

# WIPO magazine

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Geneva, November-December 2002

## WIPO ASSEMBLIES CONCLUDE



## BUILDING INFRASTRUCTURE FOR IP ASSETS



## IP OWNERSHIP: AVOIDING DISPUTES



WORLD INTELLECTUAL PROPERTY ORGANIZATION



## THE WIPO SUMMIT ON

# ***INTELLECTUAL PROPERTY AND THE KNOWLEDGE ECONOMY***

>> BEIJING, CHINA

>> APRIL 24 TO 26, 2003

WIPO is honored to announce that the Government of the People's Republic of China will host the WIPO Summit on Intellectual Property and the Knowledge Economy in Beijing, from April 24 to 26, 2003.

Participating Heads of State and Heads of Government will gather in the Great Hall of the People on the morning of April 24 for the opening ceremony of this high-level, high-profile event, in the company of senior government officials, leading CEOs and high-level industry policy-makers. They will be welcomed by the Chinese leadership and the Director General of WIPO to the start of three days of discussion, reflection and comment on issues ranging from mining intellectual resources to exploiting the power of cyberspace and making the IP world safe for both users and beneficiaries.

The Summit will culminate on April 26 with the closing ceremony and celebration of World Intellectual Property Day.

More detailed information and updates regarding the Summit and its Forum for Industry and the Private Sector is available at (<http://www.wipo.int/summit-china/en/index.html>). Registration and payment of the 500 Swiss franc fee for Forum participants can be done online or at

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The programs for the Summit and the Forum will take place in both parallel and joint sessions and will include topics that examine:

- ▶ the key role of policy programs that encourage entrepreneurs to develop and commercially exploit intellectual capital through strategic intellectual property asset management;
- ▶ the need for intellectual property policies that create a balance between rewarding creators for their efforts and ensuring the general community benefits from their ingenuity;
- ▶ the vital contribution made by an intellectual property culture that respects creativity and innovation;
- ▶ the need to put in place mechanisms to counter activities that undermine the contribution of the intellectual property system to the well-being of the global community, and;
- ▶ the critical importance of meeting the challenges and leveraging the advantages presented to the intellectual property system by cyberspace.

The World Intellectual Property Organization and the Government of the People's Republic of China look forward to welcoming you to Beijing in April 2003 to explore these issues of great importance to us all.

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Geneva,  
November-December 2002

# 2002 ASSEMBLIES OF WIPO MEMBER STATES

The Assemblies of WIPO Member States concluded on October 1 with a review of the Organization's activities in the past year and the setting of its agenda for the next year. The Assemblies, which brought together the 179 WIPO Member States, began on September 23 with the election of Ambassador Bernard Kessedjian, Permanent Representative of France to the United Nations in Geneva, as Chairman. Ambassador Kessedjian welcomed the positive outcome of the Assemblies and stressed that efforts should continue to ensure that the international intellectual property system serves the needs of all countries, developed and developing alike. "We must engage in the sensitive, yet exciting, task of inventing new tools of intellectual property for the service of sustainable development," he said. "I am convinced that WIPO is the right place for such initiatives to prosper."



Photos p.2,3,5: Mercedes Martinez Diazal

## Highlights of the Assemblies

### ***Appointment of a Director General***

WIPO Member States considered the procedures for the appointment of a Director General in 2003 and decided to convene a special session of the General Assembly to endorse the nomination of a Director General by the WIPO Coordination Committee, which is scheduled to meet in March. The General Assembly decided to adopt this accelerated procedure for the appointment of a Director General in light of the overwhelming support expressed by delegations for the re-election of Dr. Kamil Idris, the incumbent Director General, for a second mandate.

The term of office of Dr. Idris expires on November 30, 2003. The Coordination Committee has invited Member States to nominate candidates for the post – the deadline for submissions is December 9, 2002. A document on procedures that was approved in 1998 proposed that the

session of the Coordination Committee to nominate a candidate for appointment to the post of Director General would take place on March 24 and 25, 2003. According to the document, the General Assembly in September 2003 would then be invited to endorse this recommendation.

However, the Chairman of the Coordination Committee, Ambassador Gustavo Albin, Permanent Representative of Mexico, noted that the proposed timetable would leave only two months between the appointment of the Director General and the appointment of his senior management team (mandates of the Deputy and Assistant Directors General end with the mandate of the current Director General). To enable the Director General and his new team to conduct a smooth transition, Ambassador Albin asked the General Assembly to give the Coordination Committee the authority to call a special session of the General Assembly before September 2003 to appoint the Director General.

After listening to statements by some 112 delegations which reflected support for the re-election of Dr. Idris for a second six-year mandate and agreement on an accelerated procedure, the Chairman said a special session of the General Assembly would be convened to endorse the decision of the Coordination Committee.

Delegations, speaking both nationally and on behalf of regional groups, expressed confidence in Dr. Idris and noted that his re-election would ensure continuity of leadership, transparency and stability. In light of the clear support among Member States for the re-appointment of Dr. Idris for a second term, the General Assembly agreed that the special session would be held in May or June 2003.

### **Four National NGOs Gain Observer Status**

WIPO Member States for the first time admitted national non-governmental organizations (NGOs) as permanent observers to the Organization, enabling them to fully participate in all substantive discussions at WIPO. The four national NGOs that were admitted on September 27 are: American Intellectual Property Law Association (AIPLA, based in the U.S.), *Asociación Nacional de Intérpretes* (ANDI, Mexico), *Associação Brasileira de Emissoras de Rádio e Televisão* (ABERT, Brazil), and Association Bouregreg (BOUREGREG, Morocco).

The Member States also admitted an additional intergovernmental organization (IGO), the South Centre, and three international NGOs: *Entidad de Gestión de Derechos de los Productores Audiovisuales* (EGEDA); International Cooperation for Development and Solidarity (CIDSE); and the International Federation of Wines and Spirits (FIVS).

Currently, 168 international NGOs and 63 IGOs are accredited as observers to WIPO. National NGOs have taken part in some technical meetings at WIPO in the past, but on an *ad hoc* basis only. This is the first time such organizations have been extended permanent observer status. Participation of national NGOs will further enhance the transparency and relevance of the Organization.

In requesting the secretariat to draw up guidelines for deciding on requests for observer status by national NGOs, the Member States said the participation of such organizations would enhance efforts to raise greater awareness and understanding of the activities and services of the Organization. Once an observer is accredited to the Organization, it is also invited to attend, in a similar capacity, meetings of committees, working groups, and other bodies subsidiary to the Assemblies, if their subject matter is of direct interest to that organization.

### **WIPO Patent Agenda**

The General Assembly took note of a report on the future development of the international patent system. The report, produced within the context of the WIPO Patent Agenda launched in September 2001 to spearhead discussions on the future development of the patent system, was considered an important first step in identifying the logistical and policy challenges confronting the international patent system. The report was compiled following consultations with Member States and stakeholders on ways to improve the current international framework of the patent system, which today consists of a patchwork of national and regional arrangements for obtaining and enforcing patents. The goal of the WIPO Patent Agenda is to develop an international patent system that is more user-friendly and accessible, and provides an appropriate balance between the rights of inventors and public interests, while at the same time taking into account the implications for the developing world.

Dr. Idris welcomed the wide-ranging and frank dialogue which took place and emphasized that the report was one of many elements in an evolving process aimed at establishing a "roadmap" for the future development of the international patent system. The Director General reminded Member States of the objective of WIPO Patent Agenda, that is, "a coherent orientation for the future evolution of the international patent system, ensuring that the work undertaken by the international bureau and by the Member States was directed towards achieving a common goal." He further underlined the need for a "balance



between the rights of inventors and the general public, while at the same time taking into account the implications for the developing world."

