

# ANNUAL REPORT 2017



*Fostering creativity & innovation for economic growth in Africa*



# **ARIPO**

## **ANNUAL REPORT**

# **2017**

**ARIPO**  
**Harare, Zimbabwe**  
**2018**

# ARIPO IN BRIEF

The African Regional Intellectual Property Organization (ARIPO) is an inter-governmental organization (IGO) that facilitates cooperation among member states in intellectual property matters, with the objective of pooling financial and human resources, and seeking technological advancement for Africa's economic, social, technological, scientific and industrial development.

## VISION

To be Africa's leading intellectual property hub.

## MISSION

To foster creativity and innovation for economic growth and development in Africa

## OUR CORE VALUES

- Client-focus
- Integrity
- Engagement
- Accountability
- Innovation



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# ABBREVIATIONS AND ACRONYMS

AFSTA	African Seed Trade Association
ARIPO	African Regional Intellectual Property Organization
ASTA	African Seed Trade Association
AU	Africa Union
CMOs	Collective Management Organizations
CISAC	International Confederation of Societies of Authors and Composers
COMESA	Common Market for Eastern and Southern Africa
CPVO	Community Plant Variety Office
EPO	European Patent Office
IFPI	International Federation of the Phonographic Industry
IGO	Inter-Governmental Organization
IMPI	Mexican Institute of Industrial Property
INTA	International Trademark Association
IPC	International Patent Classification
IPDL	Intellectual Property Digital Library
JPO	Japan Patent Office
MIP	Master in Intellectual Property
MoU	Memorandum of Understanding
OAPI	<i>Organisation Africaine de la Propriété Intellectuelle</i>
PACRA	Patents and Companies Registration Agency
RPET	Regional Patent Examination Training
SAIC	State Administration for Industry and Commerce
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UCT	University of Cape Town
UNECA	Economic Commission for Africa
UPOV	International Union for the Protection of New Varieties of Plants
V&G	Value and Growth
WAHO	West African Health Organisation
WBU	World Blind Union
WIPO	World Intellectual Property Organization
WTO	World Trade Organization
ZBC	Zimbabwe Broadcasting Corporation

# FOREWARD

The year 2017 was a good one for ARIPO. It marked the second year of the implementation of the Value and Growth Transformation Strategic Plan, 2016-2020.

The 2017 priority was to consolidate the gains of the past years with regard to the new approach in terms of reviving the image of ARIPO as a hub for IP development in Africa. In that regard, we focused on the implementation of our marketing strategy that aimed at boosting the image of the organization. The ARIPO logo got protection throughout the world through article 6-ter of the Paris Convention; we developed a business model that outlined the use of our newly inaugurated premises as a hub for IP training and awareness raising center. As a result of that, the new state of the art building was voted 'best commercial property' in the city of Harare in Zimbabwe for the year 2017 by the Chartered Institute of Project Managers Zimbabwe.

In 2017, there were positive gains in the number of filings with ARIPO. The number of industrial designs, patents and trademarks surpassed those of 2016. There was a 26.8% increase on the number of filings done online. In 2016, the filings received that were online were 31.3% while in 2017 the figure went up to 58.1%.

ARIPO was also at the forefront of the development of the 'Africa Copyright Agenda' that was jointly adopted by WIPO, ARIPO, CMOs and Copyright Offices in Africa at the ARIPO headquarters in June 2017. WIPO and ARIPO jointly developed the "Guidelines for the development of IP Policies for Universities and Research Institutions in Africa" which will guide African higher learning and research institutions in the development of their internal IP policies.

On the diplomatic side, the important role of ARIPO in the global debates on IP was also recognized by the WTO TRIPS Council at its meeting of October 20, 2017 by granting to it the permanent observer status in the Council Meetings.

At the 16th Session of the Council of Ministers held in Lilongwe, Malawi in November 2017, the Council of Ministers tasked the Secretariat to find the reasons behind the inadequate IP legal and institutional frameworks in Africa by undertaking a study to that aim. That as well as lack of awareness on the importance of the role of IP in Africa's development are seen as the reason IP is still excluded in most developmental policies by governments in Africa. This task is a remarkable achievement to ARIPO as it shows that governments are beginning to recognize that something is



wrong in the African approach to IP and must be corrected.

Remarkably, awareness creation is shifting to universities as most do not have IP policies. The first and encouraging steps were taken in 2017 when ARIPO organised awareness creation seminars at universities in Sierra Leone, Zambia, Swaziland and Rwanda. The "Guidelines for the development of IP Policies for Universities and Research Institutions in Africa" which were presented at these seminars raised a lot of interest. The Guidelines were jointly developed by ARIPO and WIPO. In 2018, pilot-projects will be launched to test the model introduced by the Guidelines.

An impact assessment conducted in 2017 under the Value and Growth Impact Strategy revealed that a number of achievements have been made under the V&G transformation process including: revenue increase, ARIPO brand growth, increase in online filings and increased substantive examination output. With good results as such, ARIPO will continue to strive to become the hub for the development of IP in the African continent. ARIPO must live to the expectations raised by improving its own internal systems, streamline its procedures and become an efficient organization. ARIPO is now upgrading its Academy to cope with this new vision and requirement. The ARIPO Academy will collaborate with universities and try to produce evidence that will help policy-makers to take informed decisions on the use of IP for development.

Looking ahead, the 2017 achievements and challenges will enable the Secretariat develop with better strategies to ensure that ARIPO is indeed the hub of IP in Africa. These cannot be done without your support. We look forward to your usual cooperation.

**Fernando dos Santos**  
Director General

# SECTION 1: ARIPO'S ORGANIZATIONAL STRUCTURE

## ORGANS OF ARIPO

### OVERVIEW

ARIPO is governed through various organs. These organs are; the Council of Ministers, Administrative Council, Board of Appeal and the Secretariat. The Administrative Council has subsidiary bodies, namely Finance Committee, Audit Committee, Human Capital Committee and Technical Committees.

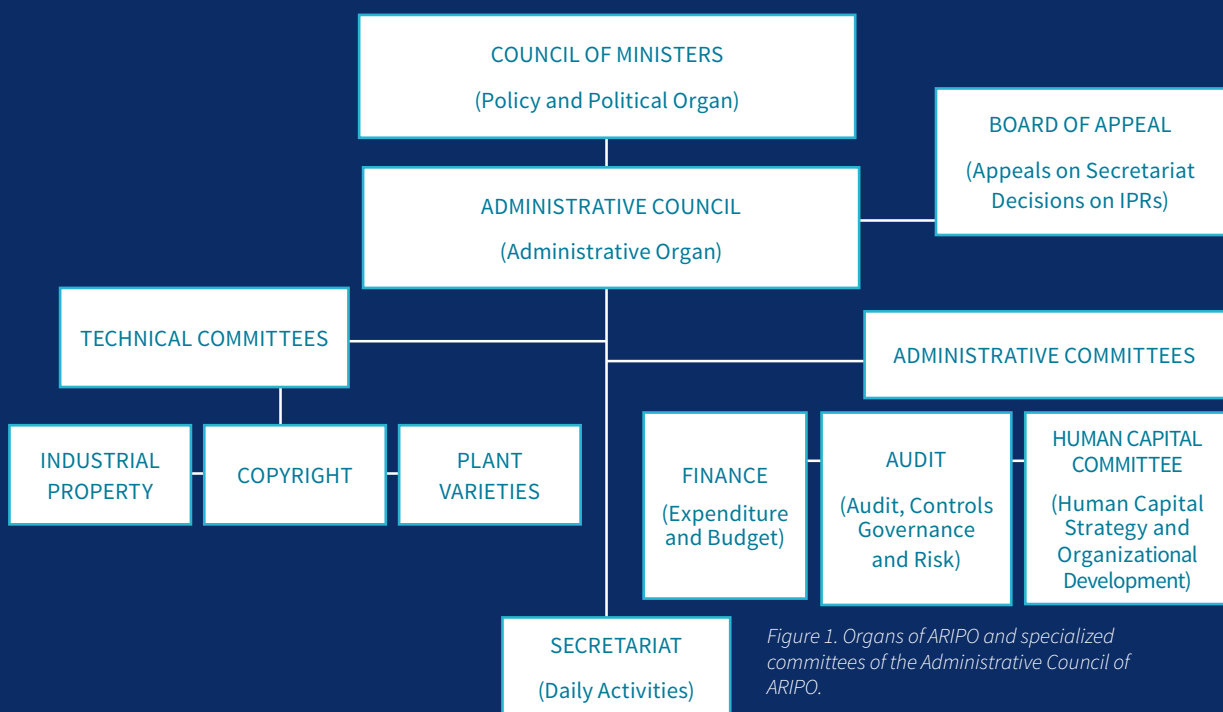


Figure 1. Organs of ARIPO and specialized committees of the Administrative Council of ARIPO.

### COUNCIL OF MINISTERS

It comprises Ministers of governments of ARIPO Member States who are responsible for the administration of intellectual property laws in their respective countries. It is the supreme organ of the Organization. The Republic of Malawi is the current Chair of the Council of Ministers.

### ADMINISTRATIVE COUNCIL AND ITS SUBSIDIARY COMMITTEES

The Administrative Council is composed of heads of offices responsible for industrial property and copyright in Member States. The Administrative Council is subordinate to the Council of Ministers. The Republic of Malawi is also the current Chair of the Administrative Council.

### Subsidiary Committees of the Administrative Council

The Administrative Council has subsidiary Committees in place to administer the affairs of ARIPO. These come under two broad categories namely; Technical and Administrative Committees. Under the former, there are three Committees namely; Technical Committee on Industrial Property, Technical Committee on Copyright & Related Rights, and Technical Committee on Plant Varieties Protection.

Similarly, under Administrative Committees, ARIPO also has three Committees for Audit, Finance and Human Capital.



## BOARD OF APPEAL

The Board of Appeal is established to hear and review appeals against the administrative decisions of the Office in the implementation of the ARIPO protocols. It is independent of any organ of the Organization.

## SECRETARIAT

The Secretariat is responsible for the day to day activities of the Organization and implementation of policies issued by the Administrative Council or/and the Council of Ministers. It is headed by a Director General who is the principal executive officer of the Organization. The holder of the office must be a citizen of an ARIPO Member State. The current incumbent is Mr. Fernando A. dos Santos, a national of Mozambique.

# ARIPO'S LEGAL INSTRUMENTS

## LUSAKA AGREEMENT

ARIPO was established under the Lusaka Agreement, which was signed in Lusaka, Zambia, on 9 December 1976. The objectives are, *inter alia*, to promote, harmonize and develop intellectual property systems in Africa. To carry its functions, ARIPO administers four Protocols.

## THE HARARE PROTOCOL

The Protocol on Patents and Industrial Designs (the Harare Protocol) was adopted on 25 April, 1984 empowering ARIPO to grant patents and register industrial designs as well as utility models on behalf of the Protocol's contracting states.

Currently, all the Member States except Somalia are contracting States.

## THE BANJUL PROTOCOL

Adopted in 1993, this Protocol empowers ARIPO to register marks on behalf of the Protocol's contracting states. Ten countries are party to the Protocol namely Botswana, Lesotho, Liberia, Malawi, Namibia, São Tomé & Príncipe, Swaziland, United Republic of Tanzania, Uganda and Zimbabwe.

## SWAKOPMUND PROTOCOL

The Swakopmund Protocol on the Protection of Traditional Knowledge and Expressions of Folklore was adopted in 2010 and entered into force on 25 May 2015. The protocol aims to protect traditional knowledge and expressions of folklore and to ensure that the same is properly utilized for the welfare of the people who own it. It has eight ratifications so far.

## THE ARUSHA PROTOCOL

The Arusha Protocol for the Protection of New Varieties of Plants is the newest of the ARIPO protocols having been adopted by a Diplomatic Conference that was held in Arusha, Tanzania on 6 July 2015. The protocol is to provide Member States with a regional plant variety protection system that recognizes the need to provide growers and farmers with improved varieties of plants in order to ensure sustainable agricultural production.

By the end of 2017, the Protocol had received five signatures from The Gambia, Ghana, Mozambique, São Tomé & Príncipe, and the United Republic of Tanzania. However, the protocol will only enter into force 12 months after four States have deposited their instruments of ratification or accession.

# ARIPO MEMBERSHIP AND PROTOCOLS SIGNED

## MEMBERSHIP

Membership to ARIPO is open to Member States of the Economic Commission for Africa (UNECA) or the African Union (AU). As at 31 December 2017, the ARIPO membership was 19 Member States.

Figure 2 below shows the geographical location of the ARIPO Member States within Africa whereas, Table J shows the dates of their membership and contracting status with regards to the ARIPO Protocols that are in force.



MEMBER STATE	LUSAKA AGREEMENT	HARARE PROTOCOL	BANJUL PROTOCOL	SWAKOPMOND PROTOCOL
<b>Botswana</b> 	6 February, 1985	6 May, 1985	29 October, 2003	28 March, 2012
<b>The Gambia</b> 	15 February, 1978	16 January, 1986		11 February, 2015
<b>Ghana</b> 	15 February, 1978	25 April, 1984		
<b>Kenya</b> 	15 February, 1978	24 October, 1984		
<b>Lesotho</b> 	23 July, 1987	23 October, 1987	12 February, 1999	
<b>Liberia</b> 	24 December, 2009	24 March, 2010	24 March, 2010	25 October, 2016
<b>Malawi</b> 	15 February, 1978	25 April, 1984	6 March, 1997	20 December, 2012
<b>Mozambique</b> 	8 February, 2000	8 May, 2000		
<b>Namibia</b> 	14 October, 2003	23 April, 2004	14 January, 2004	11 February, 2015

**TABLE 1** ARIPO Member States and the dates when they formally contracting dates to the ARIPO Protocols

MEMBER STATE	LIBRAA AGREEMENT	NAIROBI PROTOCOL	BRASIL PROTOCOL	NGARAPIDANGI PROTOCOL
<b>Rwanda</b> 	24 June, 2011	24 September, 2011		16 July, 2012
<b>São Tomé &amp; Príncipe</b> 	19 May, 2014	19 August, 2014	27 November, 2015	
<b>Sierra Leone</b> 	5 December, 1980	25 February, 1999		
<b>Somalia</b> 	10 December, 1981			
<b>Sudan</b> 	2 May, 1978	25 April, 1984		
<b>Swaziland</b> 	17 December, 1987	17 March, 1988	17 March, 1988	
<b>Tanzania</b> 	12 October, 1983	1 September, 1999	1 September, 1999	
<b>Uganda</b> 	8 August, 1978	25 April, 1984	21 November, 2000	
<b>Zambia</b> 	15 February, 1978	26 February, 1986		28 August, 2015
<b>Zimbabwe</b> 	11 November, 1980	25 April, 1984	6 March, 1997	22 April, 2013

# SECTION 2: 2017 HIGHLIGHTS – OUR YEAR IN PERSPECTIVE

## THE ARIPO ASSEMBLIES

### The Council of Ministers

The ARIPO Council of Ministers meets every two years. The Sixteenth Session of the Council of Ministers met from November 23 to 24, 2017 at the Bingu International Conference Centre in Lilongwe, Malawi. The Council of Ministers was held back to back with the Forty-first Session of the Administrative Council of ARIPO held at the same venue from 20-22 November 2017.

The Session was officially opened by Honourable Samuel Tembenu, Minister of Justice and Constitutional Affairs of the Republic of Malawi.

Seventeen (17) Member States of ARIPO were represented at the Session, namely; Botswana, The Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, São Tomé & Príncipe, Sierra Leone, Sudan, Swaziland, Uganda, United Republic of Tanzania, Zambia and Zimbabwe. Rwanda and Somalia were absent. Burundi was the only Observer State represented at the Session.

