



WORLD TRADE  
ORGANIZATION

---

**Council for Trade-Related Aspects of  
Intellectual Property Rights**

**EXTRACT FROM MINUTES OF  
MEETING OF THE  
COUNCIL FOR TRADE-RELATED ASPECTS OF  
INTELLECTUAL PROPERTY RIGHTS**

HELD ON 28-29 OCTOBER 2014

**ITEM 12 INTELLECTUAL PROPERTY AND INNOVATION:  
PROMOTING AWARENESS; CASE STUDIES**

EXTRACTED FROM DOCUMENT IP/C/M/77/Add.1

## **AGENDA ITEM 12 INTELLECTUAL PROPERTY AND INNOVATION: PROMOTING AWARENESS; CASE STUDIES**

### **12.1 Switzerland**

402. It is a pleasure and an honour for me to introduce this agenda item and to co-sponsor it with the delegations of the United States and the European Union.

403. In my statement, I will make reference to yesterday's innovation fair organized in the Atrium of the WTO building by the Delegations of Mexico, United States, European Union and Switzerland. We will present a case example of a successful innovation partnership among a number of stakeholders of the Swiss innovation landscape. Representatives of the relevant companies and institutions from that case study participated at the fair yesterday.

404. I wished that the timing of the Council's discussion would have allowed us to deal with this agenda item yesterday, as it would have been possible then for interested delegates to go to the fair and speak with the participants and exchange views and learn about their experience and know-how in the field.

405. This was the objective of the four WTO Members when they agreed to organize the innovation fair: to give TRIPS delegates the opportunity to meet with people who are working as practitioners in the real world of innovation. Events like the innovation fair can thus add a third dimension to our sometimes two-dimensional discussions in the TRIPS Council to provide us with a more practical approach to the role of intellectual property in the innovation process.

406. It is important that we, as TRIPS delegates, have an understanding of the situation, the challenges, the needs and concerns that innovators face to ensure that we carry out our work here in the TRIPS Council properly and in a well-informed manner.

#### Innovation cycle

407. Genuine innovation is rarely accomplished by a single person on its own. There are often several parties involved, each playing its part to help turn ideas into reality. Some stakeholders are not even creators, but act as partners to the inventors; some act as facilitators, providing both a launch pad from which the inventor can spring as well as a structure to support one or another specific step of an innovators journey.

408. I would now like to present a case example of an innovation process in Switzerland and first introduce the four stakeholders who play a role in it and who were, as mentioned, also present at yesterday's fair.

#### EMPA

409. The first is the Swiss Federal Laboratories for Materials Science and Technology (EMPA). EMPA is a research and services institution for material sciences and technology development. EMPA's research and development activities focus on meeting the requirements of industry and the needs of society. EMPA works together with industry partners conducting applications-oriented research and assists with the practical implementation of new ideas.

#### IPI

410. The second is The Swiss Federal Institute of Intellectual Property (IPI). The Institute is the Swiss Government's federal agency for all matters concerning intellectual property. As such, it is also the point of contact for customers that want to apply for and protect industrial property rights, such as patents, trademarks or designs.

#### CTI

411. Thirdly, the Commission for Technology and Innovation (CTI) is the Swiss Confederation's innovation promotion agency supporting research & development projects. One such project is the provision of training programmes for start-up founders as part of the "La Forge" innovation park in Lausanne, which was introduced by this delegation at the last Council meeting in June.

### Katadyn

412. Finally, the company Katadyn, which is one of the world's leading manufacturers of individual water purification systems and products. The technologies developed by Katadyn, have a wide ranging application and have been utilized by international relief organizations, local communities and individuals across the world.

#### The case of the ceramic filter

413. At the Swiss stand at yesterday's fair, the cooperation and interaction among these four stakeholders was illustrated with a case study of the development of ceramic filter membranes. The ceramic filter is used to treat water and ensure that it is safe to drink; traditional filters often let microscopic viruses through, while those that did not were very expensive to produce.

414. Katadyn wanted to find a way to lower the costs and raise the manufacturing capacity for such filters while retaining their quality and effectiveness. As an SME, Katadyn did not possess all the necessary know-how or the resources to carry out the research required to design a new technology all on their own.

415. Therefore, Katadyn formed a partnership with EMPA who could provide the expertise unavailable to Katadyn to develop the necessary technology. Once the innovative technology was developed, a patent application was submitted to the IPI to protect the use of this innovation and secure the benefits for both partners. At this stage, the Commission on Technology and Innovation, the CTI, joined in as a partner of the innovation process, providing resources as well as advice and support, to facilitate bringing the innovative product from the laboratory stage to the market.

416. Thus, the research that went into this product was conducted over several years with the involvement of a number of actors, all contributing in different ways to overcome the various hurdles that may occur at the different stages of the innovation process.

417. Five years later the success of the project meant that Katadyn once again needed to upgrade its production process and once again is looking to work with its partners in the innovation chain to enable this to happen successfully.

### Conclusion

418. This case example demonstrates that the innovation process can be enhanced and promoted through partnerships. That is an important lesson, and one that applies equally in developing and developed countries.

419. Intellectual property rights play a key role in helping such partnerships to function well and facilitate working together at the various stages of the innovation process. They help ensure that each partner receives a fair share of the result of the innovation process they contributed to. Also, IPRs help build trust and confidence for a well-working partnership, by providing certainty and transparency about the ownership and protection of the innovation, enabling the legally safe transfer and sharing of such ownership through the share of benefits among the innovation partners.

420. TRIPS Delegates who did not have the opportunity yesterday to visit the Swiss stand and talk to the stakeholders represented there, but are still interested in the details of the case Switzerland just presented, are invited to let me know. We will then send you a copy of the Factsheet in electronic format.

421. Finally there is another opportunity today for delegates interested in innovation issues and the role of IPRs. Co-sponsored by the United States, the European Union and Switzerland, a panel event will take place during the lunch break. Seven entrepreneurs and innovators from a wide range of WTO Members will present their own experience, give advice and present case studies on the role of IPRs in their innovative ventures.

## **12.2 European Union**

422. I would like to share some reflections on the importance of innovation to development. I will start by asking some questions: how will we tackle challenges like climate change, energy supply,

the scarcity of resources and the impact of demographic changes? How will we improve health and security and sustainably provide water and high-quality, affordable food?

423. In Europe, we believe that innovation plays a key role in responding to all these questions. The European Union has assigned a central role to innovation to underpin the smart, sustainable and inclusive growth of the Europe 2020 strategy. Innovation is about promoting growth and ultimately benefiting societies. Innovation is not just research or technology development and its applications. It encompasses both research-driven and innovation in business models, design, branding and services that add value and respond to people's needs. It is about building and changing the whole system: products, processes, markets and organizations. It is about reaching the users, involving the suppliers as well as the consumers everywhere across borders, across sectors and across institutions.

