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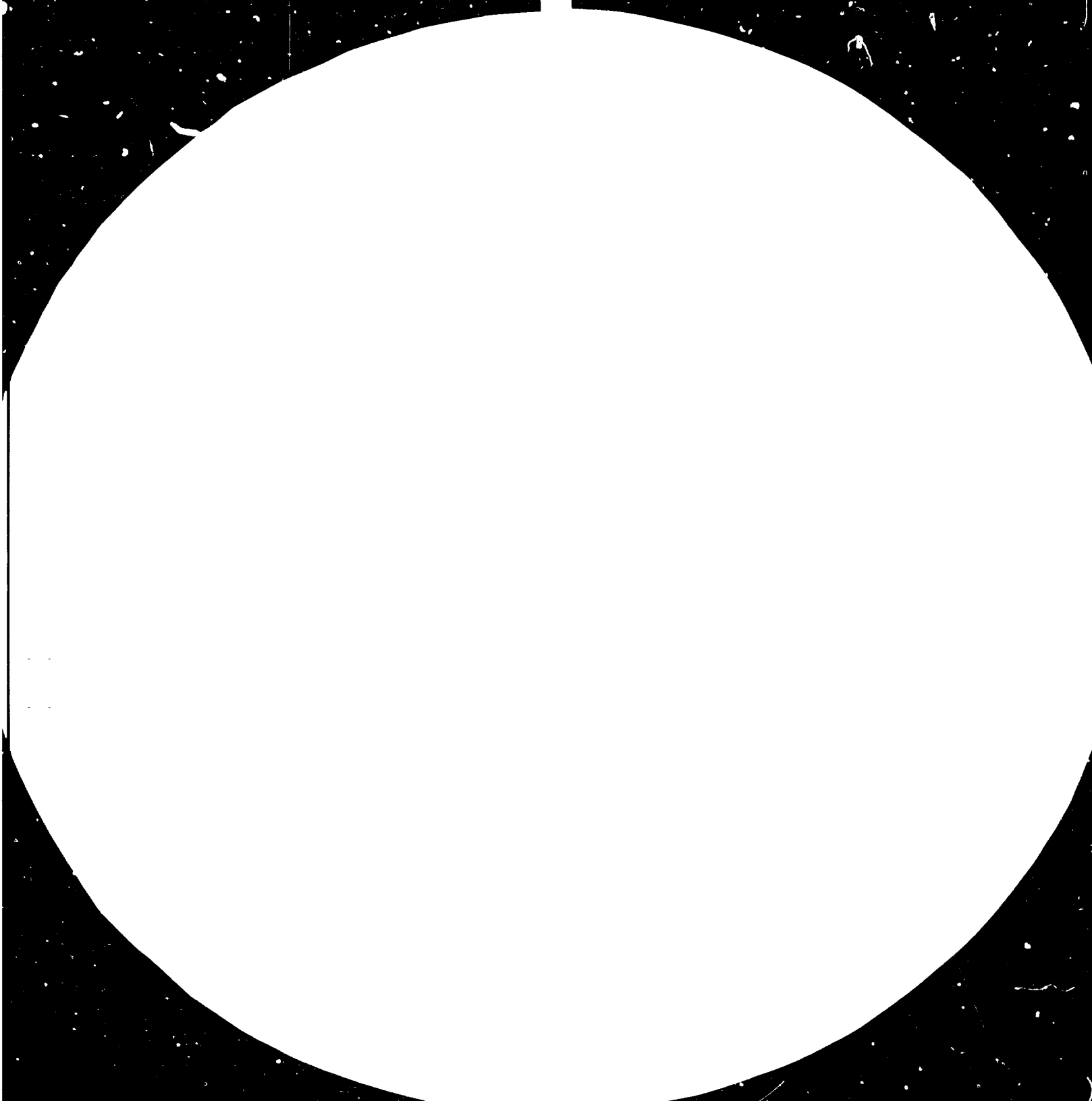
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12906



United Nations Industrial Development Organization

Distr.
LIMITED

ID/WG.405/6
6 October 1983
ENGLISH

Eighth Meeting of Heads of
Technology Transfer Registries
Caracas, Venezuela, 17-20 October 1983

TECHNOLOGICAL INFORMATION EXCHANGE SYSTEM (TIES),

PROGRESS REPORT *

by

UNIDO Secretariat

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V.83-62549

I. INTRODUCTION

This document will report on the progress made by TIES and its related activities since the last meeting of the Heads of Technology Transfer Registries in December 1982 at New Delhi, India. The report also covers in detail five interrelated TIES activities, namely:

- TIES information exchange
- TIES newsletter
- Technological Advisory Services
- Technical assistance to registries
- Co operation with international organizations.