Inter-governmental Organizations and Co-operating Partners represented were: the World Intellectual Property Organization (WIPO), the *Organisation Africaine de la Propriété Intellectuelle* (OAPI), the European Patent Office (EPO), the Community Plant variety Office (CPVO), the International Union for the Protection of New Varieties of Plants (UPOV), the International Trademark Association (INTA), the Common Market for Eastern and Southern Africa (COMESA), Japan Patent Office (JPO), IMPI-Mexico, the World Blind Union (WBU) and the African Seed Trade Association (AFSTA).

The following were elected as Officers of the Council of Ministers for a period of two years (2017-2018):

Chairman	- Malawi
First Vice-Chairman	- Liberia
Second Vice-Chairman	- São Tomé & Príncipe

The Council of Ministers released a Communique at the close of the Session as follows:

### COMMUNIQUE OF THE SIXTEENTH SESSION OF THE COUNCIL OF MINISTERS OF ARIPO HELD IN LILONGWE, REPUBLIC OF MALAWI, ON NOVEMBER 23, 2017

1. The Council of Ministers of the African Regional Intellectual Property Organization (ARIPO) (hereafter referred to as “the Organization”) held its Sixteenth Session at the Bingu International Conference Centre (BICC), Lilongwe, Malawi on November 23 and 24, 2017.
2. The Honourable Samuel Tembenu, Minister of Justice and Constitutional Affairs of the Republic of Malawi, officially opened the Sixteenth Session of the Council of Ministers. In his speech, Honourable Tembenu indicated that the Session of the Council of Ministers afforded Ministers the opportunity to take stock of the successes and challenges facing ARIPO and its Member States in promoting the use of Intellectual Property (IP) as an engine of growth in the respective countries. He underscored the fact that most economies of the ARIPO Member States are agriculture-based and therefore incumbent on the countries to develop appropriate legal instruments that will create conducive environment for value addition to agricultural commodities.
3. The Honourable Tembenu commended ARIPO for the development of the Arusha Protocol which was adopted on July 6, 2015 in Arusha, United Republic of Tanzania. He applauded the Administrative Council for the adoption of the Regulations for the Implementation of the Arusha Protocol at its Forty-First Session. He called on Honourable Ministers to ensure their respective Governments ratify the Arusha Protocol as soon as possible to enable its implementation for the benefit of Member States.
4. The Council of Ministers elected Malawi, Liberia

and Sao Tome and Principe to serve as Chairman, First Vice-Chairman and Second Vice-Chairman respectively in the 2018-2019 biennium.

5. The Council of Ministers took note of the report of the Chairman of the Administrative Council regarding the decisions that the Administrative Council took at its Forty-First Session held in Lilongwe from November 20 to 22, 2017. The report highlighted the major achievements made by the Organization during the reporting period including the adoption of the amendments to the Harare Protocol and the Banjul Protocol, adoption of the Regulations for the Implementation of the Arusha Protocol on Plant Variety Protection, the inauguration in December 2016 of the extension of the Building of the Headquarters of ARIPO, among others.
6. The Council of Ministers took note of the report of the Director General which provided a summary of the activities carried out in the 2016-2017 biennium and commended the Organization for its contribution to the development of the national and regional IP systems.
7. The Council of Ministers considered developments of Intellectual Property in Africa related to the creation of the Pan-African Intellectual Property (PAIPO) by the Heads of State and Government of the African Union. The Council of Ministers underscored the important roles that ARIPO and OAPI have played and continue to play in building the national and regional Intellectual Property systems in Africa and affirmed their support to the two Organisations.
8. The Council of Ministers reiterated its position that PAIPO should focus on policy coordination and strategic direction for the development of the Intellectual Property system in Africa.
9. The Council of Ministers resolved that the Secretariat of ARIPO should facilitate high level missions to the Member States, in particular to those that signed the PAIPO Statute to sensitize and engage their Governments on the need to fully support and safeguard ARIPO and OAPI.
10. The Council of Ministers considered the outcome document of the High-Level Meeting on Promoting Policy Coherence on Health Technology Innovation and Access in the ARIPO Region that was organized by Government of Malawi, with the support of the UNDP in Lilongwe from November 1 to 3, 2017. The Council of Ministers mandated the Secretariat to explore and formulate concrete proposals aimed at addressing policy and legal incoherencies that impact access to health technologies and in the Member States of ARIPO, take actions accordingly and report to the Governing Bodies of the Organization.
11. The Council of Ministers noted the low uptake of the Intellectual Property systems and its use to foster creativity and innovation in the ARIPO Member States in particular, and Africa as a whole, and mandated the ARIPO Secretariat to undertake studies to identify the causes and make appropriate recommendations on the remedial actions.
12. The Council of Ministers expressed its gratitude to the Government of Republic of Malawi for the warm hospitality and excellent arrangements made for the Sixteenth Session of the Council of Ministers.
13. The Council of Ministers further expressed its appreciation and gratitude to the cooperating partners of the Organization for their continued support and participation in the Sixteenth Session of the Council of Ministers of ARIPO.
14. Eleven (11) Ministers and Five (5) Accredited Officials participated in the Session of the Council of Ministers. Also present were Observer Member States, Inter-governmental Organization, other Cooperating Partners and IP Practitioners.

## The Administrative Council

The Forty-First Session of the Administrative Council of ARIPO was held in Lilongwe, the Republic of Malawi from November 20 to 22, 2017 at the Bingu International Conference Centre.

Seventeen (17) Member States of ARIPO were represented at the Session, namely; Botswana, The Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, São Tomé & Príncipe, Sierra Leone, Sudan, Swaziland, Uganda, United Republic of Tanzania, Zambia and Zimbabwe. Rwanda and Somalia were absent. Burundi was the only Observer State represented at the Session.

Inter-governmental Organizations and Co-operating Partners represented were WIPO, OAPI, EPO, CPVO, UPOV, INTA, COMESA, WBU and AFSTA. Patent Agents represented were: Adams and Adams of South Africa, Adams and Adams of Mozambique, Gill Godlonton and Gerrans, Spoor and Fisher, Konsewa Law Consulting, NexLaw Advocates and Darts IP.

The Malawi Solicitor General, Mrs Janet Banda, officially opened the 41st Session. In her remarks, she applauded the Council members for the support accorded in the

past year. She noted that Africa should ensure it comes up with its own needs-based innovations for a sustainable economic growth which should also be people-centered development.

The outgoing Chairperson of the Administrative Council, Mr. Anthony Bwembya, in his remarks said that during the last 41 years, ARIPO had registered numerous and great achievements which made the Organization a recognized intellectual property hub in Africa. In his two-year tenure of office, some of the remarkable achievements was the accession of the Republic of Liberia to the Swakopmund Protocol on October 25, 2016, bringing the number of Contracting States to 7 and the completion of the construction of the new building of the ARIPO Headquarters that was inaugurated on 9 December 2016.

The following were elected as Officers of the Administrative Council:

Chair	-	Malawi
First Vice-Chair	-	Liberia
Second Vice-Chair	-	São Tomé & Príncipe

## PARTNERSHIPS MADE IN 2017

In the course of the year 2017, the ARIPO Secretariat registered a number of activities which were carried out within the framework of existing cooperation agreements and signed new ones.

### OAPI and ARIPO Cooperation Agreement

ARIPO and its sister organization, *Organisation Africaine de la Propriété Intellectuelle* [African Intellectual Property Organization] (OAPI), signed a four year Cooperation Agreement on February 09, 2017 at the ARIPO headquarters in Harare, Zimbabwe. This Agreement, which is envisaged to take the relationship of the two organizations to new heights, abrogates two earlier agreements signed by the two organizations in 1996 and 2005 respectively.

The new Agreement establishes a comprehensive cooperation framework in intellectual property matters for the two parties. According to the Agreement, OAPI and ARIPO should work towards the harmonization of

their systems; exchange documentation and technical information; mutually cooperate in the development of training and joint capacity building programs including in user awareness. The agreement also requires that either party offers technical assistance to the other when such assistance has been requested for. Importantly too, OAPI and ARIPO agreed to take common positions on



ARIPO Director General Mr. Fernando dos Santos and OAPI Director General Dr. Paulin Edou Edou signed the Agreement.

major IP issues affecting the Member States of the two organizations at continental and international levels.

To operationalize the Agreement, OAPI and ARIPO jointly developed and adopted a biannual work plan for the period 2017 – 2018 that sets out specific aspects of collaboration and itemized activities to be pursued in the different areas of cooperation with agreed details on expected results, their coordination and administration as well as the timelines. A joint commission established by the two meets annually to assess the level of implementation of those agreed biannual work plans.

## Agreement with CISAC



*CISAC Director General Gadi Oron and ARIPO's Director General, Mr. Fernando dos Santos.*

On February 14, 2017 the International Confederation of Societies of Authors and Composers (CISAC) signed an agreement to partner with ARIPO. The agreement is to help boost the growth of the creative sector in Africa. The agreement signed by the two bodies paved the way for joint projects on strengthening copyright, technical exchange, education and training of organisations collecting revenues for creators.

## MoU renewed with SAIC

The Minister of the State Administration for Industry and Commerce (SAIC) of the People's Republic of China, Honorable Zhang Mao visited ARIPO on March 30, 2017. During the visit, ARIPO and SAIC signed a new MoU that establishes a general framework for bilateral cooperation between the two parties on activities aimed at improving the quality of administration and effectiveness of the trademark systems through the exchange of information and best practices, as well as through capacity-building activities.



*Honourable Minister of SAIC, Mr. Zhang Mao, and the Director General of ARIPO, Mr. Fernando dos Santos signed the MoU on behalf of the respective parties.*

## Zimbabwe Broadcasting Corporation

ARIPO signed a MoU with the Zimbabwe Broadcasting Corporation (ZBC) on December 8, 2017 at the ARIPO headquarters geared to increase awareness on intellectual property (IP) in Zimbabwe.

The MoU put in place a general collaboration framework with a view to creating awareness among the greater public on the importance of IP for socio-economic & cultural development. ZBC was represented by the Chief Executive Officer, Mr Patrick Mavhura. Mr Mavhura noted that issues of IP are key in an integrated economic development process and hence the need for public awareness. He observed that the media was an indispensable tool in educating the different publics on what intellectual property entails and the benefits it presents to their businesses.

The joint activities under the MoU will include airing of TV and radio programs that highlight the importance and benefits of using IP for economic development, youth programs that will promote innovation and creativity, coverage of ARIPO main events by ZBC as well as training of ZBC personnel by ARIPO on IP to improve the level and quality of reporting by the station.



*ZBC CEO Mr Patrick Mavhura and ARIPO DG, Mr Dos Santos shake hands after signing the MoU.*



## The the African Seed Trade Association (AFSTA)

Encouraged by the common aim of promoting the sustainable development of Africa through the promotion of the effective protection of plant varieties, ARIPO and AFSTA signed a MoU on June 20, 2017. The MoU is aimed among other things at supporting the development of agriculture in the ARIPO Member States in particular and Africa in general and providing technical assistance for capacity building programmes for the agriculture sector, particularly the seed industry, on intellectual property matters. AFSTA is a not-for-profit association whose mission is to promote trade in quality seed and technologies in Africa for the benefit of members and farmers.

## The West African Health Organisation (WAHO)

On June 19, 2017, ARIPO signed a MoU with WAHO, a Specialized Institution of the Economic Community of West African States (ECOWAS) responsible for health issues in order to partner in the achievement of the common aim of promoting and protecting traditional medicines among others. Under the MoU, the two Organizations agreed to build capacity of traditional medicine practitioners through joint programmes on

intellectual property and to facilitate the registration of traditional knowledge including traditional medicine in the West African sub-region through the ARIPO Swakopmund Protocol on the Protection of Traditional Knowledge and Expressions of Folklore.

## The Intellectual Property Unit, University of Cape Town (IP Unit, UCT)

The MoU signed on August 18, 2017 between ARIPO and the IP Unit, UCT will allow collaboration especially in joint research projects that will ultimately contribute to the coherence of policy in Intellectual Property in Africa. The IP Unit, UCT plays an important role in research and scholarship in Intellectual Property Law and Policy in Southern Africa.

## The Community Plant Variety Office (CPVO)

On December 15, 2017, ARIPO and CPVO signed an Administrative Arrangement to facilitate cooperation between the two Offices with a view to promoting effective system for the protection of new varieties of plants and encouraging the development of the plant variety protection system in the Member States of ARIPO and in Africa as a whole.

# KEY VISITS TO ARIPO AND STRATEGIC ENGAGEMENTS

## INTA

On June 26, 2017, Mr. Etienne Sanz de Acedo, the CEO of The International Trademark Association (INTA) CEO, visited ARIPO. The aim of the visit was to understand how to better serve and increase INTA membership in Africa as well as strengthen ties and cooperation with ARIPO, government departments, the judiciary and academic institutions responsible for or who have a stake in the effective use of trademarks for development.

## Jackson, Etti & Edu law Firm

Uwa Ohiku, a partner in Jackson, Etti & Edu law firm based in Lagos Nigeria, paid a courtesy visit to ARIPO on September 07, 2017. Jackson, Etti & Edu is one of the largest law firms in West Africa who file applications with ARIPO through a third party from ARIPO Member State. In the meeting both parties expressed the need to forge better relationships that will be beneficial to users and both institutions.



(INTA) CEO Mr. Etienne Sanz de Acedo making his remarks during his visit to ARIPO.



Ms. Uwa Ohiku (center) a partner in Jackson, Etti & Edu Law Firm with staff from ARIPO.

### Summit on Patent Examination by Adams & Adams in Pretoria

High-level officers of the ARIPO Secretariat and Heads of ARIPO Member States IP Offices or their representatives attended a Summit on Patent Examination organized by Adams & Adams in Pretoria, South Africa on September 13, 2017. The aim of the Summit was to encourage debate on patent examination, allowing officials to share knowledge and developments. The event was followed by the 5th Annual Adams & Adams Africa Network Meeting on September 14, 2017.

### Hahn & Hahn Inc., South Africa

Ms Janet Tomkow, an Attorney from Hahn & Hahn Inc. based in South Africa, visited ARIPO on September 27, 2017 to familiarise herself with the organisation’s practices on Intellectual Property administration. The visit focused on the process and requirements of restoring lapsed patents, the fees applicable as well as the processing of assignments at ARIPO and designated state level. Hahn & Hahn Inc. is a boutique firm of intellectual property practitioners specializing in obtaining and protecting patent, design and trademark rights in South Africa and the entire African continent.



Ms. Janet Tomkow (in red sash), an Attorney from Hahn & Hahn Inc based in South Africa. (L-R) Officials from B.W. KAHARI; Mr. Tanaka Kunaka, Ms. Mariata Sithole & Mrs. Brenda Kahari. From ARIPO Mr. John Kabare and Mr. Charles Pundo.



Mr Gabriel Masuku of COMESA with ARIPO team.

### COMESA

The Common Market for Eastern and Southern Africa (COMESA) and ARIPO held a bilateral meeting at the ARIPO headquarters in Harare on December 18, 2017. The meeting was convened to discuss the implementation of a Memorandum of Understanding (MoU) that was signed between the two Organisations on December 9, 2016. The two Organizations agreed on a work plan for the year 2018 that will see:

1. The harmonisation of policies, laws and strategies to promote IP development for the benefit of the COMESA and ARIPO regions
2. Joint IP awareness creation and capacity building initiatives taking advantage of the existing initiatives in the form of programmes being undertaken by the ARIPO Academy and the COMESA IP Hub
3. Reciprocal representation by both parties in high level meetings of policy organs and governing bodies of the respective parties.

Mr Gabriel Masuku, Deputy Legal Counsel and Intellectual Property (IP) Coordinator represented COMESA while the Director General of ARIPO Mr. Fernando dos Santos led the ARIPO team in the bilateral meeting.

### China-Africa High-Level Seminar on Intellectual Property System and Policies

Heads of IP Offices in ARIPO Member States and high level officials of the ARIPO Secretariat attended the “China-Africa High-Level Seminar on Intellectual Property System and Policies” that took place in Guangdong, China from July 23 to 29, 2017. The High-level seminar was organized by the State Intellectual Property Office (SIPO) of the People’s Republic of China. Also in attendance were other Heads of IP Offices from other African Countries, such as Egypt, Ethiopia, Morocco and South Africa.

