

97

ANNUAL REPORT

WORLD  
INTELLECTUAL  
PROPERTY  
ORGANIZATION



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**WIPO's**

**MISSION STATEMENT**

*To promote the protection  
of intellectual property  
throughout the world through  
international cooperation.*



## MESSAGE FROM THE DIRECTOR GENERAL



Welcome to the World Intellectual Property Organization's (WIPO) Annual Report for 1997. This report is the first WIPO has published for the general public. It is one of many steps WIPO is taking to reach out to a wide cross-section of society and provide concise, useful information about intellectual property and WIPO's work.

On taking office as the new Director General of WIPO in November 1997, I was aware that we faced a number of significant challenges if we were to fulfill our mission to promote the protection of intellectual property throughout the world in a rapidly changing environment. The first step toward meeting those challenges was a radical restructuring of the Secretariat in line with modern management systems that included a results-orientated program of work with each manager having clear areas of responsibility. By the end of 1997, this restructuring was in place and a more responsive and nimble Secretariat, founded on the principles of accountability and transparency, greeted 1998, ready to face the challenges posed by the pace of change in the digital age and the needs of the global economy.

The first quarter of the new year was spent in close consultation with member States to develop a new Program and Budget for the 1998-99 period that would address the emerging global issues and the specific needs of member States, whether in the government or private sectors. It was presented to the Assemblies of the member States of WIPO in late March, where it was highly commended and approved.

The 1998-99 Program and Budget highlights five major challenges for the Secretariat:

- **Relevance** - anticipating the priorities of member States, the private sector, civil society, and non-governmental partners, as well as focusing on problems resulting from new and emerging technologies.
- **Governance** - streamlining decision-making processes, working methods, and procedures to make them transparent, cost-effective, customer-focused, and results-oriented.
- **Influence** - developing international, harmonized principles and rules through consensus, building institutions that will leave a lasting legacy in developing countries, and harnessing technology for information and knowledge exchange.
- **Corporate Image** - spreading understanding of the role and importance of intellectual property protection and the work of WIPO across all segments of society.
- **Interdependence** - building linkages, in a holistic manner, between intellectual property and international trade and economic, cultural, and technological transformation.

We will do everything we can to reach out to all parts of society and provide pertinent information about intellectual property. We do so, however, in the knowledge that only through grass roots support can countries truly reap the benefits of intellectual property, which in the next century, will be one of the greatest sources of wealth and well-being for mankind.

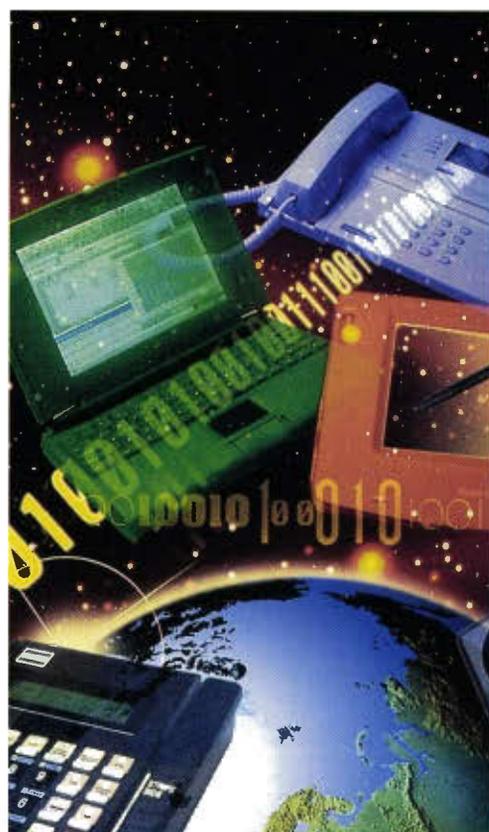
## INTRODUCTION

Quantum leaps in technology have highlighted the importance and value of intellectual property rights in the global economy, and intellectual property has emerged as an issue in multilateral trade relations because of its recognized role in mainstream economic, technological, and cultural development. Similarly, intellectual property issues have entered into debates on the protection and exploitation of biodiversity resources, the development and transfer of environmentally-friendly technology, the protection of folklore and other new areas.

During the past few years, there has been an unprecedented growth in demand for WIPO's global registration services. In addition, the phenomenal expansion of the Internet has had an impact on virtually every element of WIPO's operations, including:

- the substance of intellectual property rights protection;
- the protection, administration, and enforcement of intellectual property rights;
- the nature and handling of intellectual property disputes;
- the harmonization and exchange of intellectual property information; and
- assistance with human resource development and public information services.

To meet these challenges, the member States of WIPO in September 1997 elected a new Director General, who took office two months later. In partnership with the member States, he has prepared a new Program and Budget for the Organization which is a radical departure from the past. This is because all parties involved, whether they be the member States, the WIPO Secretariat, or the market-sector interest groups, realized that a modern, transparent, flexible, and responsive Organization, which is wholly accountable to its public and private sector constituents, is the only way that WIPO can effectively carry out its mandate to promote the protection of intellectual property worldwide.





## HIGHLIGHTS FROM 1997

- Dr. Kamil Idris (national of Sudan) was unanimously elected Director General of WIPO by the member States in September and assumed his duties in November.
- Preparations for the new 1998-99 draft Program and Budget began in November and continued in parallel with consultations with member States.
- The Secretariat was restructured and put in place in December 1997.
- WIPO received some 54,400 international applications under the Patent Cooperation Treaty (PCT) registration system, 15 percent more than in 1996. This is equivalent to 3.5 million national applications.



WIPO's home page: <http://www.wipo.int>

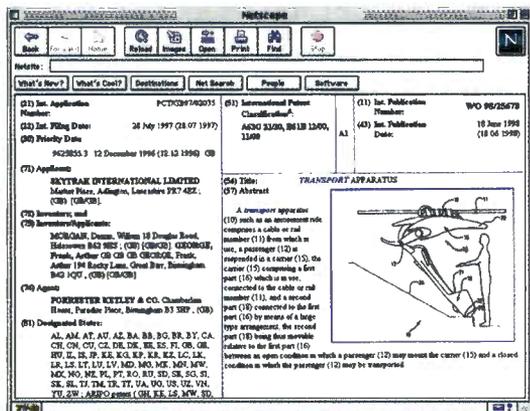
- In the Madrid system for the international registration of marks, the total number of registrations was more than 19,000, 3.2 percent more than in 1996. This is equivalent to 220,000 national applications.
- Over 10,000 men and women from 124 developing countries benefited from WIPO's Cooperation for Development Program.
- Over 150 courses and seminars plus 168 study visits to national and regional intellectual property institutions were organized for nationals of developing countries.



