



Economic analysis of IP at WIPO

“Presentation Economics and Statistics Division”

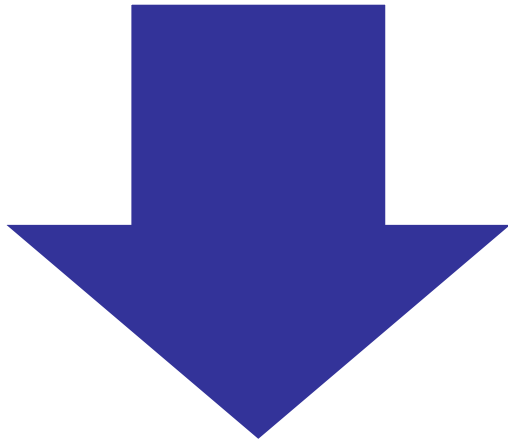
Study Visit: Intellectual Property Focal Persons of the African Regional Economic Communities and Executive Bodies of the African Union

WIPO May 19, 2016


Why economic analysis on IP and the move to WIPO?

- **Before:** IPRs used be a boring issue in the backwater. A domain of specialized lawyers.
- Not much on radar of economists. Statistical apparatus poor. Innovation scholars rarely experts
- **Today:** IPRs everywhere
- Heated debate of pros and cons of IP system
- **Quest for Evidence-Based Policy Making**

Two opposing beliefs?



- IPRs are good for business, benefit the public and act as catalysts for technical progress.
- The more IPRs the better.

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- IPRs are crippling development of local industry & technology, harming population and benefiting none but developed world.
 - The less IPRs the better.

Four phases of IP growth: Increasing demand and changing geography of the global IP system

Phase 1: Growth in patent applications stable at low levels until the 1970s, followed by acceleration among a few

Phase 2: As of late 70s, fast growth in high-income economies, US, Japan, followed by Europe

Phase 3: Middle-income countries such as China, Brazil, and India picked up from the mid-1990s onwards, ramping up growth at uneven speeds

Phase 4: While top offices continue to drive growth, more strategic uptake of IP in emerging countries.

----- At the same time most countries are developing their IP laws and treaties on paper ---

What we do at WIPO as an economist?

- **Drive new research – sometimes fundamental / sometimes directly applied**
- **Popularize or render existing economic research more useful.**
- **Prompting new research directions**
- **Helping countries with impact – examples**

Economic work at WIPO – main outputs

- Publications
- Economic Studies
 - [Development Studies](#)
 - [Working Paper Series](#)
- [Seminar Series](#)
- Other economic-related research within and outside of WIPO
 - [Economic Literature Database](#)



1. World Intellectual Property Indicators

- Annual statistical report based on survey (plans for a related manual)

[VIDEO](#)

- Patents
 - Trademarks
 - Industrial Designs
 - Plant Varieties
 - Working on Copyright
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- http://www.wipo.int/ipstats/en/data_collection/questionnaire/



WIPO IP Statistics Data Center

WORLD INTELLECTUAL PROPERTY ORGANIZATION

Home > Intellectual Property Statistics > Search IP Stats

WIPO IP Statistics Data Center is an on-line service enabling access to WIPO's statistical data. Users can select from a wide range of indicators and view or download data according to their needs. This service is intended to be a tool for IP professionals, researchers and policymakers worldwide.

PATENT TRADEMARK INDUSTRIAL DESIGN UTILITY MODEL

Indicator: -- Please Select --

Report Type: -- Please Select --

Submit Reset

WIPO statistics database. Last updated: January 2014

http://www.wipo.int/ipstats/en/statistics/country_profile/countries/ch.html

Statistical Count...

