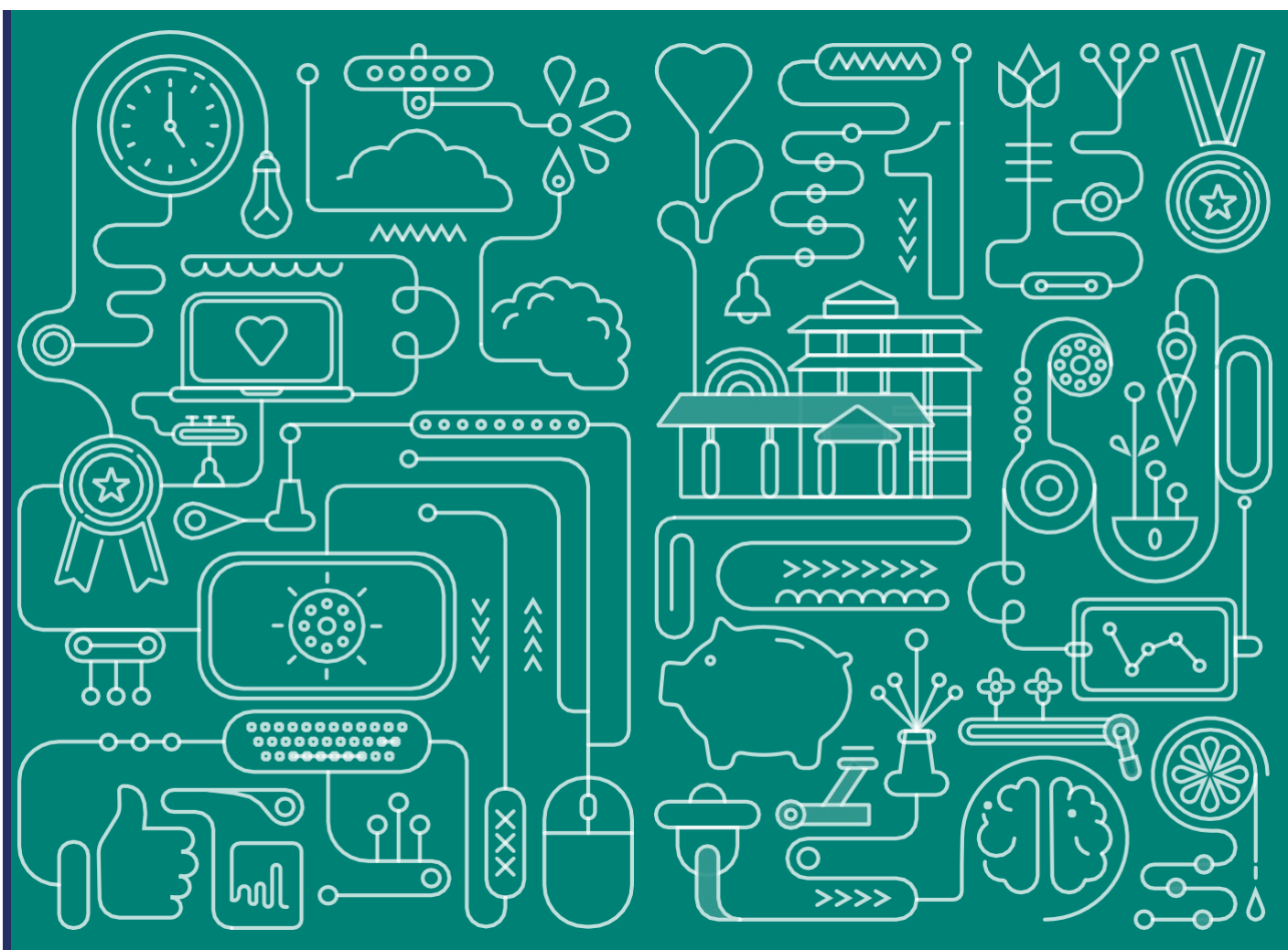




Intellectual
Property
Office

Update of 2020 Pakistan IP Regime Review

(with a special focus on IP enforcement)



IPO | Making life better through IP

Intellectual Property Office is an operating name of the Patent Office

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Executive Summary

Introduction

This Report, commissioned by the UK Intellectual Property Office (UKIPO), the Department for Business & Trade (DBT), and the British High Commission in Pakistan, updates the 2020 Pakistan IP Regime Review with a special focus on intellectual property (IP) enforcement. Conducted by UKIP Senior IP Consultant Tom Pengelly over four months, the project involved desk-based research, stakeholder consultations, and a field visit to Islamabad in February 2025.

The Report assesses progress in Pakistan's IP regime since 2020, identifies challenges with IP enforcement as well as opportunities for improvement, and proposes avenues for UK-Pakistan IP cooperation. The Report's recommendations and proposals aim to tackle IP-related barriers for UK and Pakistani rights holders, and support Pakistan's Intellectual Property Organisation (IPOP) in aligning with global IP standards and fostering economic development through innovation and trade.

Some significant progress has been made in strengthening Pakistan's IP regime since 2020

Since the 2020 Review, Pakistan has made significant strides in strengthening its IP framework. Legislative updates include amendments to the Copyright Ordinance (2021), Patents Ordinance (2021), and the introduction of the Industrial Designs Act (2022), enhancing protections for digital content, patents, and visual designs. Pakistan acceded to the Madrid Protocol (2021) and Marrakesh Treaty (2023), with ongoing efforts to join the Patent Cooperation Treaty (PCT), Hague System, and WIPO Internet Treaties, aligning with international IP standards.

IP administration has performed well for a small developing country IP office, with a 30% increase in annual trademark applications compared to 2020 (up to 52,690 in 2023) and the operationalization of a Geographical Indications (GI) registry, registering 12 GIs by October 2024. However, IPOP continues to face some limitations, including a backlog in trademark processing due to examiner shortages and limited automation and digitisation (e.g. online filing). With respect to IP enforcement, the system remains the same as in 2020, but two additional IP Tribunals (Quetta, Rawalpindi) and a new regional enforcement committee in Hyderabad have been established.

