



1

The Trade in Ideas Program

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Introduction

Economic development is essentially driven by productivity growth which, in turn, is driven by development of new technology. The process of technological development radically benefits from a market in these ideas allowing for specialization between inventors, from the political South and North, leading to promises of gains in producing the desired technologies. The patent system is perfect for this: transfers and licensing to the world, makes the selection process competitive and a more open alternative to trade secrets. In fact, it was created, in Venice in 1474, for that purpose: to honor inventors coming to Venice with their ingenious ideas, contributing to their economy. Now, developing nations of the world have, since the past 20 years, rapidly and radically developed their human capital formation, providing the basis for such inventions to surpass the state-of-the-art. However, what is missing in most developing nations are the mechanisms to turn this knowledge into economics.

It is therefore of utmost importance to understand this market better in order to inform policies that can give the right incentives to inventors, researchers and investors to further develop these patented inventions into innovations that become economic “locomotives” in developing nations. Such a process naturally includes cooperation with developed nations – large and small – to benefit from each other’s now specialized knowledge.

To that end a pilot-study of 5-8 developing nations was conceived to identify which project would be most important to inform such a policy and advance the technological development in these nations, in cooperation with the world. The focus is on patent licensing/transfers and not embedded IP (other IP, included embedded IP are not excluded but not the focus).

¹ Red: Countries in study, Green: Additional countries originally selected, Yellow: Countries expressing interest in the program during the study.

Key findings and the proposed projects will be presented and discussed at the event, first in a summary fashion, then by 2-3 of the participating nations and finally an open discussion with all participants.

One such finding is that these markets are similar in their functioning, irrespective of the development level of the country, but operate at very different levels of efficiency.

A second finding is that the barriers to trade in ideas mostly relate to the mechanism of trade in place, spanning from: awareness, branding, negotiation, valuation, finding customers, identifying the most valuable use of the technology and management of patent licensing/transfers. These need to be addressed by policy as well as awareness building.

Next steps

10 projects have been identified and are both of national and regional/international nature. A detailed presentation of #1 (LDC package) and #2 (Statistics framework) will be made, and a short description for the others. The final goal is to create a level playing field through international trade rules for patent licensing and transfers in a step-by-step way, starting with polyilateral and ending with multilateral rules. All these projects need funding, except the ongoing statistics project which is ending in 2018.

I: National level

1. LDC package (47) nations – to begin licensing – get these countries up to speed.
Upgrade package to MIC (SMEs in HIC); same people, highly educated, integrating HCF in economic activity through technical ideas coordinated by (mechanism of) patent markets
2. Statistics framework to measure cross-border trade flows of patent licensing suitable to follow-up at policy level (presented by A. Maurer)
3. Program coordination – team up with key partners (>50)
4. Curriculum for MBA and PhD levels – train next generation inventors and managers
5. Pilot+/Dialogue with inventors-policy makers to acquire broader and deeper data for policy making and address trade barriers

Practical work:

9. Tech Hubs at national/regional level with all resources to license patents globally.
A “window” both to and from the world in technology.
10. Information services project with quality information on ownership, transactions, payments to reduce risk for licensing of patents.

II: Regional/national level

6. Tax exempt creative company – keep brains in country by increasing returns on invention. A new corporate entity with limited activity from inventing to prototyping and with high capital demand and zero profit tax. (See Ullberg, 2012, Trade in Ideas, Springer Inc. for this proposal)
7. Poly-lateral or multilateral external focused policy initiatives to gather data and experimenting with trade rules for cooperation; to align incentives internally to create a more competitive market in patents.
8. Trade rules discussions – seminars at national/regional/international levels based on all of the above information, knowledge, findings and discussions and practice.

Discussion

The event will then turn to a discussion of these findings and projects and potential interest in joining one or more of these projects in the program.

Sincerely,

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