

WIPO magazine

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Geneva, May-June 2003

DR. IDRIS REAPPOINTED DIRECTOR GENERAL



IP LICENSING: REAPING THE BENEFITS



TRADITIONAL KNOWLEDGE, NEW PROSPECTS



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WIPO'S MISSION STATEMENT

*To promote through
international cooperation
the creation, dissemination,
use and protection of works
of the human spirit for the
economic, cultural and
social progress of all
mankind.*

Geneva,
May-June 2003

DR. KAMIL IDRIS REAPPOINTED AS WIPO DIRECTOR GENERAL

Dr. Kamil Idris was unanimously reappointed to a second term as Director General of the World Intellectual Property Organization at an extraordinary session of the Organization's General Assembly



on May 26. Member States confirmed a recommendation by the WIPO Coordination Committee to offer Dr. Idris a second six-year mandate, which will begin on December 1.

Dr. Idris, a national of Sudan, pledged in his acceptance speech to build on the achievements of the past to ensure that intellectual property gains its rightful place on the agenda of policy-makers at the highest levels. He expressed his commitment to strengthening and expanding efforts to ensure that intellectual property is recognized as a powerful tool for economic, social and cultural development.

The Director General outlined the Organization's accomplishments during the last six years, as well as his goals for the future. During his first term, he said, his vision for the Organization had "an outward focus – based on relevance, empowerment, and inclusion," as well as "an inward focus, based on clarity, efficiency, and transparency." This vision stressed "the central role of intellectual property as an important tool for social development, economic growth and wealth creation," he said. "Thus the demystification campaign of WIPO focused on the benefits creativity and innovation bring to improving our daily lives."

Dr. Idris identified the elements set out six years ago as critical to the future of the intellectual property system and of WIPO: modernization of management; outreach; cooperation for development; progressive development of intellectual property law, and the Organization's global protection systems and services.

Regarding management, Dr. Idris said he had promised enhanced transparency, accountability and efficiency, and the introduction of information technology (IT) assisted procedures and services. A results-based program and budget, the establishment of various oversight procedures, and enhanced human resources management had all been achieved during his first mandate. In addition, a series of constitutional reforms were launched to streamline the work of the Organization. Several vital and wide-ranging IT projects were undertaken.

Dr. Idris said the Organization would now concentrate on harvesting the benefits of the modern management techniques introduced and on leveraging the new IT-based tools.

In the area of outreach, Dr. Idris outlined a special program aimed at increasing awareness at all levels of the critical role intellectual property plays in enhancing people's lives. He listed a series of accomplishments in this area, noting a significant increase in interest in intellectual property in both the public and private sectors over the past few years. The Organization will continue efforts to create and strengthen an intellectual property culture, he said, both at policy and grassroots levels. He stressed that work during his second term will aim at ensuring greater and more inclusive respect for intellectual property, as well as focusing attention on the social dimensions of intellectual property issues.



In the critical area of cooperation for development, Dr. Idris noted that one of the main goals of the last six years had been to enhance and customize national and regional activities. A major achievement in this area was the

establishment of new tools such as nationally and regionally focused action plans to provide customized assistance to developing countries. WIPO's Worldwide Academy proved a successful tool in human resource development, he said, particularly its distance learning program which last year reached over 5,000 students. Dr. Idris said the Organization would continue to help developing countries leverage their intellectual property assets and continue efforts to make intellectual property policies a component of national development strategies.

The Director General highlighted a number of accomplishments with respect to the progressive development of intellectual property law. These included the conclusion of the Patent Law Treaty, the new Act of the Hague Agreement on Industrial Designs, the entry into force of the WIPO "Internet Treaties" (the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty), and the ongoing debate relating to traditional knowledge, genetic resources and folklore. Dr. Idris said a greater focus will be placed on ensuring that the tools of the intellectual property system are accessible to all by continuing initiatives such as the WIPO Patent Agenda, which seeks to establish greater accessibility to the patent system.



Dr. Idris noted that WIPO's market-oriented global protection systems and services have been enhanced, as promised. The Patent Cooperation Treaty (PCT), the most widely used of these services has witnessed, since 1997, a 100 percent growth in filings, a 50 percent reduction in fees and a 700 percent increase in use by developing countries. He underscored the significant expansion in the geographic reach of the Madrid system for international trademark registration, and the leading role played by WIPO's Arbitration and Mediation Center in providing resolution services in domain name disputes. WIPO will continue to increase the value and efficiency of those services in the future, he said.

In closing, Dr. Idris reaffirmed his commitment to bringing intellectual property closer to the people, recognizing the diversity of cultures, origins and systems around the world. He stressed his belief that intellectual property "is the foundation of human existence and co-existence, is foreign to no culture, and native to all nations."

Ambassador Bernard Kessedjian, Permanent Representative of France to the United Nations and other specialized agencies in Geneva and Chairman of the WIPO General Assembly, summarized the comments of many delegations in his closing statement. He said Dr. Idris had created a unique climate of confidence within the Organization, due to a keen sense of balance and fairness and a willingness to address the concerns of all. He said the unanimous and overwhelming support for the Director General was clear testimony to his accomplishments at the helm of the WIPO. The praise paid to the Director General during the General Assembly was a measure of his "exceptional" dedication to the Organization, Ambassador Kessedjian said, and a clear confirmation that Dr. Idris had carried out his mission with "passion, perseverance and determination."



WORLD INTELLECTUAL PROPERTY DAY – MAKE INTELLECTUAL PROPERTY YOUR BUSINESS

WIPO marked World Intellectual Property Day on April 26 with a call for all elements of society to be more involved in matters relating to intellectual property. "Make intellectual property your business," was the theme for a day set aside by WIPO Member States to highlight the key role intellectual property plays in achieving business success and in enhancing our daily lives. The theme is an appeal to entrepreneurs, innovators, and all those in creative fields to fully capitalize on their intellectual assets by using the tools of the intellectual property system to advance their business goals. It is also a wider call to civil society to recognize that respect for intellectual property rights benefits not only creators but also society as a whole.

Within today's increasingly knowledge-based, innovation-driven economies, the intellectual property system is key to wealth creation as it helps provide an incentive for enterprises and individuals to create and innovate, a fertile setting for the development of and trade in intellectual assets, and a stable environment for domestic and foreign investment.

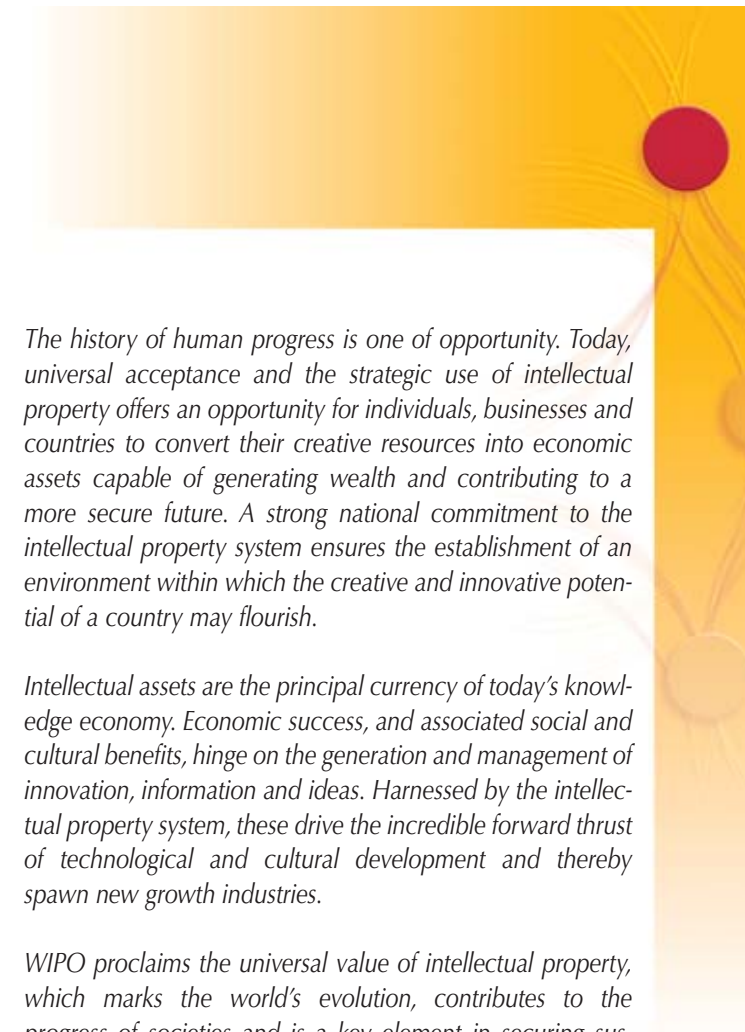
World
Intellectual
Property Day
26 April
World Intellectual Property Organization
**MAKE
INTELLECTUAL
PROPERTY
YOUR BUSINESS**

