



**Singapore-WTO
Third Country Training Programme:
WTO-TFCTN Parliamentarian Workshop**

**Opportunities and Challenges
for Developing Countries:
Special Focus on Intellectual Property Issues**

Pushpendra Rai
World Intellectual Property Organization

Singapore, May 5 to 7, 2010

IPRs and Economic Activity

- Extent of interface varies from country to country and depends on
 - national resources invested in creating IP assets
 - share of knowledge goods/information in overall production and consumption
- Vital indicators
 - share of R&D expenditure in GDP
 - sector priority

The IP System - Benefits and Costs

Benefits for Innovator

Buyer Diffusion:

- Trademarks and Designs boost marketing efforts
- Patents signal technological superiority

Seller Diffusion:

- Patents/copyright create entry barriers
- Limited/delayed by keeping process/technology secret

Benefits/Costs for Society

Benefits:

- Innovators/producers net surplus
- Additional consumer surplus due to cost savings from the invention - dead weight losses in the earlier stages
- Dissemination of patent information

Costs:

- Installing and operating a patent system - offices, enforcement mechanisms, inventors costs etc

- Societies faced with fundamental trade-off between two market distortions
- Excessively ***weak*** IPRs, satisfy the static goal but
 - suffer the dynamic distortion of inadequate incentives to create IP and lead to
 - slower growth, limited culture, lower product quality
- Excessively ***strong*** IPRs, consistent with dynamic goal but
 - generate insufficient access
 - less regard to vulnerable sections and
 - inadequate dissemination
- Therefore **balance** is imperative

Developing a balanced and effective IP system

IP - major means for creating a secure environment for..

Patents - 1.85 million

Trademarks - 3.30 million

Designs - .62 million

Investment in innovation and creativity

Applications filed in 2007

Diffusion of innovative & creative products/services

***IP: creates opportunities for
developing countries by promoting
innovation and creativity***

***and transforming the subject into a
globally tradable good***

April 26, 2010

WIPO celebrates

- 10th anniversary
of World IP Day
and
- 40th anniversary
of the entry into
force of the WIPO
Convention

The theme of
World IP Day this
year is
**“Innovation –
Linking the
World”**



Patents and Technological Development

- Facilitate licensing arrangements and investment
- Disseminate initial knowledge as free input (“public good”) to produce further knowledge as output (“private good”)
- Limit “free riders” not “innovators”
- Increasing use because of change in trade patterns and reflected in global filings

Trade Marks and Economic Value

- Increase sales volumes and price
- Stabilize demand through consumer relationships
- Earn royalties through licensing and franchising
- Transfer brand equity to new product categories
- Attempt to move customers from
 - brand awareness, via brand recognition, to
 - brand preference and finally to
 - brand insistence

Brand Value

- Brands are a key asset for creating value for a business and developing an image
- Applied to any enterprise or country or territory
- Used in a broader sense than a mark: a combination of tangible and intangible elements, such as a trademark, design, logo, image and reputation associated with products and services

When *Nestle* purchased the company *Rowntree*, it paid £0.5Bn for tangibles (factories) and **£2.0B for intangibles**

When PanAm went bankrupt it sold its mark for US\$1.3M

Opportunities for Developing Countries

- Capitalize on technical/legal assistance rendered for more economic, social and cultural deliverables
- Use tools of IP system to build strategic partnerships and not merely to exclude others from market
- Use IP Assets for generation of revenues, access to technology/markets and R&D facilities

