



ROBUST IP (Weak or strong IP for Latin America)

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IP SERVES WHAT PURPOSE?

- IP serves the purpose of protecting:

- Innovation
- Creativity
- Distinctive signs



Increasingly important key drivers in the current globalised economy

NEW SCENARIO

- WTO has opened markets
 - Internet has made world communication more accessible to everyone
 - Manufacture of goods has moved to cheaper places
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- More competition from everywhere

THE IMPORTANCE OF INNOVATION

- In more competitive markets innovation becomes a key strategic issue
- Innovation requires
 - long-term investment
 - more educated people
 - IP protection to obtain return

WORLD INNOVATIVE IMBALANCE

PCT International Applications Top 15 Countries of Origin							
	2003	2004	2005	2006	2007 <i>Estimate</i>	2007 <i>Percent</i>	2007 <i>Growth</i>
United States of America	41'030	43'350	46'803	50'941	52'280	33.5%	2.6%
Japan	17'414	20'264	24'869	27'033	27'731	17.8%	2.6%
Germany	14'662	15'214	15'984	16'732	18'134	11.6%	8.4%
Republic of Korea	2'949	3'558	4'688	5'944	7'061	4.5%	18.8%
France	5'171	5'184	5'748	6'242	6'370	4.1%	2.1%
United Kingdom	5'206	5'027	5'084	5'090	5'553	3.6%	9.1%
China	1'295	1'706	2'503	3'951	5'456	3.5%	38.1%
Netherlands	4'479	4'284	4'500	4'529	4'186	2.7%	-7.6%
Switzerland	2'861	2'898	3'290	3'577	3'674	2.4%	2.7%
Sweden	2'612	2'851	2'883	3'316	3'533	2.3%	6.5%
Italy	2'163	2'189	2'349	2'716	2'927	1.9%	7.8%
Canada	2'271	2'104	2'318	2'566	2'707	1.7%	5.5%
Australia	1'680	1'837	1'996	2'001	2'054	1.3%	2.6%
Finland	1'557	1'672	1'893	1'845	1'952	1.3%	5.8%
Israel	1'129	1'227	1'454	1'589	1'683	1.1%	5.9%
All others	8'715	9'245	10'326	11'084	10'800	6.9%	-2.6%
Total	115'194	122'610	136'688	149'156	156'100		4.7%

- Only 10 countries

US
JP
DE
KR
FR
UK
CN
NL
CH
SE

Represent 86%
of all PCT files

Top 20 PCT Applicants in 2007

2007 Ranking	Position Changed	Applicant's Name	Country of Origin	PCT application published in 2007	Increased over 2006
1	1	MATSUSHITA ELECTRIC INDUSTRIAL CO., LTD.	JP	2100	-244
2	-1	KONINKLIJKE PHILIPS ELECTRONICS N.V.	NL	2041	-454
3	0	SIEMENS AKTIENGESELLSCHAFT	DE	1644	164
4	9	HUAWEI TECHNOLOGIES CO., LTD.	CN	1365	790
5	0	ROBERT BOSCH GMBH	DE	1146	184
6	2	TOYOTA JIDOSHA KABUSHIKI KAISHA	JP	997	293
7	5	QUALCOMM INCORPORATED	US	974	366
8	38	MICROSOFT CORPORATION	US	845	603
9	1	MOTOROLA, INC.	US	824	187
10	-6	NOKIA CORPORATION	FI	822	-214
11	-4	BASF AKTIENGESELLSCHAFT	DE	810	94
12	-6	3M INNOVATIVE PROPERTIES COMPANY	US	769	42
13	3	LG ELECTRONICS INC.	KR	719	152
14	1	FUJITSU LIMITED	JP	708	137
15	6	SHARP KABUSHIKI KAISHA	JP	702	206
16	12	NEC CORPORATION	JP	626	253
17	-8	INTEL CORPORATION	US	623	-67
18	4	PIONEER CORPORATION	JP	611	117
19	10	INTERNATIONAL BUSINESS MACHINES CORPORATION	US	606	241
20	0	SAMSUNG ELECTRONICS. CO. LTD.	KR	598	93

15 of the top 20 applicants originate from only 3 countries



6 US

6 JP

3 DE

WHAT HAPPENS IN LATIN AMERICA

PCT FILINGS

2007

BRAZIL	384
COLOMBIA	31
COSTA RICA	2
CUBA	20
DOM. REP.	2
GUATEMALA	2
HONDURAS	-
MEXICO	103

544

8 countries represent less than all P&G (575) number 22 in the list.

WHY SHOULD LATIN AMERICA HAVE A ROBUST IP?

- To protect rights of foreigners?
- To restrict the competitive freedom of local companies?
- To increase local production costs with licence fees?
- Because TRIPS imposes minimum standards of protection?
- By imposition of bilateral Free Trade Agreements that enable them to sell agricultural products to developed countries?

THERE ARE MORE IMPORTANT STRATEGIC REASONS

- In a competitive global economy only the frontrunners will prevail
- To be competitive, enterprises must be innovative
- A strong IP policy {
 - Stimulates innovation
 - Attracts foreign investment
 - Foreign investment promotes local industry
 - Facilitates access and transfer of technology
- Foreign investment and innovative local industry promotes and stimulates better education
- Better educated people are more innovative

EXAMPLES

- JAPAN
- KOREA
- TAIWAN
- CHINA
- INDIA

FAST GROWING ECONOMIES
WHICH MOVED FROM
MANUFACTURING WITH FOREIGN
TECHNOLOGY TO CREATE THEIR
OWN TECHNOLOGY

ROBUST (STRONG) IP SYSTEM MEANS

- ORGANISED AND CAPABLE PATENT & TM OFFICES WHICH ONLY GRANT VALID IP RIGHTS
- ENFORCEMENT SYSTEMS THAT ENSURE FAIR RIGHTS OF DEFENCE TO IP OWNERS AND DEFENDANTS
- A BALANCED SYSTEM WHERE IP APPLICANTS AND THIRD PARTIES SHARE BENEFITS
- A SYSTEM THAT PREVENTS ABUSE FROM EITHER SIDE

CONCLUSION

A ROBUST (STRONG) IP WILL BENEFIT LATIN AMERICA PROVIDED THAT IT IS DESIGNED IN COMBINATION AS PART OF A LONG-TERM STRATEGIC PLAN TO IMPROVE THE ECONOMIC COMPETITIVENESS OF LOCAL INDUSTRY.