Message from WIPO Director General Kamil Idris:

"Making intellectual property your business – the theme for this year's World Intellectual Property Day – highlights the key role of intellectual property both in achieving success for business and in enhancing daily life for us all.

It is an appeal to entrepreneurs to fully capitalize on their intellectual assets and to use the tools of the intellectual property system to advance their business goals. A company's intangible assets - ranging from human capital and know-how to inventions, brands, designs and other products of its creativity and innovation – are, today, often more valuable than a company's physical assets. Intellectual property is a vital ingredient in securing the commercial success of any company wishing to stay ahead of the field in creating innovative new products, finding modern and cost-effective ways to manufacture old ones, expanding market share and generating customer loyalty. It is therefore in the interests of business to make best use of their intangible assets by embracing the opportunities offered by the intellectual property system.

Making intellectual property your business is also a wider call for civil society to recognize that respect for intellectual property rights is of benefit not only to creators but to society as a whole. The intellectual property system enables innovators and creators to mint marketable inventions and works from the raw material of their artistry and ingenuity. This makes the intellectual property system a driver of technological development and ensures a force for the enrichment of our global cultural heritage, and a powerful tool for wealth creation for the benefit of all.



The history of human progress is one of opportunity. Today, universal acceptance and the strategic use of intellectual property offers an opportunity for individuals, businesses and countries to convert their creative resources into economic assets capable of generating wealth and contributing to a more secure future. A strong national commitment to the intellectual property system ensures the establishment of an environment within which the creative and innovative potential of a country may flourish.

Intellectual assets are the principal currency of today's knowledge economy. Economic success, and associated social and cultural benefits, hinge on the generation and management of innovation, information and ideas. Harnessed by the intellectual property system, these drive the incredible forward thrust of technological and cultural development and thereby spawn new growth industries.

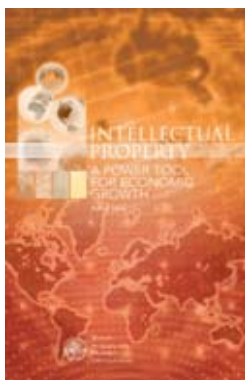
WIPO proclaims the universal value of intellectual property, which marks the world's evolution, contributes to the progress of societies and is a key element in securing sustained economic, social and cultural development. Creativity is an infinite resource, native to all peoples and relevant to all times and cultures. Let us forge our common future today by embracing intellectual property as a way to use that creativity for the betterment of humankind."

WIPO provided some 800 World Intellectual Property Day kits to the intellectual property offices of its Member States, non-governmental and intergovernmental organizations with observer status at WIPO, and missions in Geneva. The kits contained the Director General's message, the leaflet and CD-ROM versions of the book *Intellectual Property – A Power Tool for Economic Growth*, the new *Intellectual Property for Small and Medium-Sized Enterprises*, the new *Patents* comic strip, posters and bookmarks. An IP Day CD-ROM with print-ready versions of the *Copyright*, *Patent* and *Trademarks* comics in English, French and Spanish as well as this year's poster was also included in the kit.

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Some 50 Member States and organizations sent reports to WIPO on the activities they organized for World Intellectual Property Day. The following report highlights various activities around the world.



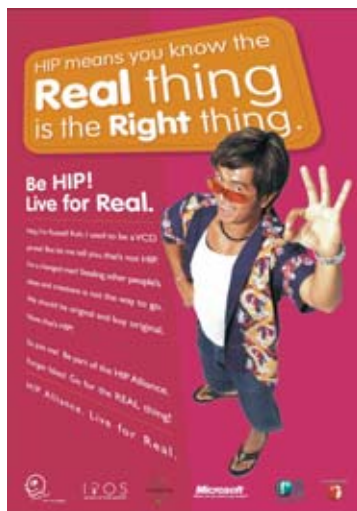
To mark World Intellectual Property Day in Geneva, WIPO and a local cinema invited the general public to a special, free-of-charge screening of two films that revolve around the subject of

intellectual pro-perty, namely, *The Fountainhead* (1949) directed by King Vidor and *Tucker: The Man and His Dream* (1988) directed by Francis Ford Coppola. The films tell the story of the quest of two individuals to protect and reap the rewards of their ideas. A few WIPO produced films, *Encouraging Creativity*, *Creating the Future Today*, *Internet Treaties* and four films from the *Creative Planet* series, were also screened. The films in the *Creative Planet* series offer portraits of Halter Vinney, a Swiss watchmaker, Gian Marco, a Peruvian singer/songwriter, Sadika, a Tunisian glassware artist, and Dr. Ovadje, a Nigerian inventor (see page 22).

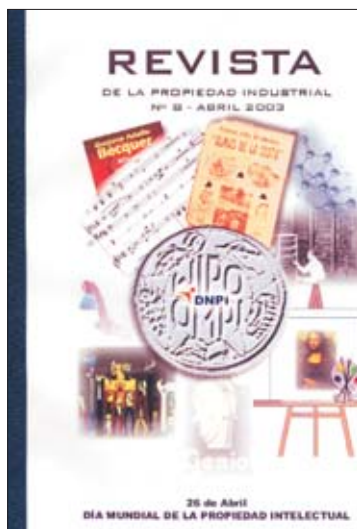


The Director of Indecopi, Fernando Arrunátegui, and the head of the Copyright Office, Martín Moscoso, destroying over 50 million pirated CDs and videos.

Peru started off Intellectual Property Week activities with the release of an anti-piracy song and statement on April 21. Over 40 well-known Peruvian songwriters, singers, musicians and performers participated in its production. In a large media event on April 22, pirated material that had been seized in the course of enforcement procedures was destroyed. The week of activities came to an end with a free concert on the evening of April 26.



A poster produced by the Singapore Intellectual Property Office for IP Day



Uruguay's National Industrial Property Office (DNPI) published a special issue of the *Revista de la Propiedad Industrial* for World Intellectual Property Day. The DNPI Director, Dr. Jorge L. Fernández Píriz, encouraged all those working in the intellectual property field to celebrate the event.



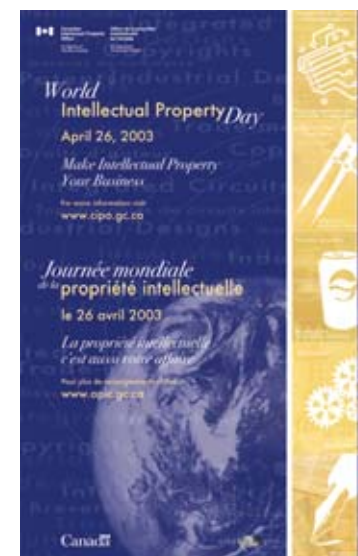
Dr. Paul Leonard, Director, Intellectual Property Institute (IPI), Mr. Ian Harvey, Chairman, IPI, and Chief-Executive-Officer, (BTG PLC), Mr. Anthony Murphy, Copyright Director, UK Patent Office), and Professor David Vaver, OIPRC

St. Peter's College, Oxford University, launched the Electronic Database of Intellectual Property (EDIP) on April 25 in Oxford as part of World IP Day celebrations. EDIP is an initiative of a group of Oxford intellectual property graduates and David Vaver, Reuters Professor of Intellectual Property & Information Technology Law at Oxford University and Director of the Oxford Intellectual Property Research Centre at St Peter's College (OIPRC). This project was initiated in recognition of the need to collect, organize and make available to academia and the wider public intellectual property research that may not otherwise be available. It has two primary goals: first, to increase IP awareness and second, to make first-rate, cutting-edge academic research by students and faculty more widely accessible.

