GOVERNMENT OF PAKISTAN

Intellectual Property Organisation of Pakistan

(IPO-PAKISTAN)

INTEGRATED INTELLECTUAL PROPERTY MANAGEMENT IN PAKISTAN
Mainstreaming IP

Intellectual Property (IP) is highly critical for competitive economy in the backdrop of ongoing globalization. Sustainable economic growth now depends largely on hi-tech research and development base of the country and efficient knowledge input through innovation and creativity. IP is in fact a powerful driver of innovation and creativity for wealth creation. The new concept of IP based nation is therefore gaining ground because intellectual property management is a significant enabler of technology creation, technology transfer and creativity. That is precisely why intellectual property management has been mainstreamed in Pakistan by abolishing the age-old fragmentation of IP management among three different Ministries and establishing IPO-Pakistan which is a focal organization for integrated management of IP in Pakistan. The Government's decision to establish the new organization is particularly aimed at addressing the institutional shortcomings that were previously impeding the effective management of intellectual property in Pakistan. A TRIPS compliant IP legislation as indicated below is also in place since 2000-01.

TRIPS Compliant IP Legislation


iv. The Copyright Ordinance, 1962 (As Amended in 2000)


vi. Plant Breeders Rights (PBR) Legislation has been approved by the Federal Cabinet. It is now undergoing necessary processes before submission to the Parliament.

vii. A Sui Generis GI Law has been drafted. It is undergoing necessary scrutiny and cross-checks required before its presentation to the Federal Cabinet for approval and submission to the Parliament.

viii. Data Protection Legislation in compliance of Article 39.3 is also under active consideration of Ministry of Health.
IP Situation before 2005

The IP situation (in Pakistan) was internationally being perceived to be constantly deteriorating before 2005. Pakistan was also being continuously blamed for export of pirated optical discs to a number of countries of the world. Pakistan’s major trading and investment partners were therefore naturally uncomfortable with the weak IP situation in Pakistan. Nationally too, counterfeiting and piracy were perceived to be eating into the vitals of the economy. The deepening deteriorating of IP situation was most detrimental particularly to the following:-

- High growth mode of the economy;
- Investment attraction;
- Export promotion;
- Genuine businesses;
- Consumer protection; and
- Country image.

Consultancy Support by WIPO:

In order to redress the undesirable IP situation, the Government of Pakistan sought consultancy support from WIPO. As a result, WIPO experts produced two Consultancy Reports bottomline recommendations of which are reproduced below:-

WIPO Consultancy Report (2001)

- "IP administration in Pakistan, as in other countries, must adopt a business-like approach to the provision of services to fee-paying clients. Experience in other countries has shown that the best institutional arrangements for operation of modern IP administration are such IP agencies that integrate the operations of IP laws into a single, appropriate form of autonomous, self funded and business-like organisation. An additional important benefit that flows from such a modern integrated organisation is the establishment of a single, consistent primary source of policy advice on IP within government".  
  (Mr. Mart Leesti IP Expert ,WIPO)

Singapore Consultancy Report (2005)

- "The stakeholders in Pakistan felt that IP problems of Pakistan could only be resolved with the formation of an integrated IP Office. It was necessary for Pakistan to have an IP Office that is integrated, representing and dealing with all forms of IP".  
  (Ms. Liew Woon Yin, Director General IPO Singapore)

Out-of-the-box package of Reform Measures:

In light of these recommendations the Government of Pakistan put in place an unprecedented package of parallel decisions as follows:-
- Established IPO-Pakistan on 8th April, 2005, as a focal organisation for integrated management of all forms of intellectual property and enforcement coordination;
- Empowered the Federal Investigation Agency (FIA) which is Pakistan's elite force for control of white collar crime, to eliminate piracy by including the Copyright Legislation in the FIA Act, 1974;
- Activated Pakistan Customs to institute effective border measures to control counterfeiting and piracy.
- Energized Pakistan Electronic Media Regulatory Authority (PEMRA) against signal piracy.

**Support Package:**

This package of upgradation and enforcement measures was reinforced by a number of support decisions, namely:-

- The new organisation was attached with the Cabinet Division which is directly supervised by the Prime Minister of Pakistan;
- The private sector was effectively involved in the governance structure of IPO-Pakistan;
- The status of the Director General IPO-Pakistan was upgraded to the rank of Federal Secretary which is the highest level in Pakistan's civil administration;
- Liberal funding was provided (Rs.113.00 million in 2005 and Rs.136.00 million in 2006) to meet the initial setting-up requirements of the new organisation;
- A small start-up team of IP literate and experienced officers was provided to kick-start the new organisation;
- An attractive salary package was provided to attract and retain quality manpower in the new organization; and
- The new organization was made fully autonomous for management flexibility; and
- An IP fund was created for financial strength of the new organization.

