



Strengthening of Intellectual Property Rights – Global Developments and Local Impacts

Andréanne Léger
Humboldt University, Berlin



Overview



- Intellectual Property Rights (IPR)
- Historical Background
- IPR Strengthening in Mexico
- Costs and benefits for developing countries
- Issues of concern

Intellectual Property Rights

- Economic Theory
 - Knowledge as a Public Good
 - Dynamic efficiencies vs static inefficiencies
- Expected Impacts
 - Incentives for R&D and Knowledge Creation
 - Technology and Knowledge Diffusion
 - Market Structure, Prices and Distributive Consequences

Historical Background

US: National trade enforcement tool (Section 301)

- List of countries with deficient IP enforcement

EU: Council regulation (1984), New trade barriers regulation (1994)

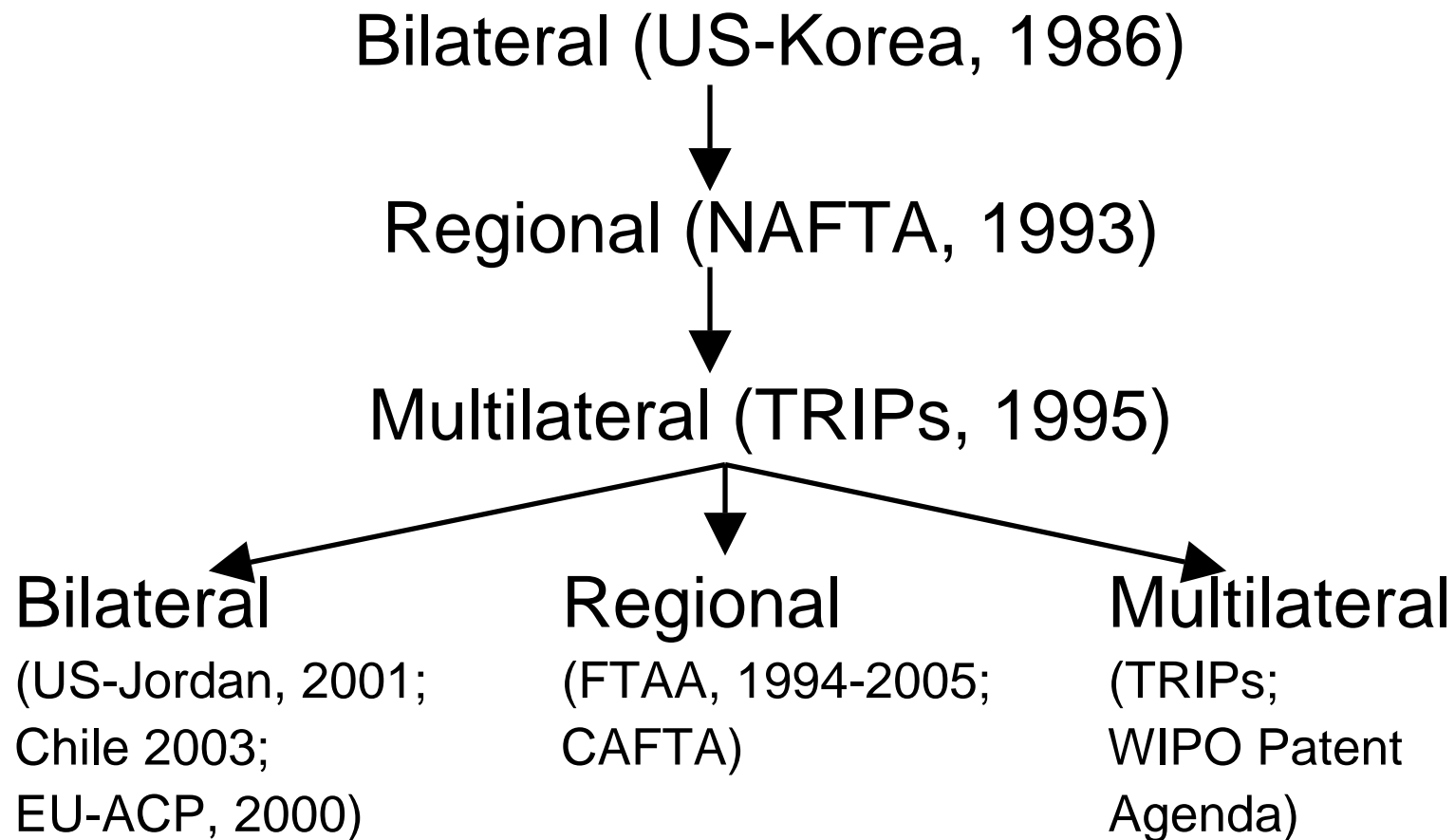
- Consensus difficult to attain

1986-1994: Uruguay Round

- Pressure from US, EU, Japan private sector
- „Trade-Related“: enforceable under GATT

1995: WTO and TRIPs Agreement

Historical Background (2)



