

MAIN PROGRAM 11

INTELLECTUAL PROPERTY FOR ECONOMIC DEVELOPMENT**11.1 Intellectual Property Policy and the Economy****11.2 Innovators and SMEs****11.3 Industry, NGOs and Private Sector Partnership****Summary**

223. WIPO is analyzing and documenting how IP works in practice as a tool for economic development, a subject of interest to developing and developed countries alike. It is commonly accepted that IP will be one of the key elements of economic value in the 21st Century. As a legal form to protect new or original knowledge, IP provides an enabling platform for innovation and creativity to be commercially exploited, creating a return for its owners. This in turn yields powerful incentives and rewards for the dissemination of innovation and creativity through commercialization. IP today has become a major element in enterprise valuation and an increasingly important factor in macro-economic and micro-economic growth and development. Therefore WIPO's Member States place great emphasis on the effective use of IP assets. In responding to this interest, WIPO has taken up the question of how IP assets are developed, protected, managed and used optimally so that benefits flow not only to individual inventors, creators, and enterprises, but also to society at large.

224. This Main Program is designed to strengthen and coordinate WIPO's approach to address these important issues. It is designed expressly to service the requests Member States make for information on how IP can work in practice as a tool for their economic development, and how it can be used most effectively by individuals, the private sector, public institutions, academia and research institutions.

Sub-program 11.1 is a newly developed sub-program in order to address the needs of national policy makers. Sub-programs 11.2 and 11.3 continue existing program activities with new approaches targeting users of the IP system, including those owning and accessing IP-protected material and other important players in the market.

SUB PROGRAM 11.1

INTELLECTUAL PROPERTY POLICY AND THE ECONOMY

Objective: To improve the awareness and understanding of policy makers in Member States with regard to the development and management of policies and practices for using IP assets as a tool for economic development.

Expected Results	Performance Indicators
1. Improved analysis and understanding of the relationship of IP to economic development.	Completion of case studies, demonstration projects and publications; and feedback from Member States.
2. Strengthened understanding and use of policies development and management of IP assets.	Evaluation results showing level of understanding of IP and economic development, and management of IP assets.

225. This new sub-program is designed to address the role of IP assets as a tool for economic development worldwide. It will provide useful, practical and highly focused services to Member States for policy formulation on IP questions in government departments and other relevant agencies and institutions, such as academic and research institutions, as well as IP asset management services in the new and growing field. The sub-program integrates the expertise already within the Secretariat with the knowledge and practical experience of external experts collected and applied through case studies, research, economic and statistical analysis.

226. Ongoing economic analysis and research relating to IP is vitally important in clarifying and explaining how the IP system contributes to economic growth in both developed and developing countries; and in testing, validating or challenging various assumptions about IP as it functions in the complex, competitive and rapidly evolving economic patterns of today. The importance of the relationship between IP and the global economic environment has now been largely recognized. This relationship is

not only significant for enterprises at the micro-economic level, but also at the level of national and the global economy. Yet major empirical and theoretical uncertainty clouds the actual correlation of IP-related factors and economic activity. This creates a great demand for meaningful and objective research data on this subject. Member States have asked WIPO to produce and document information on how enhanced IP protection corresponds to economic growth and to social, cultural and economic development with specific data, models, research, and case studies on a number of topics in order to assist policy makers in formulating better targeted strategies for national economic development.

227. Research on how IP can be developed, managed and commercially exploited as an economic asset, and how this achieves quantifiable returns on investment (also known as the “intellectual asset management” or “IAM”) has been seen in the last decade, and the practical implementation of these insights has become an important field in business in several countries. IAM is used by many enterprises in innovative economies, and is now highly significant for any country as a set of practical means of using IP for economic development. Policy makers are therefore vitally concerned with IAM because it assists them in designing and implementing strategies for promoting economic growth based on IP and human capital.

228. This sub-program will provide Member States with tools for the promotion of IAM in their countries, including guidelines and best practice models for managing intellectual assets. A limited number of demonstration projects will be designed to highlight the use of IP as a catalyst of economic growth in specific contexts, such as licensing, joint ventures, research and development, educational initiatives and other fields. In this regard, activities will be coordinated with other relevant main programs, especially Main Programs 08, 09 and 10.

Activities

- Research and data gathering on the effect of IP on economic growth;
- conducting a case study on R&D networks in developing countries and on how IP can help exchange data, accelerate research, increase funding, meet human needs, and prevent brain drain;
- conducting a case study on financing IP asset development and R&D networks with a national or regional partner;
- preparing presentations, training modules and a database of policies and practices, to promote the development and management of intellectual assets;
- demonstration projects and case studies on integrating IP into economic forecasting and planning, including within R&D policies and networks.