**Governance Structure of IPO-Pakistan**

A high profile Policy Board was constituted for effective supervision of IPO-Pakistan. Composition of the Policy Board is as follows:-

- Total Members - 18
  - Chairman (Private Sector)
  - Vice Chairman (Public Sector)
  - Federal Secretaries 6
  - Corporate Executives 10
- Secretary (Non Member)
  - Director General

The IPO Policy Board effectively symbolizes the spirit of Public-Private Partnership which is the new paradigm of participative governance in
Pakistan. It also combines the finest expertise of public administration and corporate management to best serve the national interest. The Deputy Chairman, Planning Commission and six Federal Secretaries of the stakeholding Ministries represent the Public Sector and eleven Members including the Chairman represent the Private Sector comprising top executives of the leading national and multinational companies in Pakistan. Thus the finest human capital has been invested in the governance structure of IPO-Pakistan.

**Vision**

IPQ-Pakistan has set for itself the following Vision namely:

“To put Pakistan on the IP map of the world as a compliant and responsible country by promoting and protecting intellectual property rights.”

**Mission**

The Mission Statement of IPO-Pakistan is as follows:

“Integrating and upgrading IP infrastructure for improved service delivery; increased public awareness and enhanced enforcement coordination for achieving the goal of being an IP based nation.”

**Core Functions**

IPQ-Pakistan has been assigned the following core functions namely:

- Integrating IP management;
- Improving service delivery;
- Increasing public awareness; and
- Enhancing enforcement coordination

**Initial Priorities**

Being a new organization, the initial priorities of IPO-Pakistan were set-up as follows:

- Consolidation of inheritance from the past;
- Putting in core capacities in the new organization;
- Achieving higher order professionalisation; and
- Operating on modern and competitive lines.

**IPO-Initiatives**

After its inception in April, 2005 IPO-Pakistan launched a number of organisational, administrative and functional initiatives to upgrade the institutional infrastructure; design a flat and lean service structure; provide attractive salary package and afford necessary capacity building opportunities to reform, restructure and reorganize intellectual property management in Pakistan. IPO-Pakistan’s Enforcement Coordination Initiative has not only developed effective linkages with all the agencies in the
enforcement chain but also with the private sector investigation agencies engaged in detection of IP crime. As this initiative is developing its synergies, the market space for piracy and counterfeiting has started shrinking and dwindling with expanding enforcement and deepening IP awareness in the country.

**Enforcement Drive**

Establishment of IPO-Pakistan has been received well in Pakistan as well as abroad. In a very short period of time since its inception in April, 2005, the new organization has been able to establish its HQ in Islamabad; achieve automation of the database of Trademarks Registry; initiate computerization in the Patents and Copyrights offices; host a useful website; establish Patent Helpline; recruit quality manpower for the Patent Office, Karachi and IPO HQ, Islamabad; develop an attractive salary package to attract quality staff from the market; achieve 'One Building Operation' of the Branch Offices of IP Registries in Lahore; consolidate them into Regional Office; launch a well designed Public Outreach Program; and establish effective coordination with all agencies in the enforcement chain. The following activities have been undertaken by the IP management and enforcement agencies, namely:-

- Within the first month of IPO existence, FIA cracked down in May, 2005 on the notorious piracy infrastructure to demonstrate Government's administrative firmness behind its IP initiative;
- Pakistan Customs established Anti-Piracy Cells (APCs) at the country's major international airports to institutionalize government's anti-piracy drive. This was for the second time in the history of Pakistan Customs after Anti-Narcotics Cells (ANCs) that anti-piracy drive was institutionalized in the form of APCs;
- While FIA and Pakistan Customs were busy controlling the supply side of piracy, IPO launched a number of demand control initiatives to curb local demand for pirated optical discs.
- IP crime detection agencies in the private sector have been linkaged through enforcement coordination.
- These activities are being firmly sustained and strengthened for elimination of counterfeiting and piracy in the country. As a result vendors and business associations are increasingly assuring compliance.