IP enforcement remains the weakest-link in Pakistan's IP regime

IP enforcement remains Pakistan's greatest challenge, with widespread copyright piracy and trademark counterfeiting costing the economy approximately £2.2 billion in 2023. Key sectors affected include consumer goods, pharmaceuticals, and digital media, driven by local production, smuggling, and digital piracy. Enforcement weaknesses include a fragmented institutional framework with responsibilities for enforcement of different types of IPRs split across 6 different agencies; low capacity for IP prosecutions and investigations in Pakistan police forces and the Federal Investigation Agency (FIA); inadequate border controls; limited digital IP protection. These have been compounded by low levels of IP awareness leading, in the absence of fuller appreciation of the harms of counterfeits, to an acceptance of counterfeit and pirated goods by some consumers and businesses. Penalties for IP infringement lack deterrence, and IPOP faces resource constraints for its enforcement operations, hindering inter-agency coordination.

However, recent High Court rulings (2020, 2023) regarding IP enforcement provisions in the 2012 IPOP Act offer an opportunity for IPOP to take a stronger lead on modernising the approach to IP enforcement in Pakistan, supported by a streamlined institutional framework and a focus on tackling the most serious and costly instances of IP infringement. International best practices, such as the UK's intelligence-led IP enforcement strategy, and digital rights management technologies could offer promising avenues for improvements to be accomplished moving forward.

Opportunities for UK-Pakistan co-operation on IP

IPOP and Pakistani agencies are receptive to a long-term UK-Pakistan IP cooperation program, ideally spanning five years to align with and complement Pakistan's WIPO-supported National IP Strategy. Proposed focus areas include:

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- Policy Dialogue and Best Practices: Establish an annual UK-Pakistan IP Forum and share UKIPO expertise on IP legislation, regulation, and administration, complemented by expert “star chambers.”
- IP Enforcement Capacity Building: Support IPOP in developing a national enforcement strategy, leveraging UK expertise in intelligence-led investigations and digital piracy court orders, and deepen cooperation between UK and Pakistan Customs to curb illicit trade.
- IP Awareness and Use of IP: Enhance IP awareness, potentially focused initially in Pakistan’s creative industries (e.g., music), building on recent copyright reforms, national music policy development. and UK strengths in digital rights management, then springboarding from this to campaigns in other sectors such as consumer goods, publishing and pharmaceuticals.

Conclusion

There have been a number of significant improvements in Pakistan’s IP regime since 2020, led by IPOP, with important legislative and administrative reforms, as well as increased levels of IPR application filings. However, as in 2020, IP enforcement is the weakest link in Pakistan’s IP regime and remains a critical limitation to realizing the country’s potential as a hub for innovation and trade. Whilst it is true that rights holders from the UK and Pakistan now enjoy good standards for IP legal protection and registration of rights in Pakistan, the weaknesses in the system for enforcement of those rights, coupled with low levels of IP awareness, mean there are significant losses from counterfeiting and piracy from IP infringement and act as a significant barrier to expanding trade, technology transfer and investment.

A UK-Pakistan IP cooperation program, formalized through a Memorandum of Understanding between UKIPO and IPOP, could modernize the IP enforcement system, enhance IP administration, and help promote greater IP awareness and a culture of innovation in the economy. Priority activities for UK-Pakistan IP co-operation over the medium term include prioritizing a strategy for IPOP-led enforcement reforms, aligning with international regulatory best practice in key areas like pharmaceuticals, and fostering high-level policy dialogue between Pakistan and the UK to establish the importance of IP strategies for achieving economic goals.

Introduction

The UK has a long-standing commitment to support Pakistan become a stronger trade and investment partner, with a more stable, inclusive, and transforming economy, providing shared prosperity and resilience to both countries. In the 21st century global economy, intellectual property rights (IPRs) are an important part of the overall investment climate and the national regulatory framework for promoting innovation, creativity and access to knowledge and technology.

UK, Pakistani and international IP rights holders face significant problems and losses related to IP infringement in Pakistan, with widespread copyright piracy and trademark counterfeiting costing the economy approximately £2.2 billion in 2023 according to a recent OICCI survey. Key sectors affected include consumer goods, fashion, publishing, pharmaceuticals, software and digital media, driven by local production, smuggling, and digital piracy. The high levels of IP infringement stem from a number of factors including a fragmented institutional framework with responsibilities for IP enforcement of different IPRs split across 6 different agencies; low capacity for IP enforcement prosecutions and investigations in IPO, Pakistan police forces and the Federal Investigation Agency (FIA); inadequate capacities in Pakistan Customs for border controls; limited digital IP protection; and low levels of IP awareness resulting in acceptance of counterfeit and pirated goods by some consumers and businesses. Penalties for IP infringement are low and lack deterrence, and IPO faces resource constraints for its enforcement operations, hindering inter-agency coordination and delivery of significant and sustained nationwide IP awareness raising campaigns.

In 2020, the UK supported an in-depth Review of Pakistan's IP Regime, setting out the landscape of IP legislation, administration, enforcement in the country as well as recommendations for improvements. Five years on, there is now a requirement to take a fresh look at IP-related reforms and progress in Pakistan so as to update the 2020 Review, with a particular emphasis on the area of IP enforcement, and to identify priority areas for IP-related co-operation between Pakistan's Intellectual Property Office (IPO) and the UK.

This document is the Final Report for a short-term consultancy project to undertake the refresh of the 2020 Pakistan IP Review. The project was undertaken over a 4-month period by Mr Tom Pengelly, Senior IP Consultant, UKIPO. The project has been commissioned by UKIPO, the Department for Business & Trade (DBT) and the British High Commission in Pakistan, who together provided project co-ordination, oversight and monitoring.

1.1 Project scope and approach

The scope of work for the project comprised the following main activities:

- Revisiting the *2020 Review of Pakistan's IP Regime*¹ to refresh strengths and weaknesses in the Pakistani national IP regime, particularly with respect to IP enforcement.
- Undertaking desk-based research and consultations with government and industry stakeholders in the UK and Pakistan, including telephone interviews and in-country field visit.
- Drafting a detailed analytical report which can be used by HMG to engage with IPO to identify short-, medium- and long-term improvements. The report should include a roadmap and a list of recommendations for IPO on introducing a best practice IP regime and improving IP enforcement.
- Delivering the Report working in collaboration with DBT/FCDO/UKIPO and IPO colleagues in Pakistan to build a shared-understanding of the state of play with the IP regime and priorities for improvement, as well as areas for co-operation with the UK.

