must be a videogame. This has meaningful implications from a legal standpoint. If we think of a videogame as being, in essence, a layer of software (or game engine) on top of which sit audiovisual components, such as animations, images, text, sound effects and music, which are IP-protectable subject matter, then the legal complexity surrounding esports becomes clearer. Copyright is arguably the category of IP rights that is most immediately relevant to videogames. However, virtually every category of IP rights is potentially pertinent.

From a European perspective, the Court of Justice of the European Union (CJEU), in its Decision No. C-355/12 (the Nintendo case), has clarified that “videogames [...] constitute **complex matter** comprising not only a computer program but also graphic and sound **elements**, which [...] **are protected, together with the entire work, by copyright** [...]”

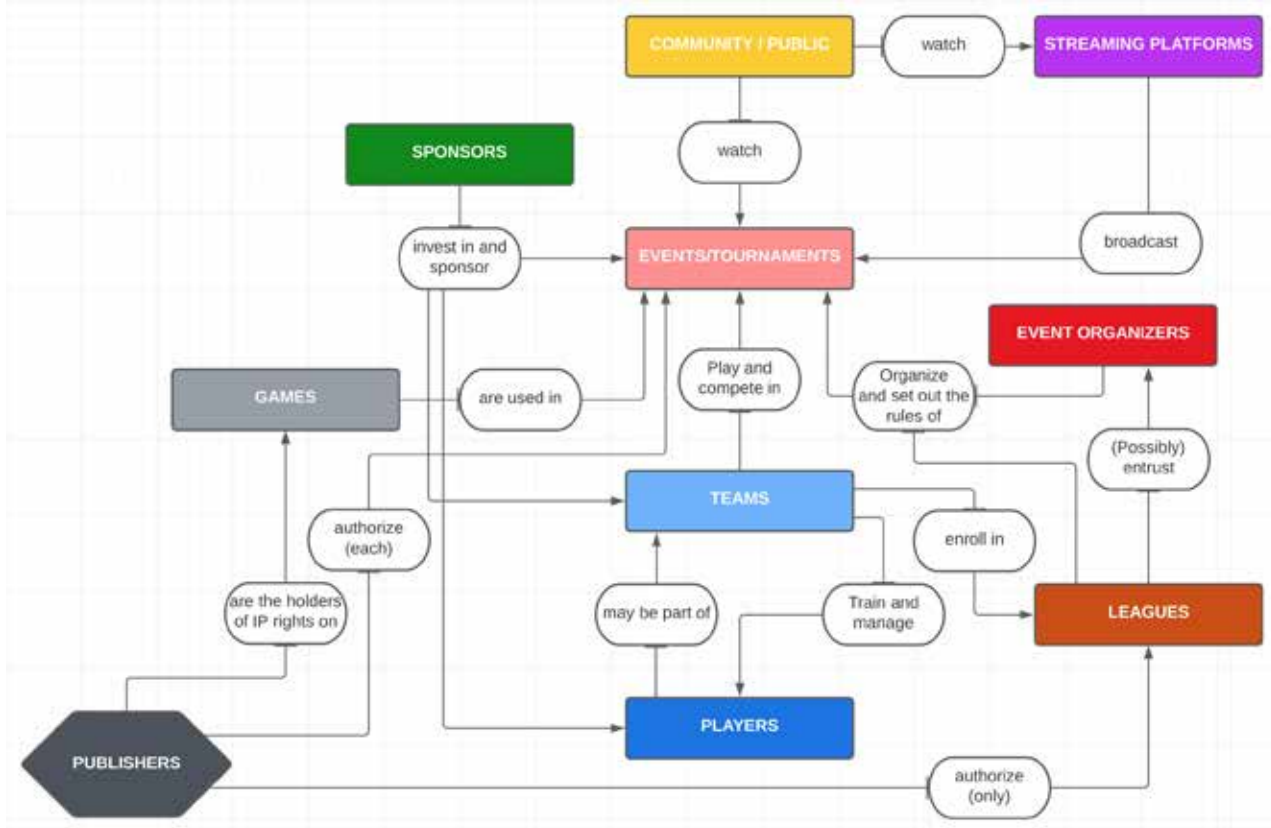
As IP rights are proprietary/inherently monopolistic rights, their owners can, in principle, exclude others from using the relevant subject matter. Unlike in traditional sports, where nobody “owns” the game as such, in videogames a whole host of (physical or legal) persons may have proprietary rights to the game or its components: coders, artists, writers, music composers and performers, to name a few.

The IP rights to videogames are typically owned or controlled by the publisher, who acquires them for their distribution and commercial exploitation. Such exploitation takes place, at core, through the sale of licenses to end users, the terms of which are governed by the End User License Agreement/Terms of Service (EULA/ToS). Under these agreements, the publisher's license is virtually always limited to personal/non-commercial uses. This leads us to the **second fundamental point**: unlike that of a soccer tournament, the organization of an esports tournament requires authorization, in principle, from the videogame's publisher.

### ESPORTS AS COMPLEX ECOSYSTEMS

Here's the **third crucially important point**: the presence and the interaction between stakeholders and their respective IP rights create a complex ecosystem, as outlined in Figure 1.

Figure 1 – The esports' ecosystem



Esports represent a complex ecosystem of IP rights. This complexity is managed through a web of agreements, each of which must “converse” with the others to avoid any infringement of third party IP rights.

Such complexity is managed through a web of agreements, each of which must “converse” with the others: get it wrong and you may find yourself infringing third-party IP rights. In navigating this ecosystem, it’s important to remember the following key points.

First, each esports is a videogame that has its own built-in rules, which are the result of the developer’s game design decisions. Generally speaking, these design decisions cannot be changed by the user without authorization. Second, the use of the videogame is governed by a license agreement. This may be the general EULA/ToS or a bespoke license granted by the publisher to allow for the organization of a specific tournament. And third, several other parties holding IP rights are likely to be involved in an esports competition, which adds further complexity from an IP perspective.

An esports tournament may be organized by the publisher or by a third-party organizer and may have its own (additional) rules. Any violation of the event’s rules may entail the violation of the IP rights of the publisher and/or the third-party organizer. A tournament may be a standalone competition or part of a larger event, such as a league, which will entail additional rules.

The tournament organizers (whether the publishers or third-party organizers) will monetize their rights through sponsorship agreements with brands, (also covered by IP rights), and

by granting broadcasting/streaming rights to content distribution platforms (such as Twitch or YouTube), normally on an exclusive basis. In addition, they will generate revenue from ticket sales to physical events and the sale of physical or digital merchandise of all sorts (also covered by IP rights).

And then, of course, there are players and teams, which may have their own sponsorship agreements with brands and event sponsors. Teams and players own or control rights over images of the players and viewers watching the competition. Viewers often interact through the streaming platforms (which also own IP rights in their proprietary technology) and potentially create content that may also attract additional IP rights depending on the platform's EULA/ToS and – to the extent content includes any game content – the terms of the publisher's EULA/ToS.

#### **A FUNDAMENTAL QUESTION: WHO SHOULD REGULATE ESPORTS?**

As often happens with new phenomena, esports are largely unregulated by national law. Consequently, publishers with IP rights have great freedom in administering the esports ecosystem (within the scope of general law, including consumer and antitrust laws). From a publisher's perspective, this is reasonable since the publisher normally bears the economic burden of financing and marketing its game. It is also the most efficient arrangement as nobody understands their product/service (and the associated user community) better than the publisher. As such, publishers are best placed to make the game ecosystem flourish.

Some argue, however, that from an esports market perspective, the substantial monopoly individual publishers enjoy over their games is not the optimal solution. Those who see a risk in leaving the ecosystem in the hands of the publishers argue that the interests of other stakeholders may not always be aligned with the publishers' interests. They argue for the need to counterbalance the publisher's power to protect third-party stakeholders' interests and investments.