WIPO WORLD INTELLECTUAL PROPERTY ORGANIZATION

IP Services Policy Cooperation Reference About IP Inside WIPO

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Statistical Country Profiles

Switzerland

Population (Million): 8 (2012) (Rank = 94)

Gross Domestic Product (Billion US\$)(Constant 2005 US\$ (PPP)): 314.64 (2012) (Rank = 34)

IP Filings (Resident + Abroad, Including Regional) and Economy

Year	Patent	Trademark	Industrial Design	GDP (Constant 2005 US\$)
1998	18,692	72,961	12,844	245.08
1999	18,928	69,528	11,239	248.50

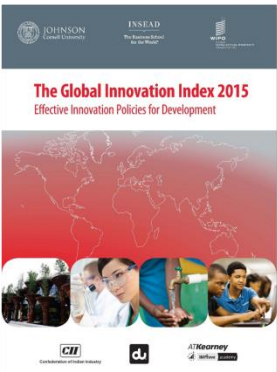
IP Filings and Economic Growth (Set first available year to 1)

Legend: Patent (green), Trademark (orange), Industrial Design (blue), GDP (red)

http://www.wipo.int/ipstats/en/statistics/country_profile/#H

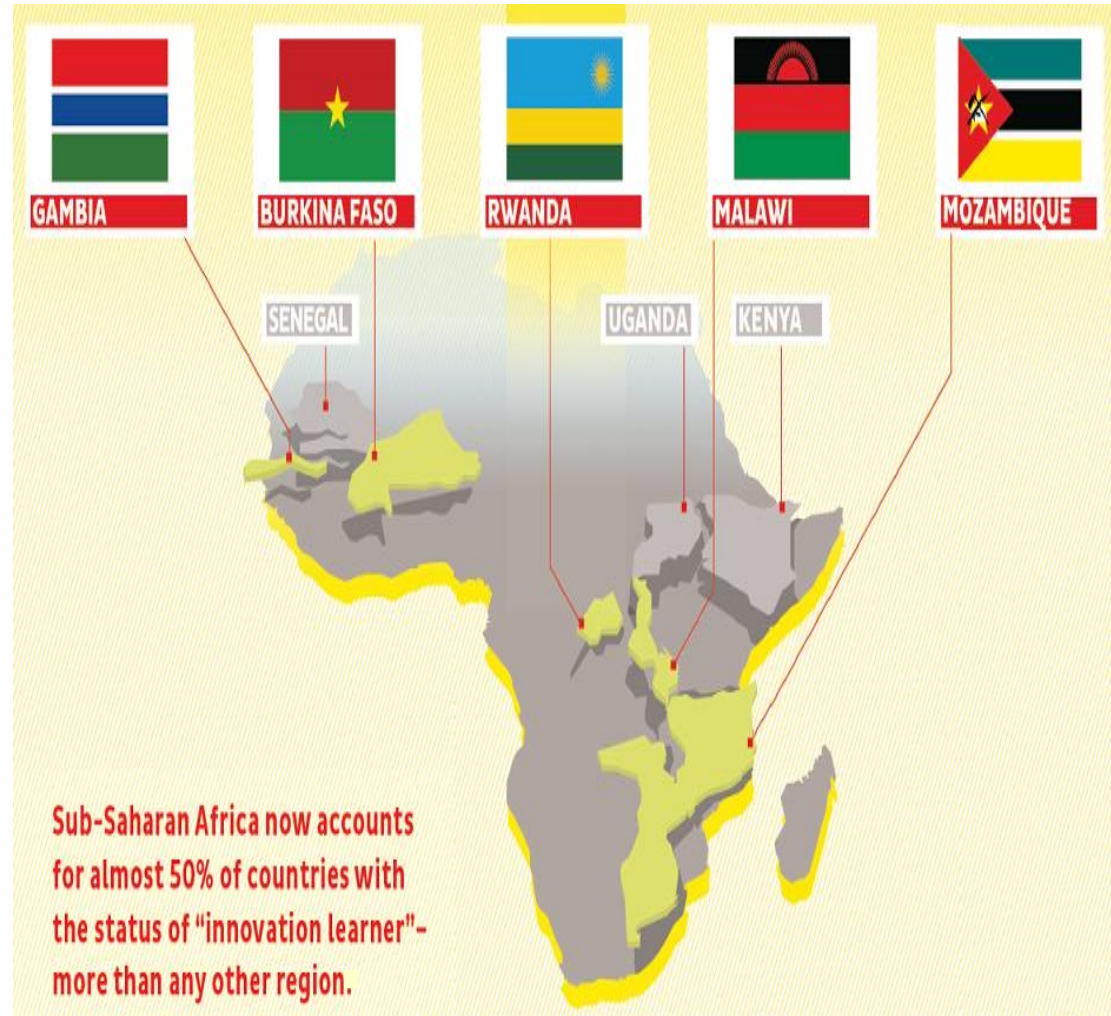
2. Global Innovation Index

Input Sub-Index	Output Sub-Index	GII
1. Singapore	1. Switzerland	1. Switzerland
2. Switzerland	2. Luxembourg	2. United Kingdom
3. Finland	3. Netherlands	3. Sweden
4. Hong Kong (China)	4. Sweden	4. Netherlands
5. USA	5. United Kingdom	5. USA
6. United Kingdom	6. Iceland	6. Finland
7. Sweden	7. Ireland	7. Singapore
8. Denmark	8. Germany	8. Ireland
9. Canada	9. USA	9. Luxembourg
10. Australia	10. Finland	10. Denmark



Sub-Saharan Africa: A region of innovation learners

