



# **The Role of IP in Knowledge-based Development**

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Property

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## Economic Role of IPRs

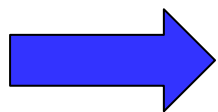
Well-designed, affordable and enforceable IPRs:

- Provide incentives for innovation
- Underpin markets for intellectual assets
- Encourage disclosure & diffusion of innovation



# The International Dimension

- Innovation THE key driver of economic growth in the long term
- reduced costs of creating & transmitting knowledge ...
- ... including across borders

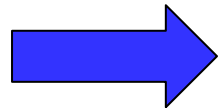


**faster innovation & closer  
economic integration**



# Innovation, Integration & Economic Development

- globalization of int'l supply chains & production networks
- ... and increasingly internationalization of R&D (“open innovation”)



**increasing knowledge flows  
across borders**



# Increasing knowledge flows across borders

- Cross-border ownership
  - Cross-border co-invention
  - Cross-border co-ownership  
of patents
- ..... all increasing over time



## Open Innovation

- “Not all the smart people work for us”
- “Proudly found elsewhere” rather than “Not invented here”
- Holds not just for companies, but also for countries !



# Open Innovation – Examples of X-border collaboration

- P&G
  - Academia 2009 Initiative w/ Moscow State University
  - connect+develop program
  - Database of own technologies available for out-licensing
  - 22 research centers in 12 countries



## Open Innovation - Examples of X-border collaboration

- CISCO Systems' innovation model:  
Build – Buy – Partner – Collaborate
- Minsk High-tech Park: software development in cooperation w/ MNFs





## Open Innovation - Examples of X-border collaboration

- DuPont Knowledge Center in Hyderabad, India
  - Opened in 2008, 1st outside United States
  - Basic research, development, design
  - Goal: to develop products for India & other emerging markets, possibly globally



## Open Innovation - Examples of X-border collaboration

- Federal Institute of Technology Zürich
  - IBM nano-technology lab
  - Walt Disney Corp 3-D animation lab
- EU Research Framework Program => single European science space



## Open Innovation & IPRs

- Does not mean “free” access to innovation
- Requires sound management of IPRs!
- Requires sound legal framework on IPRs
- ... particularly for int’l R&D collaboration & commercialization



## Int'l IPR Commercialization

- Need for int'l IPR management strategies
- Need for advisory & consultancy services w/ int'l perspective
- Need for contracts across jurisdictions
- Need for harmonization to reduce costs



## ... but also need for int'l IPR enforcement

- IPRs are national, yet
- the goods & services they underpin are increasingly developed, produced & sold internationally
- w/ growing int'l trade, trade in counterfeits & pirated goods is increasing



## Int'l IPR Enforcement

Weak IPR enforcement can compromise economic development by undermining channels of knowledge transfer:

- Lower-tech FDI and lower-tech outsourcing
- Less FDI & outsourcing (protecting supply chains)
- Weakening links b/w foreign & domestic firms
- Less R&D collaboration



## Int'l IPR Enforcement

- Counterfeiting & piracy organized internat'lly
  - Fakes shipped across many borders
  - Increasing importance of internet
- **Need for int'l cooperation**



## Key Message

- Innovation THE key driver of economic development
- Increasing importance of “open innovation”
- Increasing knowledge flows across borders





## Key Message

- Tremendous scope for X-border collaboration
- Shared interest in improving IPR frameworks & management X-borders
- Need for enhanced int'l cooperation



## The Team of Specialists on Intellectual Property (TOS-IP)

- provides a forum for the exchange of experiences
- collects/ disseminates good practices and policy recommendations
- engages in capacity building and policy advice at national & sub-regional level



## ... through

- its network of experts representing
  - government ministries and agencies
  - the business community
  - international organizations and
  - academic institutions
- and its inter-governmental process



## TOS-IP

- constituted in Nov 06
- currently ~ 120 experts
- from ~35 countries



## TOS-IP's mandate

helps to ...

- “build up national innovation systems
- **commercialize** intellectual property
- improve the investment environment in creative, innovative and high technology industries ...
- among others through effective **enforcement** of intellectual property rights”



## ToS-IPs mandate

Hence commercialization & enforcem't  
as **2 sides of 1 coin**

- w/o enforcem't, IPRs have no commercial value
- w/o commercialization, no incentive to enforce



## UNECE ToS-IP

- Survey among our experts
- Focus on Knowledge transfer PROs – industry
- And IPR management at SMEs



# GPs on IPR management in PRO Knowledge Transfer

- Broad approach: KT rather than TT
  - not just patents, but also other IPRs (copyright ...), and even public domain
- Clarify default IP ownership, tie it to obligation to commercialize





## GPs on IPR management in PRO Knowledge Transfer

- Create win-win: strong PROs & competitive industry, LT partnerships
  - Danger of relationship breakdown over IPRs
- Do not pursue KT primarily for revenue



## GP on Knowledge Transfer

- Promoting IPR training for KT professionals
- Raising IPR awareness among academics
- Addressing potential conflicts between need to publish research (academic career) & protecting IP (commercialization)
- Linking public research funding to improvements in KT



# Challenges of IP Managem't in SMEs

- Awareness of IPRs/ Intellectual Capital
- Costs & complexity of obtaining formal IPRs
- Human & financial resources for enforcement



# GPs on Promoting IP Managem't in SMEs

- Integrate IPR promotion into wider SME support policies
- **Coordination & cooperation between IP offices & enterprise support institutions**



# GPs on Promoting IP Managem't in SMEs

- Awareness raising & training programs for SMEs & entrepreneurs
  - Consulting, advisory services/ IP audits
- **Stock taking & strategy development**



# GPs on Promoting IP Managem't in SMEs

- Tax breaks, subsidies or reduced fees for IPR protection
- Match-making services
- Model licensing contracts



# Thank You!

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