



**UNECE** United Nations Economic Commission for Europe

# Managing IP in Knowledge-based Development

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UNECE Team of Specialists on Intellectual  
Property

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# The UN Economic Commission for Europe (ECE)





# The UN Economic Commission for Europe (ECE)

- 56 member countries
- home to 20 percent of the world's population
- including most of the developed economies,
- but also emerging market economies and
- a few low income countries



## What UNECE does

- helps to implement global UN initiatives at the regional level
- fosters sustainable development & economic cooperation in its region



## What UNECE does

fosters sustainable development & economic cooperation in its region by ...

- providing a multilateral forum for policy discussion and negotiations
- brokering and administering international standards and conventions
- engaging in capacity building and technical cooperation



## UNECE's main areas of activity

- Trans-border environmental issues
- Border-crossing transport issues
- Facilitation of international trade
- Trans-border energy issues
- International harmonization of statistics and
- **Economic Cooperation and Integration**



## Committee on Economic Cooperation and Integration (CECI)

Established in 2006 to promote

“... a policy, financial and regulatory environment conducive to

- economic growth,
- innovative development
- and higher competitiveness

focusing mainly on countries with economies in transition”



## CECI - main areas of work

promoting

- innovation and competitiveness
- public-private partnerships
- entrepreneurship
- Financing Innovation and
- **Intellectual Property Rights**



## 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



# What drives economic growth?





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# What drives economic growth?





# Innovation key driver of economic growth





# Innovation

- More than a bright idea
- Successful commercialization
- Requires effort, money,
- And risk-taking



## Innovation and IPRs

- Once an innovation has been proven, it can be imitated at low cost
- Threat of unfair competition undermining innovation incentives
- Encourages secrecy



## Innovation and IPRs

- IPRs provide exclusivity
- Enable earning sufficient profit
- Encourage diffusion of knowledge & follow-on innovation
- Thru disclosure requirement and
- Establishment of markets for technology

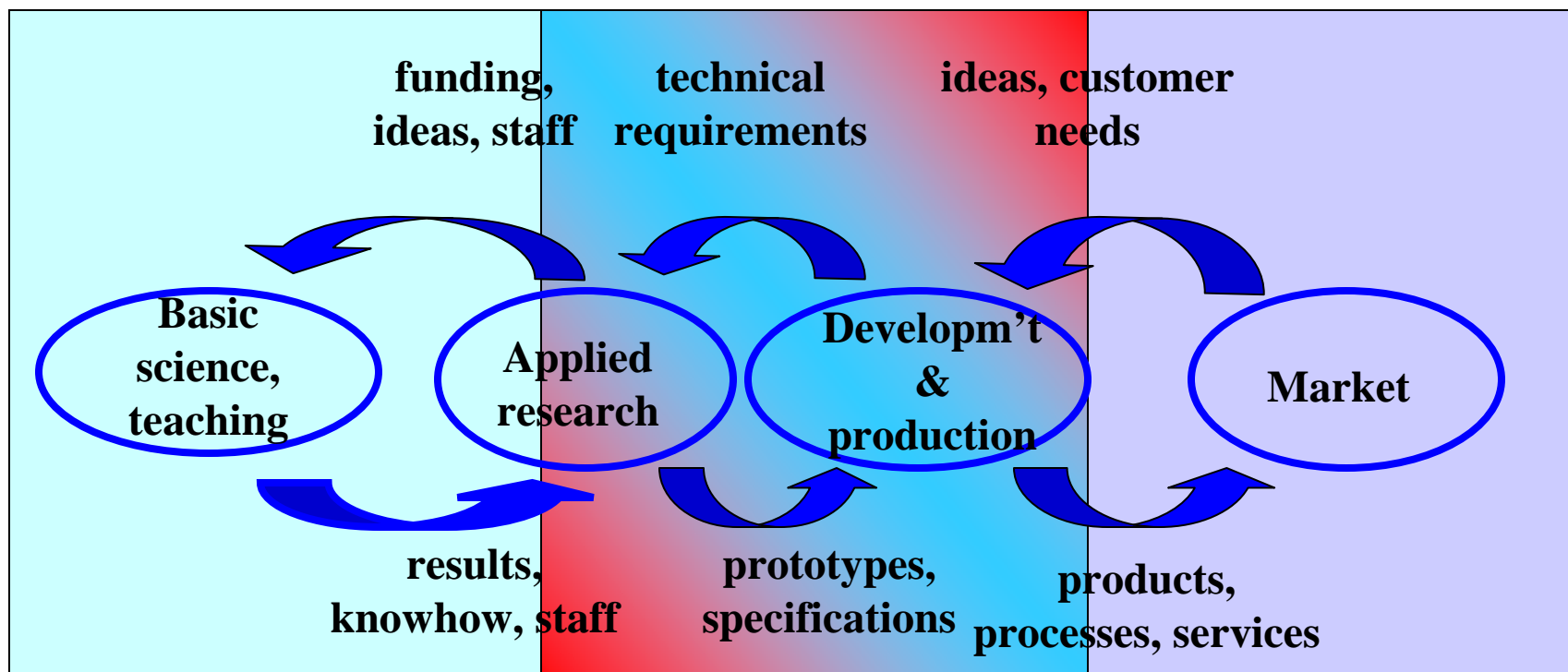


## Innovation and IPRs

- IPRs are very important instrument in the innovation process
- Well-designed, balanced IPR regime is a very important instrument of innovation policy