Some advocate regulatory intervention by the State, which may take two forms. First, bespoke regulation ranging from a "light touch" intervention limited to rectifying the shortcomings of the existing regulatory framework, to more comprehensive legislative intervention. And second, to bring esports within the regulatory framework applicable to traditional sports, and thereby within the remit of the International Olympic Committee (IOC).

In April 2021, the IOC released its "2020+5" agenda, which notes a distinction between virtual sports (*i.e.*, virtual versions of recognized sports) and videogames. While the IOC acknowledged the importance of videogames in reaching young people and encouraging them to engage in sport, its recommendations make it clear that the IOC's focus is on virtual sports, in relation to which it sees room for International Federations to assume governing and regulatory responsibilities (recommendation no. 9). This leaves out the numerous esports that are not virtual simulators of traditional sports, to which a different regulatory regime will apply.

In May-June 2021, the first Olympic Virtual Series took place. It saw eplayers compete in virtual sports (ebaseball, erowing, eycling, esailing and emotor-racing) and the involvement of the five International Federations governing the corresponding sports.

While the roles and responsibilities of the Federations at both international and national levels are still to be defined, their inclusion is bound to add complexity to the esports ecosystems. Why? First, because the Federations will inevitably impose extra layers of rules on esports organizations, and second, because the Federations' governing and regulatory responsibilities envisaged by the IOC may, if not carefully managed, cause friction with the publishers.

The dispute between the developer/publisher Blizzard Entertainment and KeSPA – the Korean e-Sports Association established by the South-Korean government to oversee the local professional scene – offers an indication of the problems that may arise. The dispute centered around the management of broadcasting rights relating to the airing of Blizzard's Starcraft videogame on television. The dispute was eventually settled (on undisclosed terms) but only after Blizzard sued KeSPA.

### **SUMMING UP**

The esports landscape is expanding and esports are growing in popularity as videogames become an increasingly important entertainment and communication medium for younger generations.

Esports are complex ecosystems, which historically the publishers have administered, leveraging the powers and flexibility that IP and contract laws confer upon them, with little or no interference from the State and its legislation. This may, and often does, create problems. However, the lack of bespoke State-made rules leaves room for courts and regulatory authorities to apply existing regulations (*e.g.*, often burdensome prize promotion and/or gambling/regulated gaming regulations) that were created before esports emerged. This, in turn, generates a regulatory risk and may represent a disincentive for potential investors.

Equally, the lack of *ad hoc* national rules carries the risk of leaving important gaps in the system, for example, in relation to player-visa issues. Such issues arise when players enter a foreign country to attend an esports event. As professional eplayers, they are technically “workers,” and need to comply with local immigration laws, which may require a work visa. However, it is often impractical, if not impossible, for an esports player to obtain an “ordinary” work visa. This is why, in traditional sports, pro athletes benefit from bespoke, simplified, visa rules. On the other hand, bringing videogames into the remit of traditional sports organizations may not be entirely satisfactory either, as an overly regulated environment may collide with the prerogatives of publishers.

It remains to be seen how, from a governance perspective, the role of international and national sports Federations may be shaped, and which rules will apply to esports that are not virtual simulators of sports. The goal, however, is for a governance system that is both beneficial to the industry and respectful of the IP rights of the publishers to avoid disputes like the Blizzard-KeSPA case.

# Digital economy: the search for new governance mechanisms

By **Jiro Kokuryo**, Faculty of Policy Management,  
Keio University, Tokyo, Japan

The expansion of the digital economy is raising important ethical questions about the use, governance and regulation of information technologies like big data and artificial intelligence (AI). The specificities of the rapidly evolving digital economy, outlined below, are fueling the need to find new philosophical principles to inform the development of effective digital governance policies.

As we transition from the industrial economy to the digital economy, the time is ripe to re-visit the philosophical underpinnings of the modern market economy. In seeking new approaches to digital governance, we need to cast the net widely, and also consider how Eastern philosophies can inform and enrich approaches to digital governance for the benefit of all. More specifically, we should rethink the role of individualism and the derivative modern institutions based on the exchange of ownership, in favor of altruistic social sharing of data. We should also recognize that humans are an integral part of the cosmos and not at its center.

## **WHY THE INSTITUTION OF THE INDUSTRIAL ECONOMY FAILS TO GOVERN THE DIGITAL WORLD**

The digital economy has at least three distinct features that separate it from the industrial economy, and which are urging us to rethink existing institutions and align them with the contemporary economy.

First, the digital economy is being reshaped by the “network externality” of data where the value of data increases exponentially as they connect. Take, a single piece of data (a datum) as an example. Alone, it does not generate much value, but as part of a data collection, which exhibits certain patterns, it does have value. This means that the entity responsible for assembling data

# “The expansion of the digital economy is raising important ethical questions about the use, governance and regulation of information technologies like big data and artificial intelligence (AI).”

enjoys monopoly power over the value it creates. That is one of the important reasons why data governance is a critical issue for society. The network externality of data arguably makes a strong case for the social sharing of data, as opposed to claiming ownership over it and limiting access to it.

The second distinguishing characteristic of the digital economy is the very low marginal cost of digital services, where the cost of adding another user to a platform is negligible compared to the fixed cost of originally developing it. In practical terms, this means that an increasing range of online services can be offered for free to attract users to a platform. This aspect of the digital economy is causing market pricing for resource allocation to malfunction as demand for, and supply of, free digital services are outside the control of the pricing mechanisms that served the industrial economy so well.

The third distinguishing factor of the digital economy is the enhanced traceability of goods. The industrial economy developed under the assumption that the ability to trace mass-produced goods sold to unidentifiable customers in distant locations was limited. However, today, information technologies, notably sensors, automatic identification systems, and wireless technologies, are drastically changing our ability to track and trace goods in supply chains across industries at a very low cost. This allows sellers to monitor the location of any goods they sell and allows buyers to identify the original sellers and track the product's journey.

Enhanced traceability favors the shared use of goods managed via control mechanisms. Take, for example, the “sharing economy,” where houses, cars, and more, are offered as services, either on a subscription basis or through temporary rental arrangements and not by exchanging physical objects with money. As such, the exclusive ownership of goods exchanged in the market, a dominant characteristic of the industrial economy, is no longer necessary.

These three factors demonstrate that the digital economy is fast outgrowing the norms of the industrial economy and creating significant new forces that are prompting a rethink of the philosophical foundations of modern society.

## CHARACTERISTICS OF INDUSTRIAL SOCIETY

Appreciating the need for new thinking requires an understanding of industrial society.

The mass production enabled by the Industrial Revolution required the large-scale distribution of goods to large markets. Lacking the powerful communications technologies of today, the so-called “anonymous economy” emerged and was dominated by the exchange of goods for money among strangers, often in distant lands. Many mechanisms and institutions evolved to make the anonymous economy work. Property rights (the exclusive right to dispose of a good) and the market were pillars of the industrial economy and were supported by powerful nation states to guarantee their continued function. These mechanisms were essential to economic activity along with the modern transport systems that improved mobility.

Since the Industrial Revolution, the history of modernization has been one of bringing goods, services and intangibles, like knowledge, into the realm of ownership rights. These rights are also closely wedded to the values of individualism, which is so central to the Western philosophy that underpins industrial society and the market economy. Individualism assumes an independent person is capable of making autonomous decisions and has the right to claim the fruit of their actions and to be responsible for the consequences of them. As such, the individual enjoys inviolable human rights, including privacy and property rights, which can be exchanged in the market.

The advent of AI and big data, however, is challenging the core assumptions of industrial society, in particular with respect to the belief that humans have a monopoly on intelligence.

## BIG DATA GOVERNANCE: RISING TENSIONS

The foundational undercurrent created by the institutional changes forced by the rise of the digital economy is evident in various forms. For example, the West is currently grappling with data privacy and the governance of big data (the huge data sets generated from multiple sources by multiple online users).