# ARIPO PERMANENT OBSERVER STATUS AT THE WTO COUNCIL FOR TRIPS

On October 20, 2017, at its ordinary session that took place in Geneva from October 19 to 20, 2017, the World Trade Organization (WTO) granted a permanent observer status to ARIPO and OAPI.

At its meeting of June 8 to 9, 2010, the WTO Council for TRIPS granted to ARIPO and OAPI an ad-hoc observer status on a meeting-by-meeting basis. The WTO Council for TRIPS has from that time been inviting ARIPO to attend its meetings.

Discussions have been going on in order to grant a permanent observer status to ARIPO and its sister Organization OAPI.

The WTO Council for the Trade-Related Aspects of Intellectual Property Rights (TRIPS) is the body responsible for administering the TRIPS Agreement, which is one of the multiple WTO Agreements, dealing specifically with intellectual property matters. The Council particularly monitors the operation of the TRIPS Agreement.

## CAPACITY BUILDING

### Roving Seminars

In 2017, ARIPO undertook advocacy and capacity building initiatives by organizing roving seminars in universities and research institutions after realising that a general awareness raising initiative was far from yielding immediate and concrete results that create the desired impact. It was noted that creators of intellectual property initiatives and custodians of knowledge reside in universities and research institutions. This is where most of knowledge and innovation are generated.

Held on the theme, “Fostering creativity and innovation for economic growth and development in Africa”, the seminars discussed critical issues such as the compatibility of national laws to the regional and international legal framework, importance of copyright and related rights for development, protection of new varieties of plant and geographical indications to enhance agricultural productivity and origin based

products and protection of traditional knowledge and folklore. Opportunities, challenges and enforcement of IP were covered. The Seminars were supported by WIPO and the Japan Patent Office. The advocacy and capacity building initiatives were undertaken in different countries including; Malawi, Tanzania (mainland and Zanzibar); Rwanda, Sierra Leone, Swaziland and Zambia.

From 2017 until 2020, the focus of the ARIPO roving seminars are geared towards sensitizing universities and research institutions on the urgent need to develop sound institutional IP policies to stimulate innovation and commercialization of research results, particularly in terms of IP protection and utilization.

In pursuance of the above, ARIPO in collaboration with WIPO developed guidelines on IP policy and strategy for effective use of the IP system by universities and research and development institutions in Africa. A sub-regional multi-stakeholders workshop organized in Harare,



Malawi Roving Seminar.



Rwanda Roving Seminar.

Zimbabwe from October 30 to 31, 2017 validated the guidelines. The guidelines will be by WIPO to facilitate the establishment of the institutional IP policies and strategies by universities and research and development institutions in ARIPO Member States and Africa.

Approximately 400 students, academicians and researchers benefited from the roving seminars.



*Zanzibar Roving Seminar.*

## Copyright Symposium

A Symposium on Copyright and Related Rights themed: Shaping the Copyright and Related Rights Systems in Africa was held at ARIPO. The symposium was organised by ARIPO in collaboration with the World Intellectual Property Organisation from June 5 to 7, 2017. The Symposium was attended by more than 70 delegates from 17 ARIPO Member States and was also graced by the presence of Ms. Sylvie Forbin, the Deputy Director General of WIPO, Copyright and Creative Industry Sector. The outcome of the Symposium was the African Agenda on Copyright and Related Rights (Harare Strategic Action Plan) that was approved by the delegates.



*Delegates at the 2017 Copyright Symposium.*

## Masters in IP's 10th Anniversary and 2017 IP Conference

ARIPO together with key partners WIPO and Africa University in Mutare, Zimbabwe celebrated the 10th Anniversary of the Masters in Intellectual Property (MIP) Programme on December 7, 2017 at the ARIPO headquarters. The anniversary was celebrated after the Annual IP Conference held from December 6 to 7, 2017. The IP Conference theme was, "Harnessing Africa's Effective Use and Exploitation of Copyright in the Digital Environment".

The event was attended by stakeholders, non-governmental organizations, members of the business community and students. The Scientific and Industrial Research and Development Center (SIRDC) Chief Executive Officer and Interim Vice Chancellor of the Pan African Minerals University of Science and Technology in Zimbabwe (PAMUST), Professor Robson Mafoti, officiated as the guest of honor and key note speaker. The 2017 IP Conference brought together 37 current MIP students from over 21 African Countries, MIP alumni, IP experts from across Africa as well as ARIPO staff members.

The MIP programme was established in 2008 as a training of trainers programme to create IP expertise in Africa, support IP teaching in institutions of higher learning and promote IP systems in Africa. To date, the programme has so far graduated over 252 students from the following 25 countries across Africa: Angola, Botswana, Burundi, Cameroon, Eritrea, Ethiopia, The Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Nigeria, Rwanda, Sao Tome and Principe, Sierra Leone, South Africa, Sudan, Swaziland, United Republic of Tanzania, Uganda, Zambia and Zimbabwe.

## Patent Drafting Course

A Patent Drafting Course for patent agents drawn from 15 African countries was conducted at ARIPO from September 4 to 8, 2017. The course was organized by WIPO in collaboration with ARIPO and the assistance of the Japan Patent Office (JPO). The patent agents were from Botswana, Ethiopia, Ghana, Kenya, Lesotho, Malawi, Mozambique, Namibia, Nigeria, Rwanda, Sudan, Tanzania, Uganda, Zambia and Zimbabwe. Ten of the participants were sponsored by WIPO.

# INFORMATION COMMUNICATION TECHNOLOGY AT ARIPO

## ARIPO Online Services

The ARIPO online services provide IP information service for the stakeholders and have functionality that allows applicants to submit their IP applications without physically visiting the ARIPO offices by providing e-filing and e-payment through e-service. The online service also provides functions of online file inspection, filing of follow up documents, the Intellectual Property Digital Library (IPDL), journal search and download of forms & fees information.

## ARIPO Member States Module

ARIPO is implementing the Member States (M/S) module which allows for online data exchange between POLite+ of ARIPO and IPAS of its Member States. The module allows for paperless exchange of information. Through it, ARIPO and its member states will be able to exchange all types of notifications, forms and documents online instead of using courier services. With support from WIPO, the module was implemented in Botswana, Kenya, Rwanda and Zambia in 2017. The module has also been implemented in Mozambique and Zimbabwe previously.

## ARIPO Digitization Project

ARIPO has embarked on a project to digitize the IP physical files lodged before March 2015 when the new system was launched with support from WIPO. The objectives of the project include the automation of all business processes at the ARIPO Office and those of its Member States, provision of greater flexibility in the flow of documents, improvement in the quality of search results and provision of secure access to documents. By the end of December 2017 about 6,000 patent files had been digitized. Trademark, utility models and designs will also be digitized.

## ARIPO Regional IP Database

ARIPO has developed a regional database for granted/registered IP titles of the ARIPO Office and those of its Member States with support from WIPO. The objective is to create a centralized database for its published IP titles and those of its Member States. A pilot database has been setup and can be accessed on <http://regionalip.aripo.org>. Currently there are more than 350,000 Trademarks from ARIPO, Botswana, Gambia, Ghana, Kenya, Malawi, Mozambique, Namibia, Rwanda, Tanzania, Uganda, Zambia and Zimbabwe uploaded on the database. Granted patents and registered designs will also be uploaded onto the database.

## KNOWLEDGE AND OUTREACH SERVICES

ARIPO has participated in a number of international and national exhibitions to raise levels of awareness on the role that IP plays in business development and policy making. It is in this context that ARIPO participated in five exhibitions in Spain, Zimbabwe, Switzerland and Australia, namely:

- a. 2017 edition of the Zimbabwe International Trade Fair, Bulawayo, Zimbabwe from April 23 to 28, 2017;
- b. 139th annual meeting of INTA, Barcelona, Spain from May 20 to 24, 2017;
- c. Zimbabwe Agricultural Show, Harare, Zimbabwe from August 21 to 26, 2017;
- d. WIPO exhibition on the side-lines of the Twelfth Session of the Advisory Committee on Enforcement, Geneva, Switzerland from September 4 to 6, 2017;
- e. AIPPI World Congress, Sydney, Australia, October 13 to 17, 2017.

## ENHANCING ARIPO'S VISIBILITY

ARIPO has been pro-active in creating awareness and increasing its visibility through social and print media. At the beginning of the year ARIPO engaged the New African Magazine, a Pan-African publication that sells over 46,000 copies every month in over hundred countries and reaches over 500,000 readers. ARIPO was featured in the April 2017 edition under title “ARIPO: Championing Africa’s Intellectual Property” and an interview with the Director General titled “African Prosperity Hinges on Intellectual Property”. Two other articles were featured in the July and November editions. The titles were “Unleashing the Economic Power of IP in Africa” and “How to Plug into Huge Global Patent Opportunities”.

ARIPO continuously provides IP information on various social media platforms namely, Facebook, Twitter, LinkedIn and Flickr. These platforms have increased ARIPO’s visibility across the globe.

ARIPO was also featured in several TV shows and print media in Mozambique, South Africa, Ghana, Zimbabwe, China, USA, Tanzania and Nigeria. In December, ARIPO signed a Memorandum of Understanding (MOU) with the Zimbabwe Broadcasting Cooperation (ZBC) with the view to creating IP awareness, promoting innovation and creativity among the youth and educating the public on intellectual property in Zimbabwe.

## BEST COMMERCIAL BUILDING AWARD

The magnificence of the new ARIPO headquarters building did not go unnoticed as it was adjudged to be the best property developed under commercial projects category in the whole of Zimbabwe at the Zimbabwe Project Management Awards 2017 organized by the Chartered Institute of Project Managers Zimbabwe on December 18, 2017 in Harare, Zimbabwe.

The annual awards are aimed at recognising and celebrating outstanding achievements in business and engineering project management throughout the country covering several sectors including ICT infrastructure, mining, manufacturing, property development, amongst others.

Situated in Belgravia – a diplomatic missions’ enclave in Harare – the ARIPO headquarters building comprises extensive office space, conference facilities, state-of-the-art auditorium, cafeteria and a beautiful garden to give the building an excellent ambience for conducting business. The conference facilities offer a variety of meetings packages that range from private spaces to ambient conference rooms that can accommodate up to 150 participants.

The Director General of ARIPO, Mr. Fernando dos Santos received the award on behalf of the Organization at the awards ceremony in the company of other senior ARIPO officials.



Certificate of best commercial property award.

# OUR PEOPLE: HUMAN CAPITAL

## EXECUTIVE AND MANAGERIAL APPOINTMENTS

The Director General of ARIPO, Fernando dos Santos made two further appointments to complete the Executive and Management Teams in line with the Value and Growth Transformation Strategic Change process as follows:



Mrs Hilary Arko-Dadzie,  
Ghana  
Corporate Services  
Executive



Mr Outule Rapuleng,  
Botswana  
Head, ARIPO Academy

## PROFESSIONAL AND SUPPORT STAFF APPOINTMENTS

Five vacant professional and support staff positions were filled in the year 2017 resulting in a post-filled rate of 75% as follows:

### PROFESSIONAL STAFF



Mrs Susan Mwiti,  
Kenya  
Documentation &  
Communications Officer



Mrs Naniso Manjengwa,  
Zimbabwe  
Finance Officer

## SUPPORT STAFF



Ms Patience Karengesha  
Receptionist



Ms Tendai Muhamba  
Finance Assistant



Ms Epiphania Chigodora  
Internal Audit Associate

## INTERNSHIPS

Three interns were recruited on short-term basis in line with the Organization's thrust to provide students with practical work experience while at the same time providing valuable human resource support to ARIPO's activities as follows:



Tariro Anifasi  
Copyright and Related  
Rights  
Zimbabwe



Ms Mazvita Karuma  
Human Capital  
Zimbabwe



Timothy Katsande  
Policy, Legal and  
International  
Cooperation  
Zimbabwe

## PERFORMANCE MANAGEMENT

The Secretariat continues to implement the Value and Growth (V&G) performance management system that ties employee performance to the overall strategy of the Organization. The latest V&G Impact Assessment revealed that a number of achievements have been made under the V&G transformation process including: revenue increase, ARIPO brand growth, increase in online filings and increased substantive examination output. A rewards and recognition system to complement the performance management system is being developed for implementation in 2018.

## EMPLOYEE ENGAGEMENT

An employee engagement index of 72.37% was achieved from an employee engagement survey conducted in May 2017 to assess the extent to which employees committed themselves to the Organization and the extent to which such commitment affected their performance and discretionary effort. The survey assessed five dimensions i.e. emotional engagement, rational engagement, cerebral engagement, managerial behavior and performance management. The survey results compare favorably against international benchmark of between 70% - 75% and shall form the basis for future surveys within the Organization.



## GEOGRAPHICAL AND GENDER DIVERSITY

The Organization continues to strive towards enhancing Member State representation for internationally recruited posts and currently 12 out of 19 Member States are represented at the Secretariat. On the other hand, the male: female ratio stood at 53%:47% as at 31 December 2017.

## STAFF DEVELOPMENT

### RPET Program

Mr Onunga Omiti, Patent Examiner, Mechanical Engineering successfully completed the Regional Patent Examination Training (RPET) in 2017, bringing the number of ARIPO’s certified examiners to four (4).

RPET is a modern, comprehensive and intensive competency based training program, with a focus on enhancing the consistency and quality of patent examination under the Patent Cooperation Treaty (PCT) and contribute to greater confidence in IP rights that are granted and ultimately facilitate trade and technology transfer in the region.

### Other Staff Development Programmes

A total of 13 members of staff attended various continuing professional development and skills development workshops and continuing professional development programmes in various fields including: strategic thinking and execution, evidence-based policy making and implementation, industrial property, secretarial development, protocol and information communication technologies.

## LONG SERVICE AWARDS

On December 7, 2017, ARIPO recognized 6 members of staff who had served the Organization for various lengths ranging from 10 years to 30 years.

The members of staff who were awarded long service awards were:

Mr. Christopher Kiige	30 years
Mr. John Kabare	15 years
Mrs. Grace Kwaramba	25 years
Ms. Palesa Kaibe	15 years
Mr. Robert Chiweza	15 years
Mr. Muziwoxolo Bukhwele	10 years



**Mr John Kabare**  
IP Operations Executive



**Mrs Grace Kwaramba**  
Principal Secretary - Corporate Services Division

## STAFF RETREAT

The year started off with an all staff working retreat that was held from February 10 to 12, 2017 in Vumba, Zimbabwe. During the retreat, staff was apprised of 2016 achievements in line with the Value and Growth strategic Plan, as well as the 2017 strategic focus. Various team building activities were also undertaken during the retreat.



# SECTION 3: INDUSTRIAL PROPERTY STATISTICS

## Summary

In 2017, the number of industrial designs, patents and trademarks surpassed those of 2016. There was also a 26.8% increase on the online filling. In 2016, online filings were at 31.3% while in 2017 they were at 58.1%.

Below is a comparison of the applications filed with ARIPO for industrial designs, patents, trademarks and utility models in the past five years.

### APPLICATIONS FILED

	2013	2014	2015	2016	2017
Industrial Designs	219	155	124	84	90
Patents	692	835	780	697	747
Marks	321	362	283	297	381
Utility Models	7	10	21	29	17

Table 2: A comparison of ARIPO IP statistics from 2013 to 2017.

### APPLICATIONS GRANTED/REGISTERED

	2013	2014	2015	2016	2017
Industrial Designs	114	221	103	119	69
Patents	271	255	429	468	451
Marks	160	219	221	214	195
Utility Models	0	0	0	2	8

Table 3: Applications granted/registered from 2013 to 2017.