The assignment was undertaken using desk-based document and online review, a one-week field visit to Islamabad at the end of February 2025, and telephone interviews with key stakeholders. The working language of the assignment was English. The Report has been designed to be shared with Pakistan's Intellectual Property Office (IPO) and Ministry of Commerce, as well as the primary clients at DBT, the UKIPO and British High Commission in Pakistan.

¹ The Review of Pakistan's IP Regime was published in October 2020.

The project methodology was based on a similar assignment commissioned by UKIPO in Uzbekistan in 2023. The approach was to look at the upgrading of Pakistan's national IP regime from both the perspectives of (i) aligning with global IP standards and (ii) contributing to national policy objectives and strategies for economic and industrial development in the digital age. This allows for a structured and focused engagement with a cross-section of key stakeholders and multi-dimensional analysis of the national IP regime covering:

- Policy making and legislation
- IPR administration
- Enforcement and regulation (including border measures)
- Promotion of innovation and use of IP by national firms, creative industry, R&D sector

1.2 Engagement with HMG officials

Since the formal kick-off of the project in November 2024, the Consultant engaged and collaborated actively with HMG officials from UKIPO, DBT and the British High Commission in Pakistan. Collaboration focused on the following areas:

- Feedback and follow-up questions on the 2020 Review of Pakistan's IP Regime
- Commissioning a submission from UK's Anti-Counterfeiting Group (ACG)
- Commissioning a UKIPO intelligence briefing on IP infringement in Pakistan
- Facilitating a virtual meeting with IPOPOP Director of Enforcement
- Facilitating a virtual meeting with WIPO Pakistan desk officer
- Preparing a Note Verbale for the Consultant's Pakistan visa application and planning field visit
- Facilitating contact with industry and local law firms in Pakistan via the OICCI
- Preparing a formal letter to IPOPOP requesting co-operation during the field visit

The Consultant and HMG officials held regular virtual meeting to share updates, decide on project management tasks, and facilitate co-ordination within HMG and with external stakeholders in Pakistan. These meetings proved very useful in sharing information and managing the project.

1.3 Document Review and Online Research

The document review and online research for up-to-date information and analysis on the IP regime in Pakistan. The review covered a broad range of evidence and data sources, including the following:

- WIPO-LEX legislation database entries for Pakistan
- WIPO IPR statistics overview for Pakistan
- WIPO Global Innovation report data for Pakistan
- Online articles regarding the development of the IP regime in Pakistan
- Intelligence briefing from UKIPO on IP infringement in Pakistan
- Submission from UK Anti-Counterfeiting Group on IP enforcement in Pakistan
- 2020 Review of Pakistan's IP Regime and HMG refresh/update questions in 2024
- Data from IPOPOP on IP applications, revenues etc

1.4 External Stakeholder Consultations and Interviews

With support from UKIPO and DBT officials in the UK and Pakistan, the Consultant engaged with a range of key external stakeholders to seek their inputs and perspectives. These external stakeholders included WIPO, IPOPOP, the IPR Unit in Pakistani Customs, the UK Anti-Counterfeiting Group and the Overseas Investors Chamber of Commerce and Industry in Pakistan (OICCI). During the field visit to Islamabad in late February 2025, the focus was on face-to-face interviews with

Government of Pakistan stakeholders, particularly from IPO and the various IP enforcement agencies.

Developments since 2020 Pakistan Regime Review

The 2020 IP Regime Review provided an in-depth analysis of the IP policy and legislative framework, IP administration, IP enforcement, and initiatives for the promotion and use of intellectual property in Pakistan. In Pakistan, the legal framework for IPR protection is established through statutes such as the Copyright Ordinance of 1962 (amended in 2021), the Patents Ordinance of 2000 (amended in 2021), the Trade Marks Ordinance of 2001 (amended in 2020), and the Intellectual Property Organisation of Pakistan Act of 2012. The Intellectual Property Organisation of Pakistan (IPO) was established as an autonomous agency in 2005 and serves as the central body responsible for managing and coordinating IP policy and administration. Whilst IPO has a co-ordination role with enforcement of IPRs, responsibilities were shared across other enforcement agencies such as police, customs, the Federal Investigation Agency (FIA) and commercial courts and IP tribunals. Acknowledging the solid legal and institutional framework for IP protection on paper, the 2020 IP Regime Review found that in practice Pakistan faces significant challenges in effectively protecting, administering and enforcing IPRs, undermining the country's potential as a strategically located South Asian hub for innovation, trade and investment.

Since the 2020 IP Regime Review, there have been a number of notable developments, particularly with regards to the IP policy and legislative framework as well as IP administration in Pakistan. A number of further initiatives are ongoing or in the pipeline. In a difficult domestic political landscape, IPO has been the driving force behind most of these developments, sometimes supported by international co-operation partners (such as WIPO or national IP offices of Turkey and Japan). Indeed, the senior leadership team at IPO have shown considerable vision and energy in delivering and initiating a well-considered programme of reforms over the last 4-5 years, and this has served to turnaround the slowing of momentum in the development of the national IP system in Pakistan noted by the 2020 IP Regime Review.

2.1 Updating the national IP policy and legislative framework

Since the 2020 IP Regime Review, there have been important amendments to the Copyright Ordinance and Patents Ordinance in 2021, as well as the passing of the Industrial Designs Act in 2022. These amendments of IP legislation in Pakistan reflect a concerted effort to update and strengthen the legal framework protection of intellectual property rights in the country.

The Copyright Ordinance provides protection for literary, dramatic, musical, and artistic works, as well as software and cinematographic films. It was amended in 2021 to enhance protections and address emerging challenges, especially in the digital realm, and incorporate international standards set by the Berne Convention and the WIPO Copyright Treaty. The key elements of the updated copyright legislation are that it protects the rights of a wider group of creators and performers, including authors, musicians, and software developers; provides clearer protection for copyrights in digital environments (such as digital film and music streaming platforms); introduces provisions for addressing digital piracy and infringement in the online space; and strengthens penalties for copyright infringement, including provisions related to the illegal reproduction and distribution of copyrighted works.