424. Innovation is also about inclusiveness. Achieving the objective of transformative economies and societies requires the involvement of different actors in the innovation cycle, academia, public and private sector, civil society etc. In this perspective, not only major companies are important but also small and medium enterprises in all sectors and the social economy and the citizens themselves, often referred to as social innovation matter.

425. Cooperation through the innovation chain, including international cooperation, between countries as is the case here is also very important. In this context, the relevance of innovation also in relation to sustainability is evident. The sustainability agenda puts people at the centre and calls for working together to promote inclusive economic growth, social development and environmental protection. Europe 2020 also acknowledges the potential contribution to green economy to achieving sustainable development. A recent report by the Green Growth Best Practice initiative assessed the lessons from experiences of pursuing green growth across all levels of government and all regions. It pointed at green innovation policy, and labour market and skilled development policies as a prerequisite to a transition to green growth in many countries. This highlights that a green transformation requires more than technological innovation and needs to be complemented with open, social and financial innovation.

426. Finally, this report illustrates a clear payoff of government investment in green innovation as government investment in green research and development successfully translates into development and commercialization of breakthrough green technologies.

427. Let me now address the role of innovation and technology for the implementation of sustainable development goals. The creation of a favourable policy environment should include reforms to tackle fragmentation, modernization of education systems at all levels and capacity building in countries that still lag behind in the innovation chain. This requires enhanced cooperation between science and businesses and increased international cooperation in research and innovation by opening national research programmes. The UN's sustainable development goals also recognize the importance of research and innovation for agriculture and food security, clean energy, vaccines and medicines. In this context, research cooperation among countries will be central to ensure the co-creation of solutions as well as knowledge sharing. Ultimately this would favour the access to and ownership of the search results generated by all the actors involved.

428. The discussion often concentrates on the transfer of technologies through trade and gives relatively less attention to the transfer of knowledge and know-how that is possible through research cooperation. Innovation also entails a different use or application of existing technologies. Research and innovation cooperation is often more important than commercial aspects of the technology transfer process in the field of promising, but less mature technologies or technologies, that need to be adapted to local conditions. By jointly identifying areas of research and innovation cooperation, it is possible to set the basis for technology facilitation. Also the exchange of knowledge between regions of the world confronted with similar problems can contribute to create economies of scale that are important for technological deployment.

429. The EU research programmes are among the most open in the world and promote cooperation with non-European countries, both industrialized and emerging economies and also developing countries. Also taking into account their different research capacities through these programmes the European Union has supported a number of sustainable development-related

projects and international cooperation activities in different areas and across different disciplines, ranging from sustainable development governance to sector-specific activities. Also Horizon 2020, the new framework programme for research and innovation recognizes the need for increased international efforts and enhanced science policy dialogue. Sustainable development is an overarching objective of Horizon 2020.

430. In recognition of the importance of knowledge circulation, open access has been identified as a means to improve knowledge circulation and thus innovation. On this basis, open access will be mandatory for EU-funded research results, including publications and also on a pilot base, data, which will be produced with funding from Horizon 2020.

431. To conclude I would like to make a reference to yesterday's very successful event, the innovation fair, and to point out what we consider several of the most interesting elements that we saw there.

432. For instance, the European Patent Office had a stand, which included a number of studies that I have mentioned in previous interventions that I think bring absolutely crucial information to the debate about intellectual property and its role in the dissemination of environmental-related technologies. These studies were available there and some more were announced, so I hope you had the opportunity to see that part; the stand also gave us the opportunity to present the winners of the European Inventor award and their inventions.

433. The 2014 European Inventor award winners include very relevant inventions for developing countries. Let me give you a few examples. A new anti-tuberculosis drug invented by the Belgian researcher Koen Andries and his team is nearly twice as effective as a traditional treatment at eradicating tuberculosis in patients. It cures the disease just after eight weeks. These researchers extracted the molecule that cuts off the supply of energy to tuberculosis bacteria after a short time. The drug can be successfully administered to treat even the multi-resistant form of the disease and has the potential to cure up to 8 million people affected across the globe.

434. Another example is the pharmaceutical company, Janssen Pharmaceutica, which hopes to start the third test phase for a medication this year, so that in about six years it can be introduced all over the world. There are particular needs for such medication in countries like South Africa, India and China. Although this antibiotic has only been approved in the United States, Europe, South Korea and Russia, it can already be administered in exceptional cases, if there is an ethical commission agreeing to it. This means that this drug has already saved lives in South Africa.

435. We also saw several inventions in the area of water purification, including one by Danish entrepreneurs. This invention of a Danish team of chemists makes it possible to process water in its purist form without consuming large amounts of expensive energy. We saw another project by a small Austrian company that has a mechanism which, with the help of ultraviolet checks, ensures that water is purified.

436. We saw a very interesting Braille tablet by a Hungarian inventor that is destined for the visually impaired. We also saw so many other projects. It is a bit unfair that I cannot name them all but I think that colleagues will agree that this was a very interesting event and a very positive experience.

### **12.3 United States of America**

437. Today's agenda item on IP and innovation, and promoting awareness with case studies is intended to complement the first ever WTO innovation fair, which took place yesterday in the WTO Atrium. We hope that delegates and the Secretariat have had the opportunity to visit the fair and learn from the many participating inventors.

438. The fair, together with this item, reflect the critical importance of raising awareness regarding innovation and the enabling environment needed to stimulate innovation, including research and development, education, financing, partnerships, absorptive capacity and IPR protection and enforcement. Without public awareness of the many keys that unlock the potential of innovation, including IPR, innovation remains confined, its potential remains fettered and out of reach of those seeking to make a difference and to improve lives.

439. For this TRIPS Council meeting, we wanted to take a proactive approach to reflect in our deeds outside of the Council what we have been discussing inside the Council. We have endeavoured to build a bridge of awareness between what we do here as governments and what innovators do beyond the walls of the WTO. So that the former can better assist the latter. For us this bridge is the innovation fair. This event underscores and reaffirms the relevance and importance of these issues and our discussions on them, not only locally in our domestic markets, but globally for all beneficiaries of innovation, not only as a policy discourse but as a real world imperative.

440. In our efforts to have the courage of our convictions, in our intervention this morning action will take centre stage with words playing a supporting role. And there has been a tremendous amount of action, not only by the featured innovators, but by many delegations and others, to develop this idea. Like so many innovative ventures, the invention fair itself has been a truly intensive collaboration, involving a proliferation of good ideas and a tremendous amount of hard work.