Future work in this area will involve an in-depth study on the implications for developing countries of the development of such a system. This issue will remain on the agenda of the WIPO General Assembly. This activity is not intended to replace or undermine existing activities in WIPO, such as those relating to reform of the Patent Cooperation Treaty (PCT) and patent law harmonization.

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### **Patent Cooperation Treaty**

The Assembly of the PCT Union approved a number of measures designed to further streamline and simplify the international patent application filing system under the PCT. The measures include an enhanced international search and preliminary examination system, the introduction of a new system of designating countries in which patents are sought, and a fee reduction for international applications filed in electronic form (for further information, see WIPO Magazine July-September 2002)

Member States also noted progress in the PCT automation projects: IMPACT (see WIPO Magazine September 2001) and PCT SAFE (see WIPO Magazine April 2002). The success of both projects is a high priority for the Organization in view of the rapid expansion of the PCT system. The deployment of such systems promises to generate lower costs for applicants who will also benefit from more efficient services. The new IMPACT system is expected to be ready for initial deployment at the end of 2002. Progressive business deployment will follow in 2003. Deployment of the PCT-SAFE

system is scheduled to start in the first half of 2003 and be fully operational by the end of 2003.

### **Enforcement**

Member States decided to consolidate the Organization's work on enforcement into a single Advisory Committee on Enforcement, dealing with global enforcement issues, that will cover both industrial property and copyright and related rights. The mandate of the Committee's work will be technical assistance and coordination and should focus on broad-based cooperation with relevant organizations, as well as the private sector. It will also undertake public education initiatives, as well as national and regional technical assistance programs.

### **WCT and WPPT**

The inaugural sessions of the WIPO Copyright Treaty (WCT) Assembly and of the WIPO Performances and Phonograms Treaty (WPPT) Assembly took place after the WCT entered into force on March 6 and the WPPT on May 20. At their first meeting, the Assemblies unanimously adopted decisions relating to their rules of procedure,

election of their officers, and to their future work. Two special rules of procedure were adopted which will allow certain intergovernmental organizations to participate in the Assemblies as contracting parties of the two treaties and to have the right to vote.

### **Internet Domain Names**

The General Assembly adopted most of the recommendations of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) regarding internet domain names (see WIPO Magazine June 2002). Specifically with respect to domain names corresponding to identifiers



which are the names and acronyms of intergovernmental organizations (IGOs), it adopted the SCT's recommendation that the scope of the Uniform Domain Name Dispute Resolution Policy (UDRP) be broadened to provide protection for these identifiers.

Member States asked the secretariat to transmit the recommendation on the names and acronyms of IGOs to the Internet Corporation for Assigned Names and Numbers (ICANN). Regarding country names, the General Assembly noted that a

### **Construction of New Building Complex Approved**

WIPO Member States approved on September 26 the construction of a new administrative building, as well as a conference hall adjacent to its present Geneva headquarters. Construction is to begin early next year with 2007 as target date for completion. The funding of the construction project of 190.5 million Swiss francs is presented in the context of a financial plan for the period up to 2009. The project will be funded without resorting to external borrowing and without increasing fees or contributions, and will not adversely affect other WIPO programs.

number of issues remained outstanding, and reverted those to the SCT for further discussion.

### **Madrid System**

Broad support was expressed for the inclusion of Spanish into the language regime of WIPO's international trademark registration system, the Madrid system, which currently includes French and English. Delegations noted that the inclusion of Spanish as a third working language of the Madrid system would benefit trademark owners by enhancing the system, making it a more attractive option for countries outside the system, and by promoting trade relations. Depending on the outcome of further consultations with Member States, the secretariat is to prepare concrete proposals for a decision on this matter in September 2003.

### **Constitutional Changes**

The General Assembly also authorized the Director General to move forward with the process of streamlining and simplifying WIPO's governance and constitutional structure to reinforce the transparency, efficiency and effectiveness of the Organization. These changes include the abolition of the WIPO Conference and the formal adoption of a Unitary Contribution System and Changes in Contribution Classes to reflect the current practice which more equitably takes into account the different economic circumstances of WIPO Member States. The relevant WIPO-administered treaties will also be amended to provide for

the holding of ordinary sessions of the WIPO Assemblies on an annual rather than a biennial basis. Under current arrangements, the Assemblies meet once a year, but each alternate year is considered an extraordinary session.

### **Program Performance Report**

Member States approved the Program Performance Report for the 2000-2001 biennium and noted the comprehensive and transparent reporting approach. It was the second performance report covering an entire biennium, since the introduction in 1998 of results-based management at WIPO. This document informs Member States of results achieved by the Organization along the criteria established in the program and budget. The report highlighted, in particular, some of the most important achievements within WIPO's key strategic directions, outlined in the Director General's *Vision and Strategic Direction of WIPO*, including demystification of intellectual property, modernization of intellectual property infrastructure, the Digital Agenda, and responses to new challenges, such as the future evolution of the international patent system and issues related to genetic resources, traditional knowledge and folklore. Member States also noted the Program Implementation Overview, which contained information on the implementation of major activities during the first six months of the new biennium 2002-2003.



### **China to Host WIPO Summit**

During the Assemblies, the delegation of the People's Republic of China announced that China would be hosting the WIPO summit "Intellectual Property in the Knowledge Economy" from April 24-26, 2003. The summit will demonstrate how the intellectual property system enables all countries to tap into their unique sources of intellectual capital and to reap the benefits of their creativity and innovation. It will serve as a high-profile forum to emphasize the importance of intellectual property on the global agenda and highlight the need for concerted international efforts to ensure respect for intellectual property. (For more detailed information, please see the inside front cover.)

## Continued Momentum for Performers' Rights

During the Assemblies, WIPO Member States agreed that the Organization should hold an *ad hoc* informal meeting to resolve outstanding issues relating to the protection of performers in their audiovisual performances in the first half of 2003. However, the decision to reconvene a diplomatic conference on audiovisual performances was deferred until the 2003 Assemblies.

The *ad hoc* meeting, to which all WIPO Member States and interested intergovernmental and non-governmental organizations are to be invited, is aimed at supporting efforts to establish a consensus on outstanding issues and reconfirming agreement that was achieved in December 2000, opening the way for the successful conclusion of a treaty to protect audiovisual performances. Such an instrument would strengthen the position of performers in the audiovisual industry by providing a clearer legal basis for the international use of audiovisual works, both in traditional media and in digital networks.

Before the Director General convenes the *ad hoc* informal meeting, the secretariat will further assess the situation and hold consultations with Member States on organizational and procedural questions. All delegations expressed their commitment to a successful conclusion of this issue, recognizing the importance of concluding a multilateral agreement that will safeguard the rights of performers against the un-

authorized use of their performances in audiovisual media, such as television, film and video, and facilitate the international exchange of films and television programs.

### *Provisional Agreement In 2000*

At the Diplomatic Conference on the Protection of Audiovisual Performances in December 2000 negotiators from over 120 countries agreed for the first time on a set of rules aimed at strengthening the rights of performers in their audiovisual performances. Provisional agreement was reached on 19 of 20 articles including national treatment, moral rights, and economic rights covering the right of reproduction, right of distribution, right of rental, and the right of broadcasting and communication to the public. It was the first time that audiovisual performers were accorded recognition of their moral rights against any distribution or modification of their performances, which would be prejudicial to their reputations. Provisional agreement also covered protection against circumvention of technological protection that is used in the digital environment, such as encryption. It further provides remedies against any act of unauthorized removal or alteration of electronic rights management information.

In spite of the significant progress in shoring up the rights of performers in their audiovisual performances,



agreement could not be reached on the fundamental question relating to the right of transfer, namely the question of how the performers' rights are acquired by the producers, by law or agreement (see WIPO Magazine February 2001).