SUB PROGRAM 11.2
INNOVATORS AND SMEs

Objective: To improve awareness and understanding among governmental, private and civil society institutions worldwide enabling them to formulate and implement policies, programs and strategies to enhance the strategic use of IP assets by innovators and SMEs.

Expected Results	Performance Indicators
1. IP is increasingly perceived as a policy priority in empowering inventors, creators, academics, entrepreneurs and SMEs.	<ul style="list-style-type: none"> • Number of national awareness raising programs targeting inventors, creators, academia, entrepreneurs and SMEs. • Number of policies developed or adopted on issues relating to IP for inventors, creators, academia, entrepreneurs and SMEs.
2. Better awareness and understanding, and greater use of the IP system among R&D institutions and universities to disseminate and commercialize research results.	Number of R&D institutions and universities which have established IP policies or coordinators to facilitate the development, protection and management of IP assets based on research results.

229. This sub-program targets innovators¹ and SMEs². Innovators and SMEs contribute more than 90 per cent of the GNP in many countries, and R&D institutions and universities contribute most of the knowledge creation in Member States. These knowledge contributors are often an underutilized force for driving business success and economic growth. The sub-program will integrate some activities undertaken by the SMEs Division and the Division for Infrastructure, Services and Innovation Promotion in 2002-2003, and give them a sharper focus. It will design specific strategies to empower groups of potential partners and users of the IP system, who have not had the time, resources and information to understand the importance of, and make effective use of, the IP system to identify, develop, protect and manage the knowledge and IP assets they create. For this purpose, specific national, regional or

¹ including individual inventors and creators, researchers and administrators at public or non-profit R&D centers, and researchers at universities and other innovation-related organizations.

² Generally this refers to all small and medium sized enterprises including microenterprises, but different definitions of SMEs used in Member States will be respected in the implementation of program activities.

local services and support structures would be created, developed or reinforced. This sub-program will be carried out under the following themes:

- worldwide concerted efforts should be made in cooperation with other relevant partner organizations, which promote the use of IP for innovation and creation, such as SMEs associations, innovation center networks, business/technology incubators, universities, R&D institutions, science and technology parks, venture capitalists, professional associations, and chambers of commerce and industry;
- attention will be devoted to national and local capacity-building by providing tools, awareness and training material and e-learning programs (e.g. Internet), promoting networking among organizations, training the trainers in utilizing local expertise and WIPO's customized material and tools for innovators and SMEs, IP Coordinators, as well as customized material prepared by other organizations;
- this sub-program will coordinate with other WIPO programs to provide stakeholders with specialized and customized material and tools on various aspect of IP and its use and management which should empower innovators and SMEs with enhanced knowledge about the role and use of IP for strengthening their competitiveness in the marketplace;
- a concerted effort will be made to use the IP system to facilitate the development of synergic partnerships between government, academia (R&D organizations and research-oriented universities), and industry and the business sector at national, regional and international levels for mutually beneficial results through effective use of commercial channels;
- the possibilities for inventors and innovators to access the financial facilities needed to develop their inventions and innovations, and to protect their IPRs, will be explored by studying the creation of a WIPO fund for financing inventive and innovative activities in developing countries and countries in transition;
- cooperation will continue with other international organizations such as International Telecommunication Union (ITU), United Nations Industrial Development Organization (UNIDO), International Labor Organization (ILO), Organization for Economic Co-operation and Development (OECD), World Bank, Central European Initiative (CEI) as well as NGOs such as World Association for Small & Medium Enterprises (WASME), International Small Business Congress (ISBC), International Association of Science Parks (IASP), European Small Business Alliance (ESBA), International Federation of Inventor's Associations (IFIA), Association of University Technology Managers (of USA) (AUTM), *Agence Universitaire de la Francophonie* (AUF), International Federation of Industrial Property Attorneys (FICPI) and International Confederation of Societies of Authors and Composers (CISAC).