Dr. Kamil Idris is unanimously elected Director General of WIPO

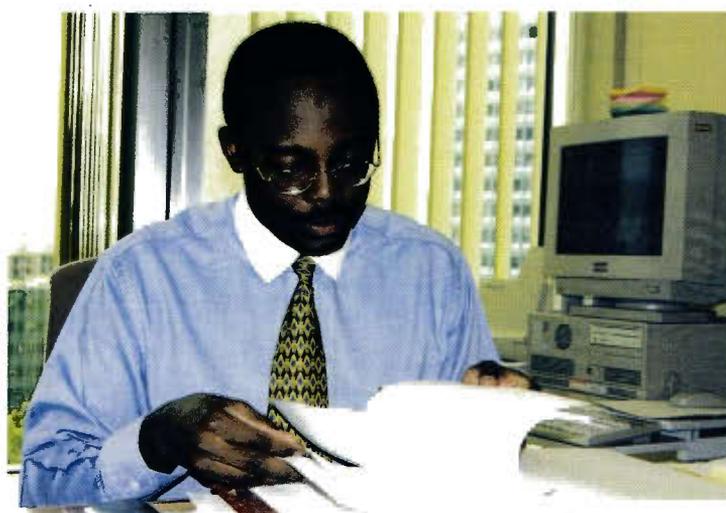


Participants at the TRIPS Mega Symposium, Arusha, Tanzania



The PCT Gazette: <http://pctgazette.wipo.int>

- Member States initiated discussions on the creation of a global information network for intellectual property, permitting electronic communication and data exchange between countries.
- Work on developing and improving WIPO's web site continued; the site now provides access to over 45,000 pages of intellectual property information in three languages, together with links to many other intellectual property offices, as well as other related organizations.
- The WIPO Collection of Laws for Electronic Access, CLEA, entered its test version stage on the WIPO Intranet and should be ready for the Internet in the course of 1998.
- Work began on the creation of the WIPO Intellectual Property Digital Library (IPDL), which would be made available to the general public and member States via the Internet in the first half of 1998.
- Progress was made in worldwide discussions on the further development of international intellectual property rules and practices dealing with patent application procedures and formalities, trademark licensing, protection of well-known marks, audiovisual performances, databases, folklore, broadcasters' rights, industrial designs, trademarks, and Internet domain names.
- The WIPO Arbitration and Mediation Center was declared available for the on-line resolution of certain Internet domain name disputes.



Processing treaty accessions



## 1997 A NEW YEAR A NEW DIRECTION

### ***Dr. Kamil Idris***

The year 1997 marked a change in the leadership of WIPO. Dr. Kamil Idris was unanimously appointed by the WIPO General Assembly as Director General in September and took up his duties on November 1, 1997. Dr. Idris has had a distinguished professional career. An experienced diplomat, negotiator and teacher, Ambassador of Sudan, and specialist in international law and international affairs, he joined the Secretariat in 1982, rising to the position of Deputy Director General of WIPO from 1994 to 1997.

### ***Dr. Arpad Bogsch***

Dr. Arpad Bogsch, Director General since 1973, retired at the end of October 1997. In congratulating Dr. Idris on his appointment, delegates to the General Assembly paid special tribute to Dr. Bogsch for his tremendous contribution to the protection and promotion of intellectual property, which he had pursued with imagination and vigor. Dr. Idris, during his acceptance speech, also paid tribute to the vision, foresight and energy of Dr. Bogsch, which had shaped the Organization.



Photo: Mercedes Martinez Dozal

*Dr. Kamil Idris and Dr. Arpad Bogsch*



*A Secretariat meeting*

### ***Restructured Secretariat***

The new Director General introduced immediate changes in the organization and management of the work of the Secretariat, making it clear that current and future challenges to the protection of intellectual property rights and economic growth would be greeted by energetic and innovative solutions both by him and the staff of WIPO working in concert with member States.

### ***Draft Program and Budget***

Dr. Idris also engaged the member States in intensive consultations in the preparation of the draft Program and Budget for the 1998-99 biennium (WIPO operates on a two-year Program and Budget). Two rounds of consultations took place, in November and December, presided over by the Chair of the WIPO General Assembly, Ms. Sheila Batchelor of Canada.

The draft Program and Budget reflected the new directions and plans for the Organization that Dr. Idris had laid out in his acceptance speech to the General Assembly. The draft Program and Budget was ground-breaking and introduced strategic planning and cost-effective results-oriented activities that were grouped into programs and sub-programs. An ambitious program of work lies ahead to tackle the challenges posed by digital technology, the globalization of trade, and sustainable development. Under it, modern business lines of managerial and financial responsibility for effective program implementation by the Secretariat will be clearly brought out. Those changes were made to enable the Organization to base its future work on two fundamental principles: accountability and transparency to WIPO's constituents, both in the public and private sectors in every aspect of program policy formulation, planning, implementation, and evaluation.

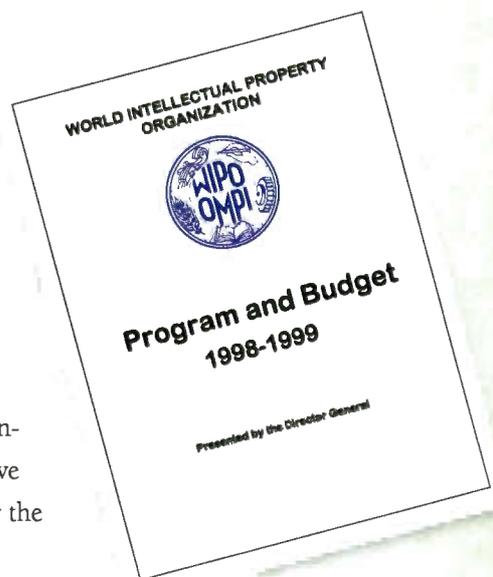


Photo: Karin Hedinger



*Sheila Batchelor of Canada, Chair of the WIPO General Assembly*



## WIPO'S COOPERATION FOR DEVELOPMENT PROGRAM



*WIPO African Regional Seminar on Industrial Property, Sudan*

The 1998-99 biennium brings with it a crucial milestone in the international protection of intellectual property. By January 1, 2000, many developing countries must, as members of the World Trade Organization (WTO), bring their national legislation and administrative structures into line with the provisions of the Agreement on the Trade-Related Aspects of Intellectual Property Rights (TRIPS). WIPO has already made significant efforts in providing assistance to many countries, in particular developing countries (upon request) with draft legislation prepared by the Secretariat. The Organization has also provided comments and suggestions on draft laws prepared by governments and advice on the setting up or modernization of the necessary administrative infrastructure.

### **Assistance to Developing Countries**

Following requests for additional assistance by developing member States, the resources allocated to the Cooperation for Development Program during the 1996-97 biennium were double those granted for the 1994-95 biennium. This resulted in an accelerated pace of activities over the biennium. In addition to the work to help developing countries prepare for compliance with the requirements of the TRIPS Agreement, WIPO's activities concentrated on:

- the development of human resources;
- modernization and computerization of intellectual property administration; and
- assistance in the drafting and revising of legislation relating to intellectual property rights.

A total of 124 developing countries, 2 territories, and 16 intergovernmental organizations of developing countries benefited from WIPO's Cooperation for Development Program. In all, more than 150 courses, seminars, or other meetings were held at the global, regional, or national levels, providing training or information directly to more than 10,000 men and women from the government and private sectors. As many of these people were themselves trainers or in supervisory positions, they are expected to, in turn, pass on what they have learned, multiplying the impact of WIPO's teaching and information program. The travel and living expenses of some 1,600 of these men and women were borne by WIPO, donor member States of WIPO, and contributory intergovernmental organizations. Study visits were organized for 168 persons. In addition, about 47 developing and industrialized countries contributed to WIPO's Cooperation for Development Program by providing trust funds, or help-in-kind in the form of training facilities, meeting premises, or local speakers.

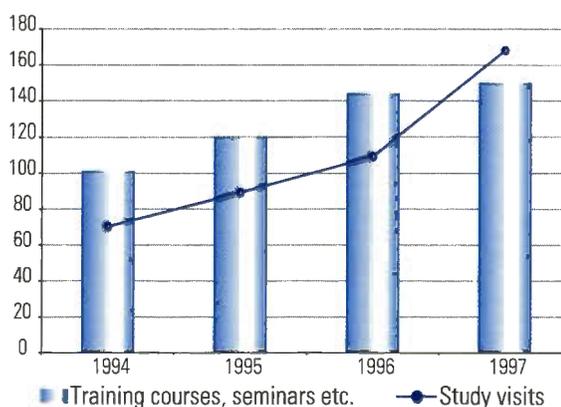
In total, some 630 consultants were engaged by WIPO on advisory missions or as speakers in courses and seminars, more than half coming from developing countries.