Performers—such as, singers, musicians, dancers and actors—have enjoyed international protection for their performances since the adoption of the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (the Rome Convention) in 1961. In 1996, the adoption of WPPT modernized and updated these standards to cover the rights in respect of the use of their audio performances on the Internet. The Rome Convention and the WPPT, however, grant protection mainly in relation to sound recordings of performances. ◆



## Performers Hold Press Conference at WIPO

Six performers' associations held a press conference at WIPO on September 24 to highlight the important contribution of performers to the development and promotion of cinema and audiovisual creations in general and to express support for WIPO's work relating to the protection of performers in their audiovisual performances. AISGE (*Artistas, Intérpretes Sociedad de Gestión España*), ARTIS (*Organización Europea de las Entidades de Gestión de los Derechos de los artistas intérpretes o ejecutantes*), FIA (*Federación Internacional de Artistas*), FILAIE (*Federación Ibero-latinoamericana De Artistas Intérpretes o Ejecutantes*), FIM (*Federación Internacional de Músicos*) and GEINDAKO, the Japanese Society of Artists, planned the press conference to precede the decision by WIPO Member States on whether to hold an *ad hoc* meeting to resolve outstanding issues concerning performers right.



*Mr. Luis Cobos, President, ARTIS and FILAIE, has composed orchestral music, as well as sound tracks, music for television and electronic music in all musical styles from jazz to classical. He has conducted many leading orchestras in countries around the globe and has more than 50 platinum records with over ten million copies of his records sold worldwide.*

Ms. Assumpta Serna, President, AISGE, opened the press conference by reading a declaration, jointly supported by the performers' associations. She affirmed that performers deserved effective protection for their rights, so that they could make a living from their creations. She stressed that such protection must have international scope, due to the growing number of co-productions and the effects of globalization. "That was why," she continued, "the adoption of an international instrument to ensure respect for and the integrity of the creations of performers, in the places in which they are exploited and in the manner in which they are used, is at present more necessary than ever." Ms. Serna stressed that actors perceive themselves as disadvantaged in relation to the other participants in the creative process that culminates in an audiovisual work, as both authors and music performers already have international protection at their disposal.

Mr. Luis Cobos, President, ARTIS and FILAIE, noted his disappointment that, after long years of negotiation, the WIPO Member States had not succeeded in approving a treaty for audiovisual performers. He stressed that not all performers are either rich or famous, but that all of them deserve adequate protection for their performances, as all are owners of intellectual property rights. "It is essential to have regulations that are capable of providing an effective response to the problems faced by performers, especially when it comes to the abuse of their rights through the use of new technology," said Mr. Cobos. "The dissemination of cultural content is without any doubt an important source of wealth and it is, therefore, only justice to reward those who have a share in the creation of such content."



*The acting career of AISGE President Assumpta Serna spans over 65 films, plays and television appearances and has earned her over 20 best actress awards from around the world. She has acted in theatre and movies in six different languages in over 20 countries.*

Mr. Dominick Luquer, Secretary General, FIA, and Mr. Samuel Shu Masuyama, representative of both FIA and GEINDAKO, highlighted the situation in many countries where actors work without contract and legal protection. These performers often work without any reward at all or, at best, a single fee as payment, with no account taken of secondary uses of their works. Mr. Luquer also expressed concern for the increasingly easy manipulation of performances and images, made possible by digital technology, which can be detrimental to an actor's reputation and career.

The close relationship between audiovisual and music performances was stressed of Mr. Jean Vincent, Secretary General, FIM, who noted that since today's music performances are both visual and audible manifestations, they too could be considered audiovisual performances. He highlighted the current trend to distribute music recordings with accompanying images, on media such as DVDs, which blurs the border between phonograms and audiovisual fixations.

# U.S. LAWMAKERS PAVE WAY FOR ACCESSION TO MADRID SYSTEM

The United States Congress passed a bill on October 3 containing implementing legislation that will permit the U.S. to join the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks. The Protocol is a procedural agreement that allows contracting parties to file for registration of their trademarks in any number of its 56 Member States by filing a single standardized application at the national office, with a single set of fees. The passing of the bill was followed by the adoption by the Senate of a resolution of advice and consent regarding accession. U.S. President George W. Bush signed the new bill on November 2.

WIPO Director General Kamil Idris welcomed the adoption of the bill, which paves the way for the U.S. to join other countries in a pact that greatly facilitates and reduces the costs for the registration of trademarks in multiple countries. "We are delighted that the U.S. lawmakers have passed this important bill," said Dr. Idris. "This is excellent news for both American trademark holders as well as nationals of other countries that are party to the Madrid Protocol, and opens up new commercial opportunities for all concerned."

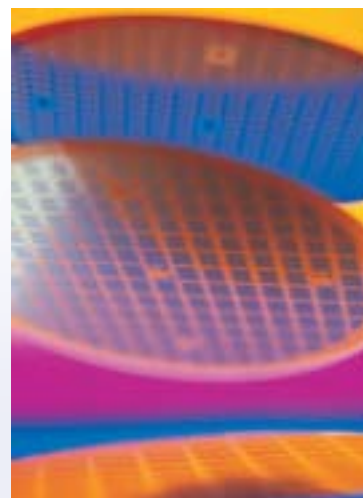
The Director General expressed the Organization's commitment to working closely with the U.S. Patent and Trademark Office (USPTO) to prepare for U.S. entry into the Madrid system. The USPTO will have one

year, once the instrument of accession is deposited with WIPO, to promulgate the rules for application and registration of marks under the Madrid system. In a telephone call, Dr. Idris congratulated Under Secretary of Commerce for Intellectual Property and Director of the USPTO James E. Rogan, and assured him of WIPO's continued support.

"The accession of the United States to this important treaty will significantly facilitate the process of obtaining international protection for trademark holders in the U.S. and elsewhere as the Madrid system for international trademark registration becomes more inclusive," Dr. Idris said. "The Madrid system provides a cost-effective and efficient way for trademark holders to ensure protection for their marks in multiple countries through the filing of a single application." It offers a way for trademark owners to extend the protection of their marks to the other member countries of the system.

## *The Madrid System*

The Madrid system is governed by two treaties: the Madrid Agreement, which dates from 1891 which has been revised several times since then, and the Madrid Protocol, which came into operation in 1996 and introduced some new features into the system in order to address difficulties that had impeded adherence by certain countries. A country may adhere to either the Agreement or to the Protocol or to both.

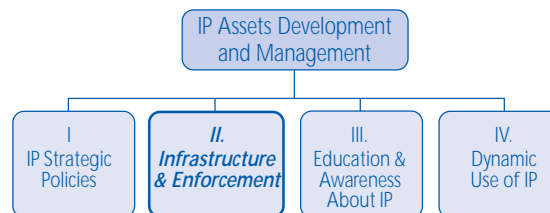


Trademarks, which are distinctive signs that identify the source and origin of certain goods or services and also serve as an indication of quality, are of significant economic importance. The protection available by registering a trademark ensures the exclusive right to use it to identify the owner's goods or services, or to authorize another party, usually through a license or franchise, to use it in return for payment.



# THE ROLE OF INFRASTRUCTURE AND ENFORCEMENT

This article is the third in a series of articles about how proactive governmental policies can help local businesses, universities and citizens develop and manage intellectual property as economic assets. The first article provided an overview of IP Assets (July-September 2002). The second article addressed the first component of IP Asset Development and Management (October 2002). This third article focuses on the role of infrastructure, especially laws and enforcement, in facilitating the development of IP assets.



## **Infrastructure: "The Basics"**

What is intellectual property (IP) asset infrastructure? The term refers to the basic components that must be in place in order for intellectual property to enjoy legal protection and to be encouraged and promoted. The most fundamental elements of IP infrastructure are national laws providing legal protection for all of the recognized forms of IP, including patents, trademarks, copyright, industrial design, and, depending on national choices, other forms of IP such as trade secrets, semiconductor design protection, geographical indications, and so forth. Without these basic laws that give individuals the right to own IP and protect it from infringement and misuse, the development of IP assets would be impossible.