For more information contact the EDIP Committee (edip@law.ox.ac.uk).



Syria organized copyright-related seminars in Aleppo, Damascus and Homs. The Copyright and Related Rights Office also produced the poster above as part of its own information kit for World Intellectual Property Day.



Canada launched an essay competition on the theme "Make IP your business." Above is the Canadian IP Day poster.



Among other activities to celebrate IP week, the Ethiopian Intellectual Property Office (EIPO) organized on April 26 a forum on the theme of "Intellectual Property Protection in Ethiopia – Challenges and Prospects". The forum participants made a number of recommendations to the EIPO, which included the drafting of copyright and trademark laws, a comprehensive study of copyright and related rights, as well as work toward administrative procedures to prevent infringement, and an IP awareness campaign, on the establishment of copyright associations.

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World IP Day Activities (continued)



A book entitled NIPO World IP Day Souvenir 2003 was released by the National Intellectual Property Organization (NIPO) of India for the occasion.

The book includes articles from experts on diverse facets of IP and the proceedings of a seminar scheduled by NIPO to mark the event.



The Intellectual Department of Hong Kong, SAR, produced its own Innovation/Anti-Piracy comic strip.



The Ministries of Industry and Handicrafts and of Culture and Communication of Senegal organized a seminar with an exhibition and live performances by local musicians.



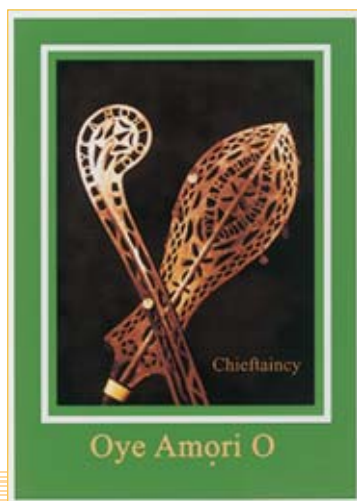
Mr. Famuyiwa

The WIPO Coordination Office in New York held an exhibition of the creative photography of

Mr. Olatunji Famuyiwa (Muyis). Mr. Famuyiwa was trained in photography in his native Nigeria and then went on to graduate from the School of Visual Arts in New York. His many works have earned him the nickname "Revealer of Nature's own Beauty." His works have enjoyed great commercial success, including sale of over ten million copies of his photograph "Nature's Own."



A sample of Mr. Famuyiwa's works



UPDATE: PROTECTION OF NAMES AND ACRONYMS OF IGOs AND COUNTRY NAMES

Further steps have been taken towards the protection of the names and acronyms of intergovernmental organizations (IGOs) and of country names in the domain name system. The WIPO General Assembly, in a follow-up to the Second WIPO Internet Domain Name Process, recommended in September 2002 that protection be extended to two types of identifiers – the names and acronyms of IGOs and country names – by enlargement of the scope of the Uniform Domain Name Dispute Resolution Policy (UDRP).

WIPO transmitted the recommendations to the Board of the Internet Corporation for Assigned Names and Numbers (ICANN), which at its meeting on March 12 informed the Government Advisory Committee (GAC), the Supporting Organizations, and the other advisory committees of ICANN of these recommendations and invited them to provide comments by May 12.

At the ICANN meeting in Rio de Janeiro from March 23 to 27, the GAC discussed the WIPO recommendations and unanimously advised the ICANN Board to implement them. The GAC also proposed that a joint working group be established in conjunction with other interested ICANN

constituencies, in particular the generic top-level domain (gTLD) and country-code top-level domain (ccTLD) communities, to deal with the practical and technical aspects of extending this protection and the implications for the UDRP. Advice provided by the GAC is not binding on the ICANN Board. The deliberations will continue, with the next ICANN meeting scheduled for June 23 to 26 in Montreal.

A number of outstanding issues relating to the protection of country names, as well as the question of whether protection under the UDRP should be extended to other types of geographical identifiers, were discussed at the tenth session of the WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) in May. Discussions regarding country names will continue, in particular on the following two questions:

- Whether protection should be extended to names by which countries are commonly known, such as "Holland" for the Netherlands. To date, WIPO Member States have recommended protecting the official long and short names of countries, as outlined in the United Nations Terminology Bulletin.

- Whether there should be an arbitral appeal mechanism allowing for a new hearing and decision on the dispute ("de novo arbitration"). The UDRP does not exclude recourse by either party to a national court of justice. To that end, in presenting a complaint, the complainant is required to submit to the jurisdiction of the national courts either of the registrar's principal office or the domain name holder's address. For sovereign states this would require waiving their sovereign immunity from jurisdiction in the courts of other countries. This could be avoided if states submitted to a special appeal procedure by way of *de novo* arbitration.

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IP LICENSING: REAPING THE BENEFITS

IP AND
BUSINESS

One of the key challenges for businesses today is to remain profitable in a slowing but increasingly global economy. Businesses are under pressure to create new opportunities and new revenue streams from existing assets. They often need new or original innovations or creative expressions to create new products, enhance existing products and explore new markets. These crucial innovations and expressions, which are increasingly

valuable economic assets in today's economy, need to be protected by means of the tools of the intellectual property system before they are revealed or shared. Only then can a business leverage these economic assets as intellectual property (IP) assets for gaining and retaining competitive advantage.

There are four main options open to a business wanting to use IP assets to gain and retain its competitive edge; it can: (1) do everything in-house to create the needed IP in stand-alone mode, (2) create a spin-off or a start-up business to nurture its IP in a focused manner, (3) merge with or acquire another business which has complementary IP or (4) share or team up with others to share IP assets for mutually beneficial results.

Most businesses and entrepreneurs choose to share or team up with others for mutual benefit. This can be done in various ways such as outsourcing, joint ventures, consultancy, arms-length licensing or entering into strategic alliances for one or more business purposes. Businesses enter into these types of partnership arrangements as part of their endeavor to do everything legally and ethically possible to improve their bottom line and sustain or increase profits. Many of these situations require formal contractual

arrangements that involve "licensing in" or "licensing out" of one or more types of IP. Often businesses do both, engaging in "cross licensing," whereby both parties license IP to each other.

While the mechanism of licensing provides enterprises with a wide variety of possibilities for improving their market position, it has its pitfalls and risks. Therefore, from a business perspective, it is important to weigh the advantages of licensing against its disadvantages in comparison with other alternatives for commercializing products and services. This article analyzes the main advantages and disadvantages of licensing, primarily in the context of technology licensing, which generally covers patents, patentable inventions, trade secrets, know-how, confidential information, copyrights in technical material and layout-designs of semiconductors. Trademark licensing is included to a lesser extent.

What is a License?

The word "license" simply means permission – one person grants to another permission to do something. A license agreement is a formal, preferably written document recording the circumstances under which a promise is legally binding on the person making it. There are at least two essential parties: the licensor, the party who owns the IP and is agreeing to let it be used, and the licensee, the party who receives the right to use the IP in exchange for payment. Therefore, a license agreement is a partnership between an IP owner (licensor) and another who is authorized to use such rights (licensee) under certain conditions, usually for monetary compensation in the form of a flat fee or running royalty that is often a percentage or share of the revenues gained from use of the invention. Simply put, a license grants the licensee rights in property without transferring ownership of the property.