The expansion of WIPO's activities has been accompanied by a significant increase in the number of developing countries becoming party to various WIPO treaties during the biennium.

### **Country Projects**

WIPO's priority work in favor of developing countries often comprises country projects. These WIPO-financed country projects are nationally focused plans of action for a particular country, drawn up jointly by WIPO and the authorities of that developing country. This approach in the Cooperation for Development Program was introduced in 1996 and flourished in 1997. During that period, 22 developing countries benefited from work on such country projects, and a number of similar projects were being prepared for 1998. The implementation of WIPO-funded country projects was mentioned by numerous member States as an efficient means of meeting the specific needs of developing countries in building effective systems to protect intellectual property.

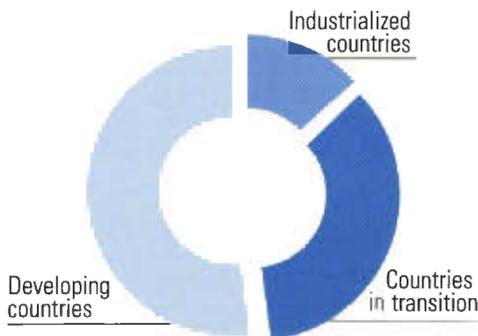
**Cooperation for Development Training Activities: 1994-97**





In a number of developing countries, the foundations, structure, and administration system for the protection of intellectual property rights is already in place, but these countries need further specialized help from WIPO in order to modernize and consolidate them. The Secretariat will, over the next biennium, take a more proactive approach to such modernization, providing a clear strategic outlook in its work in developing countries.

New Accessions to WIPO Treaties: 1997



### ***The Development of Human Resources: the WIPO Academy***

The development of human resources by the WIPO Academy has formed part of the Cooperation for Development Program over the past two biennia. The WIPO Academy has focused upon the training of senior advisors and managers in developing countries, so they become familiar with the policy implications of government decisions or actions affecting intellectual property issues in the larger context of trade, technological, and cultural development. In 1997, there were four sessions of the Academy in Geneva: three sessions were organized for senior officials from African, Arab, and Caribbean countries, and one session was targeted, for the first time, toward countries from the Commonwealth of Independent States (CIS). In all, government officials from some 37 developing countries attended the two-week Academy sessions at WIPO; some 90 developing countries have benefited from the Academy sessions since they began in 1993.

Academy sessions in the next biennium will continue to provide a forum to facilitate focused debates on topical issues such as the protection of copyright in the digital environment or the protection of biodiversity. In addition, there will be specialized sessions that will target special groups, such as customs and law enforcement officials, senior executives from private enterprises, and others, to promote a deeper understanding of the practical issues relating to the protection of intellectual property.

Over the next biennium, significantly more funds will be devoted to the development of human resources in general, which aligns with the Organization's ambitious plan to deliver

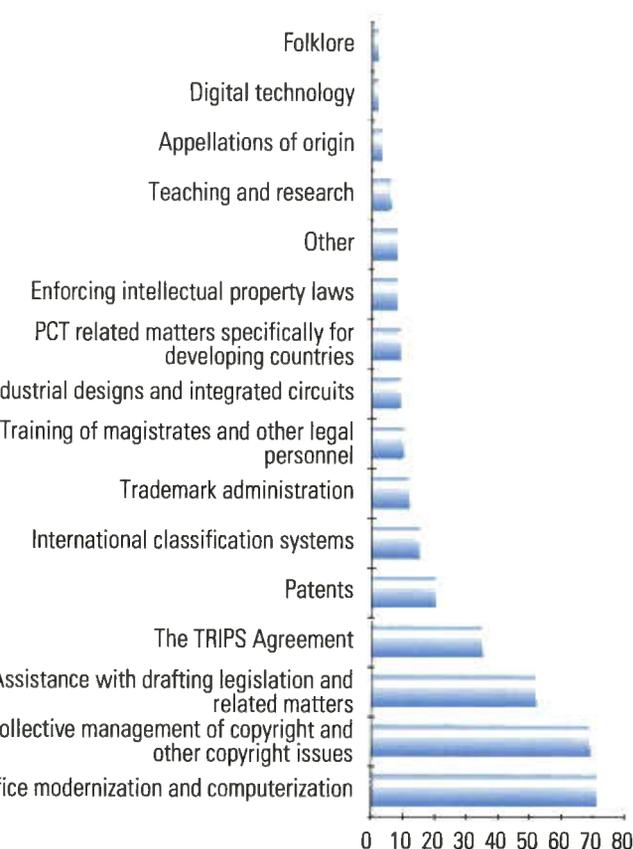


WIPO training activity

training, teaching, and advice to as large a segment of the intellectual property world as possible. A keystone of this effort is the Distance Learning Center that will provide:

- distance learning programs;
- on-line information sharing;
- contractual partnerships for research and training;
- specialized training for inventors, scientists, business men and women, media professionals, teachers, diplomats, and students;
- information products and training materials on video, CD-ROM, and the Internet to assist with such training; and
- training advisory services.

**Subjects Covered in Training Courses, Seminars, and Workshops in WIPO's Cooperation for Development Program: 1997**



### Assistance to Countries in Transition

The countries in transition in Central and Eastern Europe, the Baltic countries, and Central Asia have reached different stages in the transformation of their centrally-planned economies into free-market economies. Their needs for technical assistance vary, especially since many are recently independent countries that are preparing new legislation and engaged in institution building. The majority of these countries have already acceded to the Paris Convention, the Berne Convention, the Patent Cooperation Treaty, and the Madrid Agreement/Protocol. During 1997, WIPO's assistance to these countries focused on institution building, advisory missions, training, assistance with the drafting of legislative texts, and seminars.

WIPO's Agreement with the Eurasian Patent Organization to facilitate closer cooperation between the two organizations and among the countries concerned entered into force in October 1997.

During the next biennium, greater emphasis will be placed upon helping these countries prepare for membership of the WTO, through specialized technical assistance plus specific programs to increase the business sectors' awareness of intellectual property rights and their commercial value.

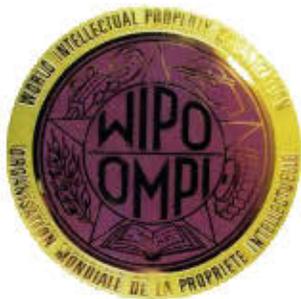


Photo: Michel Bernard

### WIPO Medals

In keeping with WIPO's goal of encouraging creative and inventive activity, the Secretariat continued its WIPO Gold Medal Award Program. Some 64 men, women, and young inventors in 17 developing countries received medals in 1997. Since the Program was launched in 1979, 472 medals have been awarded to inventors and innovators from 73 countries, 45 of which were developing countries. Awards fall into a variety of categories and include:

- best invention,
- outstanding inventor,
- outstanding woman inventor,
- young inventor, and
- student inventor.