Robust enforcement of IP gives reality and meaning to IP laws. Without effective enforcement, IP laws, however well-drafted, are meaningless. So effective enforcement mechanisms are also basics of IP infrastructure. Through the training of customs and enforcement officials, WIPO works with its Member

States to develop effective enforcement procedures. Public awareness of IP, including demystification of IP to make it understandable to the general public, is also an important element of enforcement.

## **Beyond the Basics: Laws that Help Promote IP Assets**

In order to promote the development and management of IP assets, it is important to expand the definition of IP infrastructure. Other laws, mechanisms, and institutions must be put into place. The first area to explore are laws that are complementary to IP laws, in that they do not create IP rights, but rather lay the foundation for developing and managing IP assets. Here are some examples of such laws:

- China in 1999 passed legislation that allowed universities to establish science and technology research centers and encouraged university professors and researchers to join industrial parks focused on high technology in order to commercialize the results of scientific research.

- Japan in 1998 enacted the Technology Licensing Office (TLO) law, which provides TLOs with funds to help promote technology transfer between universities and the private sector. These TLOs can receive up to US\$300,000 for work contributing to technology transfer, and patent applications fees.
- The United States passed in 1980 the Bayh-Dole Act that permits federally funded universities to retain ownership of any IP they develop and the rights to commercially exploit it. This Act has had a major impact on the funding of U.S. research and development; for example, in 2000, Stanford University gained over US\$40 million in IP licensing revenues.

Other areas where laws and regulations affect IP Asset development are those regulating the IP office and governmental programs for IP, taxes and trade, immigration, technology transfer, science and research and development (R&D), financing of human resource development, etc.

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### ***The Role of Organizational Development***

IP management experts are also gaining increasing interest in using organizational development principles to enhance IP asset development and management. Organizational development, sometimes referred to as "OD", is the study of how organization affects institutional function, and has evolved as a business management discipline. For example, OD analysis indicates that having industrial property and copyright offices report to separate government ministries may pose obstacles to a coherent IP policy, as the same technology or product will often be covered by more than one form of IP. Similarly, if the ministries of science and technology, education, commerce, and justice do not coordinate with respect to IP policies, it will be impossible to imple-



### ***The Intellectual Property Office of Singapore***

"The Intellectual Property Office of Singapore began as a Registry of Trade Marks in 1937 where it functioned largely as a regulator of trademarks and the re-registration authority of UK registered patents. Over the years, the role of the Registry grew in importance as did the increasing relevance and significance of intellectual property in the society. It expanded its activities beyond the traditional regulatory functions to include policy development, law reform, public education, and the facilitation of IP initiatives. On April 1, 2001, IPOS was converted to a statutory board under the Ministry of Law of the Singapore Government. The conversion gives IPOS greater autonomy and resources to better meet the challenges of maximizing intellectual property as a critical resource in the new economy." (*Statement of Ministry of Law, IPOS Brochure*)

ment an IP Strategic Plan or to coordinate such a plan with national economic planning (See WIPO Magazine October 2002 article *IP Strategic Plans*).

Many countries have experimented and succeeded with different types of OD initiatives. One example is Singapore where the Intellectual Property Office of Singapore has been separately incorporated, and reports to a statutorily created Board of Directors that includes representatives of concerned ministries as well as local private sector representatives. (see box). In addition, Singapore has created a multi-faceted infrastructure devoted to IP asset development and management, including A\*Star, the national office of science and technology, and Exploit Technologies, an entity devoted to technology development that has been spun off from Singapore's 13 government-funded research institutes (see <http://www.a-star.gov.sg/>).

### ***Making the IP System Easy to Use, Accessible, and Affordable***

Focus on IP Infrastructure means examining whether the system is structured so that it works in practice for users. Is the system affordable and easy to use? Can research institutions realistically use the IP system to protect their work? Does the IP system include outreach programs whose purpose is to make it accessible to users? For example, Indonesia, a nation spread over thousands of islands with hundreds of universities and research institutions, has established over 90 IP outreach centers to provide IP counsel and protection support.

It is also useful to survey research institutions, private enterprise and other users to find out what they think about how the IP system works for them and what institutional changes might be desirable.

### ***Enhancing the Enforcement Infrastructure***

IP infrastructure includes systems to enforce IP rights, such as:

- ▶ training of enforcement personnel;
- ▶ inter-agency cooperation among government agencies;
- ▶ creation of special units or task forces within the government;
- ▶ having courts with specialized IP expertise.

In October 1996, Thailand enacted legislation for the establishment of an intellectual property and international trade (IP&IT) court as well as a codified procedure for consideration of cases involving intellectual property and international trade. The Act authorized the establishment of both a central and regional IP&IT courts. The rationale for this new court was that greater expertise and specialization would reduce delays and improve the quality of the results. (For more information see <http://members.tripod.com/asialaw/articles/ipvichai.html>)

### ***Information Technology at the Service of Inventors and Creators***

Information technology (IT) has become a standard part of IP infrastructure that has made the operations and functions of IP offices more effective, and expanded their outreach activities. Public terminals have facilitated IP searches,

websites have increased the dissemination of public information on IP, secure networks have connected researchers around the world, software has improved collective copyright management – all of these show IT at work to promote IP asset development and management. The objective is not to create state-of-the-art technology, but rather appropriate technology, designed to provide optimum IP system access at minimum cost.



### ***Sharing Resources and Leveraging Cost of IP Infrastructure***

The creation of a strong IP infrastructure is expensive. However, countries can leverage or spread out IT and other infrastructure costs, such as those for research tools and equipment, databases, etc. Initiatives to share resources in R&D networks, to promote partnerships and joint ventures, and regional cooperation/integration agreements are examples of this.

There have been many successful cases of resource and cost sharing through the establishment of sub-regional or regional strategies, approaches, policies, initiatives, networks and cooperation agreements for the enhancement of IP assets development, management and commercialization, for example:

- ▶ the creation of regional funds for promotion of R&D in key fields;
- ▶ regional programs for innovation, registration and commercialization of R&D results;
- ▶ cooperation in IP training and human resource development.

### ***Engaging NGO's and Civil Society Organizations***

An important part of IP infrastructure is the encouragement of society organizations in the development, management and use of IP assets, as well as in the promotion of IP awareness. Organizations, such as artists' societies, IP protection organizations, research promotion organizations, fundraising societies for IP asset development, professional associations, etc. have an important role to play. Without such private institutions, it is difficult for a society to promote IP asset development and management.

Networks of research organizations have become increasingly common, and are essential infrastructure for the development of IP assets. Network theory is a fast growing field and increasing attention is being

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### *IP Assets Fact Box: Wealth from IP assets*

Worldwide revenues from the licensing of patent rights have skyrocketed in the last ten years, increasing from \$ 15 billion in 1990 to more than \$ 110 billion today.\*

U.S. and Canadian universities and research institutions reported license income received in fiscal year 2000 of US \$1.26 billion.\*\*

\* Discovering New Value in Intellectual Property, Kevin Rivette and David Kline, Harvard Business Review, Jan-Feb. 2000, 59

\*\* Association of University Technology Managers – Licensing Survey: FY 2000

placed upon networks in developing countries as a key form of infrastructure. Such networks permit communication, rapid dissemination of information, technology transfer, sharing of resources, leveraging of costs, development of expertise and many other benefits that assist in the development and management of IP Assets without compromising national sovereignty.

For example, the African Regional Centre of Technology, an association of research facilities in 35 African states, is closely linked to intellectual property organizations, including WIPO, the *Organization Africaine de la Propriété Intellectuelle* (OAPI), and the African Regional Intellectual Property Office (ARIPO). WIPONET, an information technology project sponsored by WIPO as a way to link IP offices and other IP institutions, is an example of a network infrastructure designed to promote IP.