# Interactive Innovation



Research org's      SMEs      Big firms      Customers



# Importance of balance in the IPR regime





# Importance of balance in the IPR regime





## Innovation is increasingly international

### Benefits for companies

- Tapping a wider reservoir of talent and ideas
- Develop and adapt innovations to match national customer needs
- Faster, more cost-effective innovation



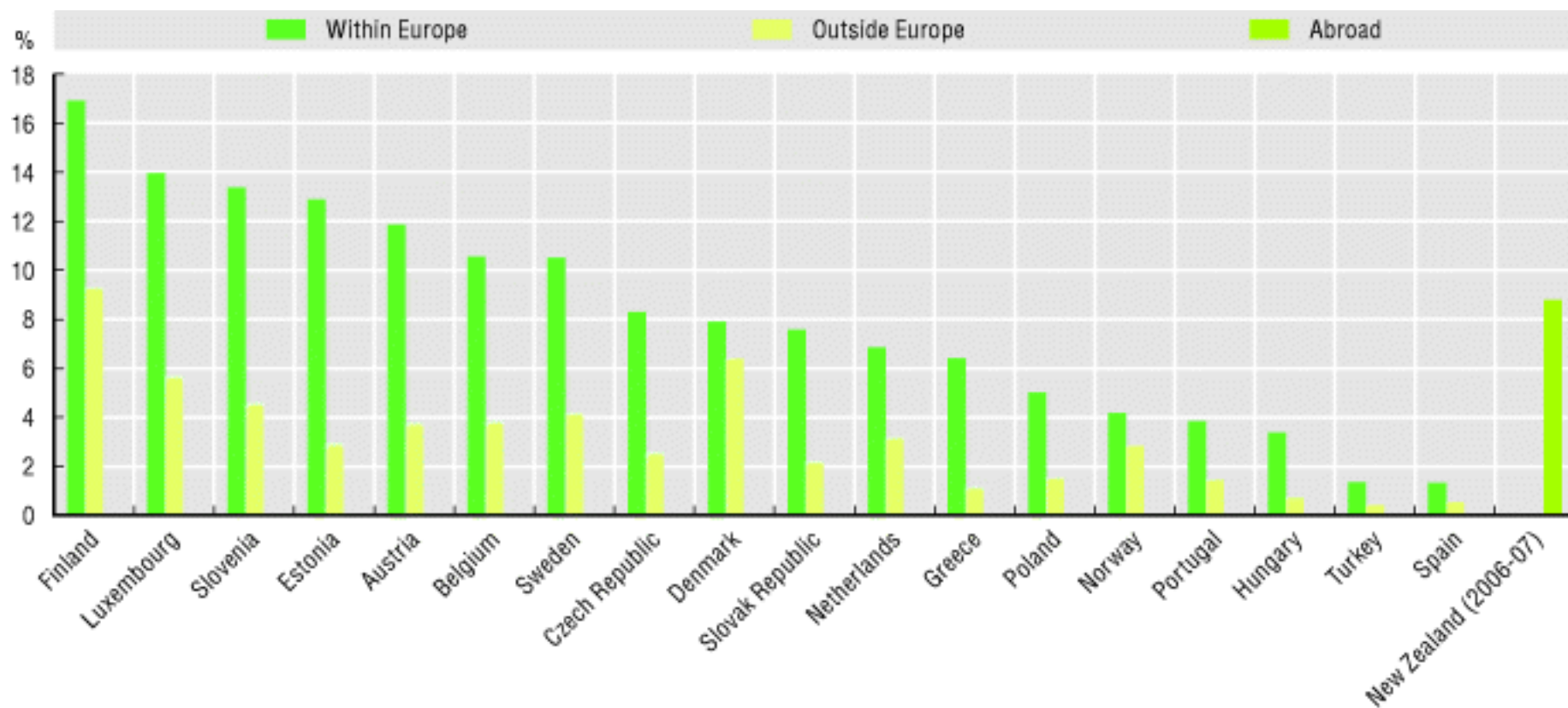
# Innovation is increasingly international

## Benefits for countries

- Integration into international R&D networks
- Increased international knowledge transfer