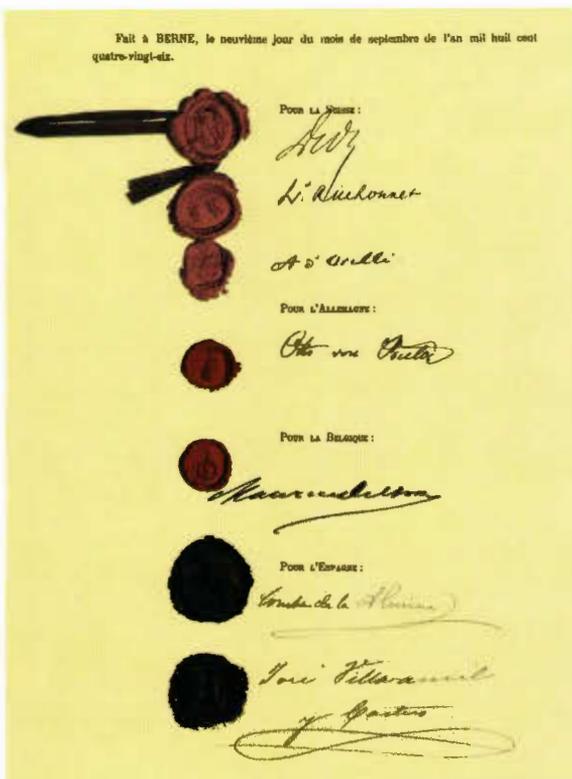
In 1997, medalists were selected from a variety of international and national competitions and exhibitions that included: the *First African Exhibition of Invention and Technological Innovation*, Dakar, Senegal; the *Third World Exhibition of Inventions and Innovations*, Casablanca, Morocco; the *Indonesian Youth Entrepreneurs & Innovative Expo*, Jakarta, Indonesia; the *Third Competition for National Inventors*, Lima, Peru; the *International Exhibition of Inventions, New Techniques, and Products*, Geneva, Switzerland; and the *World Exhibition of Invention, Research, and Industrial Innovation, Brussels Eureka*, Brussels, Belgium.

In 1997, the Organization of African Unity and WIPO presented the fifth Invention Award in recognition of significant contributions to African innovation. It was won by two inventors, a father and son from South Africa, for their "dry non-flush sanitation composting toilet, activated by wind power and radiant heat, for use in rural areas with limited water supply."

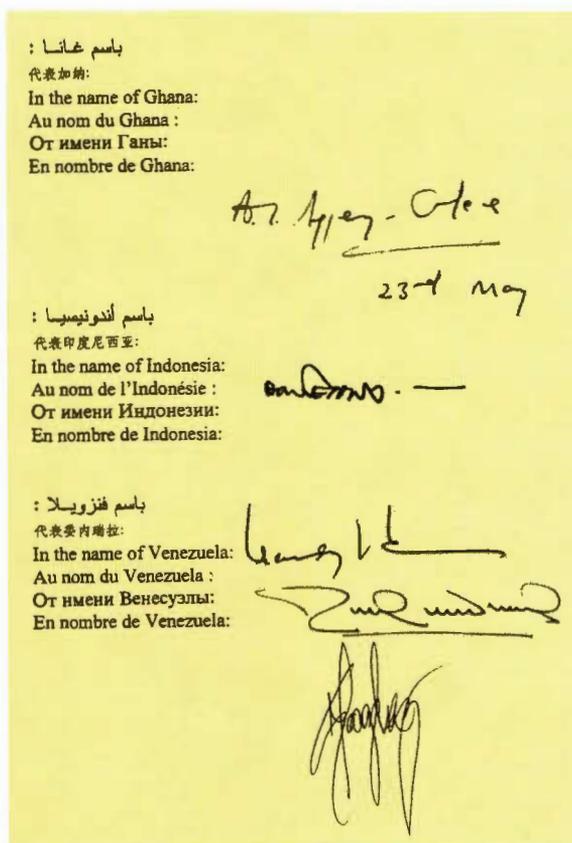


Photo: Gérard Chardonens

South African winner (right) of a WIPO gold medal for outstanding woman inventor.



Extracts from the signature pages of the Berne Convention, 1886, the first international convention for the protection of copyright.



Extracts from the signature pages of the WIPO Copyright Treaty, 1996 - WIPO's latest convention, a century later.

## PROGRESSIVE DEVELOPMENT OF INTERNATIONAL INTELLECTUAL PROPERTY LAW

During 1997, WIPO continued to discuss and examine various legal questions raised not only by rapidly changing technology and the globalization of trade, but also by the need for further simplification and harmonization of administrative and technical requirements for obtaining intellectual property rights, as well as the need to keep down the costs of obtaining such rights. The Secretariat facilitated these international discussions with documentation, studies, and proposals.

To better respond to the accelerating changes in digital technology and its impact on intellectual-property rights, the Director General has proposed to the member States in the draft Program and Budget for 1998-99 various, more flexible means of attaining international consensus on rule changes, such as memoranda of understanding or resolutions adopted by the member States, in addition to the established practice of creating new treaties, which usually take a long time to conclude.

### Copyright

By December 1997, two new treaties in the field of copyright and related rights - the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT) (adopted in December 1996) - had been signed by 50 and 49 countries, respectively, and by the European Communities. The WCT deals with the rights of authors of literary and artistic works, such as computer programs, books, films, videos and music, in a digital transmission environment like the Internet. The WPPT addresses the rights of performers and producers of sound recordings. The treaties are of far-

reaching consequence because they address specifically and provide new standards for the digital environment by:

- clarifying the application of the existing international norms,
- extending the right of communication to the public to include texts and images,
- adding the right of making available to the public in interactive networks,
- protecting against the unauthorized circumvention of technological copyright protection measures, and
- protecting against the deliberate alteration or removal of an electronic rights management information system that has been attached to copyright material.

Throughout 1997 considerable efforts were made by the Secretariat to promote the treaties and the necessary protection these treaties afford in the digital age.

In the area of the rights of performers in audiovisual performances, the Committee of Experts on a Protocol Concerning Audiovisual Performances held its first session in September. The Committee decided that the Secretariat should invite WIPO member States and the European Communities to submit, by January 1998, proposals concerning a protocol to the WPPT. Those proposals would be considered at the second session of the Expert Committee, scheduled for June 1998.

## International Forums

The Secretariat also organized a number of international forums, where government and private sector organizations and other international interest groups could discuss in an informal setting various intellectual property issues that were already posing challenges or problems. The three major symposia that took place in 1997 are summarized below.

At the first, the UNESCO-WIPO World Forum on the Protection of Folklore held in Phuket, Thailand, possible legal means of protecting folklore were discussed. In reviewing the outcome of the discussions in that Forum, the WIPO General Assembly agreed that the issue of folklore should be addressed further in WIPO's draft Program and Budget for the 1998-99 biennium.

At the second, the Regional Symposium on Copyright and Neighboring Rights for Asian and Pacific Countries, held in Manila, the Philippines, copyright and related rights to broadcasting, whether by terrestrial, satellite, cable, digital, or Internet transmissions, were discussed. It was generally agreed that WIPO should deal with the issue of the protection of the rights of broadcasting organizations with the objective of international harmonization,



Participants at the WIPO Regional Symposium on Copyright and Neighboring Rights, Manila, the Philippines.



Photo: Christoph Blatt, Lightmotif

*Addressing brand managers and businessmen on the role of WIPO in the international protection of trademarks.*

although there was no agreement about how such harmonization should be achieved.

The third, the International Forum on the Exercise and Management of Copyright and Neighboring Rights in the Face of the Challenges of Digital Technology, held in Seville, Spain, identified three topics as needing additional discussion at the international level: (1) the licensing and legal status of “multimedia productions,” (2) the operation of technological measures of protection and rights management in information systems, and (3) the private law aspects of the protection of copyright and other rights on the Internet

### **Databases**

An Information Meeting on the protection of intellectual property in databases took place in September 1997. It was concluded that the Secretariat should prepare a detailed record of the meeting plus a document summing up, in an analytic table, the questions raised.