Through the lens of industrial society, this struggle centers around the need to balance the use of data for commercial purposes with the social good stemming from the protection of personal privacy and dignity. In this context, privacy is closely wedded to the individualistic values of modern Western society and is considered a human right.

However, rather than seeing data as a private asset to be commercially exchanged, Eastern philosophies, which are based on mutual trust among people, recognize data as a collective resource serving the common good, where contributors are respected, protected, and rewarded.

Might the traditional altruistic Eastern philosophies of Confucianism, Buddhism, and animism offer a more effective alternative for data governance and data sharing while upholding and protecting the dignity of individuals? Interestingly, the concept of fiduciary responsibility suggests there is some common ground between Eastern and Western philosophies in this regard.

### **AI GOVERNANCE: DIFFERING PERSPECTIVES**

When it comes to the governance of AI, and the notions of “mind” and “autonomy,” especially with respect to machines, we see a similar parallel. The Western perspective sees humans as superior to other beings (and machines) because of the human “mind” or intellect and the autonomy that derives from it.

From this perspective, the prospect of “general artificial intelligence,” which assumes human-like intelligence (which may even surpass human intelligence) becomes a serious threat to the mastery of humans over the cosmos. Here again, the Eastern animistic tradition, which sees humans as an integral part of nature, offers an interesting alternative view.

Asians are generally far more accepting of robots, perceiving them as human-friendly peers with minds and emotions. This contrasts starkly with the Western perception of robots and androids, which is typically characterized as a master-slave relationship, with any reversal of that relationship considered a threat.

### **REFLECTIONS ON JAPAN'S EXPERIENCE**

Japan was the first Asian country to embrace the Western philosophy of individualism. From the 19<sup>th</sup> Century, Japan accepted Western technology and legal norms, including in relation to intellectual property, and became a major industrial economy. In the digital age, however, this strategy appears to be faltering as other Asian economies have caught up with, and in some cases, overtaken Japan in the digital sphere. This has led some commentators to suggest that success in the digital economy requires a completely different approach to that adopted in the industrial age.

China’s remarkable success in the digital arena – underpinned by Confucian and Marxist traditions – adds impetus to the question of whether data governance could be better guided by the traditional Eastern philosophies. This new thinking is fueling the need to find common ground on which to develop values that are broadly acceptable around which to develop governance mechanisms for the emerging digital society. As noted earlier, the concept of fiduciary responsibility could be a good starting point for this endeavor.

### **TIME FOR A NEW PARADIGM BEYOND INDIVIDUALISM**

There are solid reasons to believe that the market-based governance mechanism of the industrial economy will have to evolve to address the economic and technological realities of the expanding digital economy.

We are already seeing the emergence of new digital business models, such as subscription and sharing models where “access rights” to the use of given goods are “licensed” among “trusted members” in electronic communities. These business models contrast with those of the industrial market economy where ownership of property (i.e., the exclusive rights of disposal) is exchanged for money anonymously among individuals (and corporations).





Figure 1: From an exchange economy to a potluck economy  
 Note: The term "Potluck economy" is found in a blog by Timothy Nash

Figure 1 offers a visualization of the design of the economy in a world with enhanced traceability where everyone has a good (including data), which is useful to others and contributes to the right to use that good. In what might be called a "potluck economy," such shared use of physical goods (and data) is monitored and rewarded by society. The model retains the notion of ownership since the platforms that coordinate the granting of licenses bear a fiduciary responsibility to protect the interests of its participants or trustees.

**CYBER CIVILIZATION THROUGH AN EASTERN LENS**

At a time when policymakers rooted in the Western philosophy of individualism are grappling with the challenges of an expanding digital society, Asian altruistic philosophies may help us develop the foundational philosophies and ethics to govern emerging digital social structures. Confucianism, Buddhism, and animism are distinct beliefs, but they each emphasize honoring the trust others place in a social entity or institution. This contrasts with the Western emphasis on protecting the rights of individuals.

The treatment of personal data highlights these differing perspectives. Modern Western thinking considers a breach of privacy to be a violation of the rights of individuals who should have control over their personal data. In contrast, Eastern philosophies consider the misuse of personal data entrusted to a platform to be a betrayal of the trust placed in the platform. While the differences in approach are subtle, they are significant in terms of how governance mechanisms are designed.

The Western emphasis is to ensure that the collection and management of data comply with the “will” of the individuals supplying the data so they remain in control of it, whereas the Eastern emphasis is on ensuring that data is protected and used in ways that are loyal to the “interests” of those entrusting the data, regardless of the existence of explicit permissions to collect and manage it.

This discussion also raises the issue of the recognition of responsibility. A popular point of discussion in the area of AI governance is whether or not it is realistic to continue to hold humans ultimately responsible for the malfunctioning of man-made objects.

The Western assumption that humans have a monopoly on autonomy and intelligence gives humans ultimate authority over and responsibility for all man-made objects, as reflected in the product liability laws of various Western civil and criminal legal systems.

In contrast, the Asian wisdom of conviviality with nature may well become a guiding principle. Why? Because in time, it seems inevitable that machines will at least have intelligence-like capabilities. We need, therefore, to prepare ourselves to recognize personality in machines if we are to allow them to interact so closely with humans.

#### **TOWARD GENERALLY ACCEPTABLE PRINCIPLES BASED ON TRUST**

The aim of exploring the differing perspectives between East and West is to find common ground for developing a new set of ethics suitable for the emerging data-driven world. As both share the notion of fiduciary responsibilities, this seems a good starting point to develop effective data governance mechanisms equipped with a democratic system of checks and balances that benefit all. My hope and belief is that humanity is clever enough to develop such a system and to use the huge technological opportunities it has created in a civilized manner.

This article is an abridged and modified version of Kokuryo, J. *An Asian perspective on the governance of cyber civilization*. Electron Markets (2022).

# Building sustainable futures with traditional knowledge in New Caledonia

By **Rebecca Ferderer**, Traditional Knowledge Division, WIPO

More than 90 percent of the species in the terrestrial, plant and maritime environment are endemic to the islands of New Caledonia,” notes Subama Mapou. “Local Indigenous Peoples have developed a broad knowledge of more than 1,200 species of plant, according to a bibliographic study I conducted as part of my research,” she adds.



Photo: Quentin Fahrner / Unsplash

For Subama Mapou, the vast resources of New Caledonia offer a wealth of inspiration for the development of new plant-based innovations that draw on the traditional knowledge of the islands’ Indigenous Peoples. As a young Kanak woman from the Unia tribe of the Djawari chiefdom, Mapou’s family introduced her to this knowledge at a young age. The family’s ancestors make up a long line of traditional practitioners. The passionate Kanak scientist discusses the significance of her work in supporting the livelihoods of Indigenous groups, and her ambition to help develop a *sui generis* legal framework that protects the archipelago’s traditional knowledge while ensuring Indigenous communities are able to share equitably in the benefits of its use.



Workshops organized by Subama Mapou and her team are rekindling traditional knowledge-based practices among women and men, enabling them to build skills in traditional handicrafts, as well as fishing and hunting practices.



Photos: Courtesy of Subama Mapou



**“As humans, we need to respect and listen to Mother Nature. I hope we change the way we consume. Our children’s future well-being depends on it.”**

***How did you get into plant biology?***

I have always been interested in plants. Knowledge of medicinal plants and their use was passed down to me from members of my family, including my great-grandfather, Ouma Mapou, a 109-year-old traditional healer, and my grandmother. My university studies in plant and micro-biology are part of a promise to my family to continue their valuable research on plant-based traditional knowledge, including its protection and transmission to future generations. At present, I am working on my PhD in phytochemistry and ethnopharmacology at the University of New Caledonia. My aims are to support the sustainable management of New Caledonia's natural resources, to enhance the use of the archipelago's traditional knowledge, and to help establish a *sui generis* legal framework that protects the traditional knowledge of our Indigenous populations and ensure they can access and share in the benefits of its use in a sustainable and fair manner.