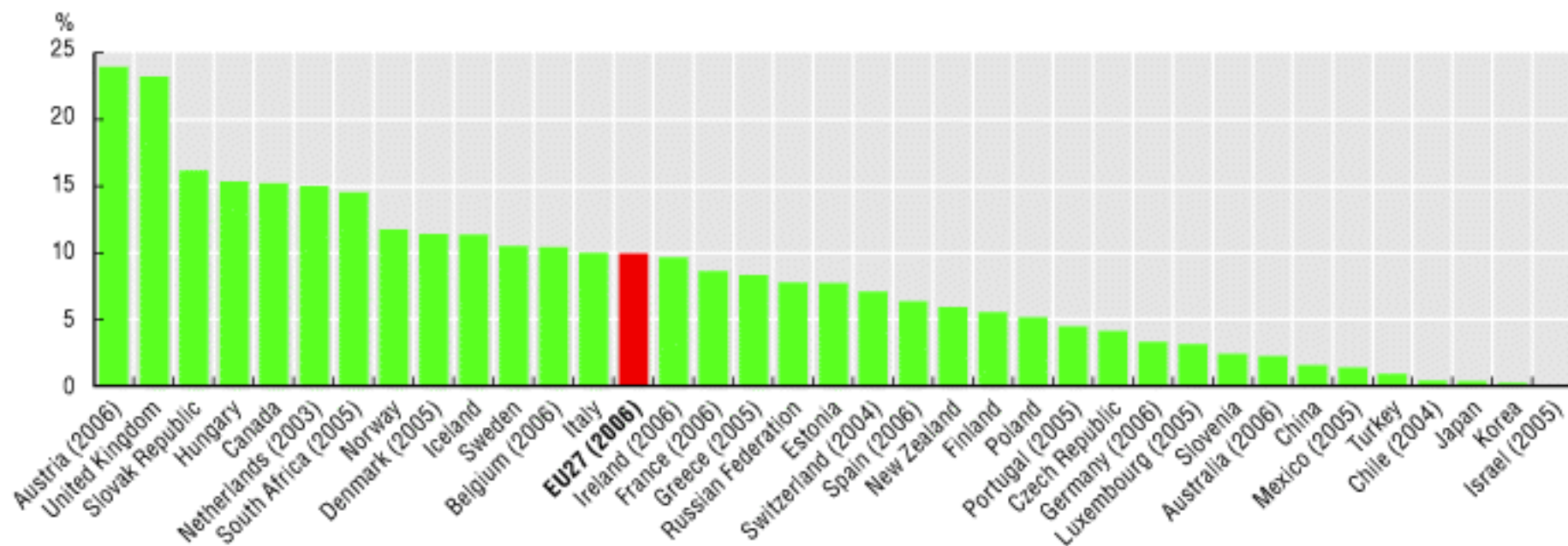


## Firms w/ foreign collaboration on innovation pct of all firms



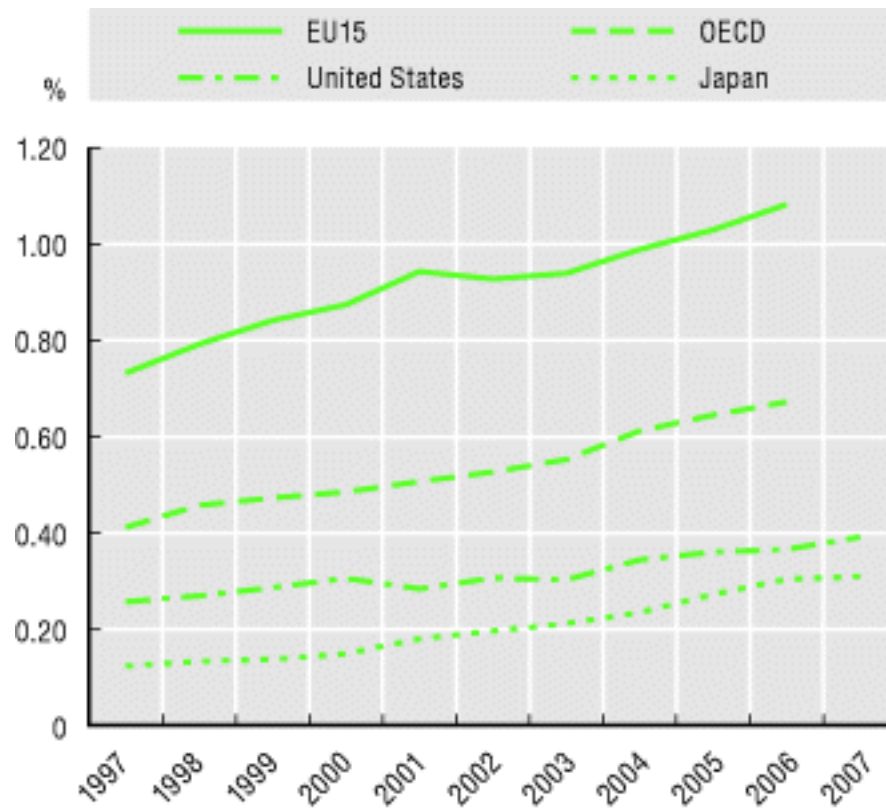


