



WIPO sees patent proliferation

By Sally Cole Johnson -- 10/1/2005

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Electronics companies, not surprisingly, are becoming increasingly prolific patent filers in their quest to safeguard their intellectual property (IP). In 2004 the World Intellectual Property Organization (WIPO), headquartered in Geneva, Switzerland, saw a new record in the number of international patents filed: 120,000. Dutch multinational Philips Electronics was the top filer, with 2,362 patents, and the Top 10 included companies such as Matsushita (Japan), Siemens (Germany), Intel (United States), 3M (U.S.), Motorola (U.S.) and Sony (Japan).

Why the rush to protect IP? Considering the staggering amount of activity starting up in Asia and other emerging markets, amid rising concerns over IP protection and piracy, electronics companies venturing into these arenas are obviously opting to play it safe by patenting their technology and devices. It's never been more critical to ensure that your IP is protected.

"IP is the cornerstone of every technology-based industry. It is impossible to have a healthy and competitive semiconductor industry without effective IP protection," cautions Semiconductor Industry Association (SIA) President George Scalise.

The WIPO is an international organization whose mission is to protect the rights of creators and owners of IP by administering a myriad of copyright, patent and trademark treaties. The organization has made headlines recently, thanks to its mediation of domain name disputes and efforts to end cybersquatting. The WIPO has ties to the United Nations and the World Trade Organization and currently boasts 182 member countries. It has been around in one form or another for more than 120 years, harking back to the days when John and Emily Roebling were completing construction of the Brooklyn Bridge.

"The WIPO is the world's premier organization for establishing norms for the protection of IP," says Michael Kirk, executive director of the American Intellectual Property Law Association. "In the patent field, its Patent Cooperation Treaty (PCT) permits an applicant to file a single patent application that can mature into a patent application in every designated member PCT country around the globe. This represents considerable savings for applicants filing in numerous countries."

Which countries are filing the most PCT applications? Inventors and industry from the U.S. filed 35 percent of all PCT applications in 2004, followed by Japan (17 percent), Germany (12 percent), France (4 percent) and the U.K. (4 percent) (see "International Patent Applications," below).

"The international patent system has experienced amazing growth in recent years," notes Francis Gurry, deputy director of the WIPO. "Without this system, countries would seek to retain their competitive advantage through secrecy and the public domain would be the poorer."

The WIPO has become the gold standard for international IP protection rules, says Jesse Feder, the Business Software Alliance's director of International Trade & IP. "Many of these rules have since become part of trade agreements that can be enforced through dispute settlement. Dispute resolution is handled intergovernmentally rather than by individual companies. A panel hears the case and makes a ruling. The 'winner' is entitled to levy trade sanctions."

The WIPO is not without its critics, however. A current issue involving the PCT and the WIPO, Kirk points out, centers on the extent to which WIPO fees and revenues are being used to support other WIPO operations. "Users are beginning to question whether the WIPO has gone too far in the extent to which it is using these fees to cover the costs of the rest of the organization," Kirk explains. "In addition, the climate in the organization has changed in recent years, in that it has become more politicized. The staff has doubled, to 938, and governments are asking whether the new additions are qualified and really necessary."

Norm setting—establishing "norms" emphasizing existing rules and standards—is also emerging as a challenge for the WIPO, adds Feder. "Brazil and other developing countries are pushing for changes in the way the WIPO develops rules for IP protection, because they feel that development issues aren't being given sufficient attention. This conflict threatens to deadlock the organization's ability to craft new IP rules. Ironically, many of these countries have long benefited from a variety of WIPO assistance programs that help developing countries set up IP systems."

Despite the WIPO's critics and challenges, the PCT is proving to be an attractive IP protection option for many electronics companies. Larger companies with deep pockets are already making use of the system. Smaller companies might find its international coverage useful as well, suggests Rich Wawrzyniak, senior market analyst of ASICs and SoC at Semico Research. "It just makes sense to have your IP protected in as many countries as possible," Wawrzyniak says.

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