Furthermore, the Secretariat was requested to invite information from the member States of WIPO, the European Communities, and the interested international and non-governmental organizations on those questions, and to circulate the same, by the end of June 1998 to facilitate further consultations on the issues concerned.

### **Patents**

In the area of patents, the Committee of Experts on the Patent Law Treaty (PLT) met twice, in June and December, to consider the latest draft of the Treaty which had been prepared by the Secretariat. The Committee was generally in favor of the proposed draft, and approved the provisions for closer alignment between the future PLT and the Patent Cooperation Treaty (PCT) that took into account the latest amendments to the PCT Regulations. During the course of those meetings, there was overwhelming support for the proposed harmonization and simplification of patent procedures and formalities. Future action on the harmonization of formalities for patent applications and the timing for a diplomatic conference will be decided by the Standing Committee of Patents that would meet in June 1998 and January 1999.

### **Trademarks**

In the field of trademarks, a Committee of Experts on Trademark Licenses considered draft Articles aimed at the simplification and harmonization of procedures relating to the recordal of licenses for the use of marks and a model international request form for the recordal of licenses. The Articles had been drafted in the same treaty language as the Trademark Law Treaty (TLT), and it was proposed that they form the substantive part of a Protocol to the TLT. The Secretariat will prepare a new draft of the Articles for a future session of the Standing Committee on the Law of Trademarks, Industrial Designs, and Geographical Indications, which is expected to meet in July 1998 and February 1999.



The Committee of Experts on Well-Known Marks held its third session in October 1997, and discussed revised draft provisions on well-known marks prepared by the Secretariat. The deliberations of the Committee of Experts concerned, in particular, the conditions of protection of well-known marks, criteria for determining whether a mark is well known and the contents of protection. It was agreed that further discussions would be required to reach final agreement on the draft provisions.

### **Industrial Designs**

A Committee of Experts in the area of industrial designs held its seventh session in November 1997, and considered the provisions of a draft new Act of the Hague Agreement Concerning the International Registration of Industrial Designs. The draft new Act provides for a link between the international deposit system and regional systems, such as the future European Community design system. The Committee of Experts proposed that international negotiations should proceed to a diplomatic conference. The Secretariat would, if necessary, hold consultations on issues that might be resolved outside such a Conference. The preparatory meeting to address the procedural aspects of the diplomatic conference will take place in October 1998.

## **RAPID ACCESS TO INTELLECTUAL PROPERTY INFORMATION**



Photo: TIB

Traditionally, WIPO has undertaken a wide range of activities to facilitate access to intellectual property information. The phenomenal success of the Internet has made this task easier, and the Secretariat, in partnership with its member States, has already begun work harnessing the full power of Cyberspace to deliver intellectual property information and create a worldwide intellectual property information network.

### **WIPO Global Information Network**

The member States of WIPO decided, when they met in March 1997, to create an important, new working group to consider proposals by a number of member States for a global information network for intellectual property. This group, the Working Group on Information Technologies for Intellectual Property, accordingly held its first session in July, during which it considered a number of proposals by member States, and concluded, *inter alia*, that a WIPO global information network allowing for electronic communica-



A Japanese delegation visits the Industrial Designs Registry

tion between member States should be established. In October, the member States of WIPO adopted the recommendations of the Working Group that the new Director General should include proposals on information technologies for intellectual property in the draft Program and Budget for the 1998-99 biennium.

### ***Collection of Laws for Electronic Access (CLEA)***

During the year, work proceeded on the WIPO Collection of Laws for Electronic Access, known as CLEA, reaching the test stage at the end of the year. The final Internet version will contain the texts of national intellectual property legislation together with multilateral, bilateral, and regional treaties in the field of intellectual property in English and French.

### ***Intellectual Property Digital Libraries***

The Secretariat is committed to ensuring swift access to the intellectual property information it generates and maintains. Furthermore, WIPO is currently working out, as described above, a global network to facilitate access to and exchange of all types of intellectual property information. As a prototype for WIPO's own Intellectual Property Digital Libraries (IPDL) global network, the Secretariat will, in the first half of 1998, allow access to the PCT Gazette data via the WIPO web site. Subsequently, information on the Madrid trademark system will also be available. Thus, this wealth of information will soon become readily searchable via the Internet. Over the next biennium WIPO's IPDL will be expanded so that a host of international intellectual property data will be readily accessible via the Internet.

### ***WIPO Web Site***

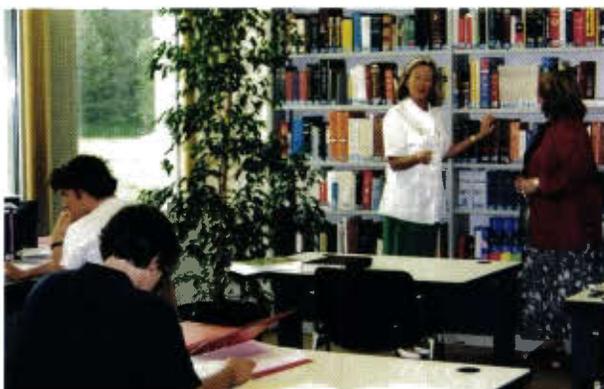
Throughout the year, the Secretariat continued to make improvements to the WIPO web site that was modestly launched in September 1996, by vastly expanding the quantity of useful texts and information made available for public perusal as soon as they are produced. The site now includes all—

- WIPO-administered treaties,
- preparatory documents for meetings of the member States, and
- WIPO handbooks, manuals, directories, guides, and public information materials.

Altogether there are over 45,000 pages of information that can be readily searched via the Internet. The material is available in English, French, and Spanish, and there are also useful links to all other intellectual property offices and other relevant organizations.

### ***The Library***

In 1997, the WIPO Library continued to collect, catalogue and maintain a significant stock of some 32,000 items of specialized works and periodicals on a vast range of intellectual property topics that are available to staff, delegates, researchers, and the general public. A computerized catalogue with keyword access to all library holdings and other on-line services were widely used by readers around the world.



*The WIPO Library*

[HOME](#)[HELP](#)[LINKS](#)



## WIPO ARBITRATION AND MEDIATION CENTER



Photo: TIB

There is a vital need for quick and inexpensive ways of settling commercial disputes involving intellectual property, and providing private parties with an effective alternative to lengthy and costly court proceedings. To help meet these needs, WIPO in 1994, established an Arbitration and Mediation Center, to assist individuals or companies from any country in the world to resolve their disputes.

The WIPO Arbitration and Mediation Center provides timely, cost-effective, and internationally enforceable procedures for the resolution of commercial disputes between private parties involving intellectual property, and serves as a resource center for extra-judicial dispute resolution.

The Center administers four dispute-resolution procedures. The procedures have different legal implications and consequences: mediation, arbitration, expedited arbitration, and mediation followed (in the absence of a settlement) by arbitration.

Compared with court litigation, these four procedures have a number of common advantages:

- The considerable savings of time and cost.
- A mediation or arbitration can begin immediately.

- The procedures offer autonomy to the parties in choosing the arbitrator or mediator, as well as the applicable law, procedure, and language of the proceedings, and provide flexibility in designing or adapting the procedure to their own particular circumstances.
- The procedures are based on the law and practice that has grown out of international commercial arbitration and are neutral to the law, language, and culture of the parties.
- The procedures are administered by the WIPO Arbitration and Mediation Center, part of an international organization with an international Secretariat.
- A venue that is neutral to the national affiliations of the parties can be chosen as the place in which the procedure will take place.

The Center maintains a list of over 650 arbitrators or mediators from over 60 countries, who conduct the dispute resolution procedures in accordance with the rules established by the WIPO Center.