## Foreign-funded business R&D, pct of total



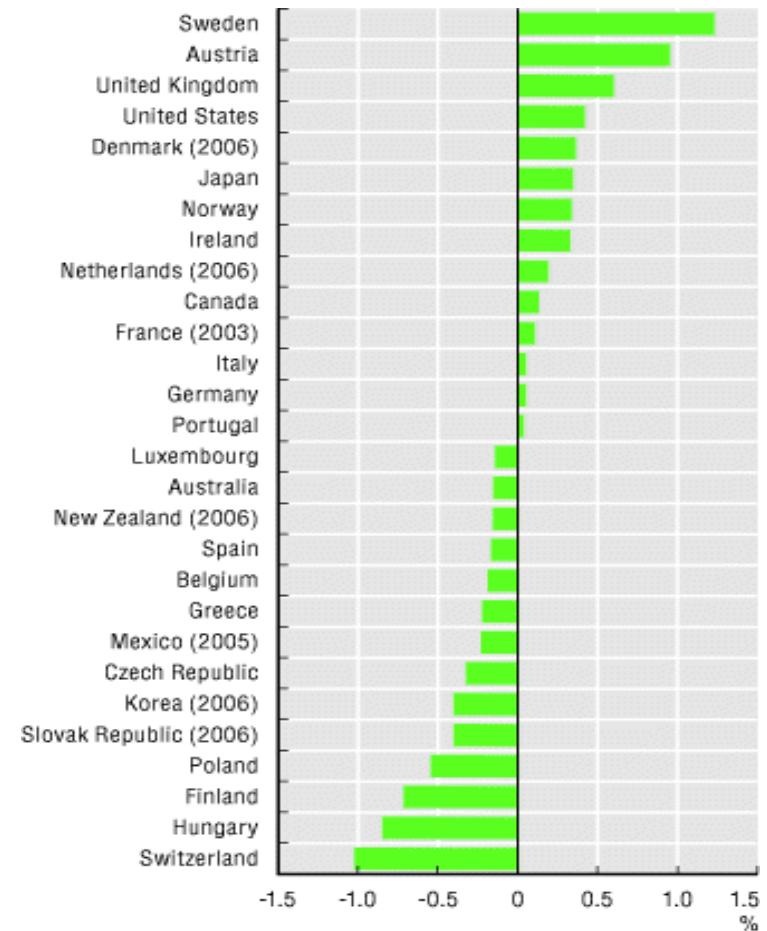
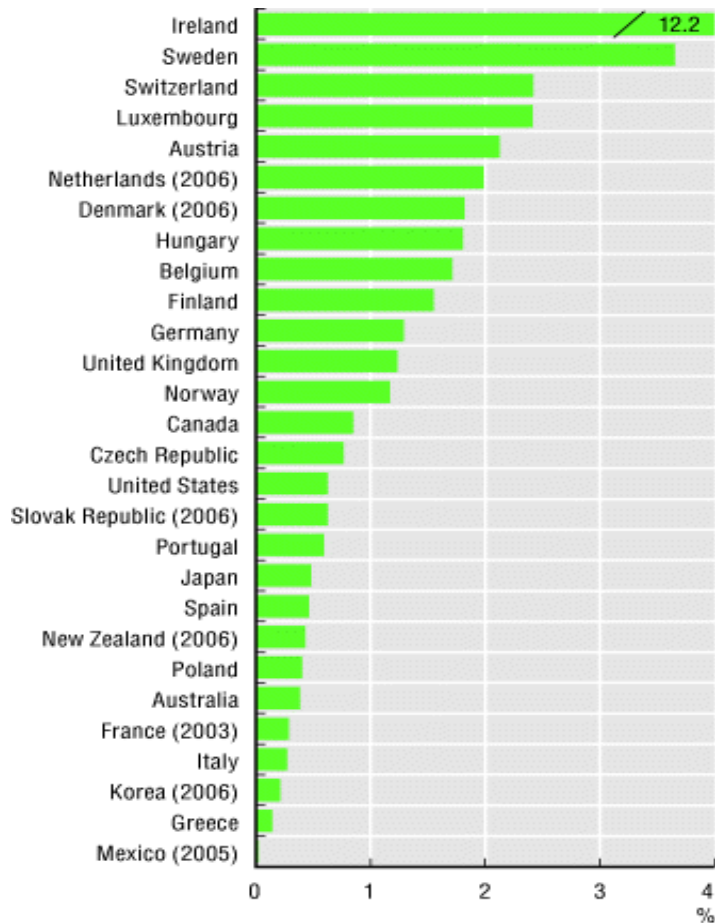


