

# **IPRS and DEVELOPING ECONOMIES: Performance and Policy**

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## A Progress Report

1. Reforms in the developing world related to [TRIPS](#), [UPOV](#), [WCT](#), [WPPT](#), and [FTAs](#).
2. Dissensions:
  - Critics
    - Harm Development Prospects (Chang 2001, Stiglitz 2002, Deere 2009)
    - Regressive Transfers from Poor to Rich Nations
  - Proponents
    - Mutual benefits: Tech Transfers, Local and Global Innovation, Reduction in Illicit Trade
    - Accommodations: i) Minimum Standards; ii) Flexibilities; iii) Transition Periods; iv) Article 66.2 (TRIPS) *“encouraging technology transfer to [LDC] members ... enable them to create a sound and viable technological base.”*

## CPIP Fall Conference, Panel 5: IP and Development

### U.S. Patent Grants and Rank. TOP 10 Foreign Countries

	Grants 2015	2015	2005	1985	1970
<b>Japan</b>	52409	1	1	1	3
<b>Korea, Rep.</b>	17924	2	4	23	42
<b>Germany</b>	16549	3	2	2	1
<b>Taiwan</b>	11690	4	3	16	72
<b>China</b>	8116	5	17	56	39
<b>Canada</b>	6802	6	6	5	6
<b>France</b>	6565	7	7	4	4
<b>UK</b>	6417	8	5	3	2
<b>Israel</b>	3628	9	12	15	20
<b>India</b>	3355	10	18	36	28

#### Share of:

Upper Mid-Inc, excl. China	1.21%	0.83%	0.72%	1.18%
Lower Mid-Inc, excl. India	0.14%	0.11%	0.05%	0.18%
Low Income Countries	0.002%	0.001%	0.003%	0.012%

Source: <http://www.uspto.gov/web/offices/ac/ido/oeip/taf/reports.htm>

### TOP 10 Countries, R&D Performed by Business Enterprises

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World Share 2011-2013

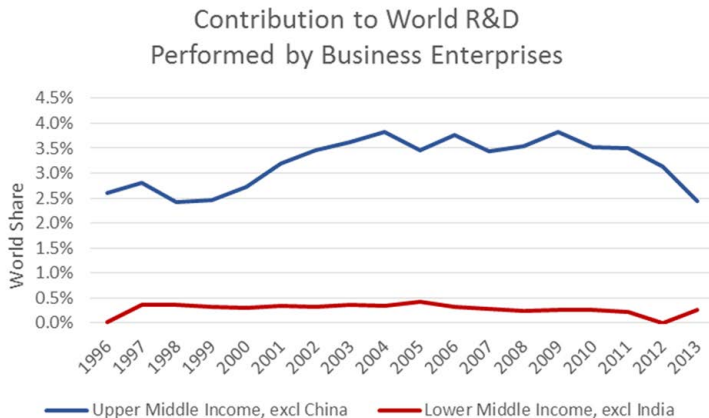
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1	USA	31.2%
2	China	22.4%
3	Japan	12.1%
4	Germany	6.4%
5	Korea	5.4%
6	France	3.4%
7	U.K.	2.7%
8	India	1.8%
9	Russia	1.7%
10	Canada	1.4%

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Source: *UNESCO Statistics*

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Source: UNESCO

## Technological Balance of Payments

	2003			2012		
	Receipts	Payments	Balance	Receipts	Payments	Balance
Korea, Rep.	1532	4171	-2639	3307	8072	-4766
China	125	4145	-4020	1005	17083	-16078
India	28	642	-614	305	3848	-3544
South Africa	31	720	-689	65	1941	-1876
Brazil	126	1434	-1308	492	3529	-3037
Russian Fed.	203	830	-627	639	7343	-6704
	Receipts	Payments	Balance	Receipts	Payments	Balance
United States	66370	22499	43871	119638	40416	79222
Japan	14339	12836	1503	30651	19172	11479
Germany	5238	6223	-985	12892	11727	1165
France	4736	2833	1903	12248	8365	3884
United Kingdom	11776	9175	2602	10949	7852	3097
	Receipts	Payments	Balance	Receipts	Payments	Balance
Other High Income	28366	65710	-37344	64527	120522	-55995
Other Upper Middle	511	4605	-4095	972	10008	-9036
Other Lower Middle	242	1231	-989	228	3583	-3355
Low Income Countries	30	26	4	23	21	2

Source: UNCTAD *International trade in services: Royalties and license fees*. Constant 2010 dollars.

## Some Explanatory Factors

### 1. Complementary Factors

- “Quality of Institutions” (ADB Study)

### 2. Threshold Effects

- Absorptive Capacities, Indigenous Technological Capacities

### 3. Gradualism vs. ‘Big Push’

- Baby Steps: Utility Models

### 4. Stage-Dependent IPRs

- Grossman and Lai, 2004; Chu, Cozzi, and Galli, 2014
- Differentiated IP standards, appropriate to nature of innovation and industrial mix

### 5. Pro-Competitive Business Environment

- Follow-on innovation and market entry
- Open trade orientation

### 6. Costs of Acquiring and Defending IPRs

- Onerous and prohibitive for SMEs and developing country inventors/creators

### 7. Compliance with TRIPS Article 66.2

- More substantive tech transfers and commitments thereto