***What is so appealing about working with New Caledonia's natural resources?***

What fascinates me most about working with New Caledonia's natural resources is the archipelago's rich biodiversity and the wealth of traditional knowledge surrounding its use. More than 90 percent of the species in the terrestrial, plant, and maritime environment are endemic to the islands. Local Indigenous Peoples have developed a broad knowledge of more than 1,200 species of plant, according to a bibliographic study I conducted as part of my research.

***Tell us more about the importance of traditional knowledge to Kanak communities.***

Archaeological remains show that the Kanak people have been present in New Caledonia for 4,000 years. New Caledonia is divided into eight customary areas with 28 Indigenous languages. The islands' unique taxonomic groups are reflected in the local knowledge that each group holds on traditional plant-based uses. Developed over centuries, this knowledge has been transmitted orally from generation to generation by traditional practitioners like my great-grandfather.

The preamble to the Charter of the Kanak People states that "the Melanesian populations, like other Indigenous Peoples in the world, have a vision of the cosmos, a relationship to space, a social organization and a customary practice which tend to a permanent search of balance and harmony." This vision of the relationship between Indigenous Peoples and their natural environment is what gives them the capacity to be resilient and to adapt to emerging challenges, as evidenced by my own people in New Caledonia.

***Tell us more about your company, Gardenia Cosmétique.***

The development of products from natural resources begins with raising public awareness. I set up my Gardenia Cosmétique to put my research into practice. People are looking for authentic goods and a guarantee of quality. My aim is to promote New Caledonia's biodiversity and traditional knowledge by using the know-how I have acquired in the field to transform the region's raw materials into the everyday products consumers are looking for in the most ecological way possible.

Gardenia Cosmétique's products are made using 100 percent natural ingredients with a quality guarantee based on scientific research, which enhances the traditional extraction method by stabilizing the active molecules contained in the ingredients. We have various agreements in place with different associations of Indigenous producers who produce the raw materials we need in line with the principles of fair trade and sustainable development. My desire to respect the rights of local Indigenous Peoples means that our products are produced according to fair trade principles. In commercializing these products, we are also respecting the rights of these Indigenous local producers and helping to promote their traditional know-how.

### ***What gives your products a commercial edge?***

The widespread use of products made from synthetic molecules can cause painful skin conditions, such as eczema and psoriasis. Today, consumers are looking for natural product lines that meet their personal needs. This is where Gardenia Cosmétique's products have an advantage; our products are a soothing, natural alternative that can help our clients better manage their skin allergies. We began marketing our products in early 2020, and are seeing real growth in demand for them.

### ***Where are your target markets?***

Our principal market is currently in New Caledonia. We have a boutique in the north of the archipelago. In 2021, we took part in major local events, including the Pacific Fair and the Women's Fair, which drew 20,000 people from all over New Caledonia. Our products are also available online from Nakupa.shop, an e-commerce platform for natural, artisanal products from all Pacific Islands. We are also planning to launch our own website, which will help us expand into European markets.

Our main operations are in the north, where we are also developing our garden of medicinal plants, our own laboratory, so we can scale production, and a school for our workshops. This means we can be in close contact with our producer associations based in remote Indigenous communities in the north. We also have facilities in the south, which enable us to source raw materials from that part of New Caledonia.

### ***How did you come to learn about IP?***

The traditional knowledge that my great-grandfather transmitted to me has real value in the fight against climate change and must be developed in collaboration with the Indigenous Peoples who hold this knowledge. Well before starting my own business, in 2010, I followed the negotiations that saw the integration of the Nagoya Protocol into the Convention on Biodiversity very closely. That process highlighted the sustainable utilization of genetic resources and associated traditional knowledge and inspired me to find a way to protect the eco-extraction process that I have developed. The process I developed produces high-quality natural products, which meet the requirements of ERI 360, the eco-extraction label for cosmetics introduced in France in 2018.





Photos: Courtesy of Subarna Mapou

### ***A sui generis approach***

A number of countries have adopted special legal mechanisms with intellectual property (IP) or IP-like provisions. These special regimes often provide protection against misuse or misappropriation of traditional knowledge, traditional cultural expressions and traditional knowledge associated with genetic resources.

Consult WIPO's compilation of *sui generis* regimes at: [www.wipo.int/tk/en/databases/tklaws/](http://www.wipo.int/tk/en/databases/tklaws/)

### **The WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC)**

The IGC continues to work towards the negotiation of an international legal instrument(s) relating to intellectual property, which will ensure the balanced and effective protection of genetic resources, traditional knowledge, and traditional cultural expressions.

Learn more at: [www.wipo.int/tk/en/igc/](http://www.wipo.int/tk/en/igc/)



That year, Gardenia Cosmétique won first prize in the Innovation Forum for Overseas Countries, awarded by President Macron. This encouraged me to apply for the WIPO Training, Mentoring, and Matchmaking Program on Intellectual Property for Women Entrepreneurs from Indigenous Peoples and Local Communities, which was a great opportunity to learn more about IP rights, how to develop my business model, and market our cultural heritage. Our focus now is to strengthen the Gardenia Cosmétique brand.

***How would you like to see the IP system evolve?***

I would like to see an international law that protects traditional knowledge. It is fundamentally important for future generations of all peoples to focus on the natural quality of products. Today's consumption model needs to be balanced against ongoing global challenges, such as climate change. As humans, we need to respect and listen to Mother Nature. I hope we change the way we consume. Our children's future well-being depends on it.

I would like to see a database of natural resources in New Caledonia's vernacular languages, subject, of course to the prior informed consent of the relevant communities. This would provide the government with the information needed to promote the sustainable management of these resources.

***Tell us more about the Kanak Institute of Plants, Handicrafts, and Indigenous Languages (IKAPALA).***

In 2017, I co-founded IKAPALA, a non-governmental organization that brings together all those committed to enhancing and protecting Kanak traditional knowledge. It acts as a bridge between state authorities, scientific bodies, and holders of traditional knowledge. My passion for plants and for protecting their associated traditional knowledge led me to set up IKAPALA. When I first began travelling around the country, I met many women, traditionalists, healers and young people, but they lacked a common tie. With IKAPALA, and its commitment to unity, simplicity and respect, we are creating a common link and strengthening our ability to safeguard our intangible and spiritual heritage.

IKAPALA holds a variety of events in New Caledonia on how to enhance, transmit and protect plant-based traditional knowledge. The Institute also facilitates collaborations between holders of this knowledge and interested third parties, such as researchers and companies that respect the rights of Indigenous Peoples, especially the Kanaks. Today, IKAPALA includes around 40 associations of women from each of New Caledonia's eight customary areas.

***What impact are these activities having?***

After several years of awareness-raising, our efforts to build up IKAPALA and Gardenia Cosmétique are finally bearing fruit. For example, in partnership with the company, IKAPALA regularly holds free workshops, where I share my traditional know-how with Indigenous women's associations across New Caledonia. Here women learn how to use the archipelago's endemic plants and their associated traditional knowledge to prepare and sell their own organic goods, including soaps, aloe vera gels and cold-pressed coconut oil, which provide them with an important source of income.

The workshops are re-kindling traditional knowledge-based practices among women and men, enabling them to build skills in traditional handicrafts, as well as fishing and hunting practices. Increasingly, young people are taking pride in and reclaiming the value of their culture. IP is an important tool in helping them to generate income from



Photo: Courtesy of Subama Mapou



### **The Indigenous and Local Community Women Entrepreneurship Program**

The WIPO Training, Mentoring and Matchmaking Program on Intellectual Property for Indigenous Women Entrepreneurs from Indigenous Peoples and Local Communities aims to encourage women entrepreneurship, innovation and creativity related to traditional knowledge and traditional cultural expressions. The program is designed to strengthen the capacity of women entrepreneurs from Indigenous and local communities to make strategic and effective use of intellectual property tools in support of their business activities.