## Technology BoP flows, pct GDP



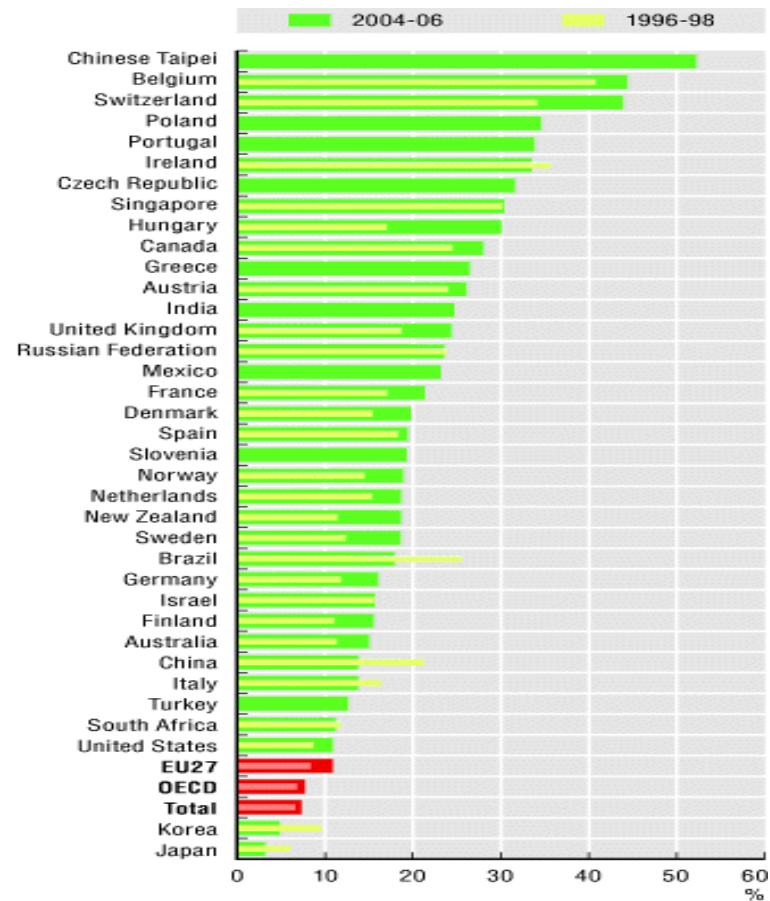


# Technology BoP: receipts and balance 2007, pct GDP



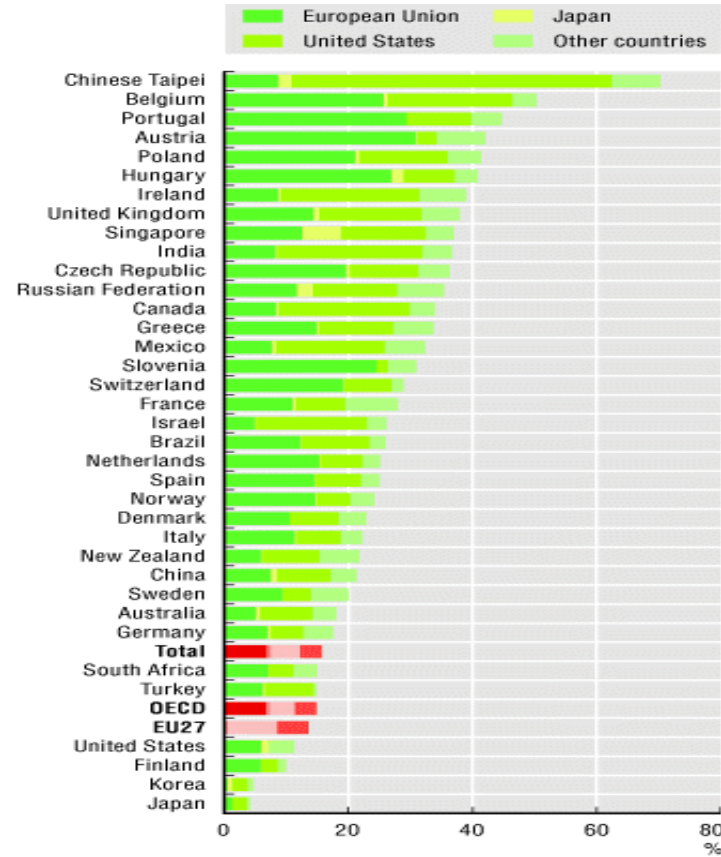
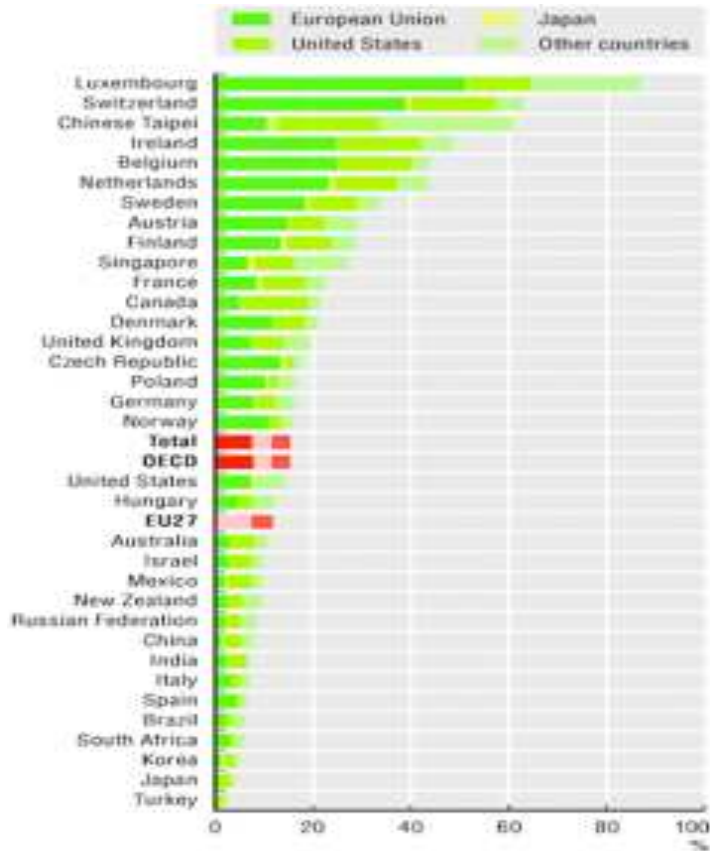