The Patents Ordinance governs the registration of patents in Pakistan. It was amended in 2021 to simplify the patent application process and ensure alignment with global standards. The key elements of the updated legislation are that it provides protection for inventions that meet the criteria of novelty, inventive step, and industrial applicability; updates provisions for the examination and registration of patents; includes provisions for compulsory licensing of patents and the protection of traditional knowledge; and introduces more robust enforcement mechanisms, including penalties for patent infringement.

The Industrial Designs Act, which came into effect in 2022, offers protection for the visual design of products, covering shape, configuration, pattern, or ornamentation. The key elements of the legislation are that it provides for a registration system for industrial designs to prevent unauthorized copying of the unique visual appearance of products; provides for the enforcement of design rights through legal remedies and penalties for infringement; aligns Pakistan's industrial design protection with international norms, such as the Hague Agreement (although Pakistan is not yet a member of the Hague Agreement).

2.2 Aligning with international IP standards and global IP systems

In addition to these legislative changes, a key area for reform since the 2020 IP Regime Review has been better aligning Pakistan with international IP standards and membership of global IP systems and treaties. Indeed, the 2020 IP Regime Review noted that Pakistan was lagging behind in acceding to some of the key international IP treaties and global IP

systems administered by WIPO, such as the Madrid System for Trademarks, the Patent Co-operation Treaty (PCT) System () for Patents, and the Hague System for Industrial Designs.

First, and perhaps most significantly, in May 2021, Pakistan acceded to the Protocol to the Madrid Agreement, becoming a member of the Madrid System for Trademarks administered by WIPO. The WIPO Madrid Protocol offers a streamlined, cost-effective way to register and manage trademarks internationally, allowing Pakistani businesses to file one application at IPO to protect their brands in over 130 countries through a centralized system administered by WIPO, saving time and resources.

Second, Pakistan formally became a party to the WIPO Marrakesh Treaty on December 12, 2023. The Marrakesh Treaty aims to address the shortages of accessible books faced by visually impaired individuals by making it easier to reproduce and distribute published works in accessible formats like Braille, large print, and audiobooks.

Thirdly, Pakistan has also taken concrete steps towards membership of three other key international IP treaties and global IP systems: the PCT System (for international filing of patent applications), the Hague System (for streamlined international filing of industrial design applications) and the WIPO internet treaties² (which set international standards for protection of digital copyrights in online environments. Once the ongoing work of accession to these treaties has been completed, Pakistan's IP regime would be very well aligned with the most important international IP protection standards and global IP administration systems.³

2.3 IP Administration

Since the 2020 IP Regime Review, there has been a substantial increase in the volume of applications and registrations for most forms of IPRs at IPO (see Table 1 and Table 2 below). For example, in 2023, there were 52,690 applications for trademarks, up from 40,578 in 2020, an increase of 30%. The vast majority of these trademark application are from Pakistani nationals and companies. Not only does this growth in volume indicate an increasing use of the IP system in Pakistan, it also provides a substantial level of income for IPO (both through one-time application fees and annual renewal fees) which can be used to continue improvements in service provision in the future.

Following the passing of Pakistan's Geographical Indications (Registration & Protection) Act in 2020, the new registration system for GIs has become operational at IPO and the first GI application was registered in the country in 2021. Up until October 2024, a total of 12 GIs have now been registered by Pakistan (including basmati rice, pink rock salt and other agricultural products). Availability of GI protection and registration is a requirement under the WTO TRIPS Agreement, and can have important economic benefits in both domestic and export markets for Pakistani products with distinctive origin characteristics.

Table 1: IPR applications received by IPO, 2020-2024

Year	Trademark	Copyright	Patent	Design	GI
2020	40578	3890	900	464	-
2021	50187	4793	993	572	1
2022	50739	4107	909	479	2
2023	52690	4523	963	727	7
2024*	48383	4936	749	575	2

* Up until 31 October 2024. Source: IPO

Table 2: IPR registrations granted by IPO, 2020-2024

Year	Trademark	Copyright	Patent	Design	GI
2020	17502	2306	199	304	-
2021	17206	2150	234	330	1
2022	18469	2512	195	243	2
2023	22640	2712	136	229	7
2024*	23317	1897	150	180	2

* Up until 31 October 2024. Source: IPO

Since the 2020 IP Regime Review, IPO has continued to plan and invest in automation of IP administration processes, including provision for some elements of online filling of certain types of IPR applications. In common with many IP offices around the world, automation is a long-term continuing process, but IPO has a vision of introducing fully online filing and

² The provisions in the 2021 amendment to the Copyright Ordinance greatly facilitates the country's potential accession to the WIPO Internet Treaties, specifically the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT). These two treaties address the protection of works and rights in the digital environment, including issues like digital piracy, online infringement, and the protection of rights in the digital age. In addition, IPO has prepared a new Copyright Amendment Bill which includes enabling provisions for acceding to the WIPO Internet Treaties and this has been forwarded to the Law Division of the Ministry of Commerce for vetting before submission to the Federal Cabinet and placement before the Parliament.

³ IPO has submitted a memorandum on acceding to the PCT to the Ministry of Commerce for review, and accession to the Hague Treaty is also under active consideration. It is difficult to estimate accurate timelines for the completion of these processes, however, as the legal vetting may identify the need for amendments, and consideration by Federal Cabinet and Parliament depends on the overall priorities of the Federal Government.

payment systems for all types of IPR applications and renewals.

Finally, a continuing key issue for IP administration in Pakistan since the 2020 IP Regime Review has been recruitment/retention of examiners and human resource management at IPOPOP. The 2020 IP Regime Review found that there were significant unfilled vacancies in IPOPOP for examiners, and this situation has worsened as a number of trademark examiners have retired since 2020. This has led to a significant backlog in processing of trademark applications, particularly as the oppositions stage of the process cannot (by its nature) be fully automated and requires manual processing and hearings by qualified examiners.

Consultations with IPOPOP during the field visit in late February 2025 noted that a recruitment process for trademark examiners was now underway, but concerns remained that IPOPOP does not have sufficient autonomy within the public administration service to initiate recruitment and set remuneration levels to engage and retain the specialist professional staff necessary to deliver its mandate efficiently.