Since 2019, nearly 50 women entrepreneurs from Indigenous Peoples and local communities have been selected from hundreds of applicants. They include artisans, designers, performing artists, researchers, healers, or small-scale farmers who are planning, or have already initiated, a project or business based on traditional knowledge and/or traditional cultural expressions.

“Increasingly, young people are taking pride in and reclaiming the value of their culture. IP is an important tool in helping them to generate income from this knowledge and thereby improve their livelihoods.”

this knowledge and thereby improve their livelihoods. It is a real privilege for me to be able to contribute to building a more sustainable future for the next generation of New Caledonians.

***How do you explain the success of Gardenia Cosmétique and IKAPALA?***

My passion for traditional knowledge and my determination to fight for the sustainable management of New Caledonia's natural resources through collaborations built on mutual respect have enabled me to come this far. Our success has been built on our respect for cultural diversity and our commitment to work together to achieve our common goal. The eight customary areas have now united under IKAPALA to defend our traditional knowledge and develop practices for protecting the region's biodiversity.

When we began in 2016, our support came from our partner associations and the Customaries of the Great South. In 2019, the Customary Senate of New Caledonia joined our ranks and plans to put in place a convention to protect traditional knowledge. This is a most welcome development. We continue to work with government agencies to explore ways to establish a framework to protect traditional knowledge in New Caledonia while ensuring the local communities access and share in the benefits of its use in a fair and equitable manner. Our ultimate objective is to succeed in adopting a national *sui generis* law on the protection of traditional knowledge.

***What is your next project?***

My next professional project is to develop new and natural active ingredients, targeting the luxury cosmetics industry and companies that respect Indigenous Peoples and are committed to sustainable development. The field of food supplements is another exciting avenue to promote our medicinal recipes. My aim is also to develop partnership-based projects to promote the sustainable management of our natural resources. I would also like to see IKAPALA partner with the Government of New Caledonia and the Customary Senate to create an entity that is dedicated to the protection of the country's traditional knowledge. Finally, I plan to establish a school for the local Kanaks to continue teaching them how to protect and promote New Caledonia's traditional knowledge and cultural diversity.

***What advice do you have for young Indigenous Peoples?***

I will always remember my great-grandfather's words: "Whatever you do, whatever degrees you receive, whatever people you may meet, never forget your cultural roots."

So, my advice is: always respect and share your values with unwavering passion, humility and determination. It will not be an easy path, but it will be incredibly rewarding when you achieve your goals.

# Securing Serbia's cultural heritage: the case of "Kilim of Pirot"

By **Vladimir Marić**, Director, Intellectual Property  
Office of the Republic of Serbia

Products that bear a geographical indication of origin owe their special characteristics to the locality in which they are produced. They are the fruit of the traditions crafted over centuries by people from a specific location who have transferred their knowledge and skills across generations. The rugs or kilim produced in Pirot, a town in southeastern Serbia are the gift of such tradition, reflecting the rich cultural and historic legacy of the town's carpet makers, and the value of this craft, which merits preservation and promotion. That is why, on June 18, 2012, by the decision of the National Committee for Intangible Cultural Heritage of the Republic of Serbia, kilim weaving in Pirot was added to the National List of Intangible Cultural Heritage of the Republic of Serbia under UNESCO protection.

## A BRIEF HISTORY OF "KILIM OF PIROT"

The cooperative of kilim weavers from Pirot, the first organized manufacture of these rugs, was founded 122 years ago, but kilim weaving in Pirot dates from the 9<sup>th</sup> century AD. With their striking colorful designs, "kilim of Pirot" are renowned the world over for their beauty and quality.

These high-quality rugs gained global recognition in the late 19<sup>th</sup> and early 20<sup>th</sup> century winning top awards at the World's Fairs in Lyon in 1894, and in Liege in 1905. Thereafter, kilim rugs entered the American and British markets. At the Balkan States Exhibition in London in 1907, news reports noted: "in the Queen's Palace, the beautiful kilims from Pirot celebrated indescribable victory! The English are amazed and in awe," the Serbian author Žikić Vitković writes in her book *Pirot's Carpet*.

After the First World War (1914-1918) the quality standards — similar to those governing the current geographical indication — for producing "kilim of Pirot" were established. In 1925, the Evaluation Board of the Kilim Weaving Cooperative was established. Its role was to ensure that the design, colors and materials used to make kilim rugs met the established quality standards.

In the inter-war years, the Pirot Kilim Weaving Cooperative won over 50 international and domestic awards and prizes, including at the International Exhibition of Art and Technology in Paris in 1937. From the mid-1950s to the mid-1960s kilim rug weaving in Pirot continued to flourish with orders flowing in from Austria, Finland, Japan, Italy, the Netherlands, Switzerland, and West Germany.

Weavers continue to use the best quality wool to make the “kilim of Pirot.” In the weaving process, the warp (lengthwise yarns) is made from the white wool of the pramenka breed of sheep, now an endangered species, that graze the fields surrounding Pirot. A standard “kilim of Pirot” (1.4 meters x 2 meters) requires the fleece of at least nine pramenka sheep. Their wool is typically high-quality, long, and easy to process. On average, 300 kilograms of raw wool are needed for 100 kilograms of yarn. This high-quality yarn contributes to the durability of the “kilim of Pirot.”

#### **TIMELESS GEOMETRIC DESIGNS**

The ancient concentric designs that characterize the “kilim of Pirot” echo those found in ancient Egyptian ceramics, Cyprian vases, and even the kilims of the North American Navaho Indians. This reflects the many and varied influences that have shaped this tradition over the centuries. The symmetrical order of the sharp geometric shapes and patterns gives the “kilim of Pirot” a timelessness. Their graphic motifs consist mainly of abstract, fanciful forms along with natural phenomena and, on occasion, religious symbols. The reds, blues, and greens that dominate their designs are spellbinding.

Serbian weavers have traditionally displayed incredible imagination, introducing designs, shapes and colors that make the “kilim of Pirot” a work of unique beauty that lives on today. Throughout history the “kilim of Pirot” have adorned the palaces and residences of high-ranking officials and places of worship.

#### **WOMEN AT THE HEART OF KILIM WEAVING**

The rugs, which are a striking symbol of Serbian folk tradition, are typically produced by women, often under challenging conditions, who learn their craft from their forebears. Weaving kilim rugs is still strenuous work. On average, a modern-day weaver from the Lady’s Heart Cooperative, (the sole authorized user of the geographical indication (GI) “Kilim of Pirot”) works 176 hours (8 hours a day for 22 days of the month) to weave just 0.8m<sup>2</sup> of a rug.

Thankfully, the women who weave kilim rugs today have a more secure existence than previous generations. This is critically important in attracting new weavers to the craft and to sustaining production of these eye-catching rugs.



Photo: © Slavica Ćirić

In 2003, the Intellectual Property Office of Serbia recognized “Kilim of Pirot” as a geographical indication (GI). The GI covers kilim rugs, blankets for beds, curtains, draperies and other home textiles.





Photos: © Slavica Čirić

The rugs are typically produced by women who learn their craft from their forebears. Weaving “kilim of Piro” is strenuous work, but thankfully, the women who weave kilim rugs today have a more secure existence than previous generations.