For an IP license to be effective, three basic conditions must be met:

- ▶ the licensor must have ownership of the relevant IP or authority from the owner to grant a license;
- ▶ the IP must be protected by law or at least eligible for protection;
- ▶ the license must specify what IP rights it grants to the licensee;



- ▶ the payment or other economic or IP assets to be given in exchange for the license must be clearly stated.

There are many different types of IP licenses, such as technology licenses, publishing and entertainment licenses and trademark and merchandising licenses.

Advantages of licensing for the licensor

Many companies have a portfolio of patents, utility models, proprietary know-how, trademarks and other IP assets that can be licensed. There are many reasons for a company to license out some or all of the IP rights in its portfolio.

A company that owns rights in a patent, know-how, or other IP assets, but cannot or does not want to be involved in the manufacturing of products, could benefit from the licensing out of such IP assets and rely on the better manufacturing capacity, wider distribution outlets, greater local knowledge and management expertise of another company (the licensee). Licensing out could also help a company to commercialize its IP or expand its current operations into new markets more effectively and with greater ease than on its own. If the licensor's trademark is also licensed for use in the market along with other IP, then the licensee's marketing efforts essentially benefit the licensor's reputation and good-

will. In fact, a trademark license agreement is the heart of any merchandising program, because it delineates the relationship between the owner of a trademark (the licensor) and the producer of the goods or services to which the mark is to be affixed (the licensee). While the licensor is not involved in the manufacturing of the products, he must ensure that the licensee conforms to all conditions concerning maintenance of the quality of the product in relation to which the licensed trademark is used.

Similarly, licensors with experience in the field of research and product development may find it more efficient to license out new products rather than take up production themselves. A company that owns IP rights in a technology that it cannot afford to manufacture could consider licensing out the IP rights in that technology for manufacturing and selling products embodying the technology in a specific manner for a specific time and region. Thus, the licensor continues to have the IP rights in the technology and has only given a defined right to the use of that technology. An example of such a business model is a "fabless semiconductor" company, where the company uses all its resources essentially for doing research, design and development work.

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INTELLECTUAL PROPERTY BUSINESS

IP AND BUSINESS

Licensing out may be used to gain access to new markets that are otherwise inaccessible. By granting the licensee the right to market and distribute the product, the licensor can penetrate markets it could not otherwise hope to serve. The licensee may agree to make all the adaptations required for entering a foreign market, such as the translation of labels and instructions; the modification of goods to conform to local laws and regulations; and adjustments in marketing. Normally, the licensee will be fully responsible for local manufacture, localization, logistics and distribution.

A license agreement can also provide:

- ▶ a useful tool to reach a market for which the licensor's own production or marketing resources are insufficient; it is sometimes better to find a local partner than to set up a new establishment in a foreign country so as to speed up the entry into a new market, ahead of competitors;
- ▶ a means for the licensor to gain rights in improvements, know-how and related products that will be developed by the licensee during the term of the contract; however this cannot always be demanded, as a matter of right, by the licensor;

- ▶ a means of turning an infringer or competitor into an ally or partner by avoiding or settling IP litigation, which may have an uncertain outcome or may be costly and/or time-consuming;

- ▶ a solution when a product sells best only when it is incorporated or sold for use with another product; or if a number of IP assets, for example patents, owned by different businesses, are required simultaneously for efficient manufacturing or servicing of a product;

- ▶ some degree of control over innovations and also over the direction of evolution of technologies where interoperability is important; this is often the reason why many companies choose to work closely in the setting of technical standards with national and international standard-setting bodies; the licensing of patents becomes obligatory when patented technology forms part of an industry standard.

The licensing out of IP that a business owns but does not need in its own business can be an excellent source of additional revenue, which goes straight toward improving the company's net worth. This is one of the principal reasons for performing a periodical audit of a company's IP portfolio. A firm may have the resources to exploit its IP through only one product, but the IP may be applicable to other related or unrelated fields of use, products or services.

Last but not least, a license agreement allows the licensor to retain ownership of the IP and at the same time to receive royalty income from it, in addition to the income from its own exploitation of it in products and services that it sells.

Disadvantages of licensing for the licensor

The risks of licensing include the following:

- ▶ The licensor's own investment can sometimes generate better profits than operating only, or through, a license agreement.

- ▶ A licensee can become the licensor's competitor. The licensee may "cannibalize" sales of the licensor, causing the latter to gain less from royalties than it loses from sales that go to its new competitor. The licensee may be more effective or get to the market faster than the licensor because it may have fewer development costs or may be more efficient.

- ▶ The licensee may suddenly ask for contributions, such as technical assistance, training of personnel, additional technical data, etc. All this may simply prove too expensive for the licensor. It is important that the license agreement clearly defines the rights and responsibilities of the parties, so that any future disagreements can be quickly and efficiently resolved.



- ▶ The licensor depends on the skills, abilities and resources of the licensee as a source of revenue. This dependence is even greater in an exclusive license where an ineffective licensee can mean no royalty revenue for the licensor. Contractual provisions for minimum royalties and other terms can guard against this, but it is still a concern.

- ▶ A license agreement can be disadvantageous when the product or technology is not clearly defined or is not complete. In such a case the licensor may be expected to continue development work at great expense to satisfy the licensee.

Specific consideration should be made when licensing out the right to use a trademark. The principle function of a trademark is to distinguish the goods and services of one enterprise from those of another, thereby often identifying the source and making an implied reference to quality and reputation. This function is to some extent prejudiced if the trademark owner licenses another enterprise to use the trademark through a trademark license agreement. Therefore, the trademark owner is well advised, and often required by law, to contractually ensure that the quality standards are maintained so that the consumer is not deceived.

Advantages of licensing for the licensee

There are various ways in which a license agreement can give the licensor and licensee the possibility of increasing revenues and profits and enlarging market share:

- ▶ There is often a rush to bring new products into the market.

A license agreement that gives access to technologies and brands which are already established or readily available can make it possible for an enterprise to reach the market on time.

- ▶ The licensee will benefit from superior technology to produce better quality products, or established trademarks to market his products better.

- ▶ Small companies may not have the resources to conduct the research and development that is necessary to provide new or superior products. A license agreement can give an enterprise access to technical advances, which would otherwise be difficult for it to obtain.

- ▶ A license can also be necessary for the maintenance and development of a market position that is already well established but is threatened by a new design or new production methods. The costs entailed in following events and trends can become daunting, and quick access to new technology through a license agreement may be the best way to overcome this problem. However,

this can increase the product cost and affect the market price in unpredictable ways.

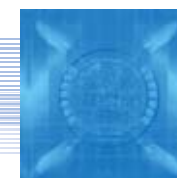
- ▶ There may also be licensing-in opportunities which, when paired with the company's current technology portfolio, can create new products, services and market opportunities.

Disadvantages of licensing for the licensee

- ▶ The licensee may have made a financial commitment for a technology that is not "ready" to be commercially exploited, or that must be modified to meet the licensee's business need;

- ▶ an IP license may add a layer of expense to a product. It is fine to add new technology, but only if it comes at a cost that the market will bear in terms of the price that can be charged. Multiple technologies added to a product can result in a technology-rich product that is too expensive to bring to market.

The licensing of IP may run into problems for both licensor and licensee if government regulatory agencies consider it to be anti-competitive or collusive in nature. And of course licenses are complex and, if all material terms are not carefully studied and reviewed by legal counsel, can be damaging. However, with advance preparation and legal advice, IP licenses are an essential business tool that can benefit both parties.



Determine the Right Strategy

The merits of licensing intellectual property rights are convincing, and licensing should be a vital component of the business strategy of all companies. However, it is still important to consider the very preliminary question as to whether licensing is the right strategy to adopt or not. Even though there is much to be gained from a license agreement by both parties involved, the risks with it cannot be neglected. A license agreement can be seen as an instrument for the distribution of risks between the licensor and the licensee.