Professional organizations and organizations of special competence are also important elements of IP asset

development infrastructure. These include organizations that may not have previously been interested in or engaged in intellectual property matters. For example, the Arab Organization for Agricultural Development in the Sudan signed a Memorandum of Understanding with WIPO in June 2002 to jointly promote intellectual property. Other professional organizations are active in IP and play an important institutional role in education and professional networking. The International Licensing Executives Society (LES), for example, is a non-profit organization with 28 chapters worldwide, including China, the Benelux countries, Eastern Europe, North America, and South Africa, among others.

### *Conclusion: Many Types of IP Infrastructure*

IP infrastructure is a flexible concept. Definitions of IP infrastructure may be broad or narrow, and depend upon the needs and IP strategies of the country and region. IP infrastructure may include laws, regulations,

governmental organizations, systems of coordination, information technologies, networks, professional organizations and other private organizations. The common element is that they all provide structures that help inventors and creators, both actual and potential owners of IP to develop, protect, use and manage intellectual property as an economic asset. Each country will define for itself the essential elements of its IP infrastructure.

### *IP Asset Development: An Ongoing Study*

Intellectual property assets are a vital component in national economic policy. Approaches to the subject reflect national priorities and policies, and there is no single correct approach.



The next article in the WIPO Magazine series on IP Assets will explore "IP education, Public Awareness and Professional IP Training".

# IP OWNERSHIP: AVOIDING DISPUTES

Businesses often rely on employees and independent consultants to develop their intellectual property (IP) assets, and assume that they automatically own the rights on those assets, on the principle "I paid for it, therefore I own it". This, however, is not always the case.

## *IP Created by Employees*

Many employees create intellectual property in the course of their employment. This may be a software program, an article, a script, architect's plans and drawings, a new logo, a new product or process, product packaging, a new product design, a business plan, an invention, and the output of many other types of creative endeavors.

But who owns the rights to these works: the individual creator or the employer? The answer to this question is not always easy or clear; it may vary from one country to another, and in a given country depending on the law and the facts and circumstances of a particular employer-employee relationship.

**Inventions** – In many countries the employer owns an invention made by an employee if it is related to the employer's business, unless the employment contract stipulates otherwise. Conversely, in some countries, the intellectual property rights to inventions belong in principle to the employee inventor, unless otherwise agreed. In other countries again, for example in the United States, the

employee inventor may retain the right to exploit the invention, but the employer is often given a non-exclusive right to use the invention for internal purposes. This is referred to as "shop rights". Special rules may apply, however, to inventions made by university teachers or researchers as may be prescribed in the intellectual property policy of the institution.

Some countries grant the employee inventor the right to a fair and reasonable remuneration or compensation for his invention if the employer takes rights to the invention, whereas other countries do not grant any specific remuneration for the employee, or only very limited remuneration in exceptional cases. (See case study on page 15.)

**Copyright** – In most countries, if an employee produces a literary or artistic work within the scope of her employment, then the employer automatically owns the copyright, unless otherwise agreed. But this is not always the case, under the copyright law of some countries the transfer of rights is not automatic.

There are several circumstances under which an employee may own all or part of the rights. For example, if the employer is a newspaper or magazine publisher, the employee will, in most countries, own the copyright for some purposes, such as publication in a book, and the employer owns the copyright for other purposes. As in other countries, if an employee generates a soft-

ware product in the course of his employment, he owns the copyright in the creative product, unless otherwise stated in the employment contract.

It should be noted also that the *moral rights*, the right to claim authorship of a work, and the right to oppose changes to it that could harm the creator's reputation, are not assignable and will thus remain with the



author even if the copyright ownership of the economic rights has been transferred to the employer. In some countries, such as the United States and Canada, moral rights can be waived.

**Industrial Designs** – Generally, when an employee is required to create a design, the design rights belong to the employer. In some countries, however, the right of ownership to industrial designs created by employees during the course of an employment contract belongs to him, unless otherwise agreed. In some cases, the employer is required

*Many employees create intellectual property in the course of their employment — Who owns the rights?*

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to pay the employee an equitable reward, taking into account the economic value of the industrial design and any benefit derived by the employer from the utilization of the industrial design. In other countries, such as the United States, the creator of an industrial design is the proprietor unless reward was paid for the industrial design.

### ***IP Created by Independent Contractors***

Companies regularly engage advisors, consultants or independent contractors to create a wide variety of original or new materials for them. This material can include business plans, marketing plans, training manuals, information manuals, technical guides, software, a website, designs, drawings, research reports, databases, a logo for an advertising campaign, and so on. Both sides, the company or the independent contractor, should take care when entering into such an agreement to adequately address the question of ownership of intellectual property assets. For example, if the consultant or contractor presents a number of distinct designs or logos and the company accepts only one, then who owns the intellectual property rights over the remaining options?

***Inventions*** – In most countries, an independent contractor hired by a company to develop a new product or process owns all rights to the invention, unless specifically stated otherwise. This means that unless the

contractor has a written agreement with the company assigning the invention to that company, in general the company will have no ownership rights in what is developed, even if it paid for the development.

***Copyright*** – In most countries, a freelance creator owns the copyright, unless he has signed a written agreement that this is a “work for hire”. If, and only if, there is such a written agreement in place, then the company who commissioned the job will normally own the intellectual property, but the moral rights remain in principle with the author. In the absence of such an agreement, the person who paid for the work is generally entitled to use the work only for the purposes for which it was created. Companies who, for example, have paid an independent contractor to create a website for them, may be unpleasantly surprised to find they do not own what has been created.

Different rules or exceptions may apply, such as in the case of commissioned photographs, films and sound recordings.

***Industrial Designs*** – If a freelance designer is brought in, on commission, to produce a specific design, in many cases the intellectual property rights will not pass automatically to the commissioning party, but will remain with the freelance designer. In some countries, the commissioning party owns the rights in a design only if reward has been paid for that design.



*If a freelance designer is brought in, on commission, to produce a specific design, in many cases the intellectual property rights will remain with the designer*

### ***Practical Guidelines for SMEs***

A few golden rules to avoid disputes with employees or independent contractors:

- ▶ ***Obtain legal advice*** – Ownership matters are complicated and vary from one country to another. As with most legal matters, it is essential to get skilled advice before entering into any agreement with employees or independent contractors.
- ▶ ***Conclude a written agreement*** – Agree on who owns the intellectual property rights to any material created by an employee or independent contractor, whether and when transfer of ownership will take place, who has the right to exploit it, who is to pay for it, whether improvements or modifications are allowed, etc. Make sure that the agreement is valid under the applicable intellectual property laws.



- ▶ **Draw up a contract before work is started** – Do not sweep intellectual property ownership issues under the carpet; make sure that you deal with these at the beginning, before the collaboration starts. Even the earliest stages of work can give rise to important intellectual property rights.
- ▶ **Include confidentiality clauses/agreements** in contracts with employees or independent contractors. Include non-compete clauses as well in employee contracts, as today's employees may be tomorrow's competitors.
- ▶ **Adopt internal policies and regulations or guidelines on employee inventions** – Such policies and regulations should contain provisions on, *inter alia*, the categories of inventions which fall within the field of the employer's business, the employee inventor's obligation to notify the employer of inventions, the employer's procedures for handling such notifications, confidentiality requirements and patent prosecution, remuneration for the inventor, etc. Such regulations should, of course, be in line with the applicable national intellectual property laws.
- ▶ **Take special care while outsourcing research & development (R&D)** – If other persons besides the employees of the company participate in such activities, ensure that all persons involved sign an agreement whereby they give the company sufficient rights to the results of their works. Companies should ensure that such

persons transfer any and all rights to the results of the project to the company, including the right to re-transfer the rights and especially the right to alter the works if the R&D project produces works or other materials eligible for copyright protection. Apart from inventions, the R&D agreements should also contain provisions conferring the rights to know-how, copyright for the research reports and results, and rights over the physical material involved in research activities, such as micro-organisms or other biological material, as well as intellectual property rights over any background information which is not within the public domain. All this should be kept strictly confidential.