**“GI certification is helping to keep domestic traditions alive and is protecting authorized weavers against unauthorized use of the GI label.”**



Slavica Ćirić, Director of the Lady's Heart Cooperative, explains what it takes to be a weaver of "kilim of Pirot" today:

"A woman who wants to be engaged in weaving should have capacities for the craft and be very skillful. She needs a gene for art and must be very focused because for the whole day she is engaged in counting, planning, logics and mathematics. She must also have a capacity to remember, not to make notes, but to remember, because what should be kept in mind all the time cannot be noted down. In addition, and primarily, she must be of good health, because while working, she sits on a low bench next to the loom, with bended legs, and spine upright and hands constantly moving while the tips of the fingers can often be cut like by a razor blade from the sharp threads of the warp made from the pramenka sheep."

### **THE MAKING OF "KILIM OF PIROT"**

For more than a century, the "kilim of Pirot" have been woven as a single rug on vertical looms, regardless of its size. During weaving, the loom is periodically rotated. This means the weaver never has a complete view of what has been done and has to rely on her memory to visualize the complex designs that are woven into the rug. The weavers adopt a kneeling technique to weave the rugs and the only tool they use is the *tupica*, which enables them to beat down the weft yarns. The rugs typically have two sides of equal quality and beauty.

In 2003, the Intellectual Property Office of Serbia recognized "Kilim of Pirot" as a geographical indication (GI). The GI covers kilim rugs, blankets for beds, curtains, draperies and other home textiles. In securing the GI, the kilim rugs and other home textiles made in this historic town, became the intellectual property of the people of Pirot.

### **THE BENEFITS OF GI CERTIFICATION**

With GI certification, only the kilim made by authorized producers in the region of Pirot and according to the production requirements may be commercialized as "kilim of Pirot." The authenticity and quality of the high-quality textiles that bear the GI label is guaranteed. In this way, GI certification boosts consumer confidence; customers can trust that they are buying a genuine "kilim of Pirot." This, in turn, yields significant benefits for local producers, boosting demand for their high-quality rugs in domestic and export markets and enabling them to defend themselves against substandard copycat rugs.

GI certification is helping to keep domestic traditions alive and is protecting authorized weavers against unauthorized use of the GI label. Legal protection goes beyond deterring piracy; it also represents an obligation on the part of all authorized producers to maintain established quality production standards.

In registering the GI "Kilim of Pirot," the Intellectual Property Office of Serbia worked with the local weavers to develop a "Book of Specifications," which outlines the essence of the "kilim of Pirot" and the elements that make it a unique output of ethno-manufacture. These include the way in which it is woven, the quality of the wool used for the warp, the designs specific to the kilim rugs, as well as the colors used for the warp yarn, the obligation to weave on a vertical loom using the kneeling technique, quality control and more.

In the past, the canons of kilim production were dictated by tradition and the unwritten law of the weavers' craft, resulting in outputs of variable quality. Today, thanks in large part to its GI certification, the "kilim of Pirot" are made to established quality standards.

At present, the Lady's Heart Cooperative is the sole authorized user of the GI "Kilim of Pirot." Many former users have lost their status. Anecdotal evidence suggests that this is linked to the high cost of certification and an unwillingness to adhere to the rules governing the preparation, production and sale of GI-certified products. This seems to have also been the experience of producers of other GI-certified products in Serbia. The experiences of producers of GI-certified products around the world, however, suggest that the rules governing the use of a GI can have a positive economic impact on the production of GI-certified products when calibrated to ensure that users are able meet established conditions of use and thereby acquire the right to use the GI. This, however, has not been the case with the production of "kilim of Pirot," which now relies on funding from both state and private sources.

Although demand for "kilim of Pirot" exceeds the weavers' capacity to supply them, no new producers with the capacity to qualify as an authorized user of the GI "kilim of Pirot" have emerged since 2009. This is posing a threat to the sustainability of kilim rug production in Pirot and has prompted careful reflection on what needs to be done to revive and sustain the craft.

"The purpose of our work is to preserve kilim weaving in Pirot through the sustainable development and growth of production so that the income realized from sale of kilim can be invested in financing further production, and in ensuring the weavers are adequately rewarded for their work," says Ćirić, who also underlines the need to organize training workshops for the next generation of weavers.

The GI "Kilim of Pirot" is part of Serbia's national identity. "Kilim of Pirot" have an excellent reputation and hold great commercial value. In actively promoting these high-quality textiles, the Government will help ensure the weavers of Pirot enjoy greater livelihood security and reap the benefits of their work. It will also help ensure this remarkable craft endures for generations to come. Today, many countries are actively working to develop strategies to harness the economic, social and cultural benefits of products that can qualify for GI protection. Serbia needs to be one of them.

Photo: © Slavica Ćirić



The only tool used by weavers is the *tupica* (left), which enables them to beat down the weft yarns.



# China leverages the blockchain to advance the development of “smart courts”

By **XU Jianfeng**, Director-General of Information Technology Service Center of the People’s Court of the People’s Republic of China

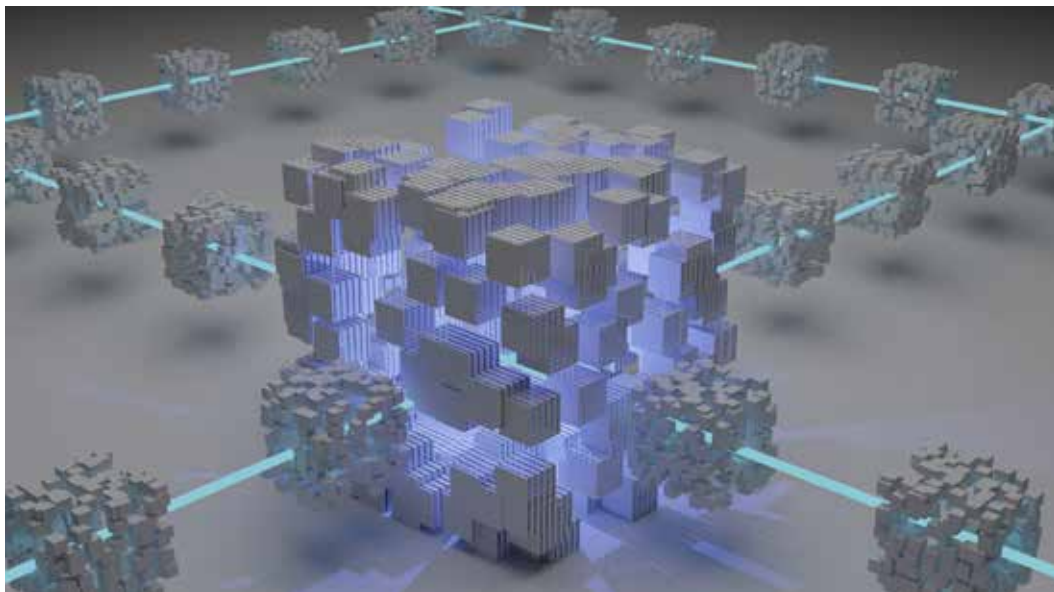


Photo: GuerrillaBuz Crypto PR / Unsplash

The Opinions issued by the Supreme People’s Court of the People’s Republic of China in May 2022, state that the overall objective of the application of blockchain to the judicial field is to build an interconnected “blockchain alliance” that promotes the sharing of information between the people’s courts and all social sectors by 2025.

In May 2022, the Supreme People’s Court of the People’s Republic of China issued the *Opinions of the Supreme People’s Court on Strengthening Blockchain Application in the Judicial Field* (the “Opinions”). This is an important step for people’s courts to promote the application of key technologies represented by blockchain to further accelerate their digital transformation, raise digital justice to a higher level, and advance the development of smart rule of law. Blockchain is a type of distributed ledger technology, which is tamper-proof. It ensures that digital records and transactions are documented and distributed, but not altered in any way.

## PROMOTING DEEP INTEGRATION OF LEGAL PROCESSES WITH BLOCKCHAIN

China attaches great importance to the application and development of blockchain technology. President Xi Jinping has emphasized the need to expedite the development of blockchain technology and industrial innovation, and to actively advance its integration for economic and social development. China has a good foundation on which to develop and apply blockchain technology to the judicial field. Indeed, the supporting role of the technology in this field has been evolving over time.