For an interesting example of a company's approach to patent licensing, visit the Apath Patent Estate website at (http://www.apath.com/Director/Licensing/Patent_Estate.asp).

For more information on various practical aspects of the IP system of interest to business and industry, please visit the website of the SMEs Division at http://www.wipo.int/sme/en/case_studies/index.htm.

The next article in the IP and Business series will deal with the issue of trademarks and domain names.



CASE STUDY: Peruvian innovator finds success through the IP system

José Vidal Martina is living proof that innovation is not just the domain of major corporations or developed countries. From his workshop in Lima, Peru, the inventor and entrepreneur succeeded in solving a technical problem that for years had plagued a number of production sectors, including glaziers, craftsmen and builders.

Mr. Vidal had already spent years working in the business of semi-precious stones when he began to develop small diamond drill bits for making perforations in the pieces that he made with his stones. Before that he, and many like him, had had to rely on expensive ultrasound machines. As there was no economical method or device for making holes or perforations in materials such as glass, marble, ceramics and granite, or semi-precious stones, he realized that an enormous market existed for such a solution. The machines that did exist were expensive and difficult to use, vast contraptions costing thousands of dollars and impractical for independent craftsmen such as himself.

Mr. Vidal's first drill bit, made with a diamond, was also very expensive, so he started to look for alternatives. The idea came to him as he was working in his shop, looking for a solution to a very specific technical problem. Drawing on the knowledge and experience he had gathered from his examination of all the perforating systems then in existence, he succeeded in producing a drill bit capable, in less than a minute, of making holes of various sizes in materials like glass, marble and ceramics. A key to the success of the new product, the JVM (Jose Vidal Martina) bit with a special guide for specific types of perforations, was the idea that it should fit into any common drill, thus making it accessible to millions without access to expensive equipment.

His device is now sold for just over eight dollars, not only on the Peruvian market but also in a number of other countries. It is generating substantial profits for those handling its distribution as well as those able to buy it and access the technology.

What was the secret of his success?

There are a number of explanations, including the inventor-entrepreneur's tenacity, enthusiasm and perseverance. There were other fundamental decisions that helped the process along, however; a key one being the decision to seek protection of his invention by patent.

When asked why he became interested in intellectual property protection, Mr. Vidal explains: "There's no point in my making something new if I don't protect it. It would be a matter of just days for others to copy my product, and then my business would no longer make sense. Obviously big companies would be able to make my bits at lower cost, distribute them better and leave me with nothing."



With this perception of the way business works, José Vidal decided that his only chance of bringing his product to market and enjoying the benefits of the time and effort invested in the creation of the new product was to protect his invention with a patent. "If I hadn't known about intellectual property," Mr. Vidal says, "I surely wouldn't even have felt inclined to sell my product; I'd have resigned myself to keeping it under lock and key in the workshop, and earning money through services rendered to people who needed holes made, which is what I actually did for the glaziers."

Mr. Vidal admits that the process was by no means easy: "I had to inform myself thoroughly on how the system worked, and it wasn't easy to find people with the knowledge of how to set about having a product protected internationally." Mr. Vidal found that the cost of protection could be very high if one decided to have the invention protected in a large number of countries. For him it was a strategic decision, and he chose to have the invention protected in those countries that held the best prospects for manufacturing and selling the product. He decided to use the Patent Cooperation Treaty (PCT) system so that his patent application could be filed in several countries. With international protection, he could confidently show the invention at international trade fairs with a view to finding distributors to market it without fear of losing it to third parties.

Mr. Vidal has since licensed another company to manufacture the product in some countries, but continues to search for specialized distributors in the field of construction in order to ensure that his product is commercialized worldwide. In his small business, with only six employees, he continues to look for ways of improving his products. While the marketing and advertising will be the most difficult stage, he is certain there will be great interest in his product at the fairs he attends. He has no doubt that many small businesses will agree that his product is more practical and less expensive than the alternatives now available.

In the meantime, he is already working on several new products for patent.

(For more information visit <http://www.brocasjvm.8m.com/>)



"I am sure there are many people, like me, who at the outset don't know the intellectual property system and who guard their inventions like the proverbial dog in the manger. Just think of the number of inventions that could benefit society but are locked up in a workshop so that others can't use them!"

TRADITIONAL KNOWLEDGE AND INTELLECTUAL PROPERTY: NEW PROSPECTS AND NEW DIRECTIONS

This article is the first in a series introducing the work of the WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore ("the IGC"). It introduces some of the central concepts and policy challenges that arise when considering the links between intellectual property (IP) and traditional knowledge, traditional cultures and genetic resources. Future articles will go into more detail about particular areas of the IGC's work: the protection of traditional cultural expressions (or folklore), positive and defensive approaches to protecting traditional knowledge (TK) and IP aspects of genetic resources.

What is traditional knowledge? Can the astonishing diversity of indigenous and local intellectual traditions and cultural heritage be



bundled together into one single definition, without losing the diversity that is its lifeblood? Is it feasible or even desirable to find one form of international protection for traditional knowledge? For that matter, what is it to "protect" traditional knowledge: what is to be protected, and what is it to be protected from, for what purpose, and for whose benefit? These questions lie at the core of

WIPO's current activities on traditional knowledge, and the related questions of traditional cultural expressions (or expressions of folklore) and genetic resources. In 2001 WIPO set up the IGC precisely to address these questions, building on earlier work within WIPO, and the work of other international organizations, such as United Nations Educational, Scientific and Cultural Organization (UNESCO), the Convention on Biological Diversity (CBD) and the United Nations Food and Agriculture Organization (FAO).

As the IGC's work has shown, these questions, challenging enough in themselves, can quickly give way to some deeper questions. What is valuable and distinctive about traditional knowledge? How can those qualities gain greater recognition and legal protection beyond the traditional circle, indeed worldwide, but in a way that remains acceptable, useful and beneficial for the communities that have created and nurtured traditional knowl-

edge? Is it, in any case, enough to protect the knowledge itself? There are deep concerns that traditional knowledge should not be torn from its roots, which are not merely cultural, but may have spiritual, scientific and distinct legal aspects. Indeed, for many communities, the customary laws and practices that determine how knowledge should be protected are integral to the knowledge itself: law and knowledge form an indivisible whole. Should these roots – the community life, the traditional practices and beliefs that are integral to traditional knowledge – be protected just as much as the intellectual and cultural fruits that they have yielded?

Traditional knowledge and the IP system

From an IP point of view, how does traditional knowledge fit within the formal legal mechanisms established to define, protect and disseminate the specific categories of intellectual and creative material that are recognized in modern intellectual property systems? To put it bluntly, is intellectual property part of the problem – facilitating the assertion of property rights in material derived from TK, traditional cultures and genetic resources? Or is it part of the solution – strengthening the authority and control of the holders of traditional knowledge, and helping to define and structure



how their intangible assets are used and the benefits equitably shared? Much depends on the practical options open to indigenous and local communities, and their capacity to make effective use of and to benefit from their options. This leaves one further, crucial question, namely: is the primary need to create new forms of legal protection for TK, to strengthen communities' ability to make use of existing mechanisms, or is it to build coordinated linkages between development and adaptation of legal systems and practical capacity-building?

TK and the global marketplace

Modern societies have an increasing fascination with the diverse intellectual and cultural traditions of indigenous and local communities: the interest may be cultural, scientific or commercial. It may reflect deep respect for traditional communities and cultures, or indifference to or ignorance of them. Traditional knowledge, traditional cultures and associated genetic resources have been drawn on to create new products and cultural works, ranging from

toys and fashion goods to pharmaceuticals and agricultural products. Music and cultural works have long drawn on traditional cultures for ideas and inspiration. Indigenous styles and the evocation of traditional communities also have direct commercial value in markets that place a premium on the authentic, the original and the local. Indeed, rather paradoxically, it is especially in today's global markets that the value of the specific, the genuinely local and the traditional is more strongly recognized than ever by modern societies. But how can this value be realized for the benefit of traditional communities themselves without crudely commodifying their cultural heritage, reducing it to anthropological curiosities or artificially divorcing it from the continuing, contemporary cultural and scientific life of traditional communities?