In addition, the Center has been involved in the organization of a number of meetings and workshops to promote and provide information on the use of arbitration and mediation. In 1997, these activities included a conference in March to review arbitration of intellectual property disputes under the WIPO Arbitration and Expedited Arbitration Rules, presentations at other conferences worldwide and two training workshops for arbitrators and mediators.

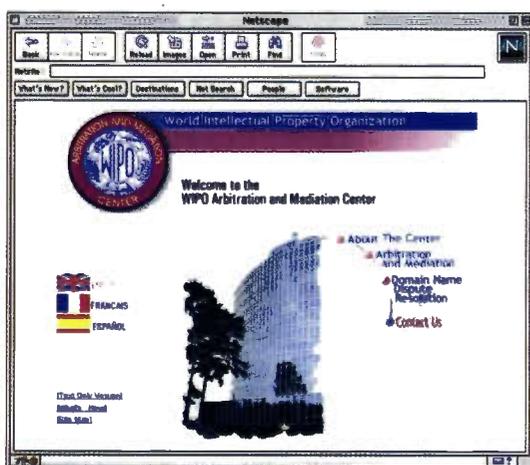
### **On-line Dispute Resolution Facility and Procedures**

On May 1, 1997, the WIPO Arbitration and Mediation Center was declared available for administering on-line dispute-resolution procedures regarding Internet domain name disputes. Domain names are the unique addresses used to locate sites on the Internet and which may generate conflicts with trademarks and other intellectual property rights held by third parties. In response to this new mandate, the Center improved its capabilities in 1997 by working to provide an on-line dispute resolution facility. This facility is a secure and centralized web-based document management system, which allows the parties involved to communicate via the Internet without the need to send pleadings and other documents through postal channels or by facsimile, thereby greatly reducing the time and cost of conducting the dispute resolution procedures.

Work on the technical aspects of setting up an on-line dispute resolution facility was extended into 1998 and the facility is expected to be operational as of mid-1998. While the system was initially conceived to support the Center's role in the resolution of domain name disputes, it will also be made available, along with the

Center's newly adapted On-Line Arbitration Rules and On-Line Mediation Rules, as a tool, facilitating procedures for other commercial disputes involving intellectual property. Indeed, because the on-line facility and the WIPO rules are designed for swift and cost-effective procedures, they are particularly interesting for small and medium-sized companies, including those involved in electronic commerce, which may be unable to afford expensive and protracted litigation, especially at the international level.

Throughout 1997, the Center carried out a significant amount of work building expertise and providing a global forum for domain name dispute discussions. Two sessions of the Consultative Meeting on Trademarks and Internet Domain Names were held in May and September. Those meetings considered possible harmonization of national and regional laws concerning trademarks and Internet domain names, together with comments on the proposed WIPO Rules for Administrative Challenge Panel Procedure Concerning Internet Domain Names (WIPO ACP Rules).



On-line dispute resolution: <http://www.arbitr>

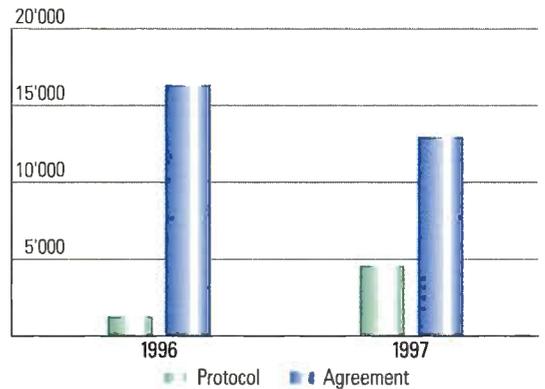


## GLOBAL PROTECTION SYSTEMS AND SERVICES

Vital elements of WIPO's work are its services for the international registration of patents, trademarks, and industrial designs. These global protection systems, notably the PCT, provide over 80 percent of WIPO's income, as well as providing industry and individuals with the possibility of seeking protection for an invention, trademark, or industrial design in a large number of countries by filing one appropriate international application.

During 1997, the Secretariat accomplished a significant amount of work to improve and expand upon the administration, particularly through computerization, of those global protection systems, as well as the availability of the valuable industrial property information thus generated. This work included a major study by external experts Deloitte and Touche. As a result, the PCT Gazette will be available in electronic form on the WIPO web site, along with information published in cooperation with WIPO on CD-ROM, in early 1998. A new PCT pamphlet printing procedure was introduced, utilizing new technologies, which have considerably improved the production efficiency.

Registrations under the Madrid System: 1996-97

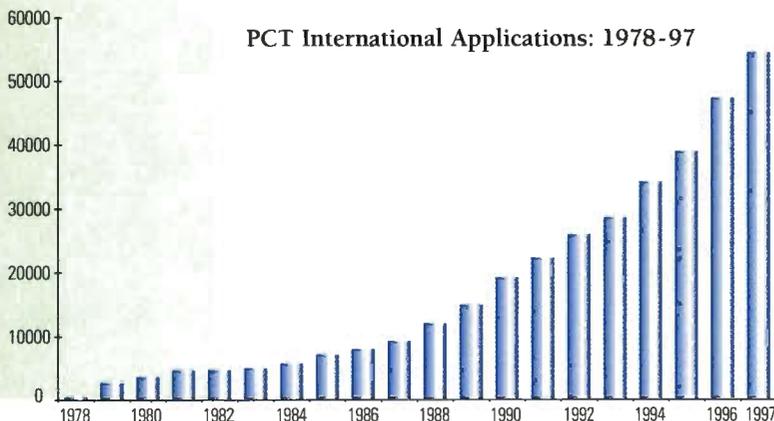


The entry into force of the Madrid Protocol and the many advantages of the registration under the Madrid trademark system boosted membership of the Madrid Protocol by 10 member States for a total of 25. Indications are that many more States are preparing to become members of the Madrid Protocol during 1998.

### Patents

Compared with 1996, PCT application filings continued to steadily increase. There were 54,442 international applications, representing a highly satisfactory growth of 15.1 percent over 1996. Of these, 1,642 international applications were filed directly with the Secretariat in its capacity as receiving Office. On average, 63.6 countries were designated per application. The 54,442 international applications were thus equivalent to nearly 3.5 million national applications. In October 1997, the PCT Assembly approved a fee reduction of about 15 percent in the PCT fees, applicable from January 1, 1998. In addition, the Assembly adopted amendments to the Regulations under the PCT, preparing the ground for future electronic filing and making the system more flexible and user friendly. Most of the amendments will come into force on July 1, 1998.

PCT International Applications: 1978-97



### Trademarks

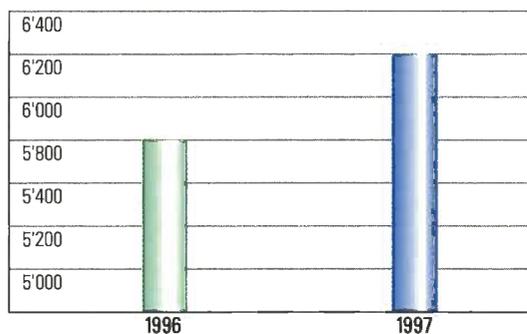
Under the Madrid system for the international registration of marks, the total number of registrations was 19,070, representing an increase of 3.2 percent, compared with 1996 (18,485).

Because an average of 11.6 countries were designated per application, those 19,070 international registrations were equivalent to some 220,000 national applications. The total number of renewals, 4,874, also represented an increase from 1996 (4,510). During 1997, 16 countries became party to the Madrid Protocol, bringing the number of contracting parties to the Protocol to 25 and the total membership of the Madrid system to 54. The fees distributed to Madrid Union members for 1997 amounted to 30.25 million Swiss francs. In October, the Madrid Assembly adopted amendments to the Common Regulations under the Madrid Agreement and Protocol. They entered into effect on January 1, 1998.