Using the technology, the Supreme People's Court has built a higher-level smart court system around a unified judicial blockchain platform that is national in its scope. The platform uses blockchain technology to process data, such as electronic evidence, electronic archives, enforcement investigation and control information, complaint and petition information, operation logs, and more. The platform offers people and courts at all levels across China access to a centralized system of judicial data storage and verification. Work to actively explore the application of blockchain technology in all local people's courts is ongoing. After comprehensive investigation and extensive consultation and debate, the Supreme People's Court formulated and issued the Opinions to further strengthen the application of blockchain in the judicial field and to leverage its role in judicial practice.

The Supreme People's Court's unified judicial blockchain platform offers people and courts at all levels across China access to a centralized system of judicial data storage and verification.



Photo: Courtesy of the Supreme People's Court of the People's Republic of China

## **FOSTERING AN ADVANCED, WORLD-LEADING BLOCKCHAIN MODEL WITH CHINESE CHARACTERISTICS**

Thirty-two items included in seven parts of the Opinions clarify the overall requirements for people's courts to strengthen their application of blockchain in the judicial field. The Opinions also outline the requirements and measures for applying blockchain and building associated platforms. They also set out typical scenarios for the application of blockchain technology, for example to improve judicial credibility and efficiency, enhance judicial collaboration, and facilitate economic and social governance.

### **APPLICATION OF BLOCKCHAIN IN THE JUDICIAL FIELD: GENERAL REQUIREMENTS**

In clarifying the general requirements for the application of blockchain in the judicial field, the Opinions state that the overall objective is to build an interconnected "blockchain alliance" that promotes the sharing of information between the people's courts and all social sectors. The aim is to establish such an alliance by 2025.

In this process, blockchain technology will be applied comprehensively to diverse dispute resolution, litigation services, trial and enforcement processes, and judicial administration. Moreover, the interoperable judicial blockchain alliance will become an integral part of China's economic and social systems, fostering an advanced and world-leading blockchain model for the judicial field that is adapted to the Chinese context.

### **BASIC PRINCIPLES OF THE "BLOCKCHAIN ALLIANCE"**

In terms of basic principles, the Opinions identify four principles around which the blockchain alliance is to be developed:

- i. pursuing law-based coordination and emphasizing collaboration and interconnectivity;
- ii. upholding openness and sharing and prioritizing standards;
- iii. underlining application and valuing innovation-based development; and
- iv. ensuring security and reliability and highlighting orderly progress.

### **REQUIREMENTS FOR BUILDING BLOCKCHAIN PLATFORMS**

The Opinions make clear that in building their blockchain platforms, the people's courts are required to:

- i. strengthen the top-level design of the blockchain application;
- ii. advance capacity building constantly to promote the interoperability of the technology to enable greater collaboration;
- iii. enhance the technical capabilities of the judicial blockchain;
- iv. build an Internet-based judicial blockchain verification platform; and
- v. establish and optimize a standard system.

The Opinions propose the creation of an open and shared judicial blockchain platform among people's courts, and the boosted development of an interoperable alliance between the judicial blockchain platform and all other walks of life to enhance synergies on an ongoing basis. According to the Opinions, the availability of a judicial blockchain verification platform will enable all parties to verify the authenticity of data relating to mediation, electronic evidence, litigation documents and other judicial data.

## **APPLICATION OF THE BLOCKCHAIN IN THE JUDICIAL FIELD: TYPICAL SCENARIOS**

The Opinions outline four typical scenarios for the application of blockchain technology with a view to expanding its use in the judicial field.

First, the Opinions propose making use of blockchain technology's ability to generate tamper-proof data to enhance judicial credibility by providing technical guarantees for the security of judicial data, the trustworthiness of electronic evidence, compliance with enforcement processes, and the authority of judicial instruments.

Second, the Opinions propose that the application of blockchain will optimize business processes and improve judicial efficiency, given the technology's ability to:

- i. enable the circulation and application of case-filing information;
- ii. connect mediation and trial procedures;
- iii. link trial and enforcement procedures, and
- iv. enhance the efficiency of enforcement procedures.

Third, the Opinions propose that blockchain connectivity will enhance judicial collaboration and facilitate processes, such as the verification of lawyers' qualifications, collaboration between legal entities in the handling of cases, and cross-departmental collaboration on enforcement.

Fourth, the Opinions propose that the use of the mutual recognition and trustworthiness capabilities of a fully integrated blockchain alliance will facilitate economic and social governance. In this way, its application will support efficient protection of intellectual property, the improvement of the business environment and data development and utilization.

The aim of the Opinions is to actively promote the formation of an interoperable and collaborative mechanism that is underpinned by blockchain platforms for intellectual property, market regulation, property registration, transactions, data ownership, online data trading, financial institutions and relevant government departments.

# Nation branding: beyond a cosmetic symbol

By **Patricio T. Murphy**, IP Specialist and researcher at the think tank *Red Argentina de Profesionales para la Política Exterior (Red APPE)*, Buenos Aires, Argentina

At first sight, the idea of “branding” a country or nation branding, may seem straightforward. Nation branding generally refers to a country’s strategy to convey a particular image of itself beyond its borders to achieve certain beneficial goals. The notion is associated with the existence of a “great global market” where countries, cities and regions compete with each other to attract the largest number of tourists, investors, consumers, students, events and so on.

However, “branding” a country is no simple task. First, a country’s image far exceeds the elements highlighted in a national branding campaign, such as its creative design, the landscapes or the products or services featured. What is communicated – consciously or unconsciously – is as important as the target audiences’ broader perceptions of a country. How these perceptions are formed is far beyond the branding strategist’s control.

Second, the way a country is assessed transcends its economic or commercial attractiveness. It also involves factors, such as what the country is doing to improve the quality of life of its citizens and how it contributes to the welfare of humanity beyond its borders.

## **NATION BRANDING: AN EVOLVING CONCEPT**

The concept of country “branding” is a field of research that has given rise to a number of evolving approaches. The independent policy advisor, Simon Anholt, is widely considered a pioneer in this field. In 1996, he coined the term *Nation Brand* to indicate that the reputation of a country behaves rather like the brand images of companies and products. As such, a nation’s brand can have a significant bearing on its prosperity, welfare, and effective administration.

Some years later, Anholt found that the concept of *Nation Brand* had been misinterpreted and distorted; it had become equated with the belief that the management of a country’s image could be reduced to a series of marketing techniques. In response, Anholt introduced the concept of *Competitive Identity*, a model that combines the evaluation of a country’s identity (and acknowledges its strengths and weaknesses) with the possibility of re-shaping certain behaviors and actions to improve it.



The graphical representation of a nation's brand is the most direct way for a country to convey its image and to identify the provenance of its flagship products and services.

The notion of *Competitive Identity* underlines the fact that a country's image has more to do with national identity and the politics and economics of competitiveness than with branding techniques. Through the lens of *Competitive Identity*, a country's image does not depend on what the country tells the world, it depends on what its national identity stands for and its actions and behaviors in relation to the broader global community. However, Anholt notes that international perceptions of what a country "stands for" may be molded over time as it adapts and responds strategically to new scenarios and circumstances.

Following Anholt's criterion, such adaptation involves a multi-pronged approach where action is taken in a range of spheres (economic, political, legal, social and cultural). This may involve, for example, developing and implementing innovative policies and laws, building modern institutions, fostering cutting-edge science and technology, and offering innovative products and services along with a favorable investment and business environment.

Beyond Anholt's contributions to this debate, other authors have put forward a range of perspectives on the question. Some look at nation branding through the lens of marketing and management, others from the viewpoint of international relations and public diplomacy. In fact, these perspectives are finding their way increasingly into the global debate on nation branding.