The cultural, spiritual and technological dimensions of many traditional knowledge systems have survived, often adapting to the challenges of contact and interaction with modern technological society: traditional knowledge remains part of the life and culture of many living communities, and should not be relegated, freeze-dried, to the archives. In one way or another, these are the kinds of challenge that policymakers have long wrestled within the domain

of intellectual property – questions of fairness and balance, access and dissemination as against the exercise of exclusive rights, respect for integrity and attribution, suppression of unfair and misleading commercial practices and continuing encouragement of creative endeavor. In principle, then, intellectual property may provide some policy tools to help meet the challenge of protecting traditional knowledge and cultural expressions in a way that is balanced and appropriate.

A new IP issue: ancient traditions and living cultures

Traditional knowledge is a new concept in international debate about intellectual property –



WIPO set up its own program in this area in 1998 (its work specifically on folklore dates back rather longer, to the mid-1970s).

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The Convention on Biological Diversity, a landmark in the recognition of traditional knowledge in international law, was concluded just over ten years ago. Yet traditional knowledge concerns some of the oldest intellectual traditions and systems of knowledge and belief that are known to humankind.

It is an area where technical know-how, artistic works and cultural expressions, and the natural environment interact and interplay; this relationship often finds expression in customary or community laws or ethical standards. For some traditional communities, customary law and protocols have long expressed important links between access to and custodianship of valuable knowledge, and a sense of responsibility to respect, preserve and make appropriate use of a distinctive

intellectual and cultural heritage. These forms of knowledge and approaches to knowledge management long predate the emergence of modern intellectual property systems. Indeed, one concern has been to respect and safeguard traditional legal concepts and traditional knowledge management systems as one component of enhanced IP protection of TK. Just as the CBD seeks to protect biological diversity, it may be important to preserve the legal diversity associated with TK.

Another challenging aspect of TK is its holistic quality. Knowledge, culture and relationship with the natural environment have been integral to the way of life, collective world view and very cultural identity of many indigenous and traditional communities. The natural environment has provided sustenance and healing, given abiding spiritual inspiration, served as a workshop and laboratory for traditional technologies and formed the basis for cultural and artistic expressiveness. Traditional ways of modifying and working with the natural environment – for instance, the production of traditional agricultural commodities – have also been highly valued components of cultural identity and economic life.

These aspects of cultural identity are not neatly compartmentalized as “traditional knowledge,” “cul-

tural expression” or “folklore,” and “genetic resources” or “biological resources.” For the communities concerned, these are often inherently connected to one another and are deeply embedded in their distinctive ways of life, so that it would reduce or devalue traditional knowledge to isolate it from its customary setting. In turn, traditional wisdom has been vital for the conservation of the natural environment, and is a vital source of information about the preservation and sustainable use of biological resources. It is therefore no coincidence that the first recognition of TK as such in an international legal setting was in relation to the conservation of biological diversity.

Challenges for WIPO

WIPO's work on traditional knowledge therefore confronts a number of seeming paradoxes:

- this is a strikingly new area of international cooperation in intellectual property, but it concerns knowledge and systems of knowledge that have deep and ancient roots;
- it is an international issue, marked by a search for global solutions, but it concerns traditional cultures that are highly diverse and inherently embedded in specific localities and the natural environment;

- it concerns the development of legal concepts and knowledge management systems to be applied to subject matter that, in many cases, already has such concepts incorporated within it; international systems principally concern relations between states, but these issues concern the interests of communities and groups that can span borders and customary laws and cultures that have a regional character.

For all the conceptual problems and policy dilemmas, much has been achieved by the IGC in its work since it first met in mid-2001. There have been no spectacular breakthroughs, perhaps, but the steady accumulation of policy ideas and practical approaches through consultation and debate should ensure that future work is realistic, effective and responsive to the needs, expectations and practical capacities of the holders and custodians of TK, traditional cultures and genetic resources. Some outcomes are not readily visible, and all the more valuable because of this: this includes the development of a shared vocabulary and lexicon of ideas to help shape international policy debate and to facilitate policy choices.

The IGC has therefore considered how to define TK – and considered whether it is necessary to define it at all for international cooperation to proceed. It has explored the policy options for protection, and the different modes and objectives of protection that may be required – including IP protection and non-IP protection. It has analyzed some crucial distinctions – between the protection of TK as such and the protection of traditional cultural expressions (expressions of folklore), and the use of different legal tools to protect certain aspects of TK. For instance, trademark law has been used to prevent the unauthorized appropriation and use of traditional symbols: this may not protect the knowledge as such, but provides a measure of protection for the interests of traditional communities, which can work in concert with other tools and strategies. The IGC has combined general policy debate with the empirical study of national experience with the IP protection of TK and traditional cultural expressions, specific case studies of protection and extensive consultations on the needs and expectations of TK holders.



Many WIPO Member States and intergovernmental organizations have taken part in the IGC's work, and over 70 non-governmental organizations – many representing indigenous and local communities – have been specifically accredited to take part in the IGC. The IGC's work, in turn, is based on a series of fact-finding missions and national and regional consultations in which, in total, more than 3,000 community representatives have taken part. The IGC is actively looking for ways to enhance the involvement of indigenous and local communities, to ensure that its deliberations and its outcomes adequately reflect the concerns and interests of those communities.

The IGC itself is one component of a broader program of WIPO activities in this area. The Committee is the leading international forum for policy debate, but practical capacity building, and policy dialogue at the national and regional levels are just as important and pressing. Indeed, the lessons from capacity-building activities, and the outcomes of national and regional dialogue,

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have been important in shaping the agenda and the direction of the IGC's work. For instance, WIPO has contributed to the development of a *South Pacific Model Regional Framework for the Protection of Traditional Knowledge and Expressions of Culture*, a regional approach which in turn may be drawn on



within the international debate as a potential source of policy ideas and legal mechanisms.

Some of the immediate outcomes of the IGC have been practical in nature, and represent direct responses to some of the concerns about protection of TK that have arisen in international debate. For instance, in the light of widely-voiced concerns about patent rights being improperly granted on TK subject matter, the

IGC has developed a range of approaches to make documented TK more readily available to patent examiners. These measures are intended to ensure that patent claims are assessed in the light of a much richer body of information about relevant TK, and thus to reduce the likelihood of claims being approved which involve the use of existing TK. On the other hand, the process of documentation of TK fuels concerns that, once documented, TK may be more readily misappropriated or used without the approval or involvement of traditional communities, and may void claims to IP protection of the knowledge; thus the very process of documenting TK, unless carefully managed, may end up undermining the interests of the community it is intended to benefit. To deal with this pressing problem, the IGC has developed a toolkit for managing the IP implications of documenting TK, so that communities will be aware of the full implications, costs and benefits of any documentation project before decisions are made that are hard to reverse.

These interim outcomes have at once demonstrated that there is an immediate need for solutions to legitimate policy concerns, but they have also illustrated how an increased respect for the needs and concerns of the holders of TK and traditional cultures is com-

patible with the core principles and the practical operation of the IP system. Future WIPO activities, including the work of the IGC, will continue to explore how enhanced respect and authority for the custodians of traditional culture and TK can be expressed in practical terms within the framework of intellectual property system. It may also illustrate that IP approaches alone will not resolve the challenges confronting traditional communities, who may need to draw on a range of legal and practical tools to safeguard their cultural and intellectual heritage. It should, however, strengthen the possibilities for IP to be a useful support for these communities, rather than a source of concern. How these challenges are being addressed in detail is the subject of future articles in this series.

The Fifth Session of the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore will take place in Geneva from July 7 to 15.

Documents for this session are being progressively made available on WIPO's website at: <http://www.wipo.int/globalissues/igc/documents/index.html>.