In July 1983, a meeting of Selected Heads of Technology Transfer Registries was held in Vienna, Austria as requested by the Seventh Meeting of Heads of Technology Transfer Registries. The purpose of the meeting was to discuss the future orientation of the system. The conclusions and recommendations reached are reflected in the report of the meeting and principally related to the consolidation, strengthening and expansion of the TIES system.

A project proposal was formulated for the establishment of Summer Courses on Technology Transfer Negotiation and Evaluation (ID/WG.405/5). The principal objective of these courses is to provide registry personnel with a possibility for improving their skills and understanding of the negotiation and evaluation process. In addition, a detailed outline for an annual review on technology transfer trends was prepared. The annual review's objective is to provide readers with information on recent developments in industrial and technological development, operational strategies and policies towards technological development, legal and institutional framework for technology transfer and trends in technology flows. The TIES members are expected to provide those inputs for the review as reflected in the country profiles.

The country profile format, as agreed in Vienna, was completed by the UNIDO secretariat for the following countries: Argentina, China, Colombia, Egypt, Malaysia, Philippines and Portugal. These countries were selected as they

provide TIES I data on a regular basis and of those seven countries only two did not return the corrected country profiles. In addition, country profiles were prepared for Algeria, Ecuador, Indonesia, Mexico, Nigeria, Pakistan, Thailand and Venezuela but no TIES I data was available and time constraints did not permit the circulation of these profiles for verifications. The results of this exercise are reflected in the Draft Review on Technology Transfer Trends (ID/WG/405/7).

The TIES meeting in New Delhi recommended that a pilot exercise be initiated to investigate the constraints for compatible computerized registry information systems. A UNIDO staff member visited four registries (Mexico, Peru, Spain and Venezuela) and the findings are reflected in document UNIDO.IS/400 "Prospects of Technology Transfer Registry Computerization".

The principal conclusion reached was that the cost effectiveness trend for computerized information systems makes computerization of registries inevitable. Therefore the TIES members must determine the minimum set of data collected and what will be the computer format of the data to facilitate information exchange on tape.

The UNIDO secretariat, upon the request of the TIES member countries initiated two sectoral studies (on hotel management contracts and fast food franchising) for which a great deal of assistance has been received from the TIES members in the preparation of these papers. The final draft of these documents will be prepared after incorporating comments obtained at the TIES Caracas meeting.

Upon request of the secretariat of UNIDO's system of consultations, a study on restrictive clauses in contractual arrangements in the pharmaceutical industry was completed with the assistance of the TIES member registries.

A preliminary study on the monitoring of technology transfer agreements was prepared by the UNIDO secretariat for discussion. Little documentation was available on the subject as at present monitoring of agreements does not play a dominant role in technology transfer registries. A draft checklist of items which may be included in a monitoring system was prepared for illustrative purposes.

In association with the International Centre for Public Enterprises in Developing Countries, a study was initiated on Guaranty and Warranty Provisions in Technology Transfer Agreements. Valuable expert advice was obtained from various TIES members. A final draft will be prepared after the TIES meeting to include comments received.

The concern of TIES members about the proper evaluation of technology payments was reflected in discussions on this subject during the TIES meeting in New Delhi. The methodology developed by UNIDO was regarded as a valuable additional tool for payment evaluation, but it could not replace existing methods.

Upon request of the UNIDO secretariat, the Indian TIES counterpart reviewed the existing studies and comments and tested the UNIDO method on some 60 contracts. A summary of the results was published in the May issue of the TIES Newsletter. In addition, the UNIDO secretariat prepared some concluding remarks in document ID/WG.405/3 "Technology Payment Evaluation - Summary Results of a Pilot Exercise" which outlines the framework in which the technology payment evaluation method can be utilized based on the concept of profit sharing.

TIES Information Exchange

Information exchanged through TIES can be sub-divided into three categories, namely:

- a. information on technology transfer contracts at the TIES(I) and (II) level;
- b. information on service agreements;
- c. information on contractual arrangements upon special request.

a. Information on Technology Transfer Contracts at the TIES(I) and (II) Level

TIES I	January - June 1982	July - December	January - June ¹
Portugal	150	101	-
Philippines	38	49	54
Malaysia	47	47	-
Argentina	168	128	109
Colombia	21	22	-
PRC	-	10 ²	-
TIES IIA			
Argentina	168	128	109
Portugal	150	101	91
PRC	-	10 ²	-
TIES IIB			
Colombia	21	22	-
Rep. of Korea	-	153 ³	-
Egypt	3	-	-

1. Received before 15 September 1983

2. 1 January - 31 December 1982

3. 1 January - 31 December 1982

In comparison with the previous reporting period, certain progress can be observed in the reporting at the TIES (I) level. However no new active TIES members have been observed.