2.4 IP enforcement & regulation

The 2020 IP Regime Review found that IP enforcement was the greatest challenge for Pakistan as perceived by national firms and international investors. This continues to be the case. In 2024, the IPOPOP – which acts as the coordination body on enforcement – referred 542 IPR infringement cases to law enforcement agencies (police or FIA) and Pakistan Customs made 97 seizures related to IP violations at borders. Whilst the remainder of this section describes specific developments related to IP enforcement since 2020, Chapter 3 provides a deep-dive into the topic, assessing the extent and nature of IPR infringement in Pakistan, summarising the weaknesses in the IP enforcement system; and then identifying some important opportunities and priorities for improving IP enforcement over the medium term.

First, as noted in section 2.1, a series of amendments to legislation for copyrights and industrial property since 2020 have introduced stronger enforcement provisions, including stiffer penalties (increased fines and prison terms) and minimum tariffs for infringements and clearer protection for IPRs from digital piracy and online infringement. At the same time, whilst very necessary, these amendments have not altered the existing institutional framework for IP enforcement, which remains fragmented (for example with Pakistan police responsible for trademark prosecutions and FIA responsible for copyright prosecutions) nor increased the capacities of any agency for carrying out their respective IP enforcement mandates.

Second, since the 2020 IP Regime Review, two additional IP Tribunals have been established under the provisions of Section 16 of the IPOPOP Act of 2012 in Quetta (covering Balochistan) and in Rawalpindi (covering Punjab). This brings the total number of IP Tribunals to five, as three had been established in 2014 (in Lahore, Karachi and Islamabad). Furthermore, in 2022 IPOPOP established an additional regional IP enforcement co-ordination committee in Hyderabad, adding to the 10 co-ordination committees already operational (the committees in Islamabad, Karachi and Lahore were established in 2006 and committees in Peshawar, Quetta, Gilgit, Multan, Faisalabad, Sialkot and Sukkur were established in 2017). Membership of these IP enforcement co-ordination committees includes IPO, FIA, Police, Pakistan Customs, PEMRA, Provincial Food and Health Departments, and local Chambers of Commerce and Industry.

Finally, two High Court cases (one in 2020 and one in 2023) have given important interpretations of the enforcement provisions of the 2012 IPOPOP Act, and these are still being digested by IPOPOP with consideration focusing on how these can be operationalised and what are the additional staffing and resourcing requirements. The High Court interpretations mainly relate to provisions in Section 13 the 2012 IPOPOP Act, granting IPO the powers to (i) initiate and monitor the enforcement and protection of IPRs through designated law enforcement agencies of the Government, Federal or Provincial and collect related data and information; (ii) initiate and conduct inquiries, investigations and proceedings related to offences in the prescribed manner; and (iii) refer matters and complaints, related to offences under the laws specified in the Schedule, to the concerned law enforcement agencies and authorities as may be necessary for the purposes of this Act.

In essence, the implication of these judgements would place a much greater responsibility on IPOPOP to take the lead on IP enforcement and prosecutions, with the IP tribunals, police and FIA in secondary supporting roles (as provided by Section 37 of the Act), operating within an IP enforcement framework and approach set by IPOPOP.

2.5 Promoting awareness and the use of IP

Since 2020, IPOPOP has undertaken several initiatives to raise awareness about intellectual property rights through public campaigns, educational programs, and capacity-building efforts. These initiatives have targeted universities, small businesses, students, the legal community, and the general public to help them understand the importance of protecting intellectual property. One campaign, conducted by IPOPOP with support from Japan's IP Office, focused on supporting women producers of handicrafts to register industrial designs.

Outside the IPOPOP, in 2023 the Ministry of Information and Broadcasting developed a draft National Music Policy which gave considerable emphasis to better protection of copyright for composers and performers in Pakistan, including through digital rights management and collective royalty administration schemes with broadcasters. The development of the new policy for the music sector followed on from the 2021 amendment to the Pakistan Copyright Ordinance, which provided better clarity on the regulation and operation of collective copyright management societies by IPOPOP, especially in the context of online platforms and digital piracy.

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In 2024, Pakistan and WIPO have commenced work on a new National IP Strategy (NIPS) programme, which follows the established structure of WIPO NIPS programmes in other countries (see Text Box 1 below). The programme has a time-horizon of 5 years and a consultation process and initial diagnostic report have been completed as of February 2025.

A WIPO national IP strategy program typically includes elements such as assessing a country's IP landscape, developing legislation and policy frameworks to protect IP rights, raising awareness about IP among stakeholders, capacity building for IP offices, supporting SMEs and startups in utilizing IP, promoting technology transfer, and implementing enforcement mechanisms to combat IP infringement; all tailored to a country's specific economic and development needs, with a focus on aligning IP strategy with broader national goals like innovation and economic growth.

Text Box 1: Key elements of a WIPO national IP strategy programme

- **Needs assessment**

Conducting a comprehensive analysis of a country's current IP landscape, including strengths, weaknesses, and potential areas for improvement.

- **Legal and policy framework development**

Reviewing and revising existing IP laws to ensure robust protection for different IP rights like patents, trademarks, copyrights, and geographical indications.

- **Institutional capacity building**

Strengthening the capabilities of national IP offices through training, technology upgrades, and human resource development.

- **Awareness raising campaigns**

Educating the public, including businesses, researchers, and creative industries, about the importance of IP rights and how to protect them.

- **SME support**

Providing targeted assistance to small and medium-sized enterprises (SMEs) on IP management, including registration, commercialization, and licensing strategies.

- **Technology transfer facilitation**

Supporting the transfer of technology from research institutions to the private sector to foster innovation and commercialization.

- **Enforcement mechanisms**

Establishing and enhancing effective enforcement systems to combat IP infringement, including border control measures and legal remedies.

- **Collaboration with stakeholders**

Engaging with various stakeholders including government agencies, industry associations, academia, and civil society to build consensus and coordinate IP-related activities.

- **Monitoring and evaluation**

Establishing a system to track the implementation of the IP strategy and measure its impact on economic development and innovation.

Source: Methodology for the Development of National Intellectual Property Strategies, 2nd edition, WIPO (2020).