441. Of course we want to thank the fair's co-sponsors, the European Union, Mexico and Switzerland and of course, with respect to the panel discussion this afternoon, Lithuania, too, as well as the many delegations from around the world, whose innovators are represented at the innovation fair, and who themselves have worked extremely hard to put this event together.

442. To set the stage, I note that some have enquired about the link between trade, IPR and innovation. For us, this relationship is quite clear. The WTO is positioned at the crossroads of global commerce and international law. Trade serves as one of the key conduits for innovation, and plays a fundamental role in voluntary technology transfer and know-how diffusion. Innovation is a priority as well as an imperative for all countries.

443. Its benefits are indeed not only economic, such as job creation and economic growth and development, but social as well, as they can provide solutions to local needs, and improve quality of life and its enjoyment. To secure these benefits, intellectual property is one of the key mechanisms to protect the promise of innovation and to combat the challenges we all face. This was confirmed yesterday by the fair and its many and diverse exhibitors.

#### Innovation themes

444. We want to turn to introducing the innovators themselves that have travelled from around the world to feature their achievements. And we want to do so in the context of our ongoing discussions, including on national innovation policies, university research, innovation incubators, small and medium-sized enterprises as well as green technology, sports, low-cost innovation and social entrepreneurship.

445. The innovation fair therefore is not an isolated event but weaves together the many concepts we have discussed previously and will continue to discuss in this Council. As delegates will recall, in our past meetings under this agenda item, WTO Members have shared their national experiences on a range of topics covering the life cycle of innovation, which are reflected at the fair. For example, several national and regional IP offices such as the European Patent Office, the Swiss Federal Institute of Intellectual Property (IPI), Lithuania's Patent Office and the U.S. Patent and Trademark Office, as well as WIPO and the WTO, were represented at the fair to describe various national innovation models.

446. In past meetings, we have also discussed early stage university research and innovation partnerships that can lead to start-ups and spin-offs. Such partnerships are exemplified by RUCONBAR rubberized concrete noise barriers designed in Croatia out of disposed end-of-life tyres and developed and patented at the Faculty of Civil Engineering in Zagreb.

447. And we have recently explored national incubator innovators, that shelter those innovative start-ups and spin-offs to help them. Several incubators, accelerators, and other innovative platforms, as well as numerous start-ups also featured prominently at the fair, such as Innoventures in Egypt, the Mexican Institute of Industrial Property, Lithuania's Agency for Science, Innovation and Technology, and the City of Knowledge in Panama.

448. The presence of small and medium-sized enterprises is also pervasive. Take for example, Ateknea, which is a Hungarian enterprise providing business and technological excellence to SMEs to develop their ideas into profitable innovative solutions; CrowdAnalyzer, an Egyptian start-up with a big data analysis solution; and REO systems, a French start-up, with a patent showing that even in curtains there is innovation.

449. The innovation fair also has big companies: Thales, a French company that specializes in open innovation and has a patent portfolio of more than 15,000 applications; Columbus Superconductors, an Italian company mobilizing superconductor technology for health and environmental response; Takram Design Engineering from Japan that among many other things has developed the water bottle for decades to come; a leading Japanese confectioner that has redesigned confection to reflect day and time of nutritional needs of each moment during the day. And of course there was Sound Candy from Turkey that has developed a candy that activates not only our taste but sound, smell, touch and sight senses.

450. The innovation fair also placed a heavy emphasis on green technology, which has been a consistent innovation theme here in the TRIPS Council. Several companies exhibited groundbreaking and sustainable technologies to address pressing environmental challenges. These include the ECO-SANDWICH® from Croatia, which is a prefabricated wall panel utilizing recycled construction and demolition waste and mineral wool. It achieves multiple environmental objectives, including the 20-20-20 goals of a 20% increase in energy efficiency, a 20% reduction of CO<sub>2</sub> emissions and a 20% increase in the use of renewables by of course 2020. In addition, we are pleased that WIPO was available to participate with presentations on WIPO GREEN and WIPO Re:Search.

451. Finally, returning close to home here in Switzerland as our Swiss delegate just explained, Katadyn has established individual water purification systems and products, which I must say, are quite popular in the United States.

452. We also wanted to touch in more detail on two of the themes that have been discussed here in previous Council meetings. And those are sports and low-cost innovation.

#### Sports Innovation

453. Regarding sports, Nike was among the exhibitors featuring in its innovative approach. As an innovator, Nike exemplifies the profound role innovation and creativity play in the sports sector, and the importance of intellectual property to that sector. And this is not limited only to Nike's efforts to get us to cross the finish line faster or putting the puck in the net more frequently, but also in promoting sports at the grass-roots level, including promoting youth, sports, and sports for women, indicative of the importance of intellectual property to Nike. The company has over 8,000 trademarks in over 205 countries, and its patent portfolio was ranked number one by the Wall Street Journal.

454. Like in other sectors, intellectual property is a critical asset that is monetized to further promote athletic endeavours. Broadcasting monetizes copyright, branding and sponsorship monetize trademarks, and the use of new technologies monetizes patents and trade secrets.

455. That revenue which intellectual property helps to create, in turn, helps to advance sport. The question for Nike is not why innovate or whether to seek IP protection for its own sake, but how to put IP into action to promote innovation for the sake of sport.

456. Innovation and the IPRs that secure it are means to the end of benefiting sport, including athletes and spectators alike, through providing safer and better equipment, supporting athletes and teams, heightening the thrill and excitement of competition, and setting new records.

457. Intellectual property is not only a key feature of Nike's innovative-orientated business model. It is critical to the sustainability of sports teams, both big and small, international and local, for the ability to catalyse the creation and improvement of sports equipment, and to supporting and inspiring the next generation of athletes.

### Low-cost innovation and social entrepreneurialism

458. Finally, we wanted to conclude with several innovation fair participants that epitomize low-cost innovation and social entrepreneurialism.

459. The first is the Helioz WADI ultraviolet measurement device from Austria that literally visualizes the process of solar water disinfection, and which is solar powered and operates without the use of any chemicals. According to sources, 80% of all illnesses and deaths caused by diseases in developing countries derive from insufficient or contaminated drinking water supply. Over 50% of all hospital beds in developing countries are occupied by people who suffer from disease caused by contaminated water. And it is always the most vulnerable who have to pay the highest price. Each year, 1.5 million children under the age of five die because of unsafe water. This is equal to around 4,000 children every day. The water disinfection tool developed by Helioz has the potential to save millions of lives.