Global Challenges and WIPO's Response

Global Challenges

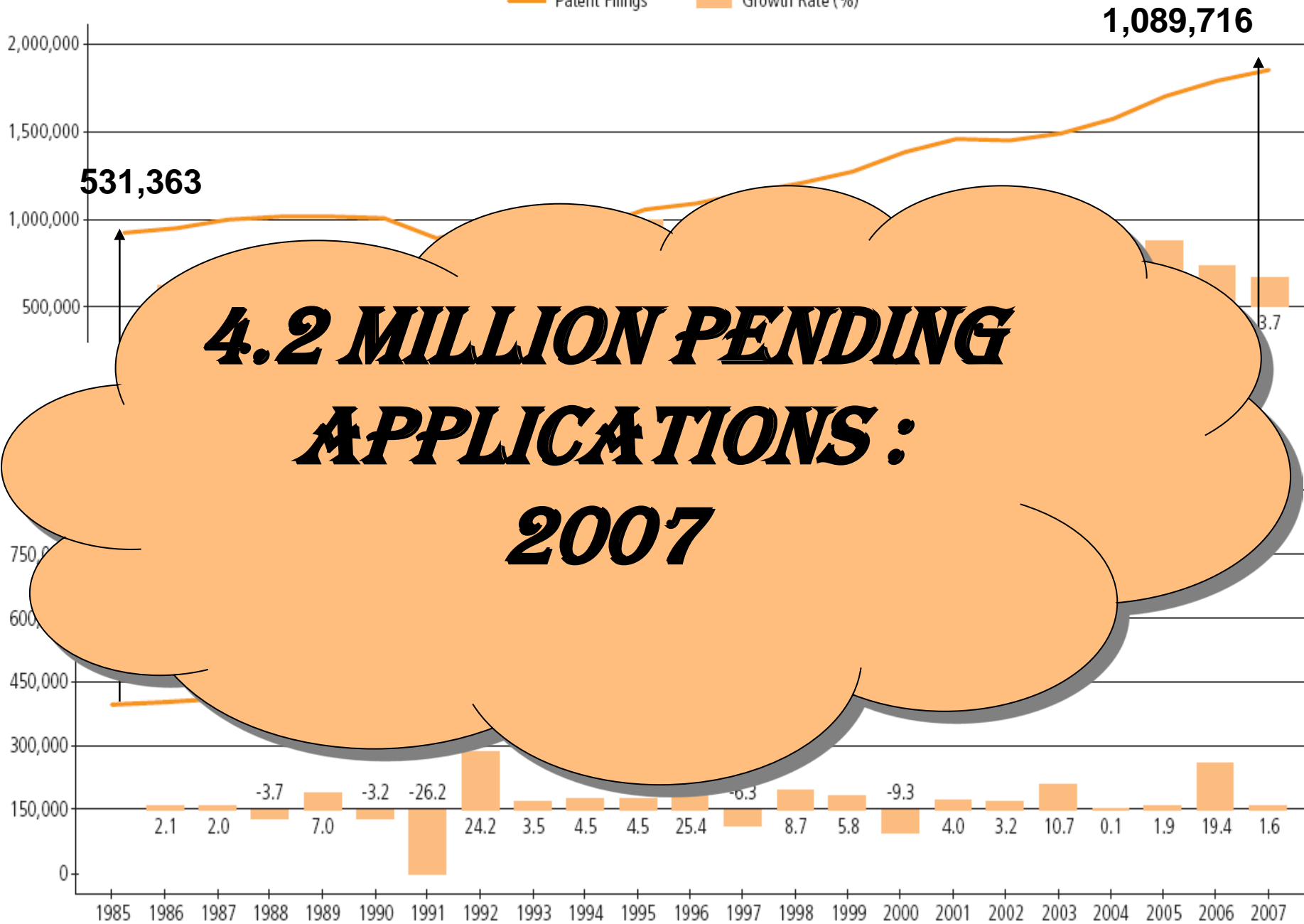
1. Development of **international IP law** keeps pace with rapidly evolving technological , geo-economic, socio-cultural environment while striking a balance to ensure that the framework
 - takes into account the needs and interests of countries at different stages of development including through the flexibilities within IP agreements
 - balances costs and benefits
 - continues to serve its fundamental purpose

Global Challenges

2.Improvements to the **Global registration sytems**, including PCT, to increase the attractiveness and utility of the systems for users, participating States and the public; as well as contributing to reducing the worldwide **patent application backlog**

Trends in total patent filings

Patent Filings Growth Rate (%)



**4.2 MILLION PENDING APPLICATIONS:
2007**

Global Challenges

3. Developing an international instrument to address the **protection of traditional knowledge** and traditional cultural expressions
4. Analyzing the reasons underlying the global escalation in **counterfeiting and piracy**, and stimulating policy dialogue to address them within the context of an enabling environment to build respect for intellectual property

Global Challenges

5. Developing a more integrated approach to **technical assistance and capacity-building** activities within the framework of national **IP and innovation strategies**

- Linkage between objectives, priorities and resources and use of IP – consistent with economic circumstances and social context
- Countries increasingly establishing National Innovation and IP Strategies
- Environment Analysis and Needs Assessment before framing strategy
- Guiding principle: national interest