*Trademarks registered under the Madrid system in 1997*



### Registrations under the Hague System: 1996-97



### Industrial Designs

The Hague system registered 6,223 international industrial design deposits, renewals, and prolongations in 1997, representing a 6.7-percent increase over 1996 (5,832). The fees distributed to Hague Union members in 1997 amounted to 1.77 million francs.

Amendments that were made to the regulations during 1997 were largely to simplify procedures, with all entering into effect by January 1, 1998. Work to improve the Hague system continued in 1997, with the meeting of a Committee of Experts in November to examine the latest draft of a proposed new Hague Agreement.

*Industrial designs registered under the Hague system in 1997*





## ORGANIZATIONAL PARTNERS

### **WIPO and WTO**

The World Trade Organization is one of WIPO's key partners. In 1997, the Secretariat continued to work closely with developing countries and other members of the WTO to help them bring their national legislative and administrative structures into conformity with the requirements of the TRIPS Agreement. The deadline for compliance is January 1, 2000. TRIPS implementation by the new millennium will be a major step toward creating an ideal environment for the protection of intellectual property rights, one where there is international homogeneity in the scope, standards, and enforcement.

There were also close, regular contacts between the secretariats of the two organizations in two other areas. One was the use of WTO officials as resources in WIPO meetings addressing the TRIPS Agreement. The other was the exchange of information on the intellectual property laws of member States of WIPO and members of WTO and the transfer of the same into the WIPO Collection of Laws for Electronic Access (CLEA), which was in its test phase on WIPO's Intranet at the end of 1997.

WIPO officials attended the periodic meetings of WTO's TRIPS Council and the General Council throughout the year, while WTO officials often participated in WIPO meetings. Furthermore, pursuant to the Agreement between WIPO and WTO concluded in 1995, the Secretariat continued to communicate to WTO members which are not party to the Paris Convention for the Protection of Industrial Property the emblems protected under Article 6ter of that Convention.

### **Other Major Organizational Partners**

In addition to cooperating with WTO, WIPO continued in 1997 to maintain its close cooperation with a number of other international and regional intergovernmental organizations, including:

- the African Regional Industrial Property Organization (ARIPO),
- the Andean Group,
- the Asia-Pacific Economic Community (APEC),
- the Association of Southeast Nations <sup>USA</sup> ~~Countries~~ (ASEAN), <sub>r</sub>
- the European Commission (EC),
- the European Patent Office (EPO),
- the Common Market of the Southern Cone Countries (MERCOSUR),
- the African Intellectual Property Organization (OAPI in French),
- the Organisation of African Unity (OAU),
- the European Commission and the Southern African Development Community (SADC),
- the European Union Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM), and
- the United Nations Development Programme (UNDP).

Relations with these organizations took the form of financial support, exchange of information, and visits, as well as joint efforts in providing assistance to WIPO's member States through advice, training, and the provision of equipment. As WIPO provides important international registration services and useful technical information to the business community, and as most, if not all of the Organization's other activities are of direct interest to business and the professional intellectual property circles, there were close and frequent contacts between the two sides in 1997. In total, WIPO officials were in direct contact through participation in seminars and meetings, as well as through visits and consultations with over 110 non-governmental organizations. Those organizations are international or regional or national, and represent industrial, commercial, research, academic, and legal circles in both developing and developed countries.

Such organizations included:

- the International Association for the Protection of Industrial Property (AIPPI),
- the American Intellectual Property Law Association (AIPLA),
- the Asean Intellectual Property Society (AIPS),
- the Inter-American Association of Industrial Property (ASIFI),
- the International Federation of Industrial Property Attorneys (FICPI),
- the International Federation of Inventors' Associations (IFIA),
- the International Federation of the Phonograph Industry (IFPI),
- the International Trademark Association (INTA),
- the International Publishers' Association (IPA),
- the Licensing Executives Society (LES).

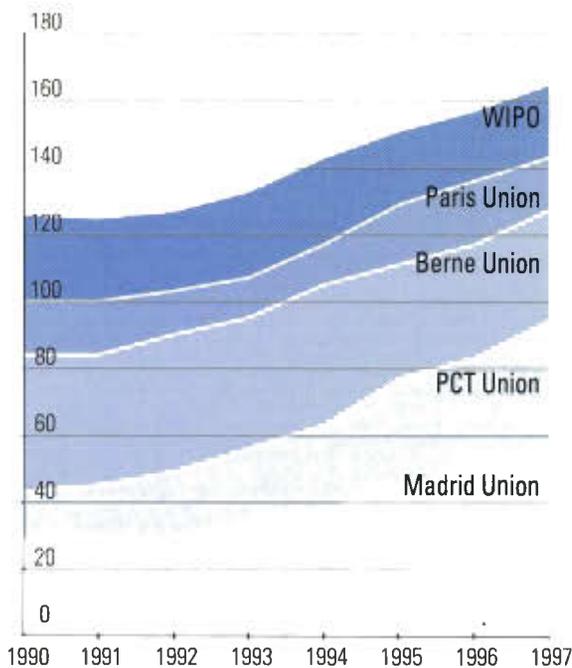
It is intended that from 1998 on, contacts with the market sector will be further systematized through the creation of an Industry Advisory Commission. High-level persons from this sector will also be invited to sit with other eminent persons on a Policy Advisory Commission. Both Commissions will advise the Director General and assist him and the Secretariat in improving their capacity to monitor and respond in a timely and effective manner to international intellectual property developments.



Photo: TIB



### Membership of WIPO-Administered Treaties: 1990-97



#### **Treaty Memberships**

The importance of international protection of intellectual property was further underlined by the increase in the number of States party to treaties administered by WIPO. Throughout the year there were 60 new accessions to, or ratifications of treaties.

## STAFF

The Secretariat comprises a culturally rich and diverse staff, who came, as of December 31, 1997, from 68 countries. On that date, there were a total of 641 staff members, of which, 58 percent were women. In accordance with the United Nations common system, staff are divided into two categories "Professionals" and "General Service Personnel." As of December 31, 1997, 209 staff members were in the professional category (33 percent of the total staff) and 432 in the general service category. During 1997, 44 new staff members, 14 in the professional or higher category and 30 in the general service category, joined WIPO, while 17 moved on and pursued other careers and interests outside the Secretariat.

#### **Social Welfare**

Most staff members participate in the United Nations Joint Staff Pension Fund and are provided with health and accident insurance by the Secretariat. Dependents and pensioners may also be covered by the health insurance scheme. At the end of 1997, 1,600 persons were covered by the health insurance scheme.

#### **Language training**

During the year, 207 staff members attended work-related language courses in Arabic, Chinese, English, French, Russian, and Spanish. These courses are very intensive and are specifically designed for the international environment. They provide the language skills a staff member will need to deal comfortably with a variety of situations both at Headquarters and while on mission. Many staff members have progressed from absolute beginners to fluency in these courses while some have then gone on to obtain proficiency certificates.



Photo: Karin Heiding

Dr. Kamil Idris and other staff members at the WIPO General Assemblies

## USE OF INFORMATION TECHNOLOGY

During 1997, the Secretariat achieved significant results in its program of automation of procedures and the further development of information technology systems to ensure that the performance of certain tasks became more efficient. A major part of the automation resources and efforts were invested in the Secretariat's international registration activities and the improvements of its services to member States and the market sector.