460. Turning to Hungary, engineers there have developed a high tech interactive solution mentioned by my European counterpart for visually impaired persons that contributes to the promise of iPad-like uses for persons with visual impairments.

461. And finally, Johnson & Johnson development in China and India, which is also featured at the fair, echoes the same theme regarding the importance of need-driven and use-conscious innovation. Take Johnson & Johnson's work designed to increase access to high quality medical devices, including knee replacement kits for use by un-served patients in India and China that reflect not only advances in technology, but also the anatomical and ergonomic characteristics of its specific users. Johnson & Johnson's initiative provides devices to the under-served surgeons that are relevant to their needs and simple to use.

462. These are not only cutting-edge products that improve the lives of patients in two countries. The researchers, doctors, manufacturers, and others involved in the creation and production of these products are integrated at every stage of the innovative life cycle, so that these products meet local needs, address local challenges, and serve all those who use them.

463. To conclude, the innovation fair is a maker space. It is an enabling environment. It is an idea accelerator. The TRIPS Council can be all of these things too. In our view, the innovation fair and the TRIPS Council are not so very different. They may use different means but can promote the same end, that of innovation.

464. Our discussions in the TRIPS Council are meant to raise awareness about what promotes innovation and what hinders it. One country's experience may be relevant to others for their own innovative objectives. Your governments may ask what policies, practices and programmes have led to the kinds of technologies we see at the innovation fair, or that have yet to be imagined. Our discussions in the TRIPS Council may provide some of those answers. But like all innovation, while it is imperative, it is not inevitable. While risk is certain, reward is not.

465. As we have demonstrated here in the Council, and the innovation fair exhibitors have confirmed, IPR is critical to responding to that imperative and to managing that risk.

466. We look forward to hearing from delegates today about their efforts to raise awareness about innovation. We invite you to go to the Atrium and visit the innovation fair, if you have not already done so. In addition, we want to take the opportunity to note again the panel event taking placing in room S3.

### **12.4 Ecuador**

467. In relation to the case studies being presented under this agenda item, the Republic of Ecuador would like to inform Council Members about the country's efforts in the area of innovation and its relationship with intellectual property.

468. Ecuador's aim is to build a social knowledge economy. To this end, it has developed an inclusive Social Innovation System that seeks to coordinate the academic and production sectors so that innovations deriving from learned society can develop into products or services that are both necessary and useful for society.

469. This Social Innovation System comprises coordinated and correlated rules, policies, instruments, processes, institutions, bodies and individuals from the social knowledge economy, with a view to generating science, technology, innovation and creativity as fundamental elements that bring value and wealth to society.

470. The System's objective is to link the knowledge sector with the production sector, so that the research and development generated in learned society results in innovations that meet society's needs. The vision is one of a dynamic and consolidated system that will link together learned society, businesses and companies, with a view to providing services and tools that enable Ecuador to develop innovative undertakings that help to change the production matrix.

471. Ecuador understands innovation to mean the creative and collaborative process through which a new or significantly improved value added product, service or process is introduced, which modifies and creates new social behaviours with regard to problem solving, improving individual or collective capacities, meeting society's needs, and effectively exercising rights. It seeks to generate social, economic, cultural and technological impacts that promote living well.

472. In this context, the National Secretariat for Higher Education, Science, Technology and Innovation focuses on providing support for innovative undertakings, defined as actions aimed at developing a new or significantly improved product or service, the most important factor of which is the use of knowledge generated on the basis of research processes, experimental and technological development or science based creative processes.

473. To this end, through the National Secretariat for Education, Science, Technology and Innovation, Ecuador will offer specialized services to promote innovative undertakings. These services consist of activities relating to the development of ideas with market potential, market surveys, prototype production, business model development, intellectual property management, networking, investment and financial portfolios, and the provision of shared physical spaces.

474. Its main project will be to implement a search and support plan for innovative research activities or undertakings called the Ideas Bank. This programme will be implemented through a virtual platform, the aim of which is to develop projects and ideas with innovative potential and facilitate their implementation with a view to meeting the needs and demands of society and the production sector. To meet this objective, the Ideas Bank seeks to create collaborative networks of actors related to science, technology, innovation, the production sector, and society in general, with a view to promoting synergy and fostering an environment that makes the development of innovation possible.

475. The Ideas Bank accepts projects from any person, team or institution that has an idea with innovative potential, i.e. potential new or significantly improved goods or services that can be incorporated into the production sector. Once registered, the person, team or institution will be able to upload details of their project with innovative potential, with a view to accessing the services that are offered by the Ideas Bank to develop ideas and transform them into innovations. These services include the accreditation and linkage of spaces for the development of innovative projects which combine infrastructure with mentoring services. An idea remains in the development stage until it is converted into an innovative undertaking through advice and technical assistance.

476. These services will promote responsible scientific research, technological development and social innovation, with a view to ensuring the transition from an exclusive production matrix based on the extraction of finite resources to an inclusive and democratic production matrix based on the intensive use of infinite resources, i.e. knowledge, creativity and innovation.

## **12.5 Panama**

477. We would like to thank the delegations of the United States, Switzerland and the European Union for including this item on the agenda. Panama recognizes that innovation is a key engine of economic growth and promotes public policies geared to fostering innovation.

478. This year, Panama ranks third amongst countries of the Latin American and Caribbean region in the Global Innovation Index 2014. Our main areas of strength include infrastructure, innovation

linkages, knowledge absorption, creative goods and services, and online creativity. There are still many areas in which we can improve and continue supporting and promoting innovation and the use of intellectual property, but we are committed to improving our performance in the areas of principal concern and strengthening our position in those where we have shown that we have a competitive advantage.

479. Panama works through public institutions such as the National Secretariat of Science, Technology and Innovation (SENACYT), whose main task is to transform science and technology into tools for the country's sustainable development. Its projects and programmes are focused on enhancing Panama's scientific and technological development, and thereby bridging the inequality gap and promoting equitable development, so as to improve the quality of life of our citizens.

480. In the private sector, our Government provides incentives and support through legislation and private initiatives such as the City of Knowledge, a knowledge management platform focused on boosting the innovative and competitive capacities of the users who share the campus.

481. The business accelerator programme of the City of Knowledge provides motivation and awareness-raising for users to undertake new projects, beginning with a phase of advice on development and opportunities and ending with a phase of resource mobilization and internationalization. The business accelerator offers entrepreneurs a suitable environment for consolidating their business ideas and facilitating the necessary competitive leap to strengthen the operational aspect of their activity. The City of Knowledge is participating in the innovation fair taking place today in the atrium, and we invite you to visit and learn a little more about this Panamanian innovation incubator model.