Global Challenges

6. Addressing Global Emerging issues like **Climate Change**

- WIPO can provide
 - an international forum for IP and technology transfer discussions
 - capacity building support
 - targeted **dispute resolution services** in technology transfer agreements – esp for “green” technologies
 - **patent mapping or “landscaping” services** to help better understand technology profiles and property rights in climate friendly technologies

Global Challenges

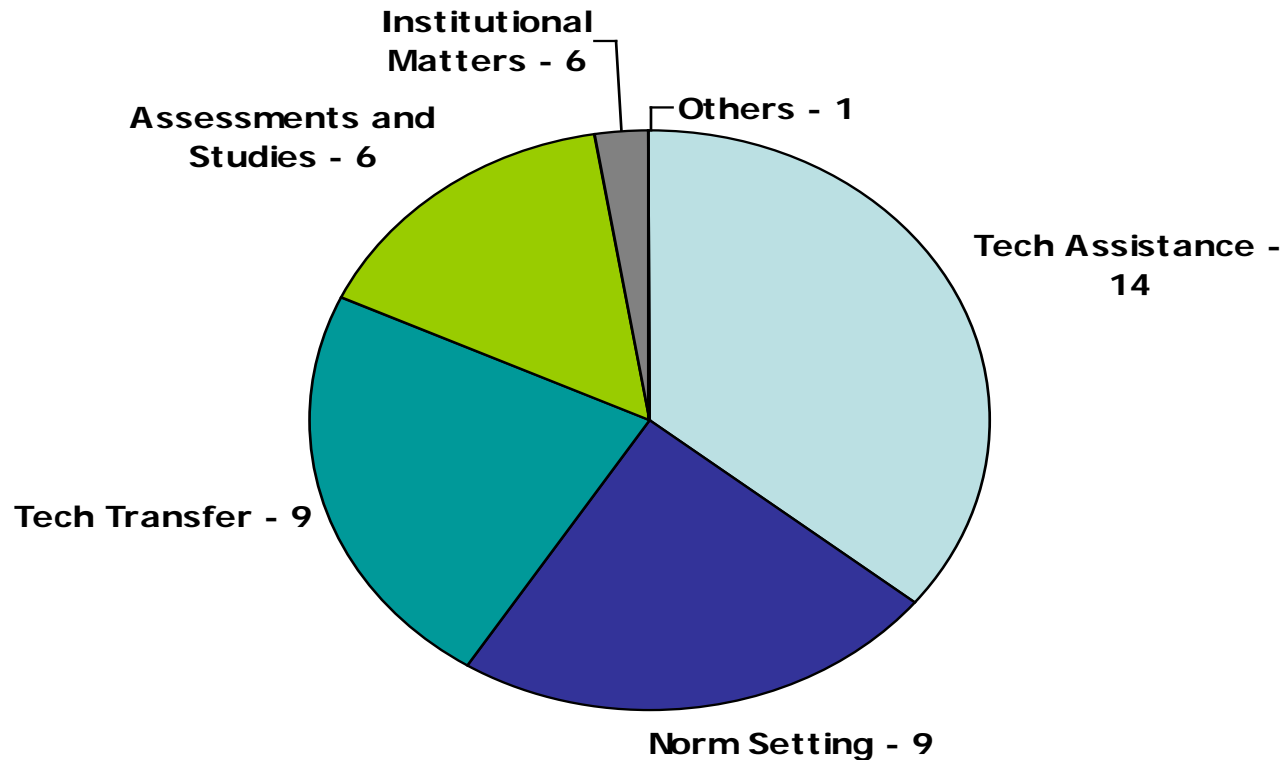
7. Implementing the **WIPO Development Agenda** and converting the recommendations into projects

What is the Development Agenda?

WIPO Development Agenda

- A process which marks a watershed in the evolution of the global IP system
- Initiated by developing countries who perceived that the credibility of the IP system was undermined by promoting **benefits of protection**, without acknowledging **public policy** concerns
- Integrating development dimension will strengthen credibility and encourage its acceptance as a tool for innovation, creativity and development
- Agenda comprising **45 recommendations** adopted in 2007 – mainly seeks to mainstream development considerations into all programs and activities of WIPO

Adopted Recommendations



Member States meeting in the CDIP to prepare, monitor and review the implementation plan of the Development Agenda – one of the most important processes at WIPO

Thank you