- Five African economies: **Burkina Faso, Gambia, Malawi, Mozambique, and Rwanda** became part of the group of economies defined as ‘**innovation learners.**’
- The **Sub-Saharan African region** makes up nearly **50%** of the innovation learner economies.

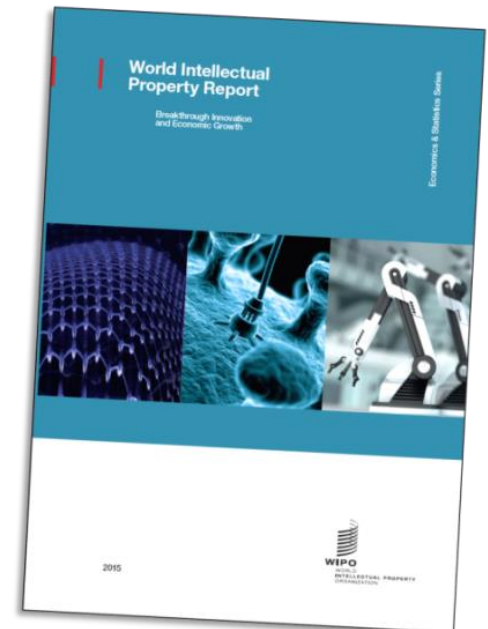


3. World Intellectual Property Report

2013: Role that brands play in a global marketplace

2015: Breakthrough Innovation and Economic Growth

http://www.wipo.int/econ_stat/en/economics/wipr/



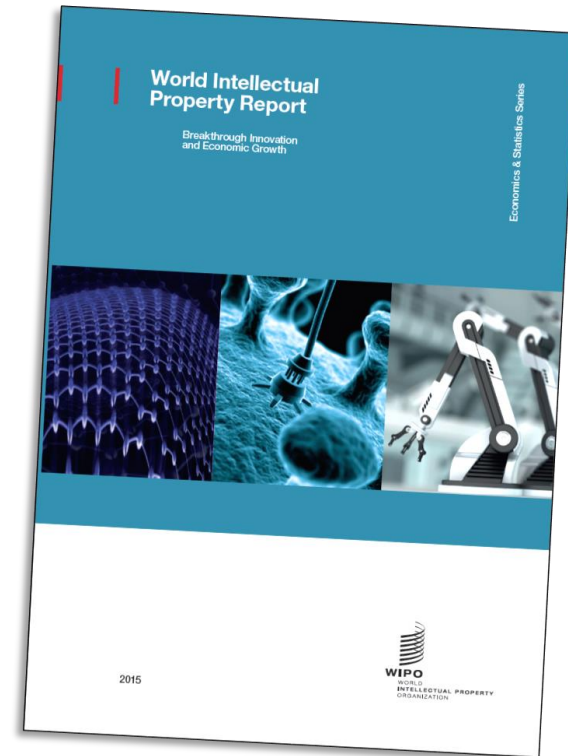
Overview

1. Why did we choose Breakthrough Innovations as theme for this year's report?

2. A review of innovation, intellectual property (IP) and growth – what makes productive innovation systems?

3. What do future-oriented innovation systems look like?

4. What are prospects for future innovation-driven growth?



4) WIPO Country Studies on IP and Socio-Economic Development

- Study in China on strong patent surge and the internationalisation of patents
- Egypt on role of innovation and IP in area of ICT services
- Uganda on role of innovation and IP in fostering agro-food processing sector in Uganda
- Innovation and IP in the informal economy
- in Indonesia on industrial designs

Informal economy: Kenya



The Informal Economy in Developing Nations: Hidden Engine of Innovation ?