There are broad variations amongst national laws on the ownership of an intellectual property right, both as to who is the first owner and on how that ownership can pass to others. Furthermore, the ownership of some types of intellectual property rights may differ from that of other types of rights even for the same work. To prevent misunderstandings, it is desirable for an SME to ensure that the issue of intellectual property ownership is clarified in the agreement with the employee or independent contractor, and it is preferable to do so with the help of an intellectual property specialist or advisor.

The next article in the IP and Business series will discuss "Copyright protection: An opportunity to benefit from your creativity in literary or artistic work".

### Case study "An innovator in the U.S., a trouble-maker in Japan"

Mr. Shuji Nakamura has been celebrated in the United States as an innovative pioneer. But in Japan he is more controversial. After it was clear his inventions would make a lot of money, his employers took them to market without additional compensation for him. Mr. Nakamura sued the company, saying that the patents were the result of his efforts and that he should receive royalties.

His case points to striking differences in the way the United States and Japan treat their innovators.

In the United States, engineers and inventors often share in the corporate rewards from innovation, through employment contracts that specify royalties or other incentives such as stock options. But in Japan, engineers and scientists are almost universally treated as "salary men" who do not participate in corporate profits. Compensation for an invention is at the company's discretion and seldom amounts to more than US \$300.

Source: *International Herald Tribune*,  
September 19, 2002

# IP WALES' OUTREACH TO SMES

PUBLIC  
OUTREACH



*Mr. Jeff Watson, from the Policy Directorate of the UK Patent Office, and from IP Wales: Mr. Richard Howe, Deputy Director, Mr. Andrew Beale, Director, Professor Iwan R. Davies, Research Director, and Ms. Kerry Beynon, Research Officer*

WIPO officials met with members of the IP Wales team – the United Kingdom's first custom-made intellectual property business support initiative – in Geneva on November 4 to exchange ideas and explore areas for future cooperation in view of strengthening use of intellectual property (IP) by small and medium-sized enterprises (SMEs). Among other areas discussed, the WIPO and IP Wales officials considered the possibility of organizing a joint forum for IP offices of the Organization of Economic Cooperation and Development (OECD) countries to exchange information on their outreach activities to SMEs.

The SME sector forms the backbone of many economies. According to IP Wales research, SMEs make up 70 percent of employment in Wales. In 2000, SMEs accounted for all but 263 of the 144,147 firms established in Wales. In spite of the importance of SMEs to national economies, many have not fully exploited the value of IP or its potential in securing business development.

Funded by the European Union and the Welsh Development Agency, IP Wales was launched in July 2002, with the aim of helping SMEs to enlarge their businesses through use of intellectual property. The initiative is designed to promote economic development, and create and safeguard jobs in Wales. IP Wales provides practical business support to SMEs as well as the knowledge and financial means to protect and commercially exploit their intellectual property rights.

Mr. Andrew Beale, Director of IP Wales, said the overwhelming response by the SME community in Wales to this business support initiative underlined the genuine need to reach out to the SME community to ensure that this highly productive sector is able to leverage business development through better use of intellectual property assets. The IP Wales initiative already has a membership of 1,150 firms, a total that far exceeds its initial target of 850 by December 2004. (For further details about the services offered by IP Wales, see <http://www.ipwales.com>).

The value of intellectual property among the SME community is often inadequately appreciated and its potential for providing opportunities for future profit is widely underestimated. In a marketplace driven by demand for IP-protected products and services, IP becomes a valuable business asset that can:

- significantly improve an SME's market share or raise its profit margins through the licensing, sale, or commercialization of its IP-protected products or services;
- enhance the value or worth of an SME in the eyes of investors and financing institutions;
- in the event of a sale, merger or acquisition, significantly raise the value of an enterprise, and at times may be the primary or only true asset of value.

The strategic utilization of IP assets can, therefore, substantially enhance the competitiveness of an SME. Like physical assets, IP assets must be acquired and maintained, accounted for, valued, and managed carefully in order to extract their full value (see <http://www.wipo.int/sme/en>).



# CALL FOR EXPANSION OF COOPERATION FOR DEVELOPMENT PROGRAM

WIPO Member States have called for a further expansion in technical assistance programs to developing countries offered under the Organization's Cooperation for Development Program. Meeting in Geneva from October 28 to November 1, the Permanent Committee on Cooperation for Development reviewed WIPO's assistance to devel-



oping countries for which strong support was expressed and identified areas requiring further support. The representatives of 82 Member States and 14 international organizations participated in the Committee meeting.

In his opening remarks, WIPO Deputy Director General Roberto Castelo, in charge of the Cooperation for Development Program, highlighted the achievements of the sector in raising intellectual property awareness and understanding among key policy makers, and the growing diversity of technical assistance available to developing countries. He focused on a number of

practical initiatives offered by the Organization, including the training programs offered by the WIPO Worldwide Academy (WWA), assistance in establishing collective copyright management societies in Chad, Guinea Bissau, United Republic of Tanzania and Pacific Island countries; measures to increase use of intellectual property by small and medium-sized enterprises (SMEs) and deployment of the WIPONET project. These and a range of other activities are designed to offer practical support to developing countries by facilitating access to and use of industrial property information.

The WIPONET project is particularly useful in this regard as the creation of a global intellectual property information network will ensure that the Organization is able to respond to the increased demand for electronic data exchange services. WIPONET will also serve as a platform for delivery of additional data exchange services to developing countries, and will empower least developing countries (LDCs) to better reap the benefits of global IP information resources by equipping them with Internet connectivity and basic equipment. WIPONET implementation has already taken place in 11 of the 49 LDCs (Angola, Benin, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Lao People's Democratic Republic, Mauritania, Nepal and Togo).

## *Future Strategic Issues*

An informal forum on future strategic issues was organized on the sidelines of the meeting to foster discussion on policy directions for WIPO's cooperation for development activities in view of the preparation of the 2004-2005 Program and Budget. Talks focused on enterprise development for SMEs, the evolution of the WWA, and ways and means of further promoting the exchange of intellectual property information between and within developing countries and of supporting the creators and cultural industries of these countries. In particular, the forum looked at WIPO's Collective Management Action Plan for the African region.

WIPO's development cooperation activities are geared to assisting developing countries to effectively utilize the intellectual property system for economic, social and cultural development through a range of capacity-building programs. The overall budget for this core area of WIPO's activities amounts to approximately 11.8 percent of the Organization's budget.



# IBEROAMERICAN CONGRESS ON COPYRIGHT AND RELATED RIGHTS

Some 400 representatives of the copyright and cultural communities of Latin America, Portugal, and Spain gathered in Panama City from October 15 to 17 at the Ibero-American Congress on Copyright and Related Rights. The congress focused on copyright as a relevant tool for the economic and cultural development of local societies, and the impact of the digital environment on copyright. The theme of the congress was "Copyright: a Channel for Development".

Every session highlighted, from different perspectives, the current importance of copyright for the development of society and the future evolution of copyright. Thus, the congress was not limited to any particular kind of copyright expertise, but embraced them all, providing a rich and complex view on the issues debated. Representatives of some of the main broadcasting and publishing industries as well as phonogram and software producers in the area had the opportunity to exchange views with academics, government officials, collective management organizations and individual creators.