## Patents w/ foreign co-inventors



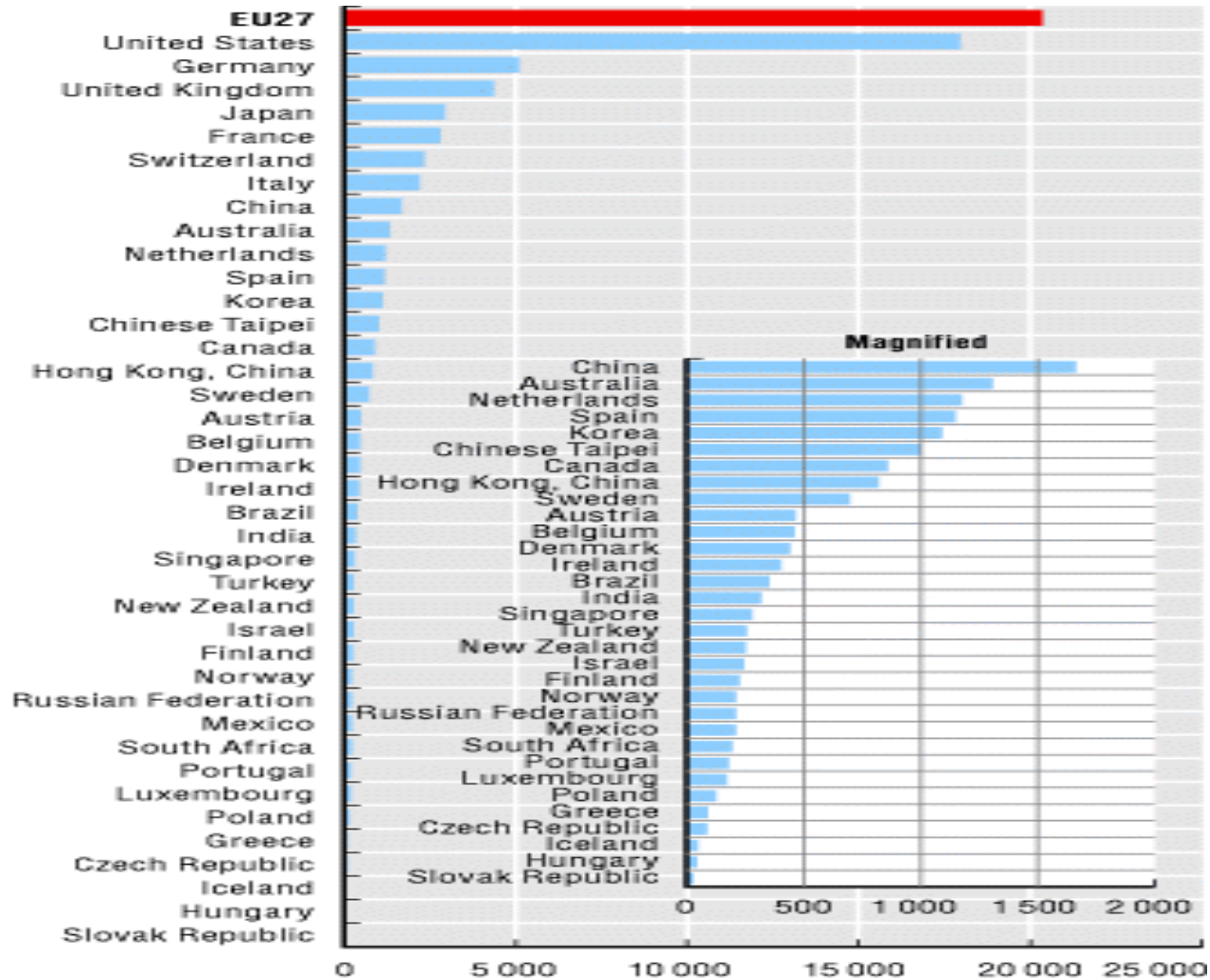


# Domestic ownership of inventions made abroad and foreign ownership of inventions made at home



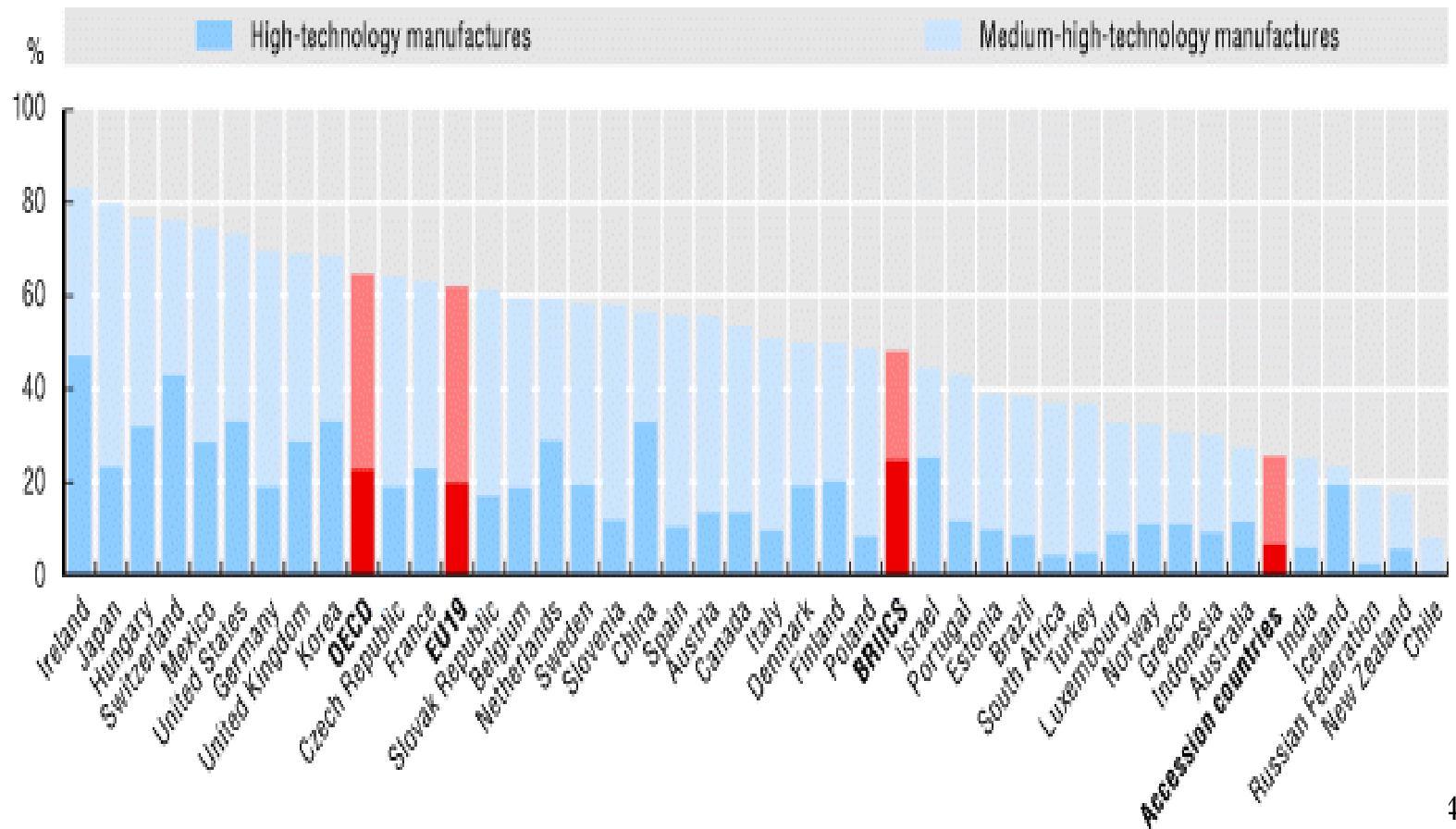


## Cross-border trademarks





## Share of high- and medium technology exports in pct of manufacturing exports





## International innovation & IPRs

- Innovation increasingly **international**
- IPRs a key instrument in innovation process and innovation policy
- BUT: IPRs are **national** rights



## International innovation & IPRs

- Need for IPR management
- To achieve adequate protection
- At tolerable cost
- In all relevant jurisdictions
- For all partners involved



## International innovation & IPRs

- Requires awareness of national differences in IPR regimes
- Int'lly oriented strategies for IPR protection & enforcement
- Adequate resources to protect & enforce int'lly
- Policy support at nat'l & internat'l level



## International innovation & IPRs

- Recent surveys in EU & US
- Access to knowledge & technology major motivation & benefit of int'l innovation
- But concerns about inadequate IPR protection among the most significant obstacles
- Hence international innovation frequently kept in-house