## **12.6 Japan**

482. First of all, this delegation would like to extend its congratulation for the great success of yesterday's innovation fair and express its gratitude to the European Union, Switzerland and the United States for their efforts in jointly proposing this agenda item. Japan appreciates this opportunity to share its experience on how we have been raising awareness on intellectual property. We believe that our experience in promoting awareness is useful for other Members.

483. My delegation recognizes the importance of promoting awareness on IP as a means of encouraging innovation and facilitating economic activities worldwide. In this regard, Japan has been making various efforts to promote awareness on IP from two different perspectives that are related in some respects. They are how to encourage SMEs to make full use of the IP system, on the one hand, and how to raise awareness on IP in the general public, on the other hand.

484. With regard to SMEs, my delegation would like to make a brief remark about two initiatives designed to encourage SMEs to utilize IP. In 2011, the Japan Patent Office established IP Comprehensive Support Counters in 57 cities in Japan. These Counters provide comprehensive support on a variety of IP issues all in "one stop", so to speak. For example, they give free consultations, mainly to SMEs, on how they can file patents, create design and brand strategies, license IP, protect their IP against counterfeits, and expand their businesses overseas. These Support Counters responded to more than 148,000 inquiries in fiscal year 2013.

485. The Japan Patent Office also published a booklet entitled "2014 Collection of Outstanding Companies Utilizing Intellectual Property Rights", in February 2014. This booklet is distributed as hard copies nationwide and is also available on the Japan Patent Office's website. It gives best practices implemented by 139 SMEs, showing how they utilized their proprietary IP successfully in their businesses. These best practices serve as useful references to other SMEs, and encourage them to protect and disseminate their own creative technologies utilizing IPRs as leverage.

486. I will now speak about the initiatives that were focused on the general public. In order to raise further awareness on counterfeit products, the Japan Patent Office has been conducting an "Anti-Counterfeiting Campaign" every year since 2003, providing educational material such as videos on the Internet as a means of informing the public of the risks associated with purchasing counterfeit products.

487. With regard to piracy, the Manga-Anime Guardians Project was launched with the mission to bring "genuine creations" to Manga-Anime fans all over the world. To achieve this objective, the Ministry of Economy, Trade and Industry, METI, is working on the measures, not only to take down pirated copies of Manga and Anime from the online space, but also to create a scheme to guide fans to legitimate sites and to promote awareness on copyright among viewers and consumers. Through these initiatives, the METI aims to support and expand the fan base of Manga and Anime and to popularize the idea of making proper compensation for creative works. Also noteworthy is a special promotional short movie "Thanks, friends", which consists of "Thank You" footage from selected masterpieces of Japanese Manga and Anime. Please visit and watch this special movie.

488. Lastly, we would also like to explain about the "WIPO Manga Competition", which was organized by the WIPO Japan Office under the sponsorship of the Ministry of Foreign Affairs and the Japan Patent Office. The manga, or cartoon, that won the competition is published on WIPO's website both in English and Japanese. The useful material in manga format informs readers about the risks and dangers of counterfeit products, in a clever, eye-catching, and easily understandable way.

489. Japan remains committed to raising awareness on IP in various ways and supporting innovation. We would be pleased to share more information in this regard with other Members.

### **12.7 Chile**

490. We would like to thank the co-sponsors of this agenda item, and those who convened the first innovation fair at the WTO. This activity is the first time that the organization has opened its doors to the public on the basis of a Member-driven initiative, which we hope will be kept up over time as a regular activity of the organization.

491. In the case of Chile, the National Institute of Intellectual Property created in 2009 wants us to contribute to the development of the economy through stimulating entrepreneurship, innovation and creativity. This is on the basis of a clear commitment to protect industrial property, as well as to disseminate our technological legacy in all the available information. INAPI has shared with us through experiences of Chilean inventors who have worked in the institute and have dared to pursue their dreams, protecting their creations through invention patents. These were documented in videos, exposed at the fair. They are a tangible proof of the incentive for innovation and industrial property in this aspect. They provide a direct contribution to our society which can generate products which favour health and sustainable development with a direct impact on the quality of life.

### **12.8 Mexico**

492. The innovation fair, as mentioned by other co-sponsors, was extremely successful. It is certainly the first public event of its kind organized at the WTO. Other delegates who have preceded me in taking the floor have already mentioned sufficient details about the fair, and the real impact and the result of protection of intellectual property such as a new water bottle, a water purification system, superconductors or adapting a special prosthesis in a certain region. Mexico showed a video on the history of IP protection in Mexico since 1821 and provided brochures about procedures to obtain protection of patents and trademarks from the Industrial Property Institute of Mexico.

### **12.9 India**

493. My delegation would like to thank the delegations of the European Union, Switzerland and the United States for tabling this agenda item.

494. Let me just recall our intervention when the agenda item on Intellectual Property and Innovation was first introduced in the TRIPS Council. Our statement is still relevant when we are discussing 'Promoting Awareness; Case Studies' under the broad theme of Intellectual Property and Innovation. In that meeting, India pointed out that the word "innovation" appeared just once in the TRIPS Agreement, in Article 7, which states that "intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology," not for the sake of innovation itself, but "to the mutual advantage of producers and

users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations." Thus the TRIPS Agreement makes it very clear that the purpose of the intellectual property system is not solely to protect the commercial interests of the intellectual property holder, but it is one of the many tools available to the society to achieve technological development, social and economic welfare and innovation.

495. According to Petra Moser, Patents and Innovation: Evidence from Economic History, Journal of Economic Perspectives—Volume 27, Number 1—Winter 2013—Pages 23–44:

"Overall, the weight of the existing historical evidence suggests that patent policies, which grant strong intellectual property rights to early generations of inventors, may discourage innovation. On the contrary, policies that encourage the diffusion of ideas and modify patent laws to facilitate entry and encourage competition may be an effective mechanism to encourage innovation."

496. Innovation should not be viewed within the narrow prism of intellectual property monopolies, but framed within a holistic, knowledge ecosystem that includes open innovation, open knowledge approaches and the de-linkage of R&D costs from product prices. According to the WTO, WHO and WIPO Trilateral study, Promoting Access to Medical Technologies and Innovation: Intersections between Public Health, Intellectual Property and Trade (2013) (Page 126):

"Patent law is not a stand-alone innovation system. It is only one element of the innovation process, and one which can be deployed differently in diverse innovation scenarios. Patent law has little bearing on many other factors that lead to the successful development of technologies, e.g. the nature and extent of demand, commercial advantages gained by marketing and ancillary services and support, commercial and technical viability of production processes, and compliance with regulatory requirements, including through effective management of clinical trials data."