Document WIPO/GRTFK/IC/5/12 gives an overview of the outcomes and activities of the IGC to date.

For further information please contact the Secretariat at: grtkf@wipo.int.



WIPO AND AIF DISCUSS COOPERATION

WIPO officials met with representatives of the *Agence intergouvernementale de la Francophonie* (AIF) in Paris on April 11 to discuss cooperation activities and to further improve the planning and consultation between the organizations.

WIPO and the AIF have cooperated on a number of activities in the 2002-2003 biennium, which include:

- ▶ participation of the *Francophonie* intergovernmental institutions in WIPO meetings in Geneva and around the world;
 - ▶ joint organization of a national seminar on copyright and related rights in Libreville, Gabon, in March 2002;
 - ▶ AIF participation in the WIPO Sub-Regional Seminar on a Concerted Strategic Approach to Certain Questions Related to Collective Management, Cultural Industries and the Fight Against Piracy in West Africa held in Bamako, Mali, in December 2002;
 - ▶ WIPO participation in the training program for bank managers to boost financing of cultural industries organized by the AIF in Morocco and Tunisia in February and March 2003 (see box).
- During the meeting, WIPO and AIF representatives discussed joint projects currently in the planning stage. At AIF's request, WIPO agreed to further lend its support to the Guarantee Fund for Cultural Industries (GFICI) and a project to train French-speaking experts to negotiate commercial agreements (REXPACO).
- The AIF also identified new areas in which they would like WIPO's cooperation. These include:
- ▶ participation in AIF activities on the valuation and judicial aspects of intellectual property assets for small and medium-sized enterprises (SMEs);
 - ▶ providing additional information for the benefit of the French-speaking permanent missions in Geneva on questions relating to multilateral negotiations, including intellectual property;
 - ▶ cooperation on issues concerning intellectual property and the Digital Agenda;
 - ▶ cooperation to enhance the intellectual property knowledge of the judiciary in French-speaking countries of the developing world;
 - ▶ assistance in the AIF training program for editors.

Promoting the Arab Cultural Industries

The Guarantee Fund for Cultural Industries (GFICI), sponsored by the *Agence intergouvernementale de la Francophonie* (AIF) to boost the funding of cultural industries in French-speaking countries, organizes management training in the economic and financial analysis of cultural projects for bank directors and financial institutions. WIPO has supported this AIF initiative by participating in two of the GFICI training sessions, held in Morocco and Tunisia in February and March.

The GFICI aims to:

- ▶ increase awareness of the importance of intellectual property assets and of a range of techniques for assessing the economic and financial viability and feasibility of cultural projects;
- ▶ provide an evaluation scale for cultural projects, tailored to local needs;
- ▶ enhance business partnerships between banks and local bodies acting as guarantors to help improve access to funding for cultural projects;
- ▶ make the training on analysis of cultural projects available to banks and financial institutions on an individual basis.

FILM SERIES: CREATIVE PLANET

Through its public outreach plan, WIPO works to familiarize the general public with intellectual property and create a greater awareness



of the importance of encouraging and promoting creativity. As part of this effort, WIPO is producing a series of short films for television called *Creative Planet*. The series explores, through portraits of artists, musicians, inventors, designers, and other creators, how the creative process works for each of them, how they view their efforts, and how the intellectual property system has helped them achieve success.

These creators discuss their work and inspiration, as well as the sense of reward they get from their endeavors, whether it is personal satisfaction, public recognition, or financial recompense.

In some cases they are very much aware of how the IP system works – whether they use patents, trademarks, industrial designs, or copyright – in others they are just learning. The key point is that all of them are in some way involved in creative and innovative work that is encouraged, recognized, and rewarded by the IP system.

Several pilot films have been produced in six minute versions for broadcast on national and international television networks. Shorter one-minute versions will be produced as well. In the coming months, the WIPO Magazine will highlight some of the subjects of the films with photographs and excerpts from their stories. This month's feature is on Dr. Oviemo Ovadje, a medical doctor in Nigeria who invented the EAT-SET blood transfusion device.



On his invention:

EAT-SET system is Emergency Auto Transfusion System. The system is designed to salvage blood in patients who suffer from internal bleeding, like ectopic pregnancies, road traffic accidents, so that blood can be processed using the EAT-SET and re-infused to the patient.

You're using the patient's own blood, in which case you do not have the fear of (...) transfusing a patient with somebody else's blood, which might incorporate infections, such as syphilis, even malaria parasites, other viruses and particularly the HIV/AIDS virus.

The EAT-SET system is quite easy to use, it does not require electricity. It is low-cost, of course. It fills a gap, a medical gap, a vacuum in the medical management of patients who before now usually died from internal bleeding. In developing countries. These patients do not have access to blood, because of a poor blood bank services system.

EAT-SET became my baby, because I had to make it succeed. I must look into ways to get it better every day. And, of course, to make sure that it is available for use in hospitals, for the advantage of those who, before now, died from internal bleeding.

On the Rewards:

I'm satisfied in the sense that I've seen human lives saved by EAT-SET intervention. I'm satisfied that I've seen people smile, I've seen people happy that I don't let them go home from hospital with the fear that in three months, in six months or in one year they could find out that they have been transfused with HIV-infected blood.

People stop me on their way and sometimes they say, 'doctor, this is the doctor that saved my life.' Medical students call me and say 'look, we used the equipment, we've read so much about your equipment, about you.'

This is a life-saving device. This is not a pleasure product or device. This device has greater, greater significance to the life of those who are threatened, than the material gain which I, Ovadje, stand to gain.

My passion is to save lives. I may have creative potentials, I may have the ability to solve problems by trying to produce and put ideas into practical terms. But first and foremost, I think I'm a medical doctor."

On the challenges an inventor faces:

When you come out with an idea, you do not readily get the support. There are a lot of things working against inventors and innovators from the developing world. They don't have access to Internet, they don't have access to literature, documents and all that.

Most inventors in Africa lack the necessary funds to be able to post patents and trademarks. It is very expensive to process patent applications. I don't know how you're going to get patent attorneys to reduce the fees, because the fees are quite exorbitant. I don't know if any form of waiver can be made for works coming from Africa.

Definitely, there are lots of periods of loneliness and frustration ... But I think these are some of the ladders you must climb to be able to push your creativity through."



On Creativity:

I would say that the ability to create is a gift – it must be a gift. But every gift must be developed. And of course, it's got to be stimulated by the environment.

Ah! Creativity (...) creativity is, just as it is, having the capacity to produce, to make, to create, from an idea, a substantive, practical form. And, usually it is directed towards solving problems by passing obstacles.

The world is what it is today because people have been creative. So, for the world to move forward, for things to be better than what they were the previous day, the previous minute, people are supposed to be creative. A world without creators would be monotonous, it would be dull, it would be static.



WIPO SUPPORTS GENEVA INTERNATIONAL MUSIC COMPETITION

WIPO sponsored the first spring concert of *Les Amis du Concours de Genève* on April 30. The concert features the winners of the 2001 Geneva International Music Competition, one of the world's oldest and most prestigious music competitions, which attracts some



Photos: Mr. Blake Laener

150 young musicians of more than 30 nationalities each year. The performers included Silvia Careddu (Italy/flute), Roland Krüger (Germany/piano), and the Terpsy-cordes Quartet (Bulgaria, Italy and Switzerland). The musicians performed works by Mozart, Schubert, Schumann and Prokofiev.

Despite her young age, Ms Careddu, a flautist, has already won a number of international music competitions. She started her musical studies in Cagliari, her home town, went on to Rome, then to Paris, where she was awarded unanimously the First Prize

with congratulations by the *Conservatoire National Supérieur de Musique de Paris*. Ms. Careddu went on to win many other prizes, before being awarded, again unanimously, the First Prize and the Public's Prize at the Geneva Competition. Mr. Krüger, who had already obtained a first prize in the National Competition of Wartburg during his studies, won the First Prize in piano, and the Public's Prize at the Geneva Competition. The Terpsy-cordes Quartet, created in 1997 in Geneva, won the First Prize in for the best interpretation of a composed work.