### *Improvements to the network*

The overall structure of the computer network, the system architecture NOS (Networked Office System), was completed with the migration to Netware 4.11 as the network operating system and the installation of the NDS (Netware Directory Services), which greatly simplified administration of the system.

This new network architecture allowed for the speedy installation and delivery to staff, in all the buildings, of the GroupWise electronic mail system (e-mail) with its gateway to the Internet. By the end of 1997, each month over 110,000 e-mail messages were being exchanged internally, and over 25,000 messages were exchanged via the Internet gateway.

All of this was supported by the installation of hardware: 290 new personal computers, 200 printers, and 16 new servers - a growth of 40 percent over the previous year. Training also helped the users to take advantage of these new technologies: 100 users were trained on MS Windows and MS Word, 65 on MS Excel, and 550 on GroupWise. A limited number of staff was also trained on MS Access, Visual Basic, PageMaker, and Oracle.



Photo: Prisma

### *Support for Conferences and Meetings*

During 1997, the Secretariat provided for translation, interpretation, and administrative support for a large number of delegates attending many meetings.

Some 4,450 delegates participated in the 50 conferences and seminars held at WIPO's headquarters in Geneva. In addition, 170 meetings were organized abroad, attended by some 12,700 participants. Overall, 350 interpreters were engaged for approximately 1,800 person-days of interpretation for meetings, with between two and six languages of interpretation (Arabic, Chinese, English, French, Russian, and Spanish).

An increased number of documents were translated into all six of WIPO's working languages, (Arabic, Chinese, English, French, Russian, and Spanish) involving a total of 5,221 translation-days of output.



Photo: Paula Coupe



### **WIPO, WWW, and the Intranet**

An important step toward effective internal electronic information dissemination was the establishment of an Intranet server using the Netscape browser. The Intranet contains a host of information, including databases developed by different departments and divisions, directories, guides, manuals, fact sheets, statistics, office instructions, and vacancy announcements. Some of the work on the Intranet complemented WIPO's web site, and it became the testing ground for various documents before they were added to the site. WIPO's web site enjoyed considerable success in 1997, reaching an average 200,000 hits or file requests a month.

In addition, access by WIPO staff to the World Wide Web was extended to some 250 staff members using the United Nations International Computing Center (ICC) as the Secretariat's Internet service provider. The ICC connection also allowed the Secretariat to benefit from the security protection of their firewall.

WIPO used the resources of the ICC's IBM mainframe extensively for the operation of the PCT information systems (CASPIA and

CASPRO), the Madrid Registry system (MAPS) and the Finances Automation system (FINAUT). WIPO is now using 22 percent of the ICC IBM mainframe capacity, and is the second largest user in the United Nations system of organizations based in Geneva.

### **New Technologies at Work**

CD-ROM servers were added to the NOS architecture allowing for the sharing of CD-ROMs downloaded on the magnetic disks of the servers, and offering a much improved response times to users.

In the area of client/server application development, significant advances were made with the installation of Oracle-based systems running under the UNIX operating system: the BETS system (Budget Expenses Tracking System) to support the dissemination of budget information to program managers, and the ESCROW system to support the operation of the on-line dispute resolution system. The integration of this new UNIX environment with the ICC-based system was also commenced, allowing the Secretariat to reap the benefits of newer technologies while maximizing the return on previous investments. Progress was made with the establishment of a system of electronic payment transfers that would enable credit card payments and electronic data interchange with banks.

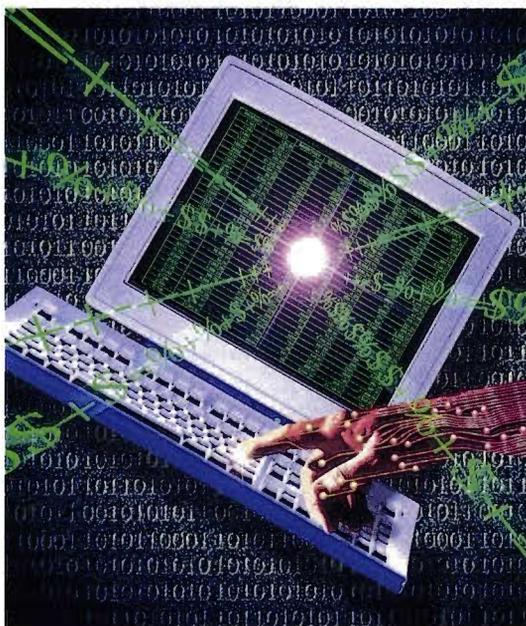


Photo: TIB

## PREMISES

During 1997, several projects were carried out that will, over the next few years, substantially enhance the working environment of staff, delegates and other visitors to WIPO.

■ The WIPO Cafeteria: Some of the most visible work took place in the Cafeteria on the 13th floor of the main WIPO building. The space was redesigned and refurbished to provide staff members with a modern, bright restaurant with efficient space utilization. The Cafeteria is also open to delegates and the public. It is very popular because of the beautiful views of Geneva and the surrounding countryside.

■ Telecommunications: The central telephone systems were improved and expanded in anticipation of future needs. The network system was also upgraded to allow remote management of the satellite systems in the various buildings.

- Security: The security systems that protect the confidential patent information in the PCT sector were overhauled and new security checking devices were installed. A review of the security of PCT application files, stored away from the main site, was also completed in 1997 to ensure that there was adequate protection for all PCT related files kept by the Secretariat.
- New Lifts: Work began on improving the speed and efficiency of the lifts in the main building. This entailed having one lift out of four not in operation at a time. Staff members and delegates showed great patience and understanding by using the stairs whenever possible.



Photo: Roz Bisi



WIPO Headquarters (in the foreground)

Photo: Brutsch & Brutsch

The refurbished WIPO Cafeteria



## RESOURCES OF WIPO

The Program and Budget of WIPO is determined for a two-year period and is expressed in Swiss francs. The principal sources of income of the Secretariat in 1996-97 were fees, paid by private sector users of the international registration services, and contributions paid by the governments of the member States. About 82 percent of WIPO's total income in 1997 came from fees derived from those global protection systems, while some 11 percent came from contributions from member States. The remaining 7 percent came from the sale of WIPO publications and interest earnings.

During the 1998-99 biennium, WIPO's income is forecast to grow by some 30 percent, slightly more than the 28-percent increase realized during the 1996-97 biennium. This is notwithstanding a 15-percent reduction in PCT fees (the major income generating registration system) in January 1998, as well as a 10-percent reduction in member States' contributions that will take effect in 1999.

### **Contributions**

Contributions by member States are made on the basis of a system of contribution classes. There are a total of 14 such classes, each with a set amount of contribution for the biennium concerned. What a specific member State pays, depends on the contribution class to which it belongs. A State freely chooses the class (and therefore the amount of contribution it pays) for itself. Two of the classes are reserved for developing countries, although the countries in question can elect to be in another class. The rights and obligations of each State are the same, irrespective of its contribution class.

The yearly contributions in 1997 for each class ranged from the lowest amount of about 1,700 Swiss francs to the highest amount of some 1.4 million Swiss francs.

## WIPO'S INCOME AND EXPENDITURE IN 1997

WIPO's results for 1997 (taken as half amounts  
for the 1996-97 biennium) consisted of the following  
main items:

(Thousands of Swiss francs)

### **Income**

Contributions paid by member States	21,728
Fees paid by users of the registration systems:	
PCT system	137,940
Madrid system	23,044
Hague system	4,491
Subtotal	165,475
Publications	5,345
Other	8,687
<b>Total</b>	<b>201,235</b>

### **Expenditure**

Staff	86,454
Other	55,803
<b>Total</b>	<b>142,257</b>

**Surplus 58,978**

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