The open and flexible structure of the event combined presentations on general matters in plenary interventions with roundtable workshops on very specific issues. For example, the session on "Visual Arts: Traditional uses and new forms of expression" concentrated on experiences in the management of the rights of

## *Highlights – Study on the Economic Importance of Industries and Activities by Copyright and Related Rights in the MERCOSUR Countries and Chile*

The *Highlights*, published by WIPO in November, show that the share of copyright-protected activities in the value added to the Gross Domestic Product (GDP) of Argentina, Brazil and Uruguay is similar. In Argentina, the figure was 6.6 percent in 1993, in Brazil 6.7 percent in 1998, and in Uruguay around 6 percent in 1997. In Chile the share of copyright-related industries was 2 percent and Paraguay 1 percent. This represents a total of US\$61.5 billion in 1998 for the five countries.

Value added of copyright industries in the MERCOSUR – 1998

Country	Value added (US\$000)
Argentina	6,440,000
Brazil	53,034,026
Chile	1,243,000
Paraguay	98,654
Uruguay	705,000
Copyright in the MERCOSUR	61,520,680



In all countries, a substantial number of jobs was generated by copyright-protected activities ranging from 5 and 3 percent – representing a total of 1,844,000 jobs in 1998. The study shows that despite economic difficulties in the MERCOSUR countries during the 1990s, there was vigorous expansion in demand for copyright-related activities.

Persons employed in copyright industries in the MERCOSUR – 1998

Country	Persons employed (in 1,000)
Argentina	267
Brazil	1,326
Chile	149
Paraguay	56
Uruguay	46
Copyright in the MERCOSUR	1,844

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# WIPO/LAS ARAB REGIONAL COORDINATION MEETING

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visual artist and the trends of contemporary expression in this field, then underlined the connection between certain uses of the visual work and the rights employed for its protection. This introduced the main areas for debate between the speakers and the audience.

WIPO organized the conference in cooperation with the governments of Panama, Portugal and Spain as well as a number of other organizations, including AISGE (*Artistas, Intérpretes Sociedad de Gestión España*) and SGAE (*Sociedad General de Autores y Editores*). All of the Latin American collective management societies were represented at the conference.



WIPO and the League of Arab States (LAS) jointly cooperated with the Qatari Ministry of Economy and Commerce to organize a meeting for the heads of Arab industrial property and copyright offices from October 7 to 9 in Doha. The aim of the meeting was to discuss issues of common interest to Arab countries in the field of intellectual property, as well as to exchange information and experience relating to those issues. The meeting also focused on the technical and legal assistance provided by WIPO to the Arab countries and assessed their needs and requirements for future activities.

This was the first such meeting organized for the Arab region. Some 39 officials from 19 Arab countries and the intellectual property unit of the LAS attended. Reports focused on WIPO's cooperation for development program for the Arab countries and the Organization's activities in the field of genetic resources, traditional knowledge and folklore. Separate reports dealt with the installation and functioning of a common software for Arab industrial property offices and a new software for collective management organizations in the Arab region.

The meeting served as a forum for officials to exchange information on the situation in their countries. From these exchanges, WIPO's representatives also gained a fuller understanding of the current working methods and obstacles faced by the offices, and provided direction and recommendations on future developments. The meeting also served as a stepping stone for future cooperation between WIPO and the LAS on further enhancing the coordination mechanisms of the Arab countries with regards to international obligations as well as to promote the awareness and understanding of the economic, social and cultural benefits of using the intellectual property system.



# IMPLEMENTATION AND ADMINISTRATION OF THE MADRID SYSTEM



*A highlight of the workshop participants' visit to the International Registration operations was the display case containing the first two international marks registered under the Madrid Agreement in 1893*

The first ever WIPO workshop for developing countries and countries in transition party to the Madrid Agreement or the Madrid Protocol took place on October 2 and 3 at the Organization's headquarters in Geneva. The workshop, on the implementation and administration of the Madrid system for the International Registration of Marks, attracted representatives from the national trademark administrations of 33 countries, members of the Madrid Union.

The workshop, opened by WIPO Deputy Directors General Roberto Castelo and Shozo Uemura, was organized to allow participants to examine together a number of questions relating to the administration and implementation of the Madrid system in their countries. After a plenary session that addressed recent developments within the Madrid system, the participants broke up into three groups: developing countries; Central European and Baltic States; and Caucasian, Central Asian and Eastern European countries.

The groups visited the International Registration operations at WIPO and took part in round table discussions which focused primarily on:

- ▶ encouraging the use of the Madrid system by trademark owners;
- ▶ enhancing the capacities of national offices in the administration of the Madrid system;
- ▶ strengthening the means of communication between national offices and the International Bureau of WIPO.

On the second day of the workshop, the participants traveled to Bern to visit the Swiss Federal Institute of Intellectual Property.

## **Administration and Implementation**

Overall, the workshop proved to be an excellent opportunity for WIPO

officials, dealing with the operations and promotion of the Madrid system, and the representatives of the invited trademark offices to network, exchange experiences, and engage in fruitful discussions on timely issues concerning the administration and implementation of the Madrid system. Such events ensure that the system continues to be relevant and responsive to the needs of its Member States and the user community.

The Workshop was organized through cooperation between the Developing Countries (Madrid and The Hague systems) Division, Sector of Cooperation for Development; the Trademark, Industrial Designs and Geographical Indications Department; the Division for Cooperation with Certain Countries in Europe and Asia, Sector of Administrative Support Services and External Relations and the IT Services Division.

## **The Madrid System**

Today, there are 70 countries party to the Madrid System for the International Registration of Marks, which consists of two independent multilateral treaties: the Madrid Agreement Concerning the International Registration of Marks (1891) and the Protocol Relating to the Madrid Agreement (1989). Forty-seven (over 60 percent) of the Member States are developing countries and countries in transition.

The principal objective of the Madrid system is to facilitate, through a single international registration procedure, the protection and maintenance of trademarks in multiple jurisdictions. The system is administered by WIPO. Last year, almost 24,000 trademarks were registered in the international trademark register.

For more information about the Madrid system, contact WIPO at [WIPO.mail@wipo.int](mailto:WIPO.mail@wipo.int), or visit the WIPO website at <http://www.wipo.int/madrid/en/index.html>



A new WIPO book, *Principles of Copyright*, was recently published to assist those involved in the process of implementing the new copyright laws recently drafted in many countries. In countries where court decisions in the copyright area are scarce or non-existent, the publication will prove to be a practical tool, providing judges, lawyers, government officials and enforcement officers with basic knowledge on how to interpret copyright laws. The publication will also be a valuable asset to universities and educational institutions, particularly those specializing in the field of copyright.

*Principles of Copyright* examines a number of carefully selected court decisions illustrating general principles of copyright law as applied in different legal systems. Many countries share these principles, so the cases presented have a wider relevance that goes beyond the legal system to which they belong. The book is divided into three parts:

cases in the common law system are presented in English in the first part, the civil law system in French in the second part, and the Arab region in Arabic in the third part. Readers can gain understanding of different approaches to a legal concept by researching and comparing cases listed in the three parts.

To facilitate research each part of the book is divided into four chapters:

- Chapter 1 deals with subject matter and conditions for protection
- Chapter 2 relates to moral and economic rights
- Chapter 3 deals with ownership and transfer of rights
- Chapter 4 deals with the issues of infringement and enforcement

The common and civil law systems have greatly influenced the legislation of other countries making *Principles of Copyright* relevant to readers around the world. This comparative study – the first of its kind – will make an important contribution to better understanding and, hence, sound implementation of legislation in those countries where copyright is an emerging field. It is destined to fill a need for practical information in the copyright field.

The coming into force of recent international instruments, such as the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), the WIPO Copyright Treaty (WCT), and the WIPO Performances and Phonograms Treaty (WPPT), has generated a vast amount of activity in drafting new national copyright laws or revising existing ones. In many countries copyright law is a recent and relatively unknown field. It is therefore imperative that those involved in the development and implementation of these laws gain knowledge on their interpretation. Hence, the WIPO Cooperation for Development Bureau for Arab Countries took the initiative in the preparation of this study.

