Ad Hoc Expert Meeting: The role of competition law and policy in fostering sustainable development and trade through the enhancement of domestic and international competitiveness of developing countries

Geneva, 7 July 2014

Contribution on:

IP Rights, innovation, competition and growth

by

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD
IP Rights, Innovation, Competition and growth

Ad Hoc Expert Meeting on the Role of Competition Policy in Fostering Sustainable Growth and Development

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Intellectual Property Rights and Growth

- Strengthening of IP rights over the past 20 years (TRIPS Agreement, Patent Law Treaty)

- IP (particularly patents) increasingly becoming a competitive asset (see PCT Filings)
(Cumulative Filings 1978-2013)
Patent Cooperation Treaty Statistics
Relevance of IP Assets
TOP 10 COUNTRIES

205,300
Number of applications

+5.1%
Growth in 2013

1 USA  67,239
2 Japan  43,918
3 China  21,516
4 Germany  17,927
5 Republic of Korea  12,386
6 France  7,899
7 UK  4,865
8 Switzerland  4,367
9 Netherlands  4,198
10 Sweden  3,960
IP Rights, Innovation and Growth

- IP Rights, Innovation and Growth: a straightforward cause-effect relationship?
- Limited empirical evidence that strengthening IP rights leads to more invention/innovation or R&D
- Possible reverse causality in the patent rights-economic growth relationship
IP Rights, Innovation, Growth

Recent literature focuses on whether more patent-intensive industries grow faster than less patent-intensive industries in countries with stronger patent rights (Albert G.Z. Hu and I.P.L. Png, Oxf. Econ. Pap., 2013)

Patent intensive industries do grow faster as a result of stronger patent rights and effective enforcement

This might apply to other IP intensive industries such as copyright-related sectors
Competition as a driver for growth

Critical areas at the IP/Competition Interface

- Effective antitrust legislation and enforcement as one of the conditions for maintaining and/or developing IP intensive industries
- The regulation/competition interface in IP intensive industries
- Effective competition rules stimulate investment, both domestic and international
Conclusions

- Balancing IP Rights and Competition
- Competition and IP Agencies Cooperation and Dialogue
- Keeping IP protection standards and promoting development: Competition enforcement to control IP misuse and encourage growth