#### **MEASURING THE IMAGE OF A COUNTRY**

Assessing the image of a country is a complex undertaking. Many economic, political, cultural and social factors need to be considered,

including the perceptions of stakeholders worldwide. This is made more difficult by the fact that, inevitably, the perceptions of external stakeholders are influenced by their origin, culture and experiences and are therefore inherently biased. Even so, a number of indices and reports provide us with useful insights. Some of the best known are outlined below.

**The Anholt IPSOS Nation Brands Index** was created in 2005 and, since 2008, in association with global market and social research specialists IPSOS. One of the first indexes to have been developed, it offers a global appraisal of a country in terms of its performance in relation to six criteria, as follows:

1. Exports – reputation of the country’s products and services.
2. Tourism – level of interest in visiting the country and its natural and artificial attractions.
3. Culture and Heritage – the value of a nation’s heritage and interest in its contemporary culture, i.e. music, art, cinema, literature and sports.
4. Governance – public opinion about national government competency and fairness, as well as its commitments to global issues.
5. People – worldwide reputation with respect to openness, friendliness or tolerance.
6. Investments and Immigration – a country’s ability to attract people (or companies) to live (or settle), work or study, and the quality of life and the business environment it offers.

**FutureBrand Country Index:** published since 2005, it assesses the top 75 countries in terms of GDP, according to the World Bank, and analyzes them against multiple variables under two rubrics, as follows:

1. Purpose – the country’s values, quality of life and business potential.
2. Experience – the country’s heritage and culture, tourism, products and services.

The index evaluates the perception of countries in the same way as consumers and corporate brands are assessed. It emphasizes the social and economic context of a country and its ability to attract investment, trade and tourism. The 2019 FutureBrand edition introduced the concept of *Countrymaking*, a new framework aimed at measuring countries in a global context and how challenges, such as the impact of new technologies, climate change and gender inequality affect their performance. FutureBrand notes

“Nation branding generally refers to a country’s strategy to convey a particular image of itself beyond its borders to achieve certain beneficial goals.”

## WIPO member states work on the protection of nation brands

WIPO member states have been exploring a broad range of issues relating to the protection of nation brands through the WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT). From May 2020 to September 2021, the SCT surveyed its members to find out how nation brands are defined and the policy rationale underlying their protection, recognition, ownership and administration. The findings reveal that 58 percent of the 65 member states surveyed have taken a decision to create a nation brand and that a further 9 percent of them have plans to do the same.

Respondents cited increased visibility of the country (93%), promotion of the country's culture, traditions and values (91%) and tourism promotion (91%) as main reasons for developing a nation brand. Other reasons cited were to increase exports (75%) and to attract investment (73%). Over 80 percent of the countries surveyed assert ownership over nation brands, usually via public or semi-public entities. The survey results are published in document SCT/43/8 Rev.2. For more information contact the SCT Secretariat at [sct\\_forum@wipo.int](mailto:sct_forum@wipo.int).

that *Countrymaking* is a guide to visualize how countries react, strike balance and even thrive in today's new dynamic.

**Brand Finance Nation Brand Report:** published since 1996, it measures the financial value of a country brand in US dollars and provides expert recommendations to increase that value. Brand Finance uses the "Royalty Relief" approach to calculate its rankings. This involves estimating a brand's likely future revenues on the basis of an estimated royalty rate to determine its "brand value." In other words, it estimates the net economic benefit that the brand owner would achieve by licensing it in the market. It evaluates the effects of the country image on its economy as a whole and on the corporate brands located there. The report indicates the country's ability to promote domestic investment and export its products and services as well as its ability to attract tourists and skilled migrants.

In 2020, Brand Finance launched the *Global Soft Power Index*, which ranks countries according to their ability to influence their peers in the fields of culture, economy, political values, science and technology, and so on, without using military or economic measures. "Soft Power" refers to the extent to which a country is able to co-opt others – rather than coerce them – by the attractiveness of its values, practices or ideas, which depends on its domestic strength as well as its behavior and relations before the global community.

**The Good Country Index:** devised by Anholt in 2014, ranks countries according to their contribution to the common good of humanity and the benefits they enjoy from global common goods, relative to their size (GDP). The report was developed to underscore the fact that the greatest challenges facing humanity today must be understood as global and cross-border in nature. The index stands out in that it does not evaluate the performance of a country in isolation, but as a part of the world community. The Good Country Index draws heavily on UN databases and measures a country's contribution in areas such as science and technology, culture, peace and international security, world order, climate, and prosperity and equality. For the purposes of this index, "good" is not the opposite of "bad" but of "selfish."

With these indices policymakers now have access to powerful tools that provide more thorough and granular analyses of the image or brand of countries. These tools go beyond the economic and commercial attractiveness of countries in the global market and assess their performance and reputation in areas that are relevant to internal and/or global well-being.

### FACING CHALLENGES AND CONTEMPLATING A NEW WORLD

In the last decade, the global community has started to pay greater attention to the common challenges and opportunities facing humanity. In 2015, world leaders adopted the 2030 Agenda, which sets out the UN Sustainable Development Goals to eradicate poverty, protect the planet, promote innovation and ensure prosperity





Costa Rica's national brand uses the color green to convey the country's commitment to biodiversity, environmental preservation and sustainability.



This mark is used to promote businesses and/or to facilitate citizen interactions and connotes Estonia's innovative profile and its investment in digital infrastructure.



Argentina prioritizes companies involved in global issues (environmental protection, food supply, renewable energy, gender equity) to grant licenses for use of its official brand.



New Zealand's FernMark embodies local values such as Kaitiaki, a Maori concept that refers to the responsibility to protect the country's natural resources today and for future generations.

worldwide. Debates and concerns around specific issues, including climate change, gender equality, immigrants and refugees, nuclear power, global food security and innovation, have mushroomed. Some have culminated in international agreements, such as the Paris Agreement on Climate Change.

Evidence shows that these challenges are reaching emergency levels and points to the commitment of new generations to tackle them by carving pathways towards global welfare. The tools to assess more effectively a country's performance within a global context, have evolved and adapted to this new paradigm; they offer a clearer assessment of how the behavior of a country shapes its image. For instance, the most recent reports allude to national responses to global topline events, such as the COVID-19 pandemic, climate change and the Fourth Industrial Revolution and their influence on the country's reputation. Many countries are recognizing the importance of sustainability, innovation, inclusion and diversity to new generations and are taking concrete steps to address these important issues. The insights generated by these reports offer invaluable insights in shaping policies to advance these initiatives.

#### **THE POWER OF A SIGN IN SHAPING PERCEPTIONS**

Nation branding is a broad and complex landscape and goes well beyond a marketing strategy or a graphic element symbolizing a country. However, the graphical representation of a nation's brand has value, and its protection is crucial. Such a symbol represents the most direct channel for a country to convey its image and to identify the provenance of its flagship products and services. Those developing nation branding strategies need to recognize that, by implication, these graphical elements also embrace values and actions/behaviors that shape the perceptions of international stakeholders and how they engage with the country. Accordingly, a graphical sign or emblem can serve as a positive lever to boost tourism, exports, investments, and attract skilled labor.

Finally and by way of a disclaimer, a reasonable assessment of a nation brand should not ignore a country's size, economic resources, domestic history, historic global role and culture. Acknowledging these factors will enable a more accurate and nuanced assessment of each country.





34, chemin des Colombettes  
P.O. Box 18  
CH-1211 Geneva 20  
Switzerland

Tel: +41 22 338 91 11  
Fax: +41 22 733 54 28

For contact details of WIPO's External Offices  
visit: [www.wipo.int/about-wipo/en/offices](http://www.wipo.int/about-wipo/en/offices)

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For comments or questions, contact The Editor at [WipoMagazine@wipo.int](mailto:WipoMagazine@wipo.int).

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