WIPO's sponsorship of this event is part of its ongoing effort to raise public awareness of the relevance of the intellectual property system to creators, musicians and artists, as well as the general public. The intellectual property system enables talented individuals to secure a livelihood from their creativity and benefits the general public by permitting access to such enriching works and performances. Thanks to the intellectual property system, particularly the laws of copyright, many of the winners of this illustrious competition, who include world famous music personalities such as the late Sir Georg Solti, have been able to achieve great success in their recorded and live performances.



"The Geneva International Music Competition and other similar competitions play an extremely important role in recognizing and supporting the creative work of talented young musicians from around the world," said WIPO Deputy Director General Rita Hayes. "WIPO is delighted to support the organizers' efforts to nurture young musicians and to bring their work to a broader public audience," she added.

Copyright and its related rights, which are associated with the production, dissemination and performance of artistic works, are essential to human creativity by giving creators incentives in the form of recognition and fair economic rewards. Under this system of rights, creators are assured that their works can be disseminated without fear of unauthorized copying or piracy. This in turn helps increase access to and enhances the enjoyment of culture, knowledge and entertainment all over the world.

NEWS ROUNDUP

Workshop on Member States' Experiences with ccTLDs

WIPO cooperated with the International Telecommunication Union (ITU) in its Workshop on Member States' experiences with country code top-level domains (ccTLDs) held in Geneva on March 3 and 4. Over 150 participants, including Member State representatives, representatives of IGOs, ccTLD administrators, the Internet Corporation for Assigned Names and Numbers (ICANN) and other parties attended the Workshop. The WIPO Arbitration and Mediation Center gave a presentation on the WIPO ccTLD Best Practices for the Prevention and Resolution of Intellectual Property Disputes. The Center also reported on its experience in advising administrators of over 50 ccTLDs on managing intellectual property in their domains and on its activities as dispute resolution service provider for 32 ccTLDs. The WIPO Center continues to give intellectual property advice to the administrators of ccTLDs on an ongoing basis.

PCT Seminar and Training in Uganda

WIPO organized Uganda's first Patent Cooperation Treaty (PCT) seminar and workshop since its



accession to the Treaty, with a view to promoting better use of industrial property in the country. This was the first PCT seminar held in Uganda since its accession to the PCT in 1995. Uganda is now

updating regulations for implementing revised industrial property laws, which have brought legislation up to standards for developing countries. WIPO now aims to promote the use of industrial property and the PCT system in particular among active and potential users, and to train staff and patent agents in the practical procedures of the PCT.

The two-day seminar attracted some 50 participants, mostly lawyers and government officials. The participants were concerned with issues pertaining to the safety of divulging inventions to patent agents while filing patent applications, ways of protecting traditional knowledge; and how to stop piracy in the music industry.

Mr. Christopher Kiige from the African Regional Industrial Property Organization (ARIPO), which is the PCT receiving Office for Uganda, highlighted the functions and services offered by the Office.

Some 25 patent agents and the staff from the Registrar General's Department attended the workshop on the third day. The workshop focused on PCT procedures. Each of the participants was guided through the steps to complete the PCT Request and Demand forms as a practical exercise. The events imparted valuable industrial property training and covered the practical aspects of PCT procedures to a cross-section of stakeholders.

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WIPO Rewards Two Inventors at Geneva Fair

WIPO presented two awards to inventors on April 11 at the Geneva International Exhibition of Inventions as part of the Organization's commitment to promoting innovation and recognition of inventors worldwide. Mrs. Liz Williams, a national of the United Kingdom, received an award for the invention of an alarm, for individual use, to deter aggressors and to assist in identifying them. The second award went to Mr. José Sangiovanni from Uruguay for a safety device for collecting blood. An international jury designated by the organizers of the Geneva Exhibition chose the two WIPO Award winners.



WIPO has presented awards at the Geneva fair for 24 consecutive years. The event is a unique opportunity for inventors from all over the world to showcase their inventions and to attract business partners for joint ventures or licensing agreements.

The WIPO award consists of a gold-plated medal and a certificate signed by Director General Kamil Idris, accompanied by a token cash prize of 2,000 US dollars. Since the first WIPO awards were presented at the 8th Geneva International Exhibition of Inventions in 1979, 47 WIPO medals have been presented to inventors from 29 countries. The winners have included 27 inventors from developing countries, 18 women and four young inventors.



The CIC Personal protection attack/ alarm invented by Liz Williams

The WIPO awards seek to stimulate inventive and innovative activity around the world, particularly in developing countries. They serve to attract and enhance public recognition of inventors and their work. Offering awards to inventors also improves the image of inventors through recognition of their merits as creators who contribute to national wealth creation and development. Since the launch of this program in 1979, 759 WIPO medals have been awarded to inventors from 91 countries, including women and young inventors.

SCHEDULE of meetings

JUNE 23 TO 27

GENEVA

Standing Committee on Copyright and Related Rights (Ninth session)

The Committee will continue its discussions on the protection of broadcasting and of non-original databases. It will also follow up on discussions of its future workplan.

Invitations: As members, the States members of WIPO and/or the Berne Union, and the European Community; as observers, certain intergovernmental and non-governmental organizations.

JUNE 24 TO 27

GENEVA

Working Group on the Establishment of New Regulations Under the Hague Agreement Concerning the International Registration of Industrial Designs

The Working Group will discuss and consider a proposal for Common Regulations under the 1999 Act, the 1960 Act and the 1934 Act of the Hague Agreement.

Invitations: As members, the States members of the Hague Union; as observers, the States members of the Paris Union, who are not members of the Hague Union, States members of WIPO and certain intergovernmental or non-governmental organizations.

JUNE 26 TO JULY 1

GENEVA

WIPO Workshops for Mediators in Intellectual Property Disputes

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

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

JULY 7 TO 15

GENEVA

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

The Committee will continue its work based on the results of its fourth session and prepare a report on its activities for consideration of the General Assembly.

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

JULY 9 TO 11

SAN FRANCISCO, CALIFORNIA, UNITED STATES OF AMERICA

Worldwide Symposium on Geographical Indications

This Symposium, organized by WIPO, in cooperation with the United States Patent and Trademark Office (USPTO) will take place in San Francisco, California, and will provide a forum for the exchange of information on geographical indications at the national, regional and international levels, and on future trends in that area.

Invitations: Participation is open to government representatives, as well as to any interested party, against the payment of a registration fee. The registration fee for one government representative per country will be automatically waived.

JULY 17 & 18

GENEVA

Seminar on the Madrid System of International Registration of Marks

This Seminar, in French, aims at increasing awareness and practical knowledge of the Madrid system amongst actual and potential users, whether in industry or in private practice.

Invitations: Registration is open to all interested persons, subject to the payment of a registration fee.

SEPTEMBER 8 TO 10

GENEVA

Program and Budget Committee (Seventh session)

The Committee will continue to 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.

SEPTEMBER 17

GENEVA

Conference on the Importance of Statistics on Patenting Trends Analysis and Projections

The Conference will examine the role of statistical information in the analysis of trends in patenting activity worldwide.

Invitations: Open to all interested persons.

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WIPO Conference on the Importance of Statistics on Patenting Trends Analysis and Projections

September 17, 2003, Geneva

The Conference will examine the role of statistical information in the analysis of trends in patenting activity worldwide. Particular attention will be given to the needs of policy makers, patent offices, industry and professional advisers for accurate statistical data and appropriate statistical tools for determining economic, technological and business trends.

The Conference will be open to all interested persons, free of charge. Interpretation will be provided in English, French and Spanish.

For further information, please consult WIPO's web site at www.wipo.int/patent/meetings/2003/patent_statistics/ or contact :

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