497. The Trilateral Study also highlights that innovation in medical technologies for neglected diseases suffers from market failure as conventional IP-based incentives do not correspond to the nature of demand for treatments of these diseases. To overcome the market failure of the IP system for neglected diseases, the Trilateral Study mentions open innovation structures such as the Open Source Drug Discovery (OSDD) model of India's Council of Scientific and Industrial Research (CSIR), collaborative research such as WIPO Re:Search Sharing Innovation in the Fight Against Neglected Tropical Diseases. The study also talks about the concept of delinking the price of the final product from the costs of R&D by 'push' mechanisms, such as grant funding and tax credits for investment in R&D and by 'pull' mechanisms that offer rewards for the final outcome of R&D of certain products.

498. The Executive Office of the President of the United States, President's Council of Advisors on Science and Technology (PCAST) published a report to the President on combating antibiotic resistance in September 2014. According to the report, antibiotic-resistant infections are associated with 23,000 deaths and two million illnesses in the United States each year and estimates of annual impact of antibiotic-resistant infections on the US economy is about US\$55-70 billion. The report states that market failure is the reason for the inadequate state of antibiotic development, as the economic return on developing new antibiotics is currently too low to elicit adequate private investment and innovation. The report also suggests 'push' and 'pull' mechanisms to incentivize the development of new antibiotics. One of the pull mechanisms suggested is 'delinking' antibiotic usage from revenues:

"A variety of incentive models have been proposed, including user licences, lump sum prizes, patent buy-outs, and payments to hold drugs in strategic reserve. These models would provide reduced risk to potential developers (the economic reward is defined), reduced risk to users (their cost is contained), and would allow the resulting antibiotics to be managed as a strategic resource so as to preserve their effectiveness for critical uses. In addition, these models would not create incentive for a drug maker to increase sales of the antibiotic in order to make more money. (Page 39)"

499. As part of the trilateral cooperation between the WHO, WIPO and the WTO on innovation and access to medicines, we request these Organizations to organize a symposium on "New Business Models for Fostering Innovation and Access: Innovation Inducement Prizes and Open Source Development Models."

500. With regard to the awareness programmes on IP and Innovation, India declared the decade of 2011-2020 as the Decade of Innovation. The spirit of innovation has to permeate all sectors of the economy from universities, business and government to people at all levels. The future prosperity of India in the new knowledge economy would increasingly depend on its ability to generate new ideas, processes and solutions, and the process of innovation would convert knowledge into social good and economic wealth.

501. In India, many Government institutions at centre and state level, industry organizations, and non-governmental organizations are involved in creating awareness about intellectual property. Due to lack of time, I will restrict myself to IP awareness programmes of only two institutions: the Patent Facilitation Cell of the Department of Science and Technology; and the Intellectual Property Office.

502. The Patent Facilitating Centre (PFC) was set up by the Department of Science and Technology at the Technology Information Forecasting and Assessment Council (TIFAC) in 1995. The Patent Facilitation Centre, along with its 26-satellite Patent Information Centres (PIC's) in various states and 71 intellectual property cells at various state universities create awareness about intellectual property rights among the people through awareness seminars, workshops, lectures, talks, exhibitions and publications.

503. The Indian Intellectual Property Office has undertaken extensive outreach programmes for the last several years for promoting IP awareness in the country. In the year 2013-14, the Intellectual Property office focused on the promotion of IP in the industrial clusters related to specific fields of technology. In the current financial year, the Intellectual Property Office, in association with the Industry Associations, is conducting a series of specific awareness programmes on intellectual property. These are two-day programmes, of which the first day will be used to impart awareness to local industry and government department officials, while the second day will be devoted to creating awareness about intellectual property in the academia. The programmes will specifically target students, research scholars, lecturers and professors, micro, small and medium enterprises (MSMEs), and start-ups and government officers.

504. I would like to conclude by stating that there is no direct correlation between 'Intellectual Property and Innovation' and that countries have to define the path depending on their level of socio economic development.

## **12.10 Canada**

505. Canada is pleased to discuss this agenda item as part of the ongoing theme dealing with IP and innovation. These agenda items have been useful in illustrating the significance of the TRIPS Agreement in spurring innovation.

506. The Canadian Intellectual Property Office (CIPO) is responsible for administering Canada's system of IP rights. Their 2012-2017 Business Strategy includes a focus on better understanding customers' innovation and IP needs, as well as undertaking targeted outreach to ensure that the IP system supports innovation in Canada.

507. In light of this mandate, CIPO has engaged in targeted outreach efforts to promote a better understanding and knowledge of IP among small and medium-sized enterprises (SMEs) in Canada, and has expanded its IP awareness strategy to add the education sector as a target group.

508. One initiative that assists in public awareness of IP in Canada is CIPO's IP Case Studies programme. IP Case Studies are teaching tools for colleges and universities designed to demonstrate the strategic value of IP to students. They aim to give students a baseline knowledge of IP, foster classroom discussion of the use of IP in the inventive process, and explain how IP can be a competitive advantage in business. These teaching tools are designed to reflect realistic career situations for students, particularly those studying engineering, science, business, and

industrial design. Since the launch of the IP Case Studies project in September of 2009, CIPO has delivered over 500 IP case studies to universities and colleges across the country, primarily in science, engineering and business faculties. CIPO has successfully delivered sessions at more than 70 post-secondary institutions across Canada. The IP case studies are also acknowledged as being of high quality with educational institutions from over ten countries having approached CIPO to ask permission to use them, including institutions in the United States, the United Kingdom, France and Chinese Taipei.

509. Another outreach activity involves IP information sessions that are delivered to SMEs and post-secondary institutions through a collaborative effort by CIPO and the Intellectual Property Institute of Canada. These sessions aim to provide SMEs and post-secondary institutions with a better understanding of the best IP options relevant to their particular situations. In 2012–2013, 322 IP information sessions were conducted for the business and post-secondary communities across Canada.

510. CIPO has been helping Canadian businesses to make more effective use of IP assets and information by reaching them through events, seminars, and its website and call centre. CIPO is also working very closely with key intermediary organizations engaged within the innovation ecosystem in Canada. For example, one-day IP training sessions have been provided to business advisors working with exporters, including over 250 Trade Commissioners from the Department of Foreign Affairs, Trade and Development.