**Enforcement Coordination**

Enforcement coordination is logically structured at the policy level, supervisory level and operational level as follows;
Structured Enforcement Coordination

- Policy Board Interface (Policy Level)
- Organizational Interface (Supervisory Level)
- Enforcement Coordination Committee Interface (Operational Level)

At the operational level, enforcement coordination has been institutionalized through the Regional Enforcement Coordination Committees, comprising all agencies in the enforcement chain, in Islamabad, Karachi and Lahore. Its membership comprises IPO-Pakistan, Central Intelligence, Law Division and Pakistan Electronic Media Regulatory Authority. Private Investigation Agencies and Citizen-Police Liaison Committees already existing in the major urban areas will also be brought into the enforcement loop by special invitation.

Agencies in the Enforcement Chain

i. District Police
ii. Federal Investigation Agency (FIA)
iii. Customs
iv. Pakistan Electronic Media Regulatory Authority (PEMRA)
v. Judiciary
vi. Law Division
vii. Private Detection Agencies

Enforcement Strategy

A top down gradual and selective approach based on special and differential treatment principle of WTO is being followed under which the developed regions like Karachi, Lahore and Islamabad of Pakistan have been prioritized for IPR enforcement. The less developed areas of Pakistan will be focused later. The approach is two pronged; (i) supply side controls; and (ii) demand side controls. The enforcement agencies are eliminating supplies of counterfeit and pirated goods through relentless enforcement. IPO Pakistan is containing demand through its massive public awareness program under its Public Outreach Initiative. Ministry of Information Technology is providing affordable open source solutions to enable migration to legitimate business software.
Embedding IP in the Policy Framework:

Government of Pakistan is increasingly embedding IP dimension in its macro-economic policy framework. Recently, the Government has announced its SME Policy 2007. IP has been explicitly included in the policy to support 3.2 million small and medium enterprises in the country which form the backbone of Pakistan’s economy.

Defining Moment:

Relentless IP enforcement in Pakistan after April, 2005 has created massive supply-demand gaps which need to be urgently bridged by foreign suppliers by providing legitimate goods on reasonable prices and enter into reasonable licensing and royalty arrangements with local suppliers and vendors. Otherwise Pakistan will fall a victim to import of Piracy. Pakistan Customs are doing their level best to contain import of piracy but the real solution lies in the hands of foreign suppliers of legitimate IP products, who should immediately fill the supply-demand gaps created by relentless enforcement of IPR in Pakistan after April, 2005.

Model making with economy packaged licensing, sub-contracting and royalty arrangements for the following sectors are urgently needed to supplement the ongoing enforcement drive:

- Book Publishing
- Optical Disc Production
- Business Software
- Film Distribution

Early Harvest

Enforcement measures combined well and found synergy for effectively reaping an early harvest of IP achievements both internally and externally. Internally, the piracy infrastructure in the formal and organized sector has been shut down; the operators and owners are being prosecuted in the courts of law and availability of pirate products especially business software has started dwindling. Externally, the following have been made, namely:

- A four years old Petition of International Intellectual Property Alliance (IIPA) of America for withdrawal of GSP concessions on Pakistan’s exports to USA has been closed by the US Government;
- US Government has also removed Pakistan from the Priority Watch List;
- US Commerce Department has offered a three year facility under its Commercial Law Development Program (CLDP) for upgrading IP infrastructure in Pakistan;
- A number of IP friendly countries have expressed their keenness to develop long term partnership with IPO-Pakistan;
WIPO and European Commission are also massively supporting IPO-Pakistan in its formative years. In fact timely technical help has come from WIPO and robust financial assistance of EU under EC-Pakistan TRTA Program is the principal support for IPO-Pakistan in the initial phase of its setting up.

The external recognition of mainstreaming of integrated IP management in Pakistan has been very encouraging. The local representative of International Federation of Phonographic Industry (IFPI), a UK-based international watchdog of global piracy has certified that export of pirated optical discs from Pakistan's major international airports has "completely dried up". IFPI was previously spearheading a relentless campaign against deterioration of IP situation in Pakistan through its quarterly Enforcement Bulletin Magazine.

Management Improvement Initiatives

Although the new Organization is constantly on the run ever since its inception to meet its initial setting-up requirements yet it has done reasonably well in achieving the following:-

(i) Integrated Model

IPO-Pakistan has fast developed into a lead model of integrated IP management of all forms of IP including Patents, Industrial Designs, Trade Marks, Service Marks, Layout Designs of Integrated Circuits (Topographies), Geographical Indications and Copyrights. The Government has also recently decided to integrate management of Plant Breeder’s Rights under IPO-Pakistan. IPO Pakistan is now being increasingly recognized and appreciated for being a lead model of Integrated IP management for the developing countries. Export Committee of Organisation of Islamic Countries (OIC) has recommended this model for adopting by the member states.
(ii) **Joint Committee of IP Registries**

A joint committee of Heads of IP Registries has been constituted in Karachi for consensual management of their common problems. The Committee meets regularly for finding corporate solutions to organizational problems.