Activities

- Assessing compiling and disseminating guidelines, best practices models and case studies for inventors, creators, academia, entrepreneurs and SMEs through various media, papers, CD-ROMs and the Internet (WIPO web site);
- supporting and participating in awareness-raising events on IP for innovators, inventors, creators, academia, entrepreneurs and SMEs (focusing on specific issues of practical interest such as technology transfer, IP licensing and IP assets management);
- developing awareness, teaching and training materials and guides, and customizing for individual countries a set of practical IP tool kits, targeting schoolchildren, innovators, inventors, creators, academia, entrepreneurs and SMEs;
- preparation of a set of guidelines and checklist on IP valuation, assessment and audit;
- promotion of the use of the IP system for innovation and creativity through the granting of WIPO awards for inventors, creators, academia, entrepreneurs and SMEs;
- exploration of a possible fund for financing IP asset development and management of research results and innovation in developing countries and countries in transition;
- promotion of the multifaceted use of legal, technical and business information in IP documents/databases for undertaking market research, collecting business intelligence, and promoting the commercialization of innovations; this includes the WIPO Patent Information Services for developing countries and countries in transition;
- assistance to SME associations, innovation center networks, business incubators, universities, R&D institutions, professional associations, and chambers of commerce in providing IP-related support services to their members and constituencies;
- conduct of training programs for key partner institutions and business service providers on IP, following a “training the trainers” approach;
- conduct, commission, technically backstop or contribute to research studies on IP and SMEs and conduct studies on areas of particular interest to SMEs (e.g. IP valuation; IP and financing; IP in university-industry relations; IP insurance);
- working with national and regional IP offices to enhance their outreach activities for SMEs.

SUB PROGRAM 11.3

INDUSTRY, NGOS AND PRIVATE SECTOR PARTNERSHIP

Objective: To provide for appropriate mechanisms through which the private sector will play a proactive role in WIPO’s activities in support of IP for economic growth.

Expected Results	Performance Indicators
1. Better reflection of non-governmental, civil society and industry sector interests in WIPO program activities through inputs and advice from the Industrial Advisory Commission (IAC) and NGOs.	Number of recommendations made to WIPO resulting in policy or program initiatives.
2. Exploration of extra budgetary resources to increase opportunities to expand WIPO projects and augment activities to reinforce IP culture, strengthen human resources and build national IP infrastructures.	Quantity of funds, in-kind contribution or services (such as expertise) allocated and used for supported projects.

230. WIPO has placed particular emphasis on the interests of the private market sector and benefited from timely and informed inputs from this important constituent as well as from users of the IP system in the preparation of its policy and programs. The Director General will continue to receive objective advice from the Industry Advisory Committee (IAC) from a private-sector perspective. WIPO will also continue to expand and enhance its relations with NGOs including WIPO’s traditional non-governmental partners interested in the development of IP laws and services, and civil society interest groups which are expected to provide valuable inputs on the rapidly expanding dimensions of IP in the daily life of society and in public policy debate.

231. WIPO will take another step forward towards more proactive participation of the private sector in WIPO’s efforts for the creation of an enhanced environment conducive to the effective use of IP as a policy tool for growth. To this end, WIPO will launch the “WIPO Private Sector Partnership”, program which aimed to explore the possibility of private and voluntary funding or the provision of services and expertise to support capacity-building in the IP system worldwide, particularly in developing countries. This initiative will build on the existing close relationship WIPO has with the private sector, complement existing extra-budgetary funding

provided by governments through funds-in-trust programs (see Main Program 08), or similar ad hoc arrangements, and would be consistent with similar public-private partnership programs ongoing or recently launched elsewhere in the United Nations system.

232. The WIPO Private Sector Partnership Program would recognize the pivotal role held by the private sector, particularly industry, not only as the primary user of the IP system and a major, ultimate beneficiary, but also as a valuable source of expertise. It should be seen as complementary to rather than detrimental to the current level of WIPO activities. No activities under this program would be carried out without the full co-operation of the host government(s).

233. The said program will be established and developed progressively, enabling competencies and coverage to expand in an orderly fashion. Project activities are anticipated to begin on a modest basis in the first quarter of 2005 and then to develop over a projected two or three-year ramp-up period. A governance structure and guidelines for administration and operation of projects and activities under their program will be developed carefully and progressively by the Secretariat in consultation with the Member States and will be submitted for approval by the Assemblies of WIPO in due course.

234. WIPO would benefit from this new extra-budgetary funding and source of practical expertise and other services through implementation of multi-party (WIPO, governmental and private sector) projects directed at expanding WIPO capabilities in capacity-building and demystification of IP. The private sector would benefit through the enhancement of the IP culture, in which IP protection is strengthened and respected. Governments and national economies would benefit through the encouragement of the development of local IP infrastructure and human resource development and reversal of the "brain drain" problem, through expanded innovation at local, country and regional levels, and the resultant expanded economic activity.