2.6 Conclusion

There have been a number of significant improvements in Pakistan's IP regime since 2020, led by IPO, with legislative and administrative reforms, as well as increased levels of IPR application filings. However, as in 2020, IP enforcement is the weakest link in Pakistan's IP regime and remains a critical limitation to realizing the country's potential as a hub for innovation and trade. Whilst rights holders from the UK and Pakistan now enjoy good standards for IP legal protection and registration of rights in Pakistan, the weaknesses in the system for enforcement of those rights, coupled with low levels of IP awareness, continue to mean significant losses from counterfeiting and piracy from IP infringement and act as a significant

barrier to expanding trade, technology transfer and investment.

Special Focus: IP Enforcement & Regulation

3.1 Extent and nature of IPR infringement in Pakistan

Pakistan continues to face significant levels of IPR infringements, particularly in the realms of copyright piracy and trademark counterfeiting. According to reports by IP rights holder bodies, like the UK Anti-Counterfeiting Group, counterfeiting and piracy are widespread in Pakistan and rights holders are reporting an increase in domestic manufacturing of a growing range of fake products including medicines, digital content, software, and printed works.

The scale of IPR infringements in Pakistan has had profound economic and social impacts across various sectors, with a recent survey by the OICCI estimating that the cost to Pakistan's economy was approximately Rs800 billion (£2.2 billion) in lost revenue in 2023, highlighting the substantial financial burden of these infringements. The latest OECD EUIPO Report on Illicit Trade Report in 2021 highlights that Pakistan is 18th in the list of top provenance countries for seizure of counterfeit goods and 6th in the list of countries most likely to export counterfeit products. Several sectors are particularly vulnerable to IPR infringements in Pakistan:

- **Consumer Goods:** Counterfeit products, especially in sectors like clothing, jewellery, leather goods, cosmetics, perfumes, toys, games, food stuff and electronics, are widely available in the market. This not only affects brand reputation but also poses risks to consumer safety.
- **Creative industries, software and Digital Media:** Piracy of software, music, films, and books is rampant, with unauthorized copying and distribution being common, particularly in the digital realm.
- **Pharmaceuticals:** The sale and distribution of counterfeit medicines poses serious health risks and undermines the pharmaceutical industry's integrity.

The origins of IPR infringements in Pakistan are multifaceted. First, local manufacturers produce pirated and counterfeit goods contributing significantly to the proliferation of fake products in the domestic market and in export markets, including the UK, EU, US, Mexico, Saudi Arabia and Kuwait. Turkey and Morocco. Second, the importation of counterfeit goods from neighbouring countries exacerbates the issue, with informal smuggling routes (e.g. from Afghanistan) and inadequate border controls failing to prevent the entry of fake products via formal channels. Finally, the digital landscape has become a hotspot for IP violations, with numerous satellite TV channels, FM radio stations, websites and social media platforms facilitating the distribution of pirated fake content and/or distribution of genuine content (e.g. music) but without permission and compensation of the creator and copyright holder.

3.2 Weaknesses and challenges for IPR enforcement in Pakistan

The 2020 IP Regime Review provided an in-depth analysis of the policy, legislative and institutional framework for IP protection and enforcement in Pakistan. Whilst there is no need to replicate that analysis in full here as the IP enforcement framework has remained largely the same since 2020, the following section describes the complex web of inter-related weakness and challenges for IPR enforcement in Pakistan. Whilst most of these weaknesses and challenges are well documented, and many are not unique to Pakistan but common to other developing countries as well, in this section these are unpacked and analysed below to provide a comprehensive picture.

i) Low capacity in Enforcement Agencies

The Pakistani police forces and FIA have limited capacity to handle IP infringement cases effectively, especially given their workload in other areas. In cases of trademark counterfeiting or copyright piracy, police and FIA intervention is often slow or insufficient. While a specialized IP unit in Pakistan Customs was established in 2017 there is no dedicated and operational IP enforcement unit within the police force and FIA to target counterfeit and pirated goods at the ground level. Even with a well-run IP unit in Pakistan Customs, there are still challenges for effective border control IP enforcement, making it difficult to prevent the import and export of counterfeit and pirated goods, as Customs authorities do not have the training, resources or powers to identify and stop the extensive IP violations at ports and airports.

ii) Lack of Awareness and Education

Both consumers and businesses in Pakistan often have limited awareness about the importance and operation of different IP rights, leading to widespread disregard for trademark and copyright laws. Many people do not understand that using copyrighted content or selling counterfeit goods can result in significant legal consequences. Most businesses and creative industry actors in Pakistan are unaware of how to protect their trademarks and copyrights, and they often fail to register their intellectual property with IPO. This leaves their brands and content vulnerable to misuse.

iii) Lack of Effective Deterrents

The penalties for trademark and copyright infringement in Pakistan are not severe enough to act as a deterrent. Fines or prison sentences for counterfeiters and pirates may not be enough to discourage the large-scale distribution of counterfeit or pirated goods. In some cases, even when IP infringements are detected, the offenders may face lenient punishments and resume their activities after prosecution. This inconsistency in enforcement further weakens the legal protection for IP owners.

iv) Limited Digital IP protection

The rise of digital media piracy, including illegal streaming, downloading, and distribution of copyrighted materials, is a significant problem. Although Pakistan has laws in place to deal with online infringement, enforcement is still lacking. Authorities struggle to monitor and regulate the vast amount of online content that infringes on copyright. There is a lack of effective tools and processes to address digital piracy, such as automated systems for identifying infringing content or efficient mechanisms for takedown requests, particularly on social media and video-sharing platforms.

v) Inadequate Resources at IPO

IPOP faces resource constraints, including outdated technology and limited professional staffing, and inadequate funding. This leads to delays in registering trademarks, which can discourage businesses from protecting their IP rights. IPO also lacks capacity and overall strategy for leading coordination between various government agencies, including, customs authorities, and law enforcement. This lack of inter-agency collaboration hampers efforts to monitor and enforce IP rights effectively.

vi) Social Acceptance of IP Violations

Because of low levels of awareness, there is an acceptance in Pakistan amongst some consumers and businesses of counterfeit and pirated goods in certain sectors, where they are considered an affordable alternative to branded products, given limited purchasing power and low incomes in the country. This undermines the enforcement of IPRs and perpetuates IP violations. The general public may not view IP violations, such as the use of pirated software or counterfeit goods, as serious crimes and this lack of public support for IP protection makes enforcement efforts less effective. Finally, organised crime networks that deal in counterfeit goods are often well-established and may have political or financial influence, making it difficult to take action against them.