IPR in Mexico

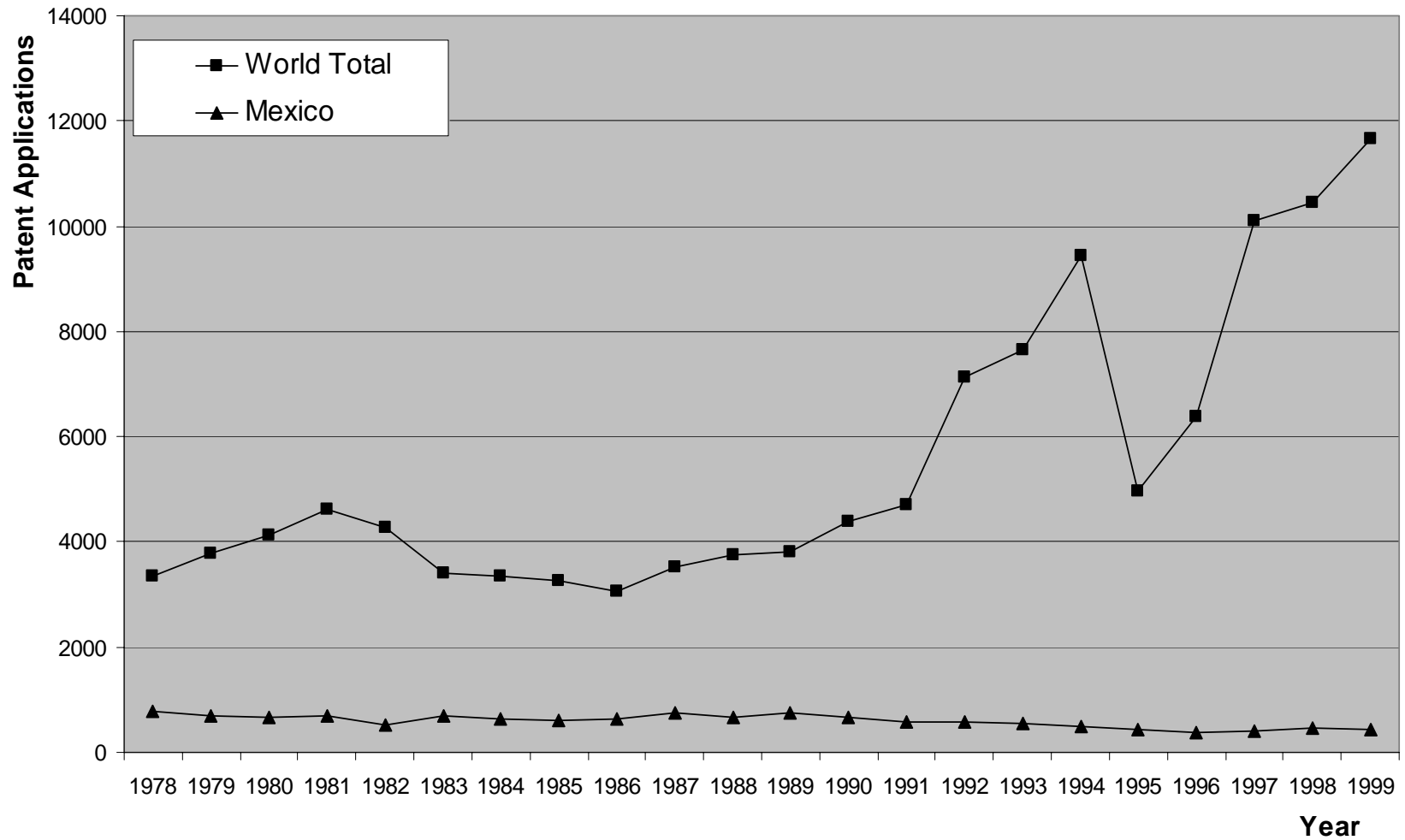
- IPR Strengthening: TRIPS Agreement
 - patent protection for all inventions and fields
 - plant variety protection
 - trade secrets protection
 - enforcement of the rights

IPR	Description	Example
Patent	Imitation, manufacturing, using or selling a product or process for commercial use during a 20 years period.	Genetic modification into a variety
Plant Breeders' Rights	Production or commercialization of material of a specific plant variety. Research exemption; Farmers' Privilege	New maize variety
Trade Secret	Excludes others from certain acts in relation to the protected matter.	Parent materials of a maize hybrid variety

IPR in Mexico: Results

- IPR Use:
 - Patents
 - Plant Breeders' Rights
 - Trade Secrets
- Identified Impacts:
 - No impact identified on seed prices, number of scientists, number of R&D programs and investments, etc.
 - Short time period between implementation and study?
 - Pattern of use?

Patent Applications: 1978-2000



IPR in Mexico: Results

- IPR Use:
 - Patents
 - Plant Breeders' Rights
 - Trade Secrets
- Identified Impacts:
 - No impact identified on seed prices, number of scientists, number of R&D programs and investments, etc.
 - Short time period between implementation and study?
 - Pattern of use?

Benefits and Costs from IPR

- Benefits: mainly if the system is used
- Tech. Transfer and FDI: only in certain sectors
 - Reverse engineering
- Inventions for local needs: only for certain markets

- Costs of implementation
 - Opportunity costs
- Monopoly rents exported as MNC profits



Issues of concern



- Need for more empirical evidence
 - Impacts on economic growth, innovation rates, technology transfer
- Domestic priorities vs political pressures
- Multilateral vs Plurilateral negotiations