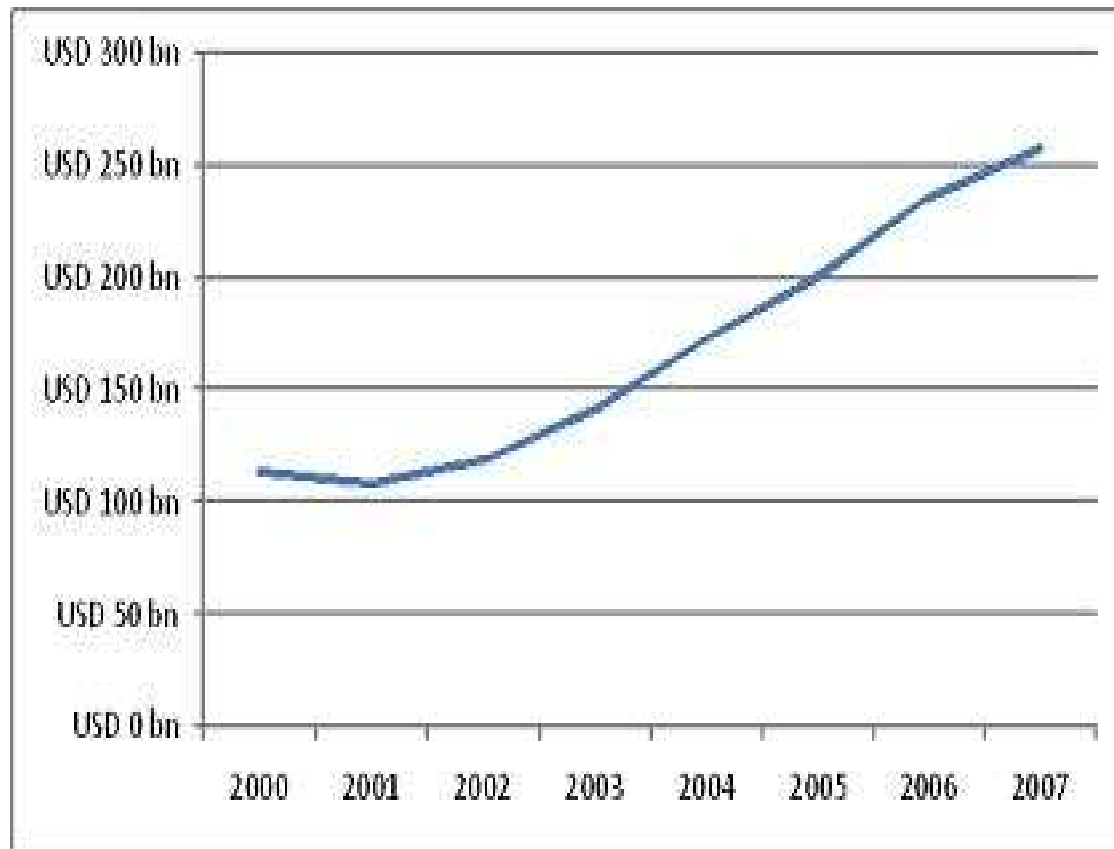
## Int'l IPR Enforcement

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 cooperation



## Global trade in physical counterfeit and pirated goods (upper limit)





## Int'l IPR Enforcement

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



# Channels of Int'l Knowledge Flows

- Int'l trade
- Foreign direct investment
- X-border licensing
- Research cooperations
- People



## Int'l IPR Commercialization

- To achieve “critical mass”, all actors in the commercialization process will have to increasingly think internationally
- Universities => research cooperations, staff
- Firms => sourcing of R&D, licensing, cooperations
- Investors



## Summary

- Innovation drives economic growth
- Innovation requires judicious IPR management and a well-designed IPR system
- Innovation is increasingly international
- Whereas IPRs are national

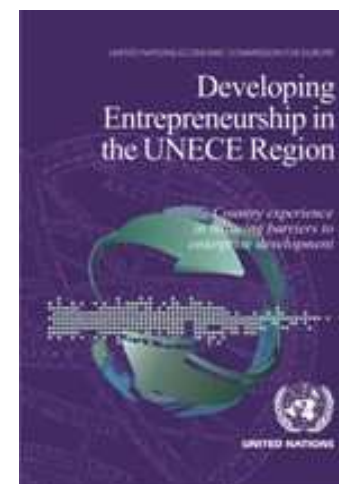
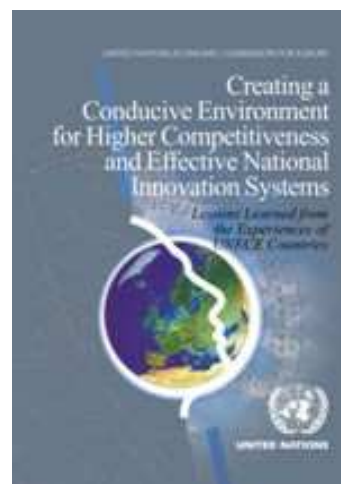
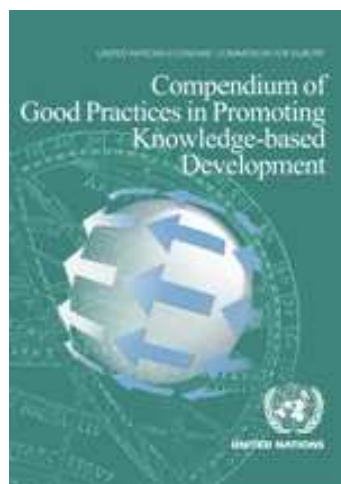


## Summary

- Therefore all actors need to develop int'lly oriented IPR protection, commercialization and enforcement strategies
- Governments need to provide corresponding policy support
- Need and scope for int'l cooperation



## Some CECI Publications on Knowledge-based Development



[www.unece.org/ceci/](http://www.unece.org/ceci/)



## Thank You!

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