Activities

- Organization of the IAC;
- organization of meetings, visits and other activities with NGOs;
- establishment of the WIPO Private Sector Partnership program and its machinery and guidelines for operation of the program;
- promotion of the contribution of extra-budgetary funds, services and expertise;
- development of project activities, and provision of timely, accurate and transparent reporting to the General Assembly of activities undertaken under this program.

Resource Description by Object of Expenditure

235. Total resources of Sfr10,051,000 reflect a program increase of Sfr1,388,000 or 16.4 per cent with respect to the corresponding amount in the previous biennium.

236. For staff resources, an amount of Sfr7,325,000 is shown, a program increase of Sfr1,144,000 or 19.0 per cent. This includes resources of:

- (i) Sfr6,994,000 for posts, reflecting two additional positions, the reclassification of two posts including the reclassification of one position to D-level and
- (ii) Sfr331,000 for short-term expenses.

237. For travel and fellowships, an amount of Sfr595,000 is shown, a program decrease of Sfr45,000 or 7.1 per cent. This includes resources of:

- (i) Sfr480,000 for 90 staff missions,
- (ii) Sfr115,000 for third party travel in connection with innovation promotion activities.

238. For contractual services, an amount of Sfr2,066,000 is shown, a program increase of Sfr257,000 or 14.3 per cent. This includes resources of:

- (i) Sfr77,000 for conferences to cover interpretation and other costs of meetings on innovation promotion,
- (ii) Sfr1,265,000 for consultant services,
- (iii) Sfr52,000 for publishing services to cover the printing cost of patent information documents and
- (iv) Sfr672,000 for other contractual services to cover the cost of development projects.

239. For operating expenses, an amount of Sfr35,000 is shown, a program increase of Sfr6,000 or 20.7 per cent to cover the cost of communications and other expenses.

240. For equipment and supplies, an amount of Sfr30,000 is shown, a program increase of Sfr26,000 to cover the cost of supplies and materials, including creativity awards.

Table 9.11 Detailed Budget 2004-2005 for Main Program 11

A. Budget Variation by Sub-program and Object of Expenditure (in thousands of Swiss francs)

	2002-2003 Revised	Budget Variation						2004-2005 Proposed
		Program		Cost		Total		
		Amount	%	Amount	%	Amount	%	
A	B	B/A	C	C/A	D=B+C	D/A	E=A+D	
I. By Sub-program								
11.1 Intellectual Property Policy and Economy	432	1,082	250.5	32	7.4	1,114	257.9	1,546
11.2 SME and Innovators	7,669	(295)	(3.8)	136	1.8	(159)	(2.1)	7,510
11.3 Industry, NGOs and Private Sector Partnership	380	601	158.2	14	3.7	615	161.8	995
TOTAL	8,481	1,388	16.4	182	2.1	1,570	18.5	10,051
II. By Object of Expenditure								
Staff Costs	6,016	1,144	19.0	165	2.7	1,309	21.8	7,325
Travel and Fellowships	635	(45)	(7.1)	5	0.8	(40)	(6.3)	595
Contractual Services	1,797	257	14.3	12	0.7	269	15.0	2,066
Operating Expenses	29	6	20.7	--	--	6	20.7	35
Equipment and Supplies	4	26	650.0	--	--	26	650.0	30
TOTAL	8,481	1,388	16.4	182	2.1	1,570	18.5	10,051

B. Post Variation by Post Category

Post Category	2002-2003 Revised A	Post Variation B-A	2004-2005 Proposed B
Directors	2	1	3
Professionals	7	3	10
General Service	8	(2)	6
TOTAL	17	2	19

C. Budget Allocation by Sub-program and Object of Expenditure (in thousands of Swiss francs)

Object of Expenditure	Sub-program			Total
	1 IPPE	2 SMEI	3 INPSP	
Staff Costs				
Posts	1,173	5,379	442	6,994
Short-term Expenses	63	210	58	331
Travel and Fellowships				
Staff Missions	80	300	100	480
Third Party Travel	--	115	--	115
Contractual Services				
Conferences	--	77	--	77
Consultants	200	670	395	1,265
Publishing	--	52	--	52
Other	20	652	--	672
Operating Expenses				
Communication and Other	--	35	--	35
Equipment and Supplies				
Supplies and Materials	10	20	--	30
TOTAL	1,546	7,510	995	10,051

D. Funds-in-Trust by Object of Expenditure *(in thousands of Swiss francs)*

<i>Object of Expenditure</i>	<i>Sub-program 2 SMEI</i>
Staff Expenses	712