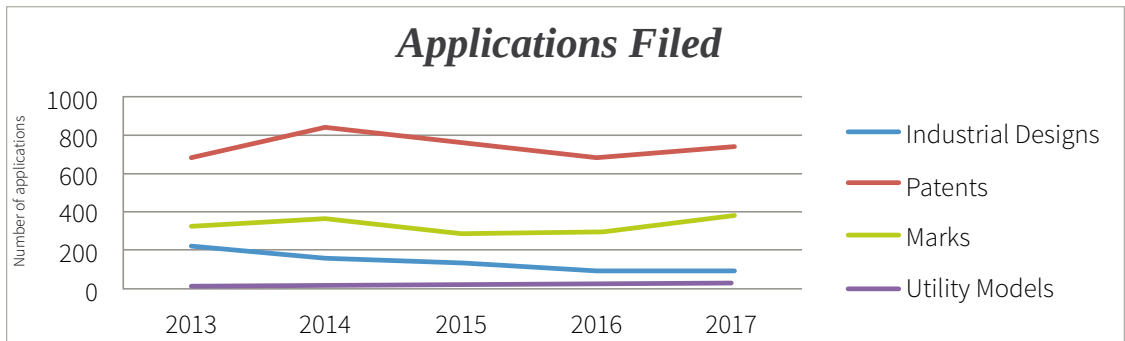


Figure 1: Applications filed from 2013 to 2017.

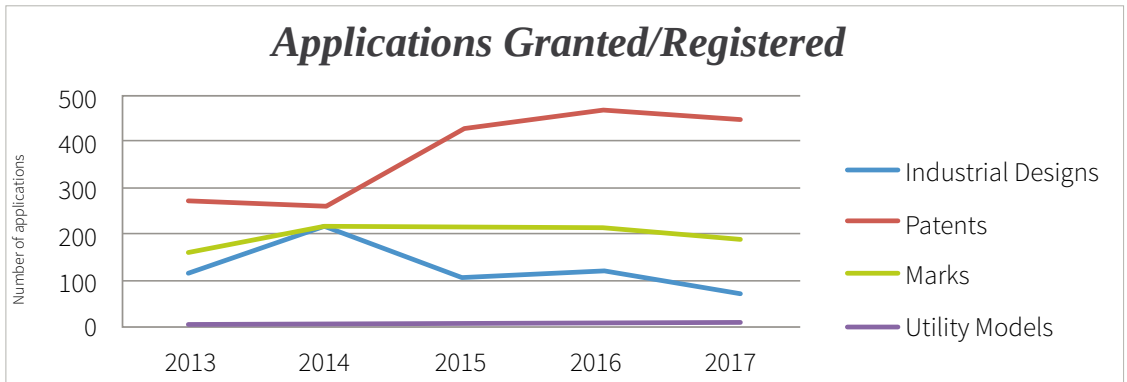


Figure 2: Applications granted/registered from 2013 to 2017.

### Patent Applications and Grants Since 2013

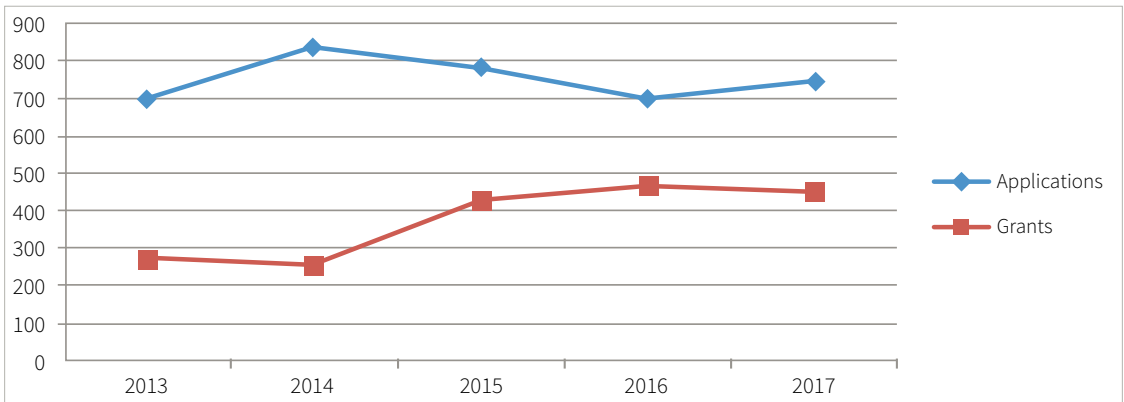


Figure 3: Patents applications and grants since 2013 to 2017.

The table and graph above shows the performance of patent applications received in 2017 and their comparison over applications in 2016.

The ARIPO secretariat received 747 applications in 2017, an increase of 7.17% over applications received in 2016.

### Patent Applications Lodged and Granted

Domain and Category	2016	2017	Variation	Variation as %
Patent Applications	697	747	50	7.17%
Patents Granted	468	451	-17	-3.6%

Applications granted in 2017 show a decrease of 3.6% compared to applications granted in 2016.

### Origin of Patent Applications

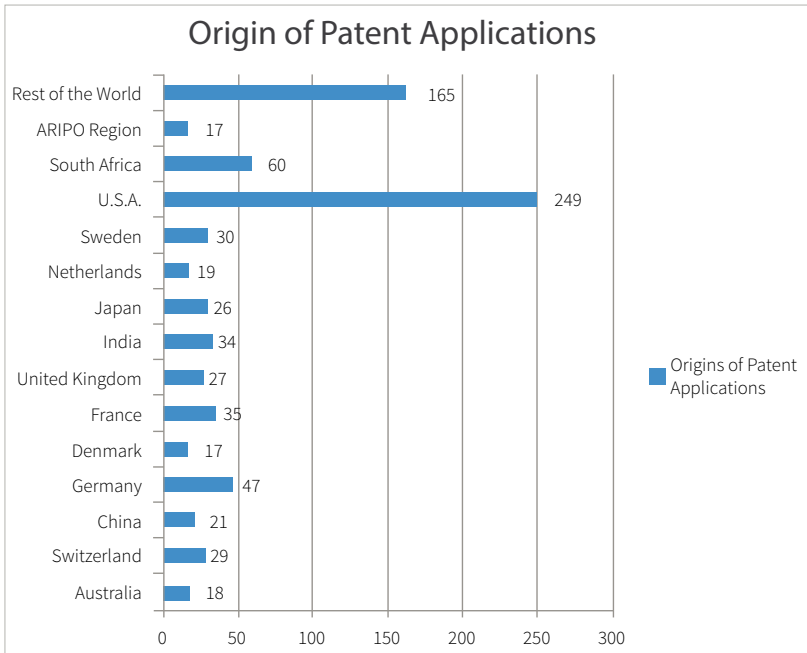


Figure 4: Patents applications lodged and granted in 2016 & 2017.

As in previous years, majority of applications were filed from the United States of America which constituted 33% of all applications filed, an increase of 3.7% from 2016. These were followed by South Africa (ZA) and Germany (DE) comprising of 8% and 6% respectively. Filings from ZA and DE increased slightly by 0.11% and 0.27% respectively, as compared to that of 2016. Filings from India, Switzerland, United Kingdom and Netherlands in

2017 decreased slightly by 0.73%, 1.73%, 0.5% and 1.4% respectively compared to 2016 figures. However, filings from France and Japan increased by 1.1% and 0.9% respectively. Sweden, for the first time came in with a significant 4% contribution to the total number of the applications filed in 2017.

The ARIPO Member States filings were 2% of the overall total patent applications lodged in 2017.

### Patent Applications Lodged According to IPC

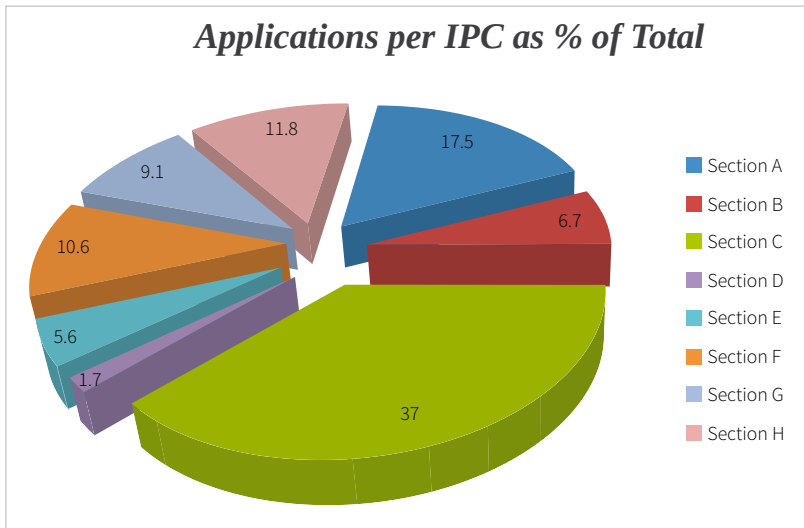


Figure 5: Applications lodged according to IPC.

The 747 patent applications received in 2017 were distributed amongst the sections of the International Patent Classification (IPC) as shown in the figure above. In line with previous trends Class C (Chemistry and

Metallurgy) again received the highest percentage but had a slight drop of 1% compared to 2016. Section A (Human Necessities) followed with 17.5% whilst Section H (Electricals) had 11.8%.

### Patents Granted According to Origin

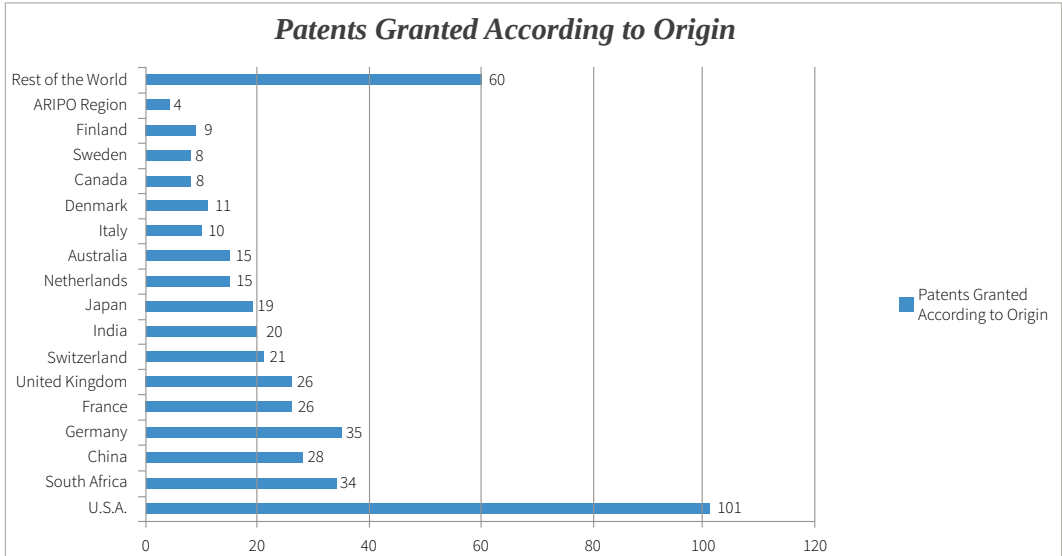
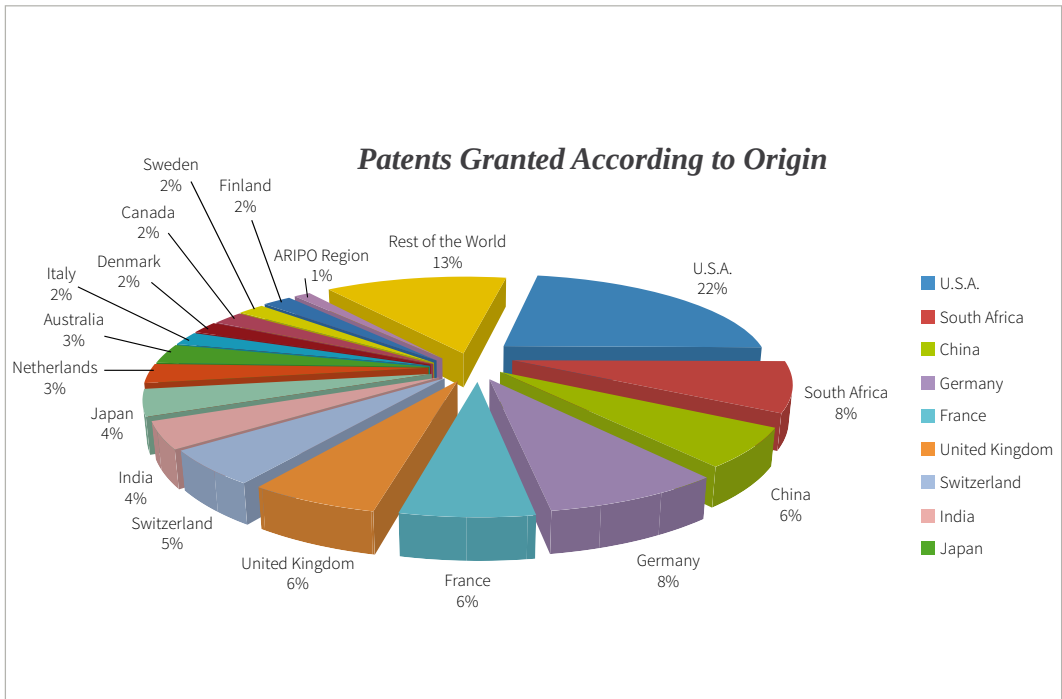


Figure 6 & 7: Patents granted as per origin.



### Patent Granted According to IPC

The 451 patents granted were distributed according to International Patent Classification (IPC) as shown in the figure 8 below. The classifications followed the similar

trends of the applications with Class C (Chemistry and Metallurgy) leading by 42% , followed by Class A (Human Necessities) and Class F (Mechanical Engineering: lighting, heating, weapons, explosives) with 17% and 11% respectively.

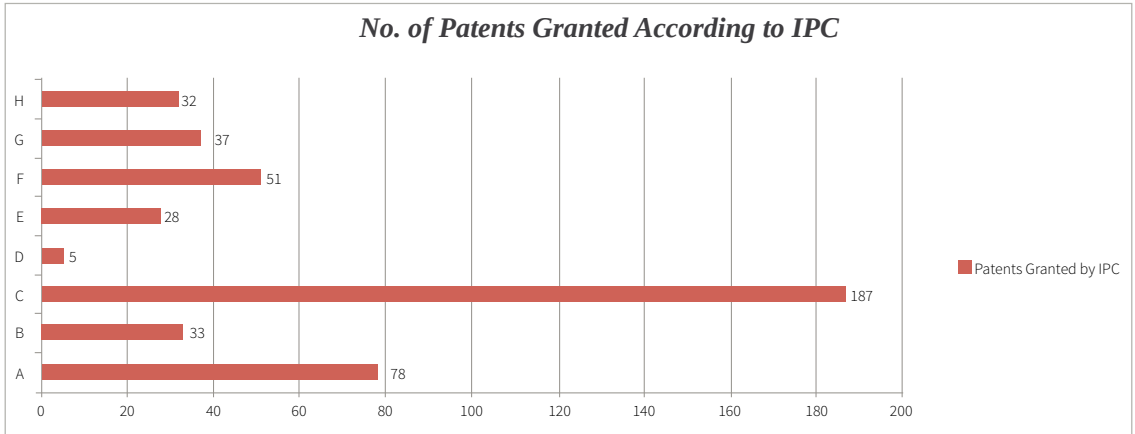


Figure 8: No. of Patents Granted According to IPC.

