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Intellectual Property in the Context of Growth and Development of the World Economy

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What is the aim of Intellectual Property?

Art. 7 of TRIPS (Agreement on Trade-Related Aspects of Intellectual Property Rights) - Objectives

“The protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations”.

What are the values protected by Intellectual Property?

IP includes - (Artt. 10 - 39 of TRIPS):

- Copyright and Related Rights;
- Trademarks;
- Geographical Indications;
- Industrial Design;
- Patents;
- Layout-designs (Topographies) of Integrated Circuits;
- Protection of Undisclosed Information.



IPR Protection Impact on Growth

- It is widely recognized that IPR protection has a significant, even though not equal, impact on economic growth.
- Depending on Region and Country, a strong IPR protection allows larger growth in countries where there is an open economy and/or in countries where development allows the measurement of GDP.
- For low- and high-income countries, a stronger IPR protection improves growth.
- For mid-income countries, there is no evidence of such benefit. (See: Thompson and Rushing, 1996 and Gould and Gruben, 1996).



IPR Protection Impact on Growth

In a global economy, individual countries acquire new technology via different channels, which include:

1. Innovation;
2. Licensing;
3. Trade;
4. Foreign Direct Investment;
5. Imitation;
6. Piracy.



IPR Protection Impact on Growth

- The importance of R&D for innovation is given by the fact that new inventions foster higher profits for companies based in more industrialized countries.
- Creativity is helping even developing countries, pushing them out of imitation and piracy, so to increase the local and foreign private investments in R&D as well as in new technology and products.



IPR Protection

Effects on production and distribution side

Inventions are the engine of growth in the world economy by:

- Generating competition among the various players;
- Reducing the cost of the material and labor employed in the production stage;
- Improving the quality, duration and reliability of the products;
- Reducing energy/pollution and increasing revenues from sales of new technology products.



IPR Protection

Effects on production and distribution side

In addition, IP protection may:

- Ease specialization in technology markets;
- Create a platform for investments in innovation;
- Generate financial support from mergers and acquisitions or IPOs;
- Foster technology transfers and licensing opportunities;
- Protect innovators from counterfeiting and piracy.



IPR Protection

Effects on production and distribution side

- The ownership of a patent protects inventions and innovative process;
- A well known trademark, as well as a protected geographical indication are suitable to distinguish products on the market, assuring consumers about the provenance and quality of what they choose;
- The particular shape of a product can be a winning marketing tool;
- The safeguard of a secret information makes the know-how of a company stronger.



Italy-China for a longstanding cooperation on IP Protection

- The common interest of both countries is enhancing their commercial and industrial relationships;
- Italy and China own and control a significant asset of patents, trademarks, know-how, design, models and copyright in general;
- A mutual cooperation between the two countries in exchanging information as to their products and technology, as well as associated IP rights, is essential to the growth of both economies.



Italy-China for a longstanding cooperation on IP Protection

- Italy and China are among the countries that filed a significant number of patents in the recent years.
- In the period 1998 - 2008 the applications filed for Italian patents at the E.P.O. were equal to 36.324, while in the sole 2009, the domestic applications filed at the UIBM were equal to 18.219.
- In China, domestic patent applications grew in the period 1995 - 2005 by seven times (foreign), from 11.618 to 79.842, and by nine times (domestic), from 10.018 to 93.458.
- The above figures do not include the relevant increase in trademarks and geographical indications registrations, which represent a part of the marketing strategy in the digital economy.



Italy-China for a longstanding cooperation on IP Protection

- Counterfeiting is the deliberate attempt to deceive consumers by copying and marketing goods bearing well known trademarks, generally together with packaging and product configuration, so that they look like they are made by a reputable manufacturer when they are, in fact, inferior copies.
- Counterfeiting is simply an extreme form of trademark infringement, copyright infringement and passing-off.
- Italy and China, are aware that the growth of their economies is highly dependable on an overall strategy aiming at reducing illegal reproduction of patented and protected goods.



Italy-China for a longstanding cooperation on IP Protection

In order to fight counterfeiting, the internal tools needed are:

- Legislation (clear and effective);
- Specialized police forces;
- Specialized magistrates;
- Anti-counterfeiting associations;
- Governmental support;
- Cooperation among industries;
- Training courses and seminars on IP protection;
- Education and sensitization (long-term project).



Italy-China for a longstanding cooperation on IP Protection

- In the field of intellectual property, the importance of controlling what each country owns through the creation of unique goods and services, makes it necessary to have a strong defense of the investments faced.
- Italy and China are committed to work together for the growth of their economies and for an effective development of new products, by properly exploiting and enforcing their IP rights.



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