(iii) **One Building Operation**

Location of IP Registries is being consolidated in one building for operating a “One Building Operation” of IP registries for the convenience of dealing public. The objective has been partially achieved because an integrated IPO HQ has been established in Islamabad and in Lahore, an Integrated Regional Office of IPO-Pakistan has been established and upgraded. Efforts are underway to locate all IP Registries of Karachi in the defunct CCI&E Building after renovating, refurbishing and upgrading it into a full-fledged IP House.

(iv) **Automation**

Automation is critical for transformation of IP Registries into an accelerated service delivery mode. Business Process Re-engineering (BPR), formulation of Standard Operating Procedures (SOPs), automation and capacity building of the core staff constitute the fundamentals of IPO strategy to improve service delivery. Accordingly automation of data base of Trade Marks Registry has been completed. Patent Registry has also initiated automation of Patent data bases with the help of Electronic Government Directorate (EGD) and World Intellectual Property Organization (WIPO), Geneva. Plans are in hand to convert Copyright Registry from manual to automation mode at the earliest. The ultimate objective is to bring IP management online in Pakistan in the shortest possible time. EGD is preparing an overall automation plan for IPO-Pakistan. This will involve an additional outlay of Rs. 50 Million over and above the normal expenditure budget of IPO-Pakistan.

**FEATURES OF AUTOMATION**

- Computerisation
- IPAS
  - Patent
  - TMR
  - Copyright (underway)
- Overall Automation
  - Virtual Private Network (VPN)
  - Enterprise Resource Planning (ERP)
- Website (www.ipo.gov.pk)
- Information Sharing With Stakeholders
Public Awareness

In order to improve public awareness, IPO has launched a Public Outreach Program for linkaging and leveraging its internal and external constituencies i.e. Chambers of Commerce and Industry, business enterprises, R&D institutions, universities, academia and general public. ‘World Trade Review’, a fortnightly newspaper focused on WTO news is also regularly publishing IP news. ‘Pledge’ a periodical against counterfeiting and piracy is being regularly published by Anti-Counterfeiting and Infringement Forum (ACIF), Karachi. ‘IP News’ is yet another periodical which is effectively serving the cause of IP in Pakistan. It will thus be observed that both electronic and print media are being increasingly used for enhancing public awareness in IP. Pakistan’s National Commission for UNESCO and UNDP have also provided some financial support in organizing IP awareness seminars in Chambers and provincial Bars of lawyers in the country by IPO Pakistan and the International Islamic University, Islamabad. IPO-Pakistan has been able to establish effective linkages with the following institutions and organizations;

- R & D Institutions
- Vendors Associations
- Training Institutions
- University and Academia
- District Bar Associations
- Federal Judicial Academy
- Consumer Protection Association
- Chambers of Commerce and Industry
- Student Researches
- Open Source Resource Centre
- SMEDA

**IPO Website (www.ipo.gov.pk)**

- Dynamic
- Informative
- Availability of Forms etc.
- Publishing IP Journal
- Latest IP Data Being Published

Reform and Restructuring of IP Registries

The existing organizational and administrative set-up of IP Registries requires extensive reform and restructuring. A nine tier flat and lean administrative setup has been put in place. IPO HQ in Islamabad is being organized on modern lines. The IP Registries and their Regional Offices will also be reformed and restructured accordingly. IPO-Pakistan, its Registries and Regional Offices are being reorganized on competitive lines to put in capacity for adequate response to convert the challenges of globalization in the 21st century into opportunities for Pakistan.

This however needs a lot of capacity building, vision, foresight and patience. There is no dearth of political will and financial commitment on the part of Government of Pakistan. Lack of expertise and capacity problems constitute the most major challenges for IPO-Pakistan. Experts of IP
Australia are providing the consultancy services in this respect under WIPO lead EU sponsorship.

**OFFICES OF IPO-PAKISTAN**

IPO-Pakistan presently comprises of the following offices namely:

i. IPO HQs, Islamabad;

ii. Trade Marks Registry, Karachi;
   (Including Service Marks and GIs)

iii. Patents and Designs Office, Karachi;

iv. Copyright Office, Karachi; and

v. IPO's Regional Office, Lahore

**Organogram**

Short term future plans are to establish integrated regional offices in Peshawar and Quetta.