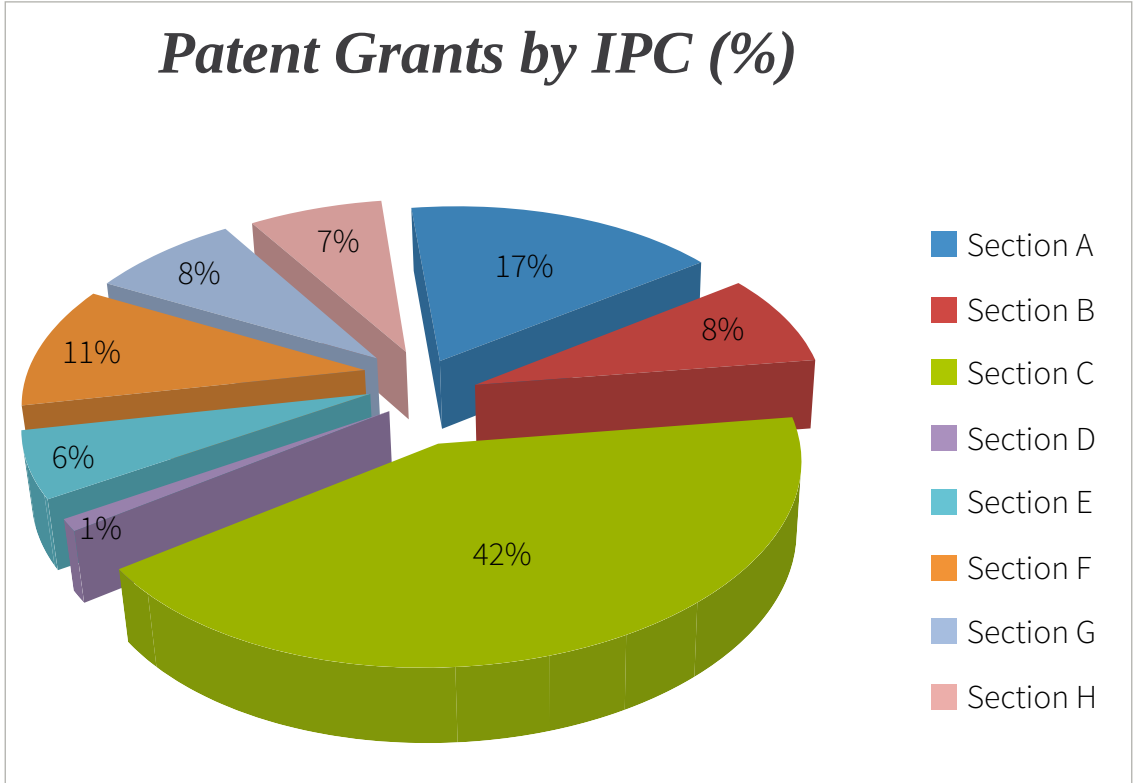


Figure 9: Patents granted according to IPC.

## Industrial Designs Applications Filed

Domain and Category	2016	2017	variation	% Variation
Design Applications	84	90	6	7.14%
Designs Registrations	119	69	-50	-42%

Table 5: Industrial designs applications filed in 2016 & 2017.

In 2016 and 2017, ARIPO office received 84 and 90 applications respectively. 2017 applications saw a slight movement upwards of 7.14% compared to the drop of 66.9% that was witnessed in 2016 from that of 2015.

Registrations also witnessed some downward movements from 119 registrations in 2016 to 69 registrations in 2017. This translates to a decrease of 42% from 2016 to 2017.

### Origin of Industrial Design Applications Filed

Out of the 90 applications received, South Africa had the highest applications with 17 which is 19% of the total number of applications. This was followed by United States of America and Germany with 10% contribution each. The ARIPO member states contributed 23% of the total number of applications.

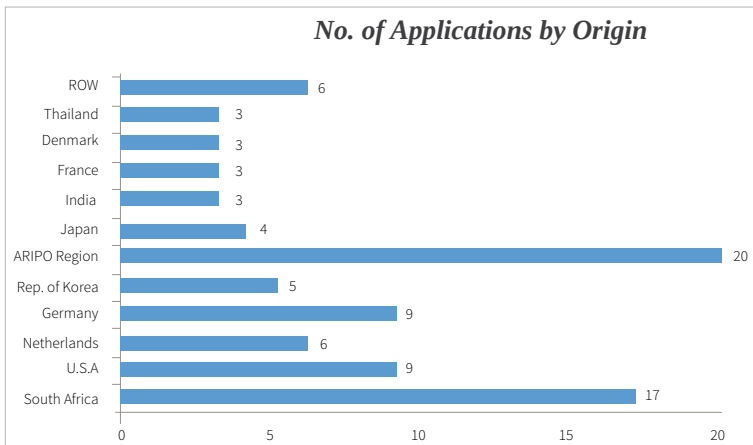


Figure 10: Number of applications by origin.

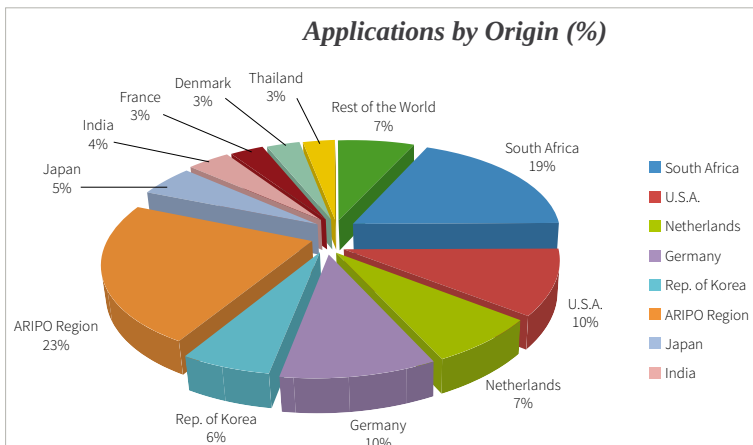


Figure 11: Percentage of applications by origin.

### Industrial Designs Registered According to Origin of Applications

In 2017, there was an obvious deviation of designs granted. Korea, who had been the main beneficiary

in previous years had a sharp decline from 37% to 6%. South Africa originated the highest which is 33.3% of the total.

## Utility Models

### Applications Filed

17 utility model applications were filed in 2017. This was a decrease of 41.4% from 2016 filings. However, utility models registered in 2017 were higher than those registered in 2016.

### Origin of Utility Model Applications

Out of the 17 applications filed, 15 of them originated from Zimbabwe, which has been the case in recent years.

Domain and Category	2016	2017	variation	% Variation
Utility Models Applications	29	17	-12	-41.40%
Utility Models Grants	2	8	6	300%

Table 6: Utility models in 2016 & 2017.

## Marks

Domain and Category	2016	2017	variation	% Variation
Marks Applications	297	381	84	28.30%
Marks Registered	214	195	-19	-8.90%

Table 7: Applications and registered marks in 2016 & 2017.

381 mark applications filed in 2017 originated from forty-four countries with Zimbabwe having the highest number with 123 applications. Kenya, United Arab Emirates and

United States of America followed with 37, 27, and 23 applications respectively. All these three countries have shown an increase from their 2016 figures.

### Mark Applications by Class

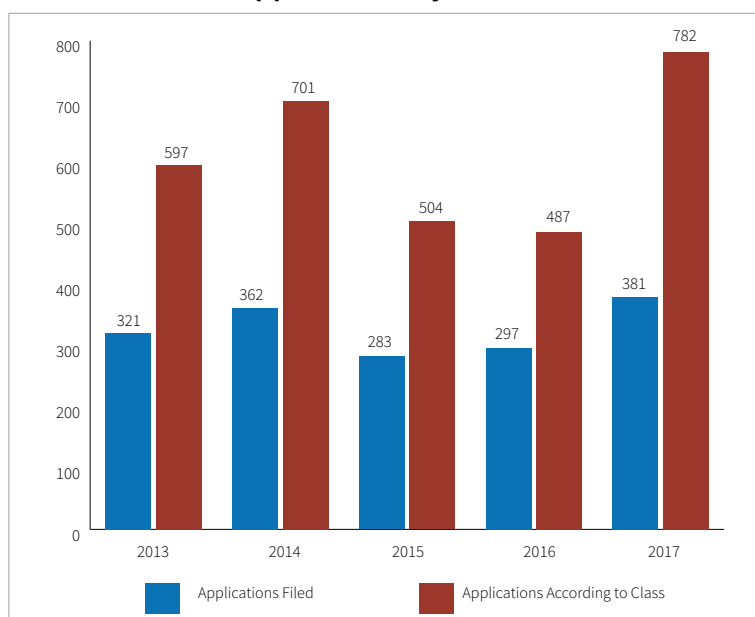


Figure 12: Mark applications by class.

The 381 mark applications received in 2017 represented 782 applications when broken down into the classes in which they fell. This has been the highest number of

applications according to class since inception of the Banjul Protocol and a sharp increase from a total of 487 in 2016.



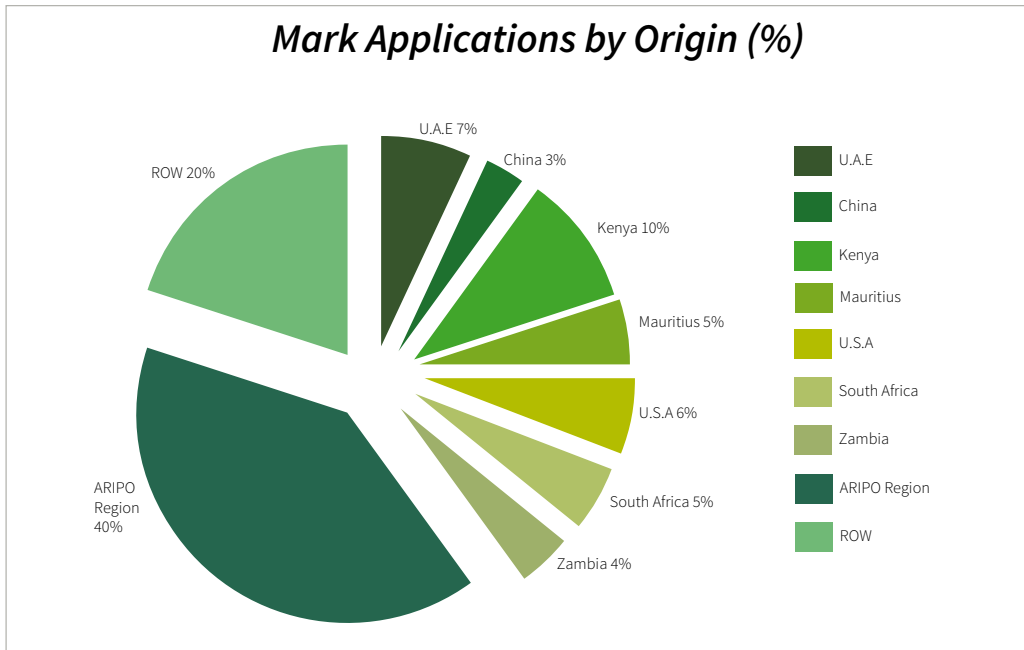


Figure 13: Mark applications by origin.

### Mark Registrations by Origin

36 countries originated these new trademark registrations. Following past trends, South Africa and China contributed of 5% and 3% respectively. ARIPO

Member States (represented by, Liberia, Swaziland, Tanzania, Zambia, Zimbabwe), originated 40%.

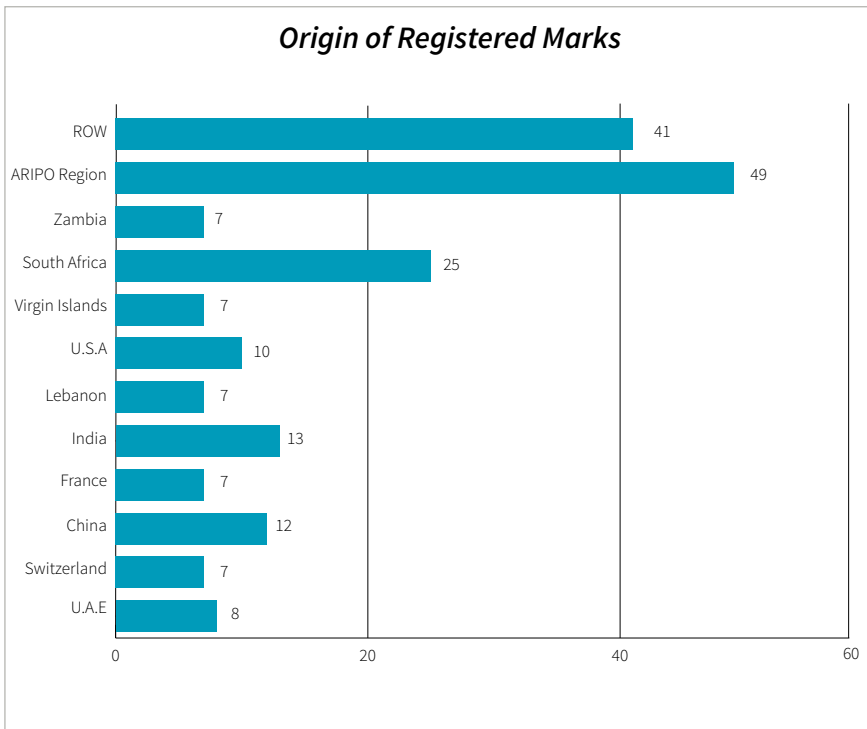


Figure 14: Origin of registered Marks.

## Origin of Registered Marks

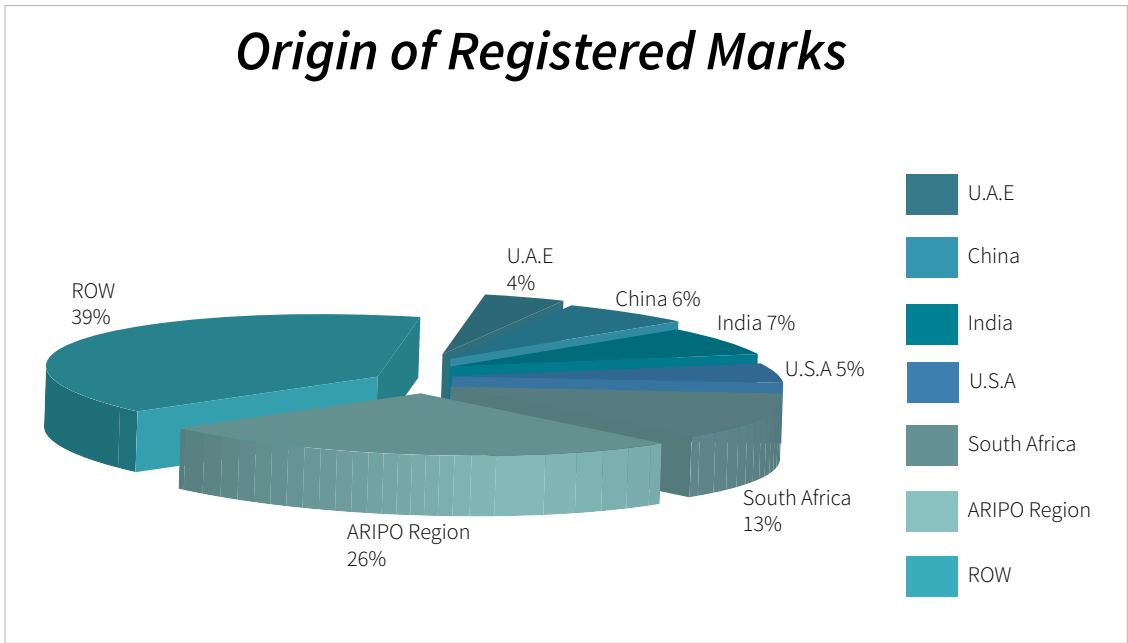


Figure 15: Origin of registered Marks.

## Mark Registrations by Class

A total of 195 mark applications were registered in 2017. These registrations represented 363 marks when broken down into the 40 classes of the Nice classification in which they fell. Seven classes (35, 38, 39, 41, 5, 3 and 9) led

with a combined 46.3% of the 2017 marks registration. The figure below shows the number of marks registered in each of the classes.