511. In February and March 2014, Industry Canada hosted a national series of roundtable discussions with business leaders and leading IP practitioners to discuss IP and identify actions that could be taken to further support investment and innovation in Canada. Overall, roundtable participants expressed a general view that Canada's IP system is sound and well administered. However, they also pointed to a number of challenges they face in using the IP system. Small and medium enterprises in particular indicated they find securing IP rights costly, complex and time-consuming, and called for greater IP awareness-raising initiatives and information tools to help them build their IP expertise. In response, a series of workshops were also held across Canada in 2014 on the importance of developing an iron clad integrated IP strategy at the firm level. Workshops were well received by industry. Industry Canada is currently examining what additional initiatives could be developed to meet this need.

512. Additionally, since June 2012, CIPO has held multiple roundtable consultation meetings with nearly 200 innovative SMEs and university Technology Transfer Offices across Canada. These meetings provided an opportunity to meet with innovators to understand their needs, their expectations, and the barriers they face in effectively using and leveraging IP to support their business goals. The insights on the requirements of innovators and the innovation cycle in which they operate are now driving CIPO's priorities and performance goals.

513. Economic prosperity in a global economy is driven by new ideas and knowledge-based industries. Public awareness of IP is essential to ensure that businesses, governments, and educational institutions understand that an effective IPR regime is a crucial incentive to foster innovation and creativity, attract new investment, and stimulate economic growth.

## **12.11 Hong Kong, China**

514. I would like to start by thanking the European Union, Switzerland and the United States for bringing this item under the "IP and Innovation" series to the meeting again. To Hong Kong, China, promoting awareness in IP and innovation is an interesting and important subject. We are more than happy to participate in related discussions.

515. Innovation technology and the cultural and creative industries are important drivers of our economy. Both the stakeholders and government have contributed considerably to their sustainable development.

516. Innovation technology has seen rapid growth in Hong Kong, China in recent years. Between 2001 and 2012, our gross R&D expenditure had grown by an average of 7% annually, to about US\$2 billion. During the same period, the number of R&D personnel more than doubled, to over 25,000. Since 1999, the Government has supported more than 4,000 projects with approximately

US\$1.1 billion from the Innovation and Technology Fund. In the wake of previous successes, we are increasing funding for SMEs and universities. We are also expanding the hugely popular Hong Kong Science Park – its Phase 3 will have a strong focus on green technologies.

517. Hong Kong's cultural and creative industries contribute to about 5% of the GDP and provide more than 200,000 jobs. The Government has set up the US\$ 41 million Film Development Fund and the US\$77 million CreatSmart Initiative to provide financial support for producing small-to-medium-budget films, nurturing talents, facilitating start-ups, and promotion and market expansion in such sectors as film, music, design, architecture, advertising, publishing and digital entertainment. Public resources are also available for nurturing local art groups, talents and administrators, and promoting art in schools and the community. In 2014-15, the related expenditure is expected to be about US\$450 million.

518. From the above you can easily identify the usual enabling factors: strong R&D capabilities, vibrant talent pools, outstanding infrastructure, world-class universities and training institutes, and funding support. What is not so visible but equally, if not more, important is an enabling innovative environment in society and a robust IP rights protection regime.

519. We consider that promoting awareness of innovation and IP rights among the public, especially children and young people, is a priority because as rights holders, they should understand their interests and how to protect them; and as users, they should know how to enjoy IP without infringing upon the interests of others.

520. At different stages of school education, we introduce to students from different perspectives the concept of intangible property and the value of IP rights and the need to respect them. When they reach a more senior level, we ask students to look at IP rights from the perspective of a consumer. As a sensible consumer, the student has to think about not only value for money and consumer rights, but also issues such as environmental protection and IP rights.

521. Outside the curriculum, we also organize school visits and education initiatives, such as the Interactive Drama Programme to arouse the students' interest. We also use other interactive channels such as seminars, competitions and music shows.

522. For the business community, we organize seminars and exhibitions with a view to helping them, especially SMEs, to understand the importance of protecting their IP rights and know more about innovation and IP management.

523. Among the general public, we promote innovation and IP rights protection through posters, public lectures, TV advertisements and the website of the Intellectual Property Department. In 2014-15, more than US\$1.2 million has been earmarked for organizing public education and awareness programmes for IP rights protection.

524. Intellectual property is an ever-evolving area and we have been improving our IP regime to catch up with the latest trends. To ensure our IP rights protection regime is more robust and up-to-date, we are looking into an "Original Grant" Patent System and have recently introduced the Copyright (Amendment) Bill 2014 to the Legislative Council. Together with other new support measures being developed for trade enabling, IP creation and exploitation, intermediary services, promotion and education, we hope these initiatives will help consolidate and enhance Hong Kong's position as the premier IP trading hub in the region.

525. We are glad to have heard a number of inspiring ideas in this room. Hong Kong, China looks forward to more interventions today and further discussions in future.

## **12.12 Chinese Taipei**

526. Our delegation would like to join others in thanking the European Union, Switzerland and the United States for adding this item to the Agenda, and for their introduction to the subject. We are very happy to share our own experiences with Members in the perspective of how we raise awareness of IPR protection and promotion.

527. First of all, we must bear in mind that education plays a vitally important role in changing people's behaviour. We believe that both educators and students can help to reduce the growing prevalence of copyright piracy and trademark counterfeiting simply by learning more about the whole subject of IPRs themselves, and by spreading the word that respecting IPRs is in everyone's interest.

528. For this reason, my government recently launched the "Action Plan for the Protection of Intellectual Property Rights on Campuses" and the "Industry Academy Cooperation Plan". We have been making a considerable effort to raise awareness among teachers and students of the need for, and the importance of, IPR protection and promotion.

529. I should like to describe to you, some of the main elements of this Action Plan, and how it has been working so far:

530. Each university has been asked for specific details of the IPR Protection and Innovation Programme. These are important criteria in the Ministry of Education's decisions as to the size and destination of budgets allocated to both public and private universities.

531. Each public and private university and college has been asked to ensure that on-campus compliance with IPRs is in place, and to actively promote the use of legally published textbooks only. On-campus businesses that provide copy services must be informed that they are not permitted to engage in copyright piracy, and this must also be stipulated in all contracts with off-campus businesses that provide such services.

532. Management internal control systems and mechanisms for campus copying are to be established as well.

533. The Ministry of Education has asked each university to submit a report each year of the results from its implementation measures on this matter. These self-review reports are to be published online for public scrutiny, and they will become one of the criteria used for institutional evaluation.

534. The Ministry of Education has placed the issue of IPR protection and innovation promotion on the agenda of the several conferences of University and College Presidents, Deans of Academic Affairs and other similar annual conferences. It has also asked universities and colleges to step up their efforts to promote and implement the two action plans.

535. Lastly and the most important, my Government recognizes the growing importance of innovation and entrepreneurial activity in the new era of the knowledge economy. To face the challenge of global economic change and competition, we realize the necessity to further the development of a high-quality environment for IP innovation on campuses.