**Staff Position**

<table>
<thead>
<tr>
<th>Offices</th>
<th>Staff</th>
<th>Sanctioned Strength</th>
<th>Working Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPO HQ:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Officers</td>
<td>46</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Support Staff</td>
<td>29</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Registries:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Officers</td>
<td>63</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td>Support Staff</td>
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<td>132</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>211</td>
<td>175</td>
<td></td>
</tr>
<tr>
<td>Breakup:</td>
<td></td>
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</tr>
<tr>
<td>Officers</td>
<td>109</td>
<td>59</td>
<td></td>
</tr>
<tr>
<td>Support Staff</td>
<td>177</td>
<td>139</td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>286</td>
<td>194</td>
<td></td>
</tr>
</tbody>
</table>
Revenue Position

The Government has created an IP Fund for IPO-Pakistan which comprises the following:

- Fee collection by IP Registries
- Government Grants; and
- International Donations

The management policy is to improve revenue collection by improved service delivery and enhanced IP awareness which in turn increases the business volume and revenue of IP Registries.

Performance of IPO-Pakistan

<table>
<thead>
<tr>
<th>Sr.#</th>
<th>Category</th>
<th>2005-06</th>
<th>2006-07</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>i</td>
<td>Applications Received</td>
<td>17949</td>
<td>19222</td>
<td>7.09</td>
</tr>
<tr>
<td>ii</td>
<td>Registrations Granted</td>
<td>4806</td>
<td>7000</td>
<td>45.65</td>
</tr>
<tr>
<td>iii</td>
<td>Revenue Collection (Million Rupees)</td>
<td>64.50</td>
<td>82.61</td>
<td>28.06</td>
</tr>
</tbody>
</table>

International Recognition

The mainstreaming of IP in Pakistan, its IP awareness program and enforcement drive have earned international appreciation. Some of the glimpses of the appreciation are reproduced below:

US Government

"The United States Government wishes to inform that the United States appreciates the work that the Government of
Pakistan, particularly the Federal Investigation Agency (FIA), Pakistan Customs, and the Intellectual Property Office (IPO), have done in enforcing intellectual property rights (IPRs) in Pakistan."

**EU TRTA Programme**

"Policy formulation, administration and enforcement of intellectual property rights (IPR) are improved, by modernizing the IPR legislation, creating more awareness of the role of IPR for economic growth and trade development, and supporting the establishment of a Pakistan IPR Organisation."

**WTO Trade Policy Review**

"Pakistan has strengthened protection of intellectual property rights, including enforcement, especially in optical piracy, by acceding to the Paris Convention (2004), creating the Intellectual Property Organization (2005) and transferring copyright crime enforcement to the Federal Investigation Agency."

**RIAA (Recording Industry Association of America)**

"The efforts of the Government of Pakistan under the remarkable leadership of Prime Minister and the actions of the Federal Investigation Agency to address the rampant copyright piracy that had been ravaging their country have been outstanding."

**National Recognition**

Nationally also, there is an immense appreciation for upgradation of IP legislation and improvement in service delivery. Some of the glimpses are reproduced below:

**EMI, Pakistan**

"It is only IPO-Pakistan which became the cause for EMI to come back in Pakistan for investment in Music Industry."

**Pakistan Intellectual Property Solutions (PIPS)**

(A private sector IP crime detection agency in Karachi)

"Pakistan has potent laws for IP enforcement including Copyrights laws, Customs laws, drugs laws and Trademark laws; there is only need to properly address the implementation of existing legislation."
Conclusion

IP management has been mainstreamed in Pakistan. The institutional shortcomings which were previously impeding efficient and effective management are being addressed by the government. Operations of IP Registries are being computerized on fast track basis. Pendancies are being eliminated on priority. Pakistan is well on its way to achieve its IP objectives. But IP is not an end in itself. It is a means towards an end. The end is sustaining and strengthening the ongoing high growth mode of the national economy and to ultimately achieve the goal of being an IP efficient society and an IP based nation. IP is in fact the art and science of brain and business knowledge management. IP is a powerful driver of economic growth and wealth creation. IP is both the cause and effect of economic strength of a country. Its intelligent use can bring about exponential acceleration in economic growth. A strong and well managed IP regime is therefore a paramount national imperative for achieving the objective of competitive economy based on:-

- Technology Creation;
- Technology Transfer; and
- Creativity Promotion.

Bottom Line

In the backdrop of ongoing globalization of economies in the 21st century, only those countries will be winners who efficiently and effectively address their IP problems with special reference to the following:-
- National IP assets management; and
- IPR enforcement

Please visit IPO-Pakistan

at

URL: www.ipo.gov.pk
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