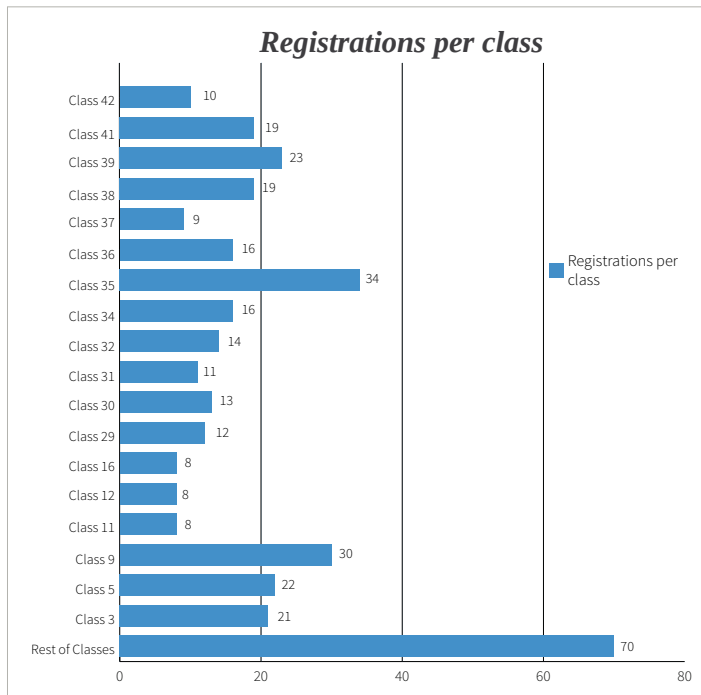


Figure 16: Registrations by class.

## IP APPLICATIONS RECEIVED IN ARIPO MEMBER STATES IN 2017

## Patent Applications in 2017

Country	National	Regional (Harare Protocol)
Botswana	7	493
The Gambia	4	411
Ghana	26	563
Kenya	178	614
Lesotho	2	402
Liberia	5	400
Malawi	7	444
Mozambique	24	519
Namibia	27	505
Rwanda	5	412
São Tomé & Príncipe	0	379
Sierra Leone	50	405
Somalia	-	N/A
Sudan	293	423
Swaziland	5	406
Tanzania	26	543
Uganda	31	481
Zambia	20	502
Zimbabwe	19	490

Table 8: Patent Applications in 2017.

\*Blank spaces (-): data not available

\*N/A: Country not party to Harare Protocol

## Industrial Designs Applications in 2017

Country	National	Regional (Harare Protocol)
Botswana	16	39
The Gambia	0	38
Ghana	4	60
Kenya	148	58
Lesotho	0	45
Liberia	45	39
Malawi	151	42
Mozambique	33	48

Namibia	4	41
Rwanda	3	37
São Tomé & Príncipe	12	34
Sierra Leone	0	40
Somalia	-	N/A
Sudan	220	43
Swaziland	0	32
Tanzania	0	41
Uganda	40	49
Zambia	30	52
Zimbabwe	27	44

Table 10: Industrial Designs Applications in 2017.

### Utility Model Applications in 2017

Country	National	Regional (Harare Protocol)
Botswana	5	7
The Gambia	1	3
Ghana	7	6
Kenya	153	4
Lesotho	0	4
Liberia	0	3
Malawi	0	5
Mozambique	0	4
Namibia	0	6
Rwanda	8	3
São Tomé & Príncipe	0	1
Sierra Leone	0	3
Somalia	-	N/A
Sudan	0	4
Swaziland	0	4
Tanzania	0	5
Uganda	15	4
Zambia	0	7
Zimbabwe	0	17

## Mark Applications in 2017

Country	National	Regional (Banjul Protocol)	International (Madrid)
Bostwana	1110	217	853
The Gambia	209	N/A	595
Ghana	2151	N/A	1473
Kenya	5024	N/A	1759
Lesotho	391	174	-
Liberia	250	162	-
Malawi	1232	204	N/A
Mozambique	2249	N/A	1267
Namibia	4652	189	1082
Rwanda	812	N/A	255
São Tomé & Príncipe	60	117	485
Sierra Leone	350	N/A	723
Somalia	-	N/A	N/A
Sudan	2332	N/A	-
Swaziland	397	169	-
Tanzania	3764	233	N/A
Uganda	2883	219	-
Zambia	1889	N/A	277
Zimbabwe	1126	241	1156

Table 9: Mark Applications in 2017.

\*Blank spaces (-) data not available

\*N/A: Country not party to the Banjul Protocol

\*N/A: Country not party to Madrid System



# SECTION 4: FINANCIAL MANAGEMENT

## REVIEW OF THE AUDITED FINANCIAL STATEMENTS

### REVENUE

1. Income from our protocols in 2016 increased by 3% in comparison to that of 2015. Income from the annual assessed contribution remained at US\$27,900 per Member State while other income increased by 148%.

The Organization's overall revenue comprised of:

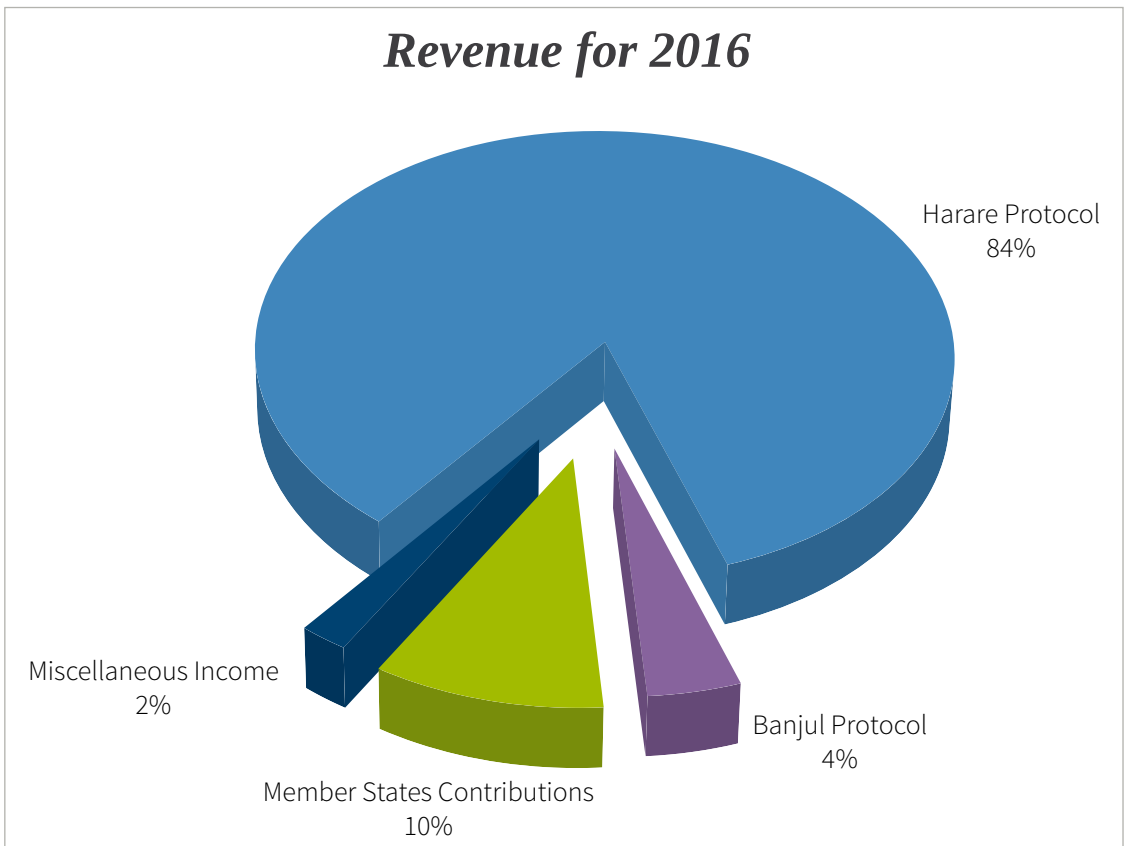
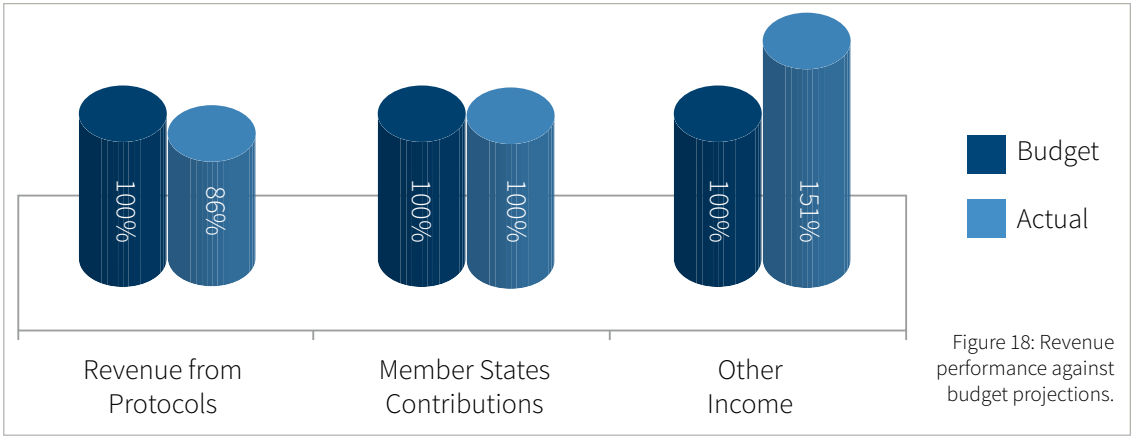


Figure 17: Contributions from the ARIPO revenue streams.

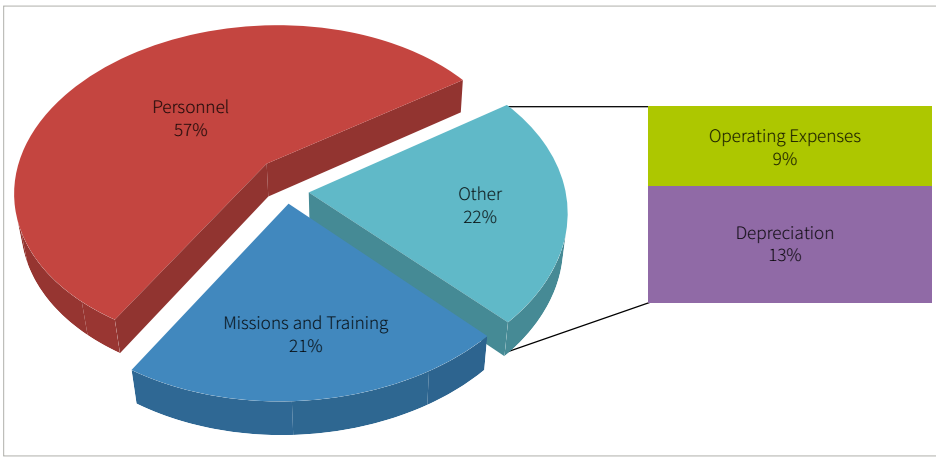
All revenue streams met their projected targets with the exception of fees from the protocols which realised 86% of the projected revenue. The total revenue realised was as follows: 88% of fees is from the protocols, 10% from Member States contribution and 2% from other income.

The graph below highlights the actual revenue in comparison to the projections.

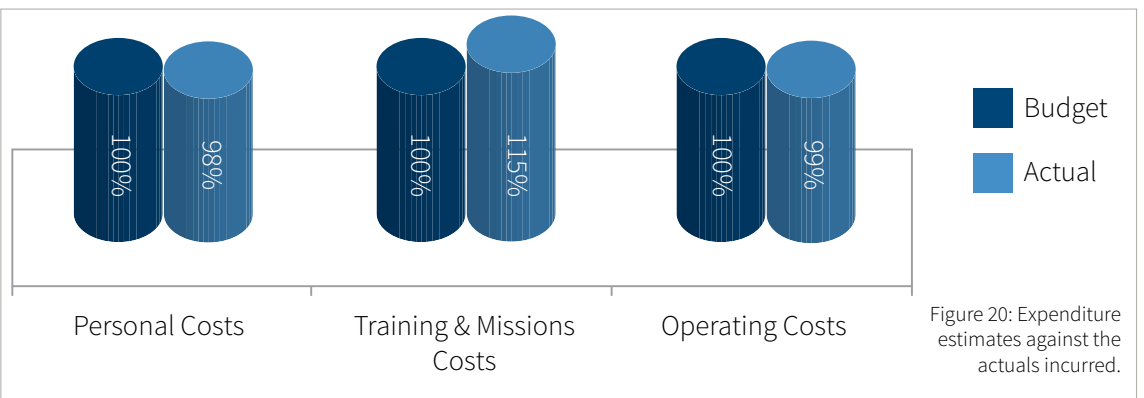


**EXPENDITURE**

2. The Organization’s total expenditure for 2016 was 95% of the overall 2017 estimates. Of the overall total expenditure, 57% was personnel costs, 21% was missions and training costs, 22% was operating costs which included depreciation costs as well.



The graph below gives a comparison of the expenditure estimates against the actuals incurred.



3. The Organization’s total assets increased from US\$10,735,785 to US\$13,234,386 while the total liabilities also increased from US\$4,659,371 to US\$7,382,185 resulting in net assets of US\$5,852,201 in 2016.

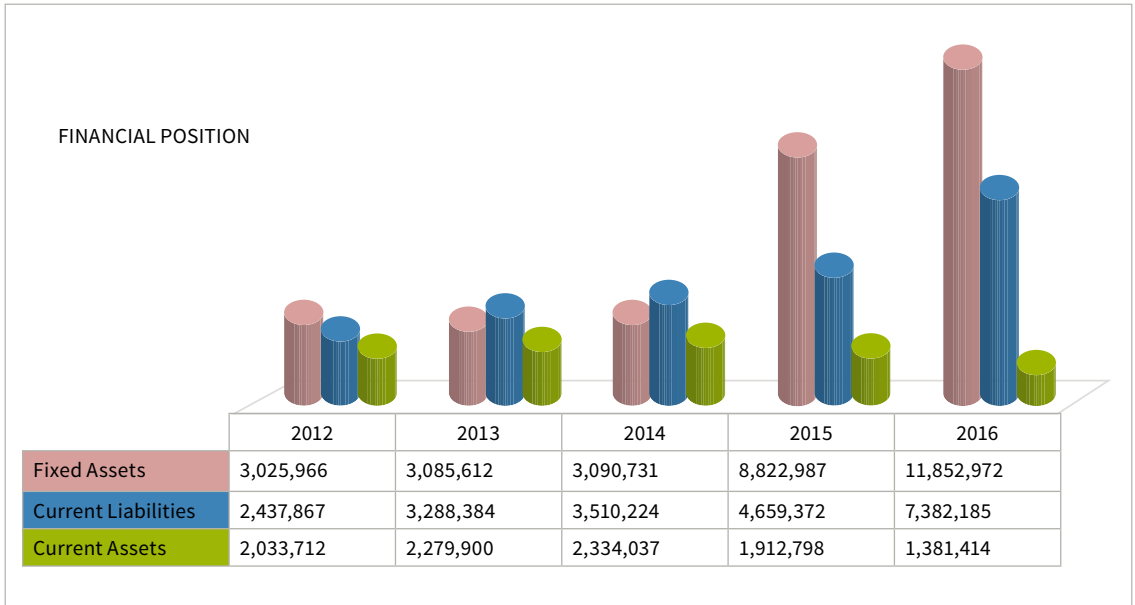


Figure 21: Financial position from 2012 to 2016.

**REPORT ON THE MEMBER STATES’ FINANCIAL POSITION FOR THE PERIOD ENDING DECEMBER 31, 2017**

4. Member States earned a total US\$3,718,339 translating to 96.1% of the 2017 projected share of fees of US\$3,871,039. Sao Tome and Principe for the first time earned enough fees to offset its annual assessed contributions.