Service Agreements

The service agreement system has only been fully operational from July - December 1982 as the coding manual for this part was only approved at the TIES meeting in New Delhi. Up to now, only the Republic of Korea, Argentina and Portugal have supplied data, however, none of these countries have supplied data about the fee structure of these type of agreements, which substantially reduce the value of the information.

Special Requests

Special requests for information has been received from India, Portugal, Argentina, Malaysia and Egypt. The response of the TIES members on these requests was good although it was not always possible to locate the information requested. In a few cases, the requests for information were referred to UNIDO's Industrial Technological Information Bank (INTIB) as the request was only concerned with the location of suitable technology suppliers.

TIES Newsletter

During the ten months that have elapsed since the Seventh Meeting of Heads of Transfer of Technology Registries was held, four issues of the TIES Newsletter have been circulated by the Secretariat to about 400 addresses throughout the developed and developing countries. Whilst the mailing list has increased slightly, it is still noticeably being requested by new readers in industrialised countries rather than from those less fortunate, a trend which has been noticed for some time.

The Newsletter reported on those UNIDO activities that were felt to be of direct interest to registries and policy makers in developing countries, especially those activities connected to technological advances. A couple of papers prepared by the Economic Commission for Europe on restrictive contract clauses in East-West licensing trade were reprinted, as well as a number of articles sent in to the Secretariat by the TIES members. Other issues covered concerned warranty and guarantee provisions and methods for evaluating direct damage as a result of these provisions; software licences, as well as a model contract format. The most recent issue (August), brought the first of the country profiles from Argentina and proved to be most informative. Further issues will reproduce other country profiles, notably from Portugal and the Philippines, which have so far been received by the Secretariat. Notices of recent legislation were reproduced from material sent from China, Ethiopia, India, Mexico, Portugal and Zimbabwe. Other subjects covered dealt with industrial co-operation with ASEAN, bilateral investment treaties, experiences on the utilization of foreign investment, as well as items on registry activities. However, one of the recommendations of the last TIES meeting at New Delhi seems to have fallen by the wayside, namely that registries should appoint one of their staff to be a focal point for collecting material to be sent to UNIDO for inclusion in the Newsletter and who could make the Secretariat aware of the kind of information registries would like to see reflected in the Newsletter's pages. Without such a feed-back the Secretariat is sometimes at a loss as to what kind of news our readers need.

Technological Advisory Services

TAS has entered into its fifth year of operation and has in the last eight months provided negotiation advise on several contractual arrangements upon specific request. No field visits were required in any of these cases.

Assistance to Registries

Nigeria

The National Office of Industrial Property has been assisted in drafting negotiation guidelines for local businessmen, internal contract evaluation criteria and the establishment of an information system on technology transfer contracts. Study tours to TIES member registries for training purposes have been organized to Mexico, Portugal, Venezuela and the Philippines.

Thailand

A draft legislation on technology transfer and foreign investment legislation has been prepared. A study tour by senior officials from the Board of Investment has been organized to various TIES member countries in order to obtain information on their experience over the past years in the area of investment and technology transfer regulations.

Venezuela

SIEX has been assisted in the establishment of a computerized registry information system. In addition, a joint UNIDO/SIEX seminar was held on contract negotiations.

Paraguay

The Government of Paraguay has been advised on the feasibility of the establishment of a technology transfer promotion unit.

Sudan

A study tour of government officials from different ministries has been organized to various TIES registries in order to expose them to the different technology transfer regulatory mechanisms as part of a larger assistance programme concerned with the establishment of a technology transfer unit.

Co-operation with International Orgnaizations

1. International Centre for Public Enterprises in Developing Countries

In April 1983. a joint ICPE/UNIDO meeting was held in Ljubliana, Yugoslavia, on guaranty and warranty provisions in technology transfer agreements and was attended by several TIES members. The results of these disucssions are reflected in the draft guide on guaranty and warranty provisions in technology transfer transactions, particularly for the developing countries.

2. Board of the Agreement of Cartagena

The Andean Technological Information System (SAIT) and TIES have established closer links and it is expected that a formal linkage between the two systems will be established in the near future.