- Despite the importance of the IE, little is known about how new processes, products, and other innovations are generated and monetized in the IE.

- Three core questions
 1. How does innovation occur in the IE, how is it diffused, who are its actors and what are innovation impacts?
 2. How do inventors in the IE reap the benefits of their innovations? What forms of appropriation are in use?
 3. What are suggested policy recommendations to improve innovation impacts in the informal economy?

Barriers to Innovation in the IE

Location and infrastructure constraints	Lack of space and infrastructure to expand operations paired with inconsistent energy supply and other factors
Financial constraints	Capital market imperfections, risk and uncertainty coupled with risk aversion, pressure to achieve immediate return, and lack of demand for informal sector products
Skill constraints	Lack of competencies and skills, including entrepreneurial ambition
Information constraints	Imperfect functioning of the information market about new machines
Social constraints	Relating to the need of entrepreneurs to share their profits with a family or extended network or to invest in informal collective social insurance schemes (discouraging them from developing their business in the first place) or to employ family members such as sharing obligations with the extended family
Institutional constraints	Such as ill-managed government regulations and exposure to corruption and the lack of insurance

Preliminary policy framework for IE innovation

1) Providing a functioning property rights system and functioning economic institutions

2) Improving the infrastructure and providing urban spaces

3) Facilitating access to markets and participation in the formal economy

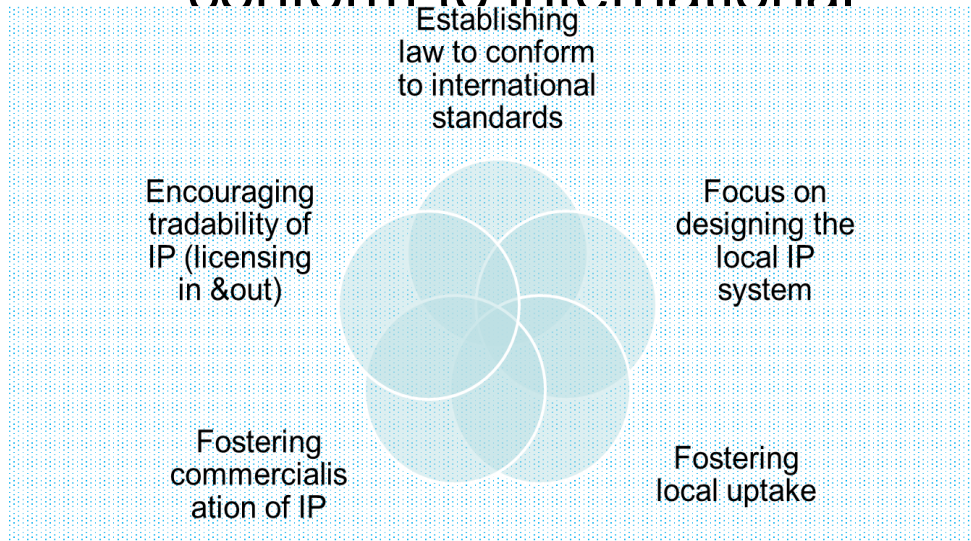
4) Providing access to finance

5) Improving education and skills, including entrepreneurship capacity

Smart, integrated IP policies

Moving away from step-by-step approach

1. Establishing law to conform to international standards



5. Encouraging tradability of IP (licensing in & out)

Moving away from IP silo approach

- Seeing IP in context of local innovation system & policy
- From smart specialization to smart, targeted use of IP
- Align with development needs: education, agriculture and health
- Global Innovation Index
www.globalinnovationindex.org

Discussion questions

- Any questions on what we do?
- Any question on how we can help?
- http://www.wipo.int/econ_stat/en/economics/