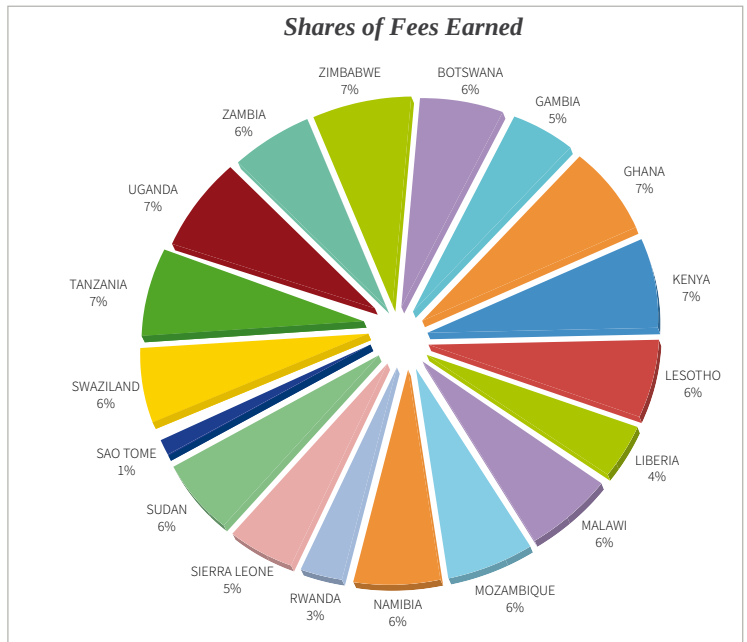


Figure 22: Financial position from 2012 to 2016.

**REPORT ON THE RESERVE FUND**

5. The total amount raised for the construction of the building was US\$5,543,554. This comprised of Member States contribution of US\$1,926,200 while the Secretariat and the Staff Provident Fund contributed US\$2,346,995

and US\$1,270,359 respectively. The construction of the new headquarters building amounted to US\$5,743,168 and the difference of US\$199,614 was funded from various cost saving initiatives that the Secretariat undertook.



# ANNEX

## AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANISATION

### FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANIZATION

##### NATURE OF BUSINESS:

The African Regional Intellectual Property Organization ("ARIPO") functions include, the modernization, harmonization and development of the Intellectual Property Laws of Member States; fostering the establishment of a close relationship between the Member States in Intellectual Property Matters; the establishment of common services and organs for the modernization, harmonization and development of Intellectual Property activities affecting the Member States; and promotion and evolving of a common view and approach to Intellectual Property matters and assisting the Member States in the acquisition and development of Intellectual Property related technology.

##### GOVERNING ORGANS:

###### Council of Ministers

The Council of Ministers consist of Ministers of the Governments of Member States of the Organization who are responsible for the administration of Intellectual Property.

###### Administrative Council

The Administrative Council consist of the Heads of Offices dealing with the administration of Intellectual Property in the Member States.

##### SENIOR MANAGEMENT TEAM (SECRETARIAT):

Mr. F. Dos Santos (Director General)

Mr. C. Kiige (Director: Intellectual Property)

Mrs. H. D. Arko-Dadzie (Corporate Services Executive)

Mr. E. Sackey (IP Development Executive)

Mr. J. Kabare (IP Operations Executive)

**ADDRESS:**

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P. O. Box 4228  
Belgravia,  
Harare,  
Zimbabwe

**INDEPENDENT AUDITORS:**

BDO Zimbabwe Chartered Accountants  
3 Baines Avenue  
**Harare**

**ATTORNEYS:**

Honey & Blackenburg  
200 Herbert Chitepo Avenue  
**Harare**

**BANKERS:**

Swiss Bank Cooperation  
UBS SA, Castle Postale  
CHI121, Geneva 2  
**Switzerland**

INDEX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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Statement of financial performance	45
Statement of changes in equity	45
Statement of cashflows	46
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Statement of comparison of budget and actual amounts	58

## AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANIZATION

### ADMINISTRATIVE COUNCIL'S RESPONSIBILITY STATEMENT

The Administrative Council is required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Organisation as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Public Sector Accounting Standards.

The Administrative Council acknowledges that it is ultimately responsible for the system of internal financial control established by the Organisation and place considerable importance on maintaining a strong control environment. To enable management to meet these responsibilities, the Administrative Council set standards for internal control aimed at reducing the risk of fraud or error in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Organisation and all employees are required to maintain the highest ethical standards in ensuring the Organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Organisation is on identifying, assessing, managing and monitoring all known forms of risk across the Organisation. While operating risk cannot be fully eliminated, the Organisation endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Administrative Council is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, but not absolute, assurance against material misstatement or loss.

In preparing the financial statements, the Administrative Council is responsible for assessing the organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

The Administrative Council has assessed the ability of the organisation to continue operating as a going concern and believe that the preparation of the financial statements on a going concern basis is still appropriate.

The external auditors are responsible for independently auditing and reporting on the Organisation's financial statements. The financial statements and related notes have been audited by the Organisation's external auditors and their report is presented on page 6 to 18.

The audited annual financial statements set out on pages 6 to 18 were approved by the Administrative Council on XX July 2017 and are signed on their behalf by:



F. Dos Santos  
DIRECTOR GENERAL



C. Kiige  
DIRECTOR: INTELLECTUAL PROPERTY

7 August 2017



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Cell: +263 772 573 266/7/8/9  
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P.O. Box 334  
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Zimbabwe

**REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBERS OF  
AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANISATION**

**Opinion**

We have audited the financial statements of AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANISATION set out on pages 6 to 18, which comprise the statement of financial position as at 31 December 2016, statement of financial performance, statement of changes in equity and the statement of cash flows for the year then ended 31 December 2016, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANISATION as at 31 December 2016, its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organisation in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B), together with other ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and our response to each matter below does not represent a separate opinion on each of these matters.

Completeness and accuracy of revenue	How our audit addressed the Key Audit Matter
<p>The organisation’s revenue is derived from intellectual property registrations and annual maintenance fees. The fees earned are based on a number of protocols. Annual maintenance fees are also at times paid for more than one financial year and some of the revenue needs to be deferred to future years. The intellectual property registration process for applications is automated and also involves some online interface. The completeness and accuracy of the audit of revenue was thus a key audit matter.</p>	<p>We performed the following audit procedures among others with the assistance of our information systems auditors:</p> <ul style="list-style-type: none"> <li>• Performed general application control reviews for the operating system to verify operational effectiveness of the controls.</li> <li>• Performed test of controls on the revenue cycle focusing on key controls and segregation of duties in the validation of applications.</li> <li>• Evaluated the Organisation’s revenue recognition policy for compliance with International Public Sector Accounting Standard 9.</li> <li>• Vouched applications verifying use of correct approved rates as promulgated in the various Protocols.</li> <li>• Reviewed management’s computation of deferred revenue relating to future period maintenance fees.</li> </ul>

**Responsibilities of the Administrative Council for the financial statements**

The Administrative Council are responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting, and for such internal control as the Administrative Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Administrative Council are responsible for assessing the Organisation’s ability to continue operating as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Administrative Council either intend to liquidate the Organisation or to cease operations, or have no realistic alternative but to do so.

**Auditor’s responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Administrative Council' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Administrative Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Administrative Council with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Administrative Council, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Gladman Sabarauta.



.....  
BDO Zimbabwe Chartered Accountants

3 Baines Avenue,

Harare

Gladman Sabarauta CA(Z)

Partner

Registered Public Auditor

7 August 2017

## AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANISATION

## STATEMENT OF FINANCIAL POSITION

as at 31 December 2016

		31 December 2016 US\$	31 December 2015 US\$
<b>ASSETS</b>	<b>Note</b>		
<b>Current assets</b>			
Cash and cash equivalents	4	675,035	1,293,676
Trade and other receivables	5	706,379	619,122
		<u>1,381,414</u>	<u>1,912,798</u>
<b>Non-current assets</b>			
Investments - treasury bills	6	50,040	-
Motor vehicles, furniture, equipment	7.1	901,338	578,086
Intangible asset	7.1	3,575,220	4,022,122
Land and buildings	7.1	7,326,374	2,707,907
Work in progress	7	-	1,514,872
		<u>11,852,972</u>	<u>8,822,987</u>
<b>Total assets</b>		<u>13,234,386</u>	<u>10,735,785</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Member State payables	8	2,827,712	1,541,682
Other payables		94,387	797,195
Fees received in advance-deferred	9	2,545,953	1,408,677
Receipts from agents not allocated		283,872	263,602
Short term loan	10	1,328,659	-
Employee benefits	11	301,602	648,215
		<u>7,382,185</u>	<u>4,659,371</u>
<b>Total liabilities</b>		<u>7,382,185</u>	<u>4,659,371</u>
<b>Net assets</b>		<u>5,852,201</u>	<u>6,076,414</u>
<b>EQUITY</b>			
Reserves		1,728,060	1,728,060
Accumulated surplus Fund		4,124,141	4,348,354
<b>Total equity</b>		<u>5,852,201</u>	<u>6,076,414</u>

-----) F. Dos Santos  
 Director General  
 -----) C. Kiige  
 Director Intellectual Property

} 7 August 2017

## AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANISATION

## STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 December 2016

	Note	31 December 2016 US\$	31 December 2015 US\$
<b>Revenue</b>			
Fees from protocols		4,255,044	4,119,963
Contributions from member states		502,200	502,200
Member states contribution to reserve fund		604,800	302,400
Donation income	13	2,237	4,902,157
Other income	12	88,576	35,758
<b>Total revenue</b>		<b>5,452,857</b>	<b>9,862,478</b>
<b>Expenses</b>			
Mission and training costs		1,212,352	1,305,748
Personnel expenditure		3,208,636	3,164,013
Depreciation	7	771,878	706,844
Other operating expenses	14	484,204	524,003
<b>Total expenses</b>		<b>5,677,070</b>	<b>5,700,608</b>
<b>Surplus for the year before depreciation</b>		<b>547,665</b>	<b>4,868,714</b>
<b>(Deficit)/Surplus for the year after depreciation</b>		<b>(224,213)</b>	<b>4,161,870</b>

## AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANISATION

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2016

	Reserved US\$	Accumulated Surplus US\$	Total US\$
Balance as at 1 January 2015	1,728,060	186,484	1,914,544
Surplus for the year	-	4,161,870	4,161,870
<b>Balance as at 31 December 2015</b>	<b>1,728,060</b>	<b>4,348,354</b>	<b>6,076,414</b>
Deficit for the year	-	(224,213)	(224,213)
<b>Balance as at 31 December 2016</b>	<b>1,728,060</b>	<b>4,124,141</b>	<b>5,852,201</b>



## AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANISATION

## CASH FLOW STATEMENT

for the year ended 31 December 2016

	Note	31 December 2016 US\$	31 December 2015 US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus/(Deficit) for the year		(224,213)	4,161,870
<b>Adjusted for :</b>			
- Property and equipment depreciation	7.1	771,878	706,844
- Profit on disposal of property and equipment	12	(7,765)	(1,149)
- Donation income	13	(2,237)	(4,902,157)
- Interest income	12	(17,767)	(20,879)
		519,896	(55,471)
<b>Non-cash movements:</b>			
Increase in trade and other receivables		(87,257)	(74,756)
Increase / (decrease) in trade payables and other payables		583,222	1,174,304
Increase in fees received in advance-deferred		1,137,276	153,009
(Decrease) / increase in receipts from agents not allocated		20,270	(144,843)
Increase in employee benefits		(346,613)	(33,322)
<b>Net cash flows generated from operating activities</b>		1,826,794	1,018,921
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase in investments	6	(50,040)	-
Interest income received	12	17,767	20,879
Additions to property and equipment	7.1	(82,309)	(110,154)
Purchase of building materials	7	(3,667,277)	(1,426,790)
Proceeds from sale of property and equipment	12	7,765	1,149
<b>Net cash flows used in investing activities</b>		(3 774 094)	(1 514 916)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in loans	10	1,328,659	-
<b>Net cash flows generated from financing activities</b>		1,328,659	-
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		( 618 641)	(495,995)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		1,293,676	1,789,671
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	4	675,035	1,293,676

## AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANIZATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

#### 1. OBJECTIVES OF THE ORGANIZATION

African Regional Intellectual Property Organization (“ARIPO” or “the Organization”) was established in 1976.

The objectives of the Organization are:

- promoting the harmonisation and development of the intellectual property laws;
- fostering the establishment of a close relationship between its members in matters relating to intellectual property (“IP”) and;
- establishing such common services or organs as may be necessary or desirable for the co-ordination, harmonisation and development of the intellectual property.

ARIPO carries out a wide variety of tasks related to the protection of IP rights including working with Member States to develop IP laws; managing regional registration systems for trademarks, industrial designs and appellations of origin and a filing system for patents; providing dispute resolution services; and acting as a forum for informed debate and for the exchange of expertise.

ARIPO carries out a wide variety of tasks related to the protection of IP rights including working with Member States to develop IP laws; managing regional registration systems for trademarks, industrial designs and appellations of origin and a filing system for patents; providing dispute resolution services; and acting as a forum for informed debate and for the exchange of expertise.

ARIPO is governed by the following constituent bodies:

- the Council of Ministers, which is the supreme body of the Organization, consists of Ministers of Governments of the member states;
- the Administrative Council, which is responsible for the administration of intellectual property; and
- the Secretariat, which reports to the Administrative Council and performs duties as delegated by the Administrative the Council.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared on an accrual and going-concern basis and the financial statements have been prepared in accordance with International Public Sector Accounting Standards (“IPSAS”).

The principal accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been consistently applied to all years presented, unless otherwise stated.

##### 2.1 Foreign currency translation

###### a. *Functional and presentation currency*

Items included in the financial statements of the Organization are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in the United States of America dollar (“US\$”), which is the Organization’s functional and presentation currency.

##### 2.2 Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition, including cash on hand and demand deposits with banks.

## AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)  
FOR THE YEAR ENDED 31 DECEMBER 2016**2.3 Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method and represent amounts due from staff or customers for services performed in the ordinary course of business.

Other receivables are measured at the fair value of the consideration received or receivable, less an allowance for impairment. An allowance for impairment of other receivables is established when there is objective evidence that the Organization will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The allowance is recognised in the statement of financial performance.

**2.4 Property, equipment and intangible assets**

Motor vehicles, equipment and intangible assets are valued at cost less accumulated depreciation or amortisation. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Organization and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of financial performance during the financial period in which they are incurred.

**2.4 Property, equipment and intangible assets**

Land and buildings are initially recognized at cost, but are subject to revaluation to fair value by an external independent valuer. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Land is not depreciated. Property and equipment are depreciated on the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings	40 years
Furniture and fittings	10 years
Computer and equipment	4 years
Motor vehicles	5 years
Software	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. There has been no change to the estimated useful lives from those applied in the previous financial year.

**2.5 Borrowing costs**

Borrowing costs are capitalised, net of interest received on cash drawn down yet to be expended when they are directly attributable to the acquisition, contribution or production of an asset that necessarily takes a substantial period of time to get ready for its intended use.

## AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)  
FOR THE YEAR ENDED 31 DECEMBER 2016**2.6 Receipts from agents not allocated**

Receipts from agents not allocated represents annual maintenance fees paid that relate to a patent's next filing date. These fees are usually paid upfront.

**2.7 Employee benefits****a) Pension obligations**

The Organization has a defined contribution plan, which is a pension plan under which the Organization pays fixed contributions to a separate entity. The Organization has no legal or constructive obligation to pay further contributions if the entity does not hold sufficient assets to pay all employees the benefits relating to the employee service in the current and prior periods.

**b) Termination benefits**

Termination benefits are payable when employment is terminated by the Organization before the normal retirement date or whenever the employee accepts voluntary redundancy in exchange for these benefits.

**c) Other benefits**

The Organization recognises provisions for the value of accumulated leave deferred at the reporting date and for gratuity payable at the reporting date.