3.3 Avenues and opportunities for improving IPR enforcement in Pakistan

Notwithstanding the challenges and present weaknesses, there are also avenues and opportunities for improving IPR enforcement in Pakistan over the medium term. IPO is well aware that a situation where there is continuing weak enforcement of IPRs in Pakistan will discourage the growth of the national innovation infrastructure, holding back trade and investment for the development of knowledge-based and creative industries which are crucial for Pakistan's economic transformation. As the domestic political environment becomes more stabilised, policy makers and political leaders in Pakistan will need to address these challenges and opportunities positively as part of national overall economic and industrial development strategy to prevent the country falling behind its regional neighbours in Asia.

First, and most importantly, with the degrading of IP enforcement units in the Pakistani police and FIA and the two High Court judgements in 2020 and 2023 (see section 2.4 above), there is now an opportunity for a rationalisation and streamlining of the institutional arrangements for IP enforcement with a properly resourced IPO taking a more pro-active role in leading commercial-scale trademark counterfeiting and copyright piracy prosecutions, co-ordinating other agencies as necessary.

Second, drawing on international best practice and national strategies for IP enforcement in other countries, there is an opportunity for Pakistan to step-away from fixing the existing fragmented and dysfunctional institutional framework and take a new strategic, intelligence-led approach focused on tackling cases of IP infringement which do the greatest harm and are at the largest commercial scale. A good example is the UK's own Intellectual Property Counter-Infringement Strategy for 2022-2027, which emphasises leadership by UKPO, collaboration with industry and close inter-agency working, for example between UKIPO and the UK's The Police Intellectual Property Crime Unit (PIPCU).⁴

Third, particularly in relation to improving enforcement of copyright, there are new opportunities in sectors like music, television and film from advances in digital technologies for rights-management and royalty distribution. Pakistan's electronic media regulator (PEMRA) for example could take advantage of these digital rights-management technologies and software,

⁴ Based within the City of London Police, PIPCU is dedicated to tackling IP crime, including counterfeiting and digital piracy. It works with other law enforcement agencies, rights holders, and industry groups to investigate and disrupt IP infringement networks.

which were simply not feasible in the past, to now update its code of conduct and licensing terms for television and radio broadcasters, building in a requirement for all broadcasters to put such systems in place for content that they air.

Fourth, there are some sector-specific issues that may be possible to isolate and provide targeted solutions through policy and regulatory reforms outside of the IP system. Examples here would include (i) negotiated arrangements for purchasing and authorised limited copying of textbooks in Pakistan's education system; and (ii) the interaction between the patent system and the medicines licensing regime as rights holders from pharmaceuticals companies complain that their patent rights from IPOP are undermined by DRAP marketing approvals for generic drugs which rely on the originator's clinical trial data.⁵

Making a significant and systemic improvement to IPR enforcement in Pakistan will not be easy, and nor will it happen overnight. It will require careful strong leadership, planning, consultation, co-ordination and investment. Whilst it is true that the bulk of these essential elements will have to come from Pakistan itself, the country will be much better able to capitalise on these avenues and opportunities over the next 5-10 years with an expansion and intensification of policy dialogue, exchange of best practices, and technical assistance support related to IP enforcement from other international partners, particularly other IP Offices such as UKIPO.

⁵ This issue is not unique to Pakistan, and highlights the balancing act regulators have to make in providing incentives for new drug discovery whilst also ensuring affordable access to essential medicines for public health. In the UK's medicines licensing system operated by MHRA, this issue is addressed through specific tools on Data Exclusivity, Market Exclusivity and Orphan Drug Exclusivity which run in parallel to the patent system administered by UKIPO. Tools of this nature, however, are not in place within the current medicines licensing regime in Pakistan operated by DRAP.

Potential for UK-Pakistan co-operation

4.1 Present situation, interest and opportunity

Presently, there is little to no IP co-operation between the UK and Pakistan and no structured plan, objectives, or co-operation framework agreement in place. However, there is a strong expressed appetite and demand from officials in IPOPOP and other agencies (e.g. Pakistan Customs) in developing a long-term programme of IP co-operation with the UK.

Moreover, from Pakistan's perspective an ongoing relationship with a highly regarded national IP office like the UKIPO is seen as an ideal pairing with the ongoing Pakistan-WIPO co-operation. There is, therefore, a valuable opportunity for both the UK and Pakistan to consider the establishment of an IP co-operation programme, with an initial 5 year horizon up to 2030, whilst Pakistan is developing and implementing its new National IP Strategy facilitated by WIPO.

4.2 Potential focus area

It is suggested that a future UK-Pakistan IP co-operation programme should centre around the three priority areas below listed below, underpinned by an MoU between IPOPOP and UKIPO as the lead actors for the respective countries. An important supporting theme would be close co-operation and interaction with WIPO, allowing for information-sharing and division of labour playing to the different strengths of both WIPO and UKIPO as partners to IPOPOP.

i. Policy dialogue and experience-sharing on best practices in IP legal protection, regulation and IP administration

The UK and Pakistan have a long-standing trade and investment relationship, and there would be mutual benefit in an intensified high-level policy dialogue between the UK's Department for Business & Trade and Pakistan's Ministry of Commerce & Industry, facilitated by the British High Commission in Islamabad, highlighting the importance of the national IP system for economic development.

An annual UK-Pakistan IP Forum could be convened by ministers, bringing together senior policymakers, regulators, academics, legal professionals and industry representatives from networks in the UK and Pakistan.

In addition, as a national IP Office, UKIPO is well-placed to share experiences and approaches across a wide range of complex legal, regulatory and administration topics that would be relevant for IPOPOP and other agencies. This could include the convening virtual "star chambers" of international and national experts (for example from other IP offices in Asia) to review current regulatory issues, practical problems and best practice. Topic areas to focus on could include (i) tackling copyright piracy in digital environments; (ii) strategies for small independent IP offices to promote national innovation culture; and (iii) optimising the interaction between the patent system and medicines licensing regime for pharmaceuticals.

ii. Exchange of best practice, technical assistance & capacity building in IPR enforcement

Flowing down from the high-level IP policy dialogue, a key priority area of IP co-operation between the UK and Pakistan should be on improving IPR enforcement. Initially, this should focus on support from the UK to IPOPOP on developing a new IP national enforcement strategy, enabling the IPO to establish the required capacities and regulatory framework to take the lead on tackling criminal and commercial scale IP infringement, co-ordinating and resourcing other law enforcement agencies as necessary.