536. We launched the Industry Academy Cooperation Plan to facilitate the transfer of technology among academies and entrepreneurs.

537. Since 2002 we have established six regional industry-academia cooperation centres, providing assistance to a total of 90 (technological) universities/colleges. Last year, the US\$230million investment in such cooperation resulted in the granting of 2,344 patents and US\$5.6million in technological transfer.

538. This year we organized a series of information meetings on successful patent portfolios to help industries learn more about patenting trends in targeted fields, improve patent application quality, and develop strategies for coping with patent litigation across borders. With emphasis on information communications, green energy, and biopharmaceuticals, the series offered courses by patent examiners and industry representatives, with the aim of strengthening industrial competitiveness, spurring development and transition in the industry.

539. In addition, we provide training courses for university technology transfer institute personnel, strengthening their R&D capability and applicability.

540. As Nelson Mandela said, "Education is the most powerful weapon which you can use to change the world." We are convinced that IP education will increase awareness of and respect for IPRs, and will effectively and noticeably reduce copyright infringement. Through education, we believe we can also promote a greater sense of appreciation for creation in our society.

### **12.13 El Salvador**

541. Our delegation would first like to thank the proponents for placing this item on the agenda and also thank the delegation of Switzerland for the organization of this first innovation fair in the WTO.

542. Our delegation would not like to miss this opportunity in indicating our pleasure and admiration for the reports submitted by two Members, Ecuador and Panama, and I would refer first of all refer to Ecuador's presentation. I note that they have taken a step forward through the creation of an academy within the system for social innovation. My delegation will be holding bilateral contacts with Ecuador, so as to know more about this initiative.

543. With regard to the information from the delegation of Panama, we would like to extend to them our congratulations on the important ranking they have achieved in the Innovation Index and also for the work being done in Panama. El Salvador is fully aware of the benefits of this. We were very pleased to hear how they take the innovator by the hand through the full steps of a project, which becomes a reality on the ground. And we would like to thank Panama for this report, which will help to guide us in our own domestic innovation policies we may be implementing.

### **12.14 Australia**

544. I would like to echo the comments made by previous delegations and thank the proponents for bringing forward this agenda item and also the organizers and participants of the innovation fair, which is an excellent initiative.

545. Innovation is critical to the growth of our economy. It makes our economy more competitive and creates investment. In recognition of this, Australia was pleased to launch the hosting of the 2014 Global Innovation Index in Sydney in July. This Index, co-published by the World Intellectual Property Organization, Cornell University and INSEAD Business School, looks at how economies around the world support innovation. We commend this study to those who have not yet had the opportunity to review it.

546. As highlighted at the launch, Australia's experience is that four features within its IP system have been important in supporting innovation. Firstly, striking a balance between encouraging innovation and ensuring equitable access to new technologies, products and services. Secondly, providing investors with an opportunity to recoup the investments necessary to bring ideas to the marketplace. Thirdly, ensuring that innovators can obtain the rewards from their research and development and can fund further research. Finally, promoting further innovation through access to information, new technologies and content.

547. We have also found that Australian businesses that innovate are three times more likely to export and 18 times more likely to increase the number of export markets targeted than those that do not.

548. We also recognize the importance of leveraging innovation occurring outside of Australia. As a net importer of intellectual property, Australians need access to the creative works and inventions of our trading partners and our approaches also support this need.

549. In closing, Australia is committed to supporting innovation and ensuring that we both have access to the innovation of others and enable Australians to contribute to the pool of innovative and creative ideas.

### **12.15 Brazil**

550. Brazil would like to thank the delegations of the United States, the European Union and Switzerland for proposing this agenda item and welcomes the debate on IP and innovation: promoting awareness; case studies. Raising awareness of the tools offered by the IP System to incentivize innovation is a very important goal of public policies.

551. At the outset, as it was also stated by other delegations, it is important to highlight that patents are far from being the only element driving innovation. They are only one in a larger mix of different tools that promote innovation. Having the right infrastructure for innovation, collaboration on research, the flow of ideas among different innovation players, and access to knowledge are often more important ingredients of innovation.

552. My first comment is that any in-depth discussion on this topic must be based on the realization that the granting of exclusive intellectual property rights can only be justified to correct a potential failure in the markets of technology and knowledge.

553. That correction of situations of market failure entails costs for society. By establishing monopolies, however provisional they may be, protection of intellectual property can impair market efficiencies in allocating production factors and resources. To compensate for the possible costs of misallocation, the intellectual property system demands, in return for the granting of exclusive or monopolistic intellectual property rights, full disclosure of the know-how of the protected invention, in such a way that society as a whole may benefit from it and build upon it.

554. This essential trade-off to the patent system has another component: to be able to apply for protections, inventions must be, according to Article 27 TRIPS, novel, useful and non-obvious. Not all innovations or inventions should be entitled to patent protection. This is clear enough. However, what exactly should be protected and how to translate the three conditions for patent application in Article 27 into national legislation and regulations remains one of the most divisive issues whenever one discusses the current international patent system.

555. Against this background, the greatest challenge for public policymakers in any country is arguably how to design a theoretically "optimal" IP system that would be capable of generating incentives for investment in innovation, while at the same time minimizing losses caused by the granting of IP rights.

556. Having said that, our delegation would like to mention one successful case study of innovation and its interesting relation with the IP System. In 2003, a group of Silicon Valley engineers founded a company to develop electric vehicles. Today, after only 11 years since its start, that company employs more than six 6,000 workers.

557. One of its success stories is a sports car that can go from 0 to 60 mph, 0 to almost 100 km/h in 3.7 seconds and travel for 245 miles or almost 400 km per charge.

558. In 12 June, one day after the conclusion of our last TRIPS Council, the CEO of the company made public he would radically change the IPR policy in order to foster the access to their technologies and expand the usage of electric vehicles. They started an open-source policy aimed at strengthening the position of that automotive company and spreading the usage of their technologies. According to the words of the CEO:

"(...) we felt compelled to create patents out of concern that the big car companies would copy our technology and then use their massive manufacturing, sales and marketing power to overwhelm us."

Still according to him:

"Technology leadership is not defined by patents, which history has repeatedly shown to be small protection indeed against a determined competitor, but rather by the ability of a company to attract and motivate the world's most talented engineers."

559. With that, we would like to state once again that national policymakers have over their shoulders the responsibility of creating the necessary balance in the IP system that can foster innovation, avoid unnecessary barriers to trade and incentivize the adoption of the latest

technologies. In performing this task, it is necessary to bear in mind the experience of innovators and their interaction with the patent system.