**2.8 Member State payables and other payables**

The Organization collects maintenance fees on behalf of member states. The Organization holds these funds on a temporary basis until they are transferred to the Member States. These funds are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2.9 Revenue**

Fees from protocols comprise fees charged for applications for registration of patents, trademarks and industrial designs; and annual maintenance fees for the protection of the patents, trademarks and industrial designs.

Application fees are recognised immediately when the application is received and is examined.

Annual maintenance fees are recognised from the filing date of the patent application and the asset recognition criteria are met. The fees are usually paid upfront for protection for the next 12 months. Where the protection period overlaps between two financial periods, the portion relating to the following financial period is deferred for future recognition.

The distribution of fees between ARIPO Office and Member states shall be as follows:

- 5% of the application fees shall be due to the Member state in which the application is filed and 95% shall be due to the ARIPO Office;

AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)  
FOR THE YEAR ENDED 31 DECEMBER 2016

- 50% of the designation fee shall be due to the designated member state and 50% shall be due to the ARIPO office;
- 50% of the annual maintenance fee shall be due to the designated member state and 50% shall be due to the ARIPO Office.

Fees due to Member States are held in the favour of the Member States and, on request, are transmitted to the Member States

Contributions from Member States are recognized as revenue at the beginning of the financial year to which they relate.

**2.10 Operating expenses**

Expenses are recognised when incurred than when paid.

**2.11 Taxation**

The Organization’s receipts and accruals are exempt from income tax in terms of paragraph 2(e) of the Third Schedule of the Zimbabwe Income Tax Act (Chapter 23:06).

**3 FINANCIAL RISK MANAGEMENT**

The Organization’s activities expose it to a variety of financial risks: market risk ( including price, foreign exchange and interest rate risks), credit risk and liquidity risk.

**a) Market risk**

*(i) Price risk*

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Organization is not exposed to price risks as it does not hold any equity securities or commodities.

*(ii) Foreign exchange risk*

Foreign exchange risk arises in respect of recognised financial assets and financial liabilities that are not in the functional currency of the Organization. The Organization does not operate in any other currency apart from its functional currency and is therefore not exposed to foreign exchange risk.

*(iii) Interest rate risk*

Interest rate risk is the risk that the Organization will be adversely affected by the changes in the level of volatility of market interest rates. The Organization has fixed interest-bearing assets or liabilities therefore has no significant exposure to interest rate risk.

## AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)  
FOR THE YEAR ENDED 31 DECEMBER 2016

## b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation.

Credit risk arises from cash and cash equivalents held at banks and accounts receivable. The Organization's receivables are mostly from its Member States, representing governments and from staff.

Therefore the risks related to credit are insignificant.

	31 December 2016 US\$	31 December 2015 US\$
<b>4 CASH AND CASH EQUIVALENTS</b>		
Stanbic Bank Zimbabwe Limited	132,294	32,552
UBS AG Switzerland	457,119	108,039
Swiss Bank Reserves	67,686	1,149,563
Stanbic Bank Zimbabwe Limited Revolving Fund	9,790	4,920
CBZ Bank	4,799	200
Petty cash	3,347	1,402
	<u>675,035</u>	<u>1,296,676</u>
<b>5 TRADE AND OTHER RECEIVABLES</b>		
	31 December 2016 US\$	31 December 2015 US\$
Staff debtors	449,932	457,577
Member States receivables (note 5.1)	197,308	110,892
Other receivables	59,140	50,653
	<u>706,379</u>	<u>619,122</u>
<b>5.1 Member States receivables</b>		
All Member States have paid their 2015 assessed contributions. The Administrative Council agreed that the fees earned should be utilised towards the current contributions and the remaining amount should be utilised against the current arrears of Member States. In 2011 the Administrative Council agreed to write off the balance owed by Somalia and the country will not accrue any liability until such a time the country has a substantive government.		
	31 December 2016 US\$	31 December 2015 US\$
<b>Arrear contributions:</b>		
Rwanda	40,308	25,793
Sao Tome & Principe	157,000	85,099
	<u>197,308</u>	<u>110,892</u>

## AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

## FOR THE YEAR ENDED 31 DECEMBER 2016

**6 SHORT TERM INVESTMENTS**

Short term investments represent Government of Zimbabwe treasury bills that were given to ARIPO as compensation for foreign currency bank account balance transferred to the Reserve Bank of Zimbabwe. The treasury bills earn interest of 2% per annum. Below is an analysis of the maturity of the treasury bills;

	31 December 2016 US\$	31 December 2015 US\$
31 December 2017	16,680	-
31 December 2018	16,680	-
31 December 2019	16,680	-
	<u>50,040</u>	

**7 CAPITAL WORK IN PROGRESS**

	31 December 2016 US\$	31 December 2015 US\$
Opening balance	1,514,872	88,082
Additions at cost	3,667,277	1,426,790
Transfers to property plant and equipment (note 7.1)	(5,182,149)	-
Closing balance	<u>-</u>	<u>1,514,872</u>

AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2016

7.1 PROPERTY; EQUIPMENT AND INTANGIBLE ASSETS

	Land	Buildings	Computers and equipment	Intangible Assets	Furniture and fittings	Motor Vehicles	TOTAL
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>Carrying amount as at 31 December 2014</b>	260,000	2,486,724	127,852	-	67,605	60,466	2,742,647
Gross carrying amount- cost/ valuation		2,685,670	661,478	-	297,722	182,751	3,827,621
Accumulated depreciation		(198,946)	(533,626)	-	(230,117)	(122,285)	(1,084,974)
Additions at cost	-	31,888	500,753	-	10,647	-	543,288
Depreciation for the year	-	(70,705)	(156,385)	(446,902)	(14,450)	(18,402)	(706,844)
<b>Carrying amount as at 31 December 2015</b>	260,000	2,447,908	472,220	4,022,122	63,803	42,063	7,308,116
Gross carrying amount- cost/ valuation	260,000	2,717,558	1,162,231	4,469,024	308,370	182,750	9,099,933
Accumulated depreciation	-	(269,650)	(690,011)	(446,902)	(244,567)	(140,687)	(1,791,817)
Additions at cost	-	-	34,638	-	44,571	3,100	82,309
Donations	-	-	-	-	2,237	-	2,237
Transfers from Capital work in progress	-	4,736,615	197,206	-	248,328	-	5,182,149
Depreciation for the year	-	(118,149)	(169,930)	(446,902)	(20,823)	(16,074)	(771,878)
Disposals at carrying amount	-	-	-	-	-	-	-
Disposals at cost	-	-	(264,896)	-	(125,332)	(40,334)	(430,562)
Disposals accumulated depreciation	-	-	264,896	-	125,332	40,334	430,562
<b>Carrying amount as at 31 December 2016</b>	260,000	7,066,374	534,135	3,575,220	338,114	29,089	11,802,932
Gross carrying amount- cost/ valuation	260,000	7,454,173	1,129,179	4,469,024	478,170	145,516	13,936,063
Accumulated depreciation	-	(387,799)	(595,045)	(893,804)	(140,056)	(116,427)	(2,133,131)

Included in the cost of buildings are capitalised borrowing costs amounting to US\$58,534 relating to the construction of the new ARIPO building.



## AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)  
FOR THE YEAR ENDED 31 DECEMBER 2016

	31 December 2016 US\$	31 December 2015 US\$
<b>8 MEMBER STATES PAYABLE</b>		
Botswana	118,681	143,227
Gambia	432,117	332,222
Ghana	342,690	221,838
Kenya	165,143	164,126
Lesotho	1,323,840	1,206,352
Liberia	38,645	16,133
Malawi	494,480	522,190
Mozambique	68,852	95,661
Namibia	526,458	410,121
Sierra Leone	183,320	102,940
Sudan	496,066	386,533
Swaziland	1,502,781	1,383,989
Tanzania	219,606	125,839
Uganda	188,805	389,816
Zambia	130,451	153,703
Zimbabwe	184,399	162,011
	<u>6,416,335</u>	<u>5,816,701</u>
Less: Member States Trust Fund	(3,588,623)	(4,275,019)
	<u>2,827,712</u>	<u>1,541,682</u>
<b>9 FEES AND MEMBER STATES CONTRIBUTIONS RECEIVED IN ADVANCE- DEFERRED</b>		
<b>Fees received in advance</b>		
Balance as at 1 January	1,408,677	1,255,668
Fees earned in the current period	(1,384,961)	(1,234,491)
Fees deferred to the following period		
2016	-	1,369,177
2017	1,501,591	18,323
2018	31,402	-
Balance as at 31 December	<u>1,556,709</u>	<u>1,408,677</u>

**Member States contributions received in advance**

Contributions deferred to the following financial years;

2017	604,800	-
2018	384,444	-
	<u>989,244</u>	
<b>Total fees and Member States Contributions received in advance</b>	<b>2,545,953</b>	<b>1,408,677</b>

## 10 SHORT TERM LOAN

The short term loan represents funds borrowed from the employee's Provident Fund. The loan was approved by the Administrative Council at the Thirty-Ninth Council meeting in December 2015. The loan earns interest at 5% per annum and is repayable within 12 months. Below is a reconciliation of the loan facility;

	US\$	US\$
Opening balance as at 1 January 2016	-	-
Additions during the year	1,270,125	
Interest accrued at 5% per annum	58,534	-
Closing balance as at 31 December 2016	<u>1,328,659</u>	<u>-</u>

## 11 EMPLOYEE BENEFITS

Employee benefits comprise of short-term employee benefits that include salary, allowances, grant on initial assignment, grants for the education of dependent children and paid annual leave.

The Organization has recognized liabilities for the following short-term benefits, the value of which is based on the amount payable to each staff member at the reporting date:

Accumulated leave – staff members are eligible for 30 days annual leave and may accumulate up to a maximum of 60 days leave. The Director General is eligible for 34 days annual leave and may accumulate up to a maximum of 68 days leave.

Gratuity - contract employees are eligible to an annual gratuity of 25% of their annual base salary up to a maximum of four years.

	Leave pay provision	Gratuity	Total
	US\$	US\$	US\$
Balance as at 1 January 2015	183,203	498,335	681,538
Payments made during the year	(57,012)	-	(57,012)
Provisions made during the year	(7,939)	31,628	23,689
Balance as at 31 December 2015	<u>118,252</u>	<u>529,963</u>	<u>648,215</u>
Balance as at 1 January 2016	118,252	529,963	648,215
Payments made during the year	(68,726)	(490,816)	(559,542)
Provisions made during the year	(2,564)	215,493	212,929
Balance as at 31 December 2016	<u>46,962</u>	<u>254,640</u>	<u>301,602</u>

## AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)  
FOR THE YEAR ENDED 31 DECEMBER 2016

	31 December 2016 US\$	31 December 2015 US\$
<b>12 OTHER INCOME</b>		
Interest income	2	-
Search request fees	10,568	6,645
Finance income	17,765	20,879
Subscription to ARIPO Journal	-	2,430
Profit on disposal of property and equipment	7,765	1,149
RBZ Treasury Bills	50,040	-
Miscellaneous income	407	4,655
	<u>86,546</u>	<u>35,758</u>

**13 Donation Income**

ARIPO received a donation of desks and chairs from European Union IP Office in August 2016 with a value of US\$2,237.

	31 December 2016 US\$	31 December 2015 US\$
<b>14 OTHER OPERATING EXPENSES</b>		
Audit fees	13,575	26,400
Bank charges	21,278	25,425
Consultancy	26,861	16,581
Communication costs	82,345	86,950
Supplies and Consumables	56,246	66,959
Insurance	11,492	24,535
Office Expenses	110,237	73,365
Security	43,042	43,042
Repairs and maintenance - fixtures & fittings	7,305	24,884
Repairs and maintenance - buildings	7,064	8,540
Repairs and maintenance - equipment	13,247	21,878
Repairs and maintenance - vehicles	29,166	35,173
Miscellaneous expenses	62,346	70,270
	<u>484,204</u>	<u>524,002</u>

## AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)  
FOR THE YEAR ENDED 31 DECEMBER 2016

## 15 RELATED PARTIES

The Organization is governed by the Administrative Council composed of representatives of all member countries. They do not receive remuneration from the Organization. The Organization is managed by a Director General and by officers (key management personnel) who are remunerated by the Organization. The aggregate remuneration paid to key management personnel includes salaries, allowances, statutory travel and other entitlements paid in accordance with the ARIPO Staff Rules and Regulations and applicable to all staff.

The Organization key management personnel are as follows:

Director General

Director Intellectual Property

IP Development Executive

IP Operations Executive

	31 December 2016	31 December 2015
	US\$	US\$

Their combined aggregate annual and long-term remunerations are as follows:

Short-term employee benefits (annual salaries and Allowances)	454,322	450,897
Medical benefits paid for the Year	10,685	10,162
Long-term employee benefits (Leave days accrued and Gratuities due)	197,137	182,344
	<u>662,144</u>	<u>643,403</u>

There were no loans to key management personnel's close family members which were not available to other categories of staff. There was no other remuneration or compensation to key management personnel or to their close family members.

## 16 EVENTS AFTER THE REPORTING DATE

There were no significant events which occurred from the reporting date to the date of approval of these financial statements.

## 16.1 Approval of financial statements

The financial statements were approved for issue by the Administrative Council.

## AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANIZATION

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

	Original Budget	Transfers Rule 4.5	Final Budget	Actual Amounts	Difference: Final budget and actual
	US\$	US\$	US\$	US\$	US\$
<b>REVENUE</b>					
Fees from Protocols	4,925,839	-	4,925,839	4,255,044	(670,795)
Contributions from Member States	1,107,000	-	1,107,000	1,107,000	-
Other Revenue	60,000	-	60,000	88,576	28,576
	<u>6,092,839</u>	<u>-</u>	<u>6,092,839</u>	<u>5,450,620</u>	<u>(642,219)</u>
<b>PROGRAMME TITLE</b>					
IP Operation	31,595	-	31,595	22,704	8,891
IP Ecosystem for Growth	126,076	-	126,076	134,927	(8,851)
IP Knowledge	239,344	-	239,344	130,257	109,087
Policy and Legal	75,490	-	75,490	79,013	(3,523)
People and Organization Transformation	114,000	-	114,000	149,080	(35,080)
Information and Communication Technology	121,000	-	121,000	89,970	31,030
Marketing, Customer Engagement & Corp	37,000	-	37,000	82,516	(45,516)
Management Accounting	10,000	-	10,000	27,210	(17,210)
Financial Management	5,000	-	5,000	10,620	(5,620)
Internal Audit	18,000	-	18,000	18,000	-
<b>RUNNING COSTS</b>					
Personnel costs	3,284,471	-	3,284,471	3,059,556	224,915
Operating Costs	680,500	-	680,500	512,494	168,006
Annual Meetings and Conferences	416,594	-	416,594	623,482	(206,888)
<b>TOTAL EXPENDITURE</b>	<u>5,159,070</u>	<u>-</u>	<u>5,159,070</u>	<u>4,939,830</u>	<u>219,240</u>
<b>Surplus for the year</b>	<u>933,769</u>	<u>-</u>	<u>933,769</u>	<u>510,790</u>	<u>(422,979)</u>
<b>Surplus as per actual budget statement</b>					<b>510,790</b>
IPSAS adjustments to deficit for the year:					
Depreciation					(771,878)
Purchase of property plant and equipment					34,638
Property and equipment donated					2,237
<b>Adjusted deficit for year per IPSAS</b>					<u>(224,213)</u>

ARIPO's budget and financial statements are prepared using two different bases. The Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets and Cash Flow Statement are prepared on a full accrual basis, whereas the Statement of Comparison of Budget and Actual Amounts is prepared on a modified accrual basis in accordance with ARIPO's Financial Regulations and Rules.

As required by IPSAS-24, the actual amounts presented on a comparable basis to the budget shall, where the financial statements and the budget are not prepared on a comparable basis, have been reconciled to the actual deficit amount presented in the Statement of Financial Performance as shown above.







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