Four leading experts have contributed to the publication: Professor Victor Nabhan, formerly of Laval University, Canada, and now a WIPO consultant, established the concept, outline, and structure; Professor David Vaver, Oxford University, United Kingdom, provided the content related to common law; Professor Pierre Sirinelli, Paris 1 University, France, was responsible for the material on civil law; and Professor Hosam Loutfi, Cairo University, Egypt, authored the section on law in Arab countries.

*Principles of Copyright* is available from the WIPO Marketing and Distribution Section (see information on page 25) at 50 Swiss francs (plus shipping and handling).

## NEWS ROUNDUP

### Pledge of Support to King of Jordan

WIPO Director General Kamil Idris has pledged the Organization's continued support in building an intellectual property system that promotes development, attracts foreign investment and supports local innovation capacities to His Majesty King Abdullah II of the Hashemite Kingdom of Jordan. The Director General and King Abdullah met in Geneva on October 3 to hold discussions focused on cooperation between Jordan and WIPO.

Since Dr. Idris and King Abdullah last met in September 2000, WIPO has stepped up its technical assistance efforts, namely in the areas of:

- ▶ information technology through training and supply of equipment to enable access to on-line intellectual property resources;
- ▶ technical and legal advice to the local pharmaceutical industry including training and technical assistance on issues relating to licensing and transfer of technology;

- ▶ enforcement through training of members of the judiciary and officials from enforcement agencies.

In addition, WIPO has organized a series of seminars in Jordan for participants in the region as well as for specific target groups such as parliamentarians and judges. The objective of these seminars is to raise awareness about the importance of intellectual property for development and its potential in promoting wealth creation.



### WIPO Signs Agreement with CISAC



WIPO and the International Confederation of Societies of Authors and Composers (CISAC) signed a cooperation agreement in September to further reinforce activities relating to the collective management of copyright. "The signing of the cooperation agreement will further reinforce the existing complementarity between the two organizations and strengthen our cooperation activities," said WIPO Director General Kamil Idris. "WIPO and CISAC agree on the importance of collective management societies, which do a valuable service for the world of music and other creative arts."

During the 43rd CISAC World Congress, held in London on September 26, CISAC Secretary General Eric Baptiste presented the agreement to Mr. Patrick Masouyé, the Acting Director of WIPO's Copyright Collective Management Division (see photograph). "This ground-breaking agreement will set the framework for long lasting cooperation between CISAC and WIPO," said Mr. Baptiste. "The creative community can only benefit from this positive development."





## Dispute Resolution Services for *.edu*

WIPO and EDUCAUSE, the administrator of the *.edu* top-level generic domain (gTLD), have signed an agreement that makes WIPO the sole dispute-resolution service provider for the *.edu* domain. The *.edu* domain is restricted to regionally-accredited, American degree-granting institutions of higher education - and is one of the original gTLDs, along with *.com*, *.org*, and *.net*.

WIPO's Arbitration and Mediation Center will apply the *.edu* Domain Name Dispute Resolution Policy (eduDRP) - a modified version of the Uniform Domain Name Dispute Resolution Policy (UDRP) - a low-cost and speedy alternative to litigation, in the drive to resolve «cybersquatting» disputes arising in the *.edu* domain.

A special feature of the agreement between WIPO and EDUCAUSE is that the panelists who decide the *.edu* cases must be American. Once a dispute is filed with WIPO, the Center checks that all formalities are correct, appoints a panelist from a list of leading American legal specialists, and notifies the decision of these independent panelists. For a panelist to find in favor of a complainant, the latter must prove that the disputed domain is identical or confusingly similar to a trademark, that the other party does not have a

legitimate interest in the domain name and that the respondent registered and used the domain name in bad faith.

WIPO's evolving list of international panelists includes the names of some 102 American lawyers who are specialists in arbitration, mediation, trademark law, Internet law or other areas related to the field.

## Prototype PCT Gazette

A new prototype of the PCT Gazette is now available for test purposes at <http://ipdl.wipo.int/>. Among the modifications incorporated in the prototype are changes to the layout and format of the data, access to data concerning republished PCT applications (including images of republished pages), and searchable access to the full text of description and claims. The prototype will be available in parallel with the current PCT Gazette until the completion of the necessary testing and consultation, after which it is planned that the prototype, as modified as a result of the testing and consultation, will supersede the current PCT Gazette.



## African Film Festival

WIPO participated in the annual *Journées du cinéma africain* held in Ferney-Voltaire and Divonne les Bains, France, from November 12 to 22. The African film festival attracted feature films from Algeria, Benin, Egypt, Guinea Bissau, Mauritania, Morocco, Nigeria, Senegal, and Tunisia. In a number of workshops, projections of short films were followed by debates on topics such as cinema and globalization, the crises in the Great Lakes region, and forced marriages.

As one of the partners of this event, WIPO hosted a reception, followed by the premier screening of two documentaries:

- ▶ «Si Gueriki, La Reine Mère», by Idrissou Mora Kpai (Benin-France), about a young man returning to his village after a ten-year absence;
- ▶ «Le Cinéma Africain?», by François Kotlarski and Eric Münsh (France), on the conditions of cinematographers in Africa.



# CALENDAR of meetings

## DECEMBER 2 TO 6

(GENEVA)

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

The Working Group will continue its work in the revision of WIPO standards and will receive reports from the different SDWG task forces that have been established for that purpose.

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

## DECEMBER 9 TO 17

(GENEVA)

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

The Committee will continue its work based on the results of its third session.

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

2003

## FEBRUARY 3 TO 5

(GENEVA)

**Information Technology Projects Working Group (Second session)**

The Working Group will review the status of WIPO's major IT projects and the proposed IT Program for the 2004-2005 biennium.

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

## FEBRUARY 24 TO 28

(GENEVA)

**Committee of Experts of the IPC Union**

The Committee will consider reports of the ad hoc IPC Reform Working Group and the IPC Revision Working Group and will provide guidance for continuing reform and revision of the IPC in 2003.

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

## MARCH 31 TO APRIL 4

(GENEVA)

**Preparatory Working Group of the Nice Union for the International Classification of Goods and Services for the Purposes of the Registration of Marks (Twenty-third session)**

In the framework of the revision period, the Preparatory Working Group will consider and make recommendations on proposals for changes to the eighth edition of the Nice Classification, which will subsequently be submitted to the nineteenth session of the Committee of Experts of the Nice Union for adoption.

**Invitations:** As members, the States members of the Preparatory Working Group of the Nice Union; as observers, the States members of the Paris Union which are not members of the Working Group, and certain organizations.

## APRIL 24 TO 26

(BEIJING)

**The WIPO Summit on Intellectual Property and the Knowledge Economy** (please see the inside from cover for further information)

## APRIL 28 TO 30

(GENEVA)

**Program and Budget Committee (Sixth session)**

The Committee will consider and discuss proposals with regard to WIPO's Program and Budget for the 2004-2005 biennium.

**Invitations:** As members, the States members of the Program and Budget Committee; as observers, all Member States of WIPO that are not members of the Committee.

## APRIL 28 TO MAY 2

(GENEVA)

**Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) (Tenth session)**

The Committee will continue its work based on the results of the ninth session.

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

## MAY 12 TO 16

(GENEVA)

**Standing Committee on the Law of Patents (Ninth session)**

The Committee will continue its work on further harmonization and other issues relating to patent law.

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

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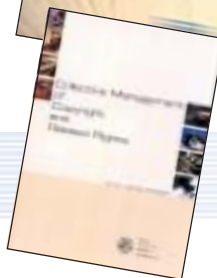
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