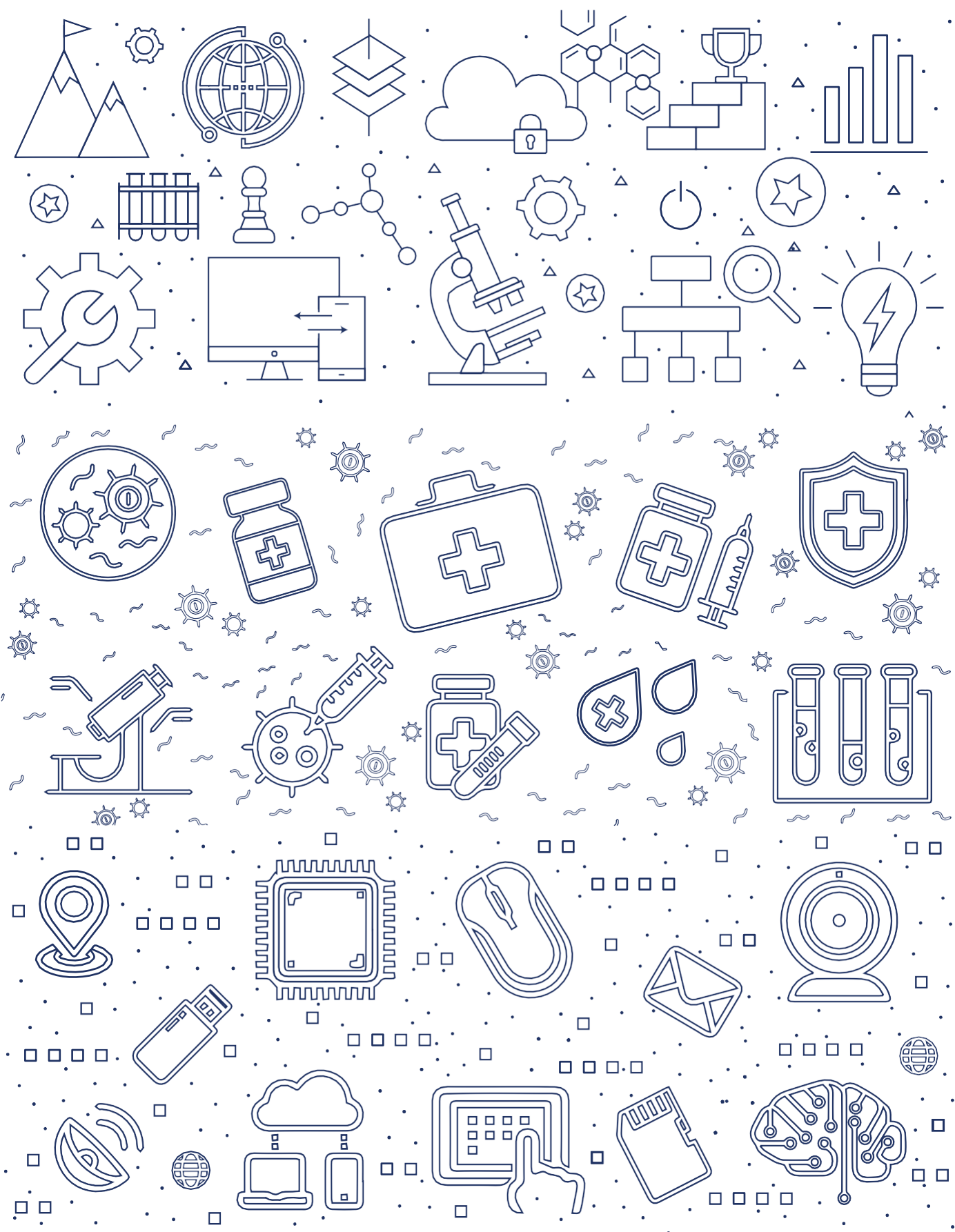
Once the new national IP enforcement strategy is developed, co-operation could then move to focusing on supporting its implementation through exchange of best practices, training and capacity on specific topics for IP enforcement (for example, effective court orders for tackling online piracy or intelligence-led IP enforcement investigations) between the UK and Pakistan IP offices, police, customs and judiciary.

In addition, given the intelligence assessments by UKIPO on the extent of illicit trade between the UK and Pakistan in counterfeit and pirated products, there would be mutual benefit from deepening co-operation and capacity building on IP enforcement specifically between HM Customs and the IP Unit of Pakistan Customs as quickly as possible.

iii. Exchange of best practice & capacity building in improving IP awareness and use of IP at sector-level

As with other UKIPO co-operating partners in develop countries, strategies for improving IP awareness and use of IP across the economy and through society is a centrally important objective in Pakistan, and one that is an essential complement to efforts aimed at improving IP enforcement. There is therefore a strong case for including this area within the scope of future UK-Pakistan IP co-operation, as the UK has the potential to enable Pakistan to tap international best practice in this area, reinforcing its own experience gained in recent years.

It is suggested that an initial focus for UK-Pakistan IP co-operation in this area could be on improving awareness and use of IP within the creative industries in Pakistan (particularly music, given the UK and Pakistan's strengths in this sector and the development of the National Music Policy in 2023). This could generate significant impact and provide a powerful platform for IP awareness raising nationwide (e.g. via music broadcasters in Pakistan), and would take advantage of (i) recent improvements in copyright protection in Pakistan since the 2021 amendments to the Copyright Ordinance; (ii) technological advances for digital rights management and content sharing/distribution on digital platform; and (iii) UK world-leading expertise in digital music rights management, collective administration and royalties collection from broadcasters. This initial focus on copyright in the music industry (where there is already strong interest from Pakistan), could then act as a springboard for UK-Pakistan co-operation on tailored campaigns in other sectors such as consumer goods, publishing and pharmaceuticals.



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