



**GLOBAL TRADE & INNOVATION  
POLICY ALLIANCE**

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**A Joint Declaration of the Critical Importance of Strong Intellectual Property Rights  
for Innovation and Economic Development for the Benefit of All Peoples and Nations**

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Since the 19th century, nations have found a strong consensus on shared protections for intellectual property (IP). Two foundational IP treaties—the Union of Paris for the Protection of Industrial Property (1883) and the Berne Convention for the Protection of Literary and Artistic Works (1886)—date back to then. The need for protections for IP has only grown since, and dramatically so. The value of IP as a proportion of the world economy is greater than it has ever been, and it continues to grow. Not only therefore have incentives grown to steal IP, but the means to do so, given the proliferation of digitization and computer networks, are much easier.

As such, intellectual property is increasingly vital as global trade becomes more about “intangible” products and services, based on research and development (R&D) efforts, brands, and patented or copyrighted technology, rather than about moving physical goods from their point of manufacture to customers in different countries.

IP rights (IPRs) are important for all countries, including those that have yet to achieve high-income status. Such countries need to grow their output of innovation and higher-value-added, knowledge-based goods and services. This will require deeper integration into global R&D networks and manufacturing value chains, which are increasingly knowledge-based.

A strong framework for the protection of intellectual property rights is key to this transition, in part for bringing certainty to foreign investors, who import with them valuable knowledge, technology, and technical capacity that may be lacking locally, and because strong IP rights also encourage local businesses and entrepreneurs to develop goods and services and enter into cross-border alliances and partnerships.

In spite of these factors, a small chorus of legal academics, non-governmental organizations (NGOs), and even some countries and companies have called into question the value of IP protection, both philosophically and practically. But such calls to weaken global IP rights are refuted by a large and growing body of evidence demonstrating the importance of IP protections to economic growth, development, innovation, and trade.

Strong IP has three primary characteristics—the rights are of limited duration, they are of wide scope, and they are practicably enforceable. Exclusions from intellectual property rights protection—e.g., principles of basic science or mathematical formulae—are well established. Other than such exclusions, however, the incentive effects of IP should be brought to bear on as wide a range of enquiry and creation as possible. Where necessary, as with data protection rules for pharmaceuticals, such rights should be extended and tailored to the specific needs of industries and investments.

Robust intellectual property rights matter because:

- 1) **Strong IP maximizes innovation.** Strong IPRs have been shown to correlate powerfully with investment in research and development and with patent filings. Innovation in turn is a key factor in the creation of national productivity gains. National productivity diminishes poverty, makes nations more competitive, retains human capital keeping families together, and benefits the world economy through trade and better ideas.
- 2) **Strong IP maximizes development.** Studies have increasingly made clear that strong IPRs improve economic measures at all stages of a country's development. The notion that less-developed countries benefit from weak IP protections and a greater freedom to copy technologies originating elsewhere is not borne out by research.
- 3) **Strong IP maximizes access to emerging technologies.** New technologies such as consumer-oriented entertainment-streaming services as well as other consumer and commercial technologies are far more accessible in countries with strong IPRs. Moreover, numerous econometric analyses have found that stronger IP protections are associated with speedier in-country launches of new drugs; and conversely, weak IP rights can result in new drug launch delays of many years. The diffusion of new technologies can occur through licensing, foreign direct investment (FDI), or trade. This matters especially when foreign sources of technology account for over 90 percent of domestic productivity growth in all but a handful of countries.
- 4) **Strong IP encourages trade and foreign direct investment.** A wealth of academic research has documented the strong, positive relationship between IPRs and trade and FDI, as well as technology transfer. United Nations studies have found that strong IPRs encourage investment in technology businesses including computer software, semiconductors, and biotechnology. Studies also demonstrate that strong IPRs are important in attracting FDI, and that they increase trade.
- 5) **Strong IP is beneficial for small and medium-sized companies.** Strong IPRs don't just support innovation in large companies, they also benefit small and medium-sized companies. They increase their access to capital and improve their ability to negotiate with other, larger firms.
- 6) **IP reflects respect for the artists and entrepreneurs who feed our souls and make society stronger and wealthier.**

- 7) **Counterfeit physical and digital goods pose threats to consumers and creators, and create severe economic losses.** Trade in counterfeit goods has been estimated to equate to 3.3 percent of global trade, at the cost of \$1.8 trillion annually. Fake goods such as electrical equipment or medicines pose severe risks of personal harm and damage to property.
- 8) **Patents promote competition** by sharing the knowledge behind an invention with the world. Patent applications, which must include detailed information about new products and processes, are freely searchable by the public—even before patents expire. This disclosure accelerates innovation and empowers potential competitors to design around inventions without “re-inventing the wheel.” One example is the multitude of new patented Hepatitis C cures that have been launched since 2013, providing unprecedented choice and competition in this therapeutic area.

**Therefore, the undersigned members of the Global Trade and Innovation Policy Alliance, call on policymakers around the world to be guided by the following principles for the good of their peoples, and for the good of international trade and global prosperity and progress:**

- 1) **We call for governments and for international organizations such as the World Trade Organization and World Intellectual Property Organization to encourage respect for IPRs.** A lack of respect and understanding for the value of IPRs both discourages innovation and drives piracy.
- 2) **Governments should expand education on the importance of and respect for IPRs.** Property, of course, is important. It represents the stable foundation upon which wealth is built and commerce is pursued. But it is not only wealth and commerce but the wealth too of the human spirit, expressed through creation and ingenuity.
- 3) **We call for governments to implement strong IPRs without discrimination against types of technologies or who owns them: big or little, local or foreign.** To do so will further the goals of economic and spiritual development for all nations.
- 4) **We call upon governments to promote a strong rule of law underpinned by an independent judiciary.** This will ensure that the patent system can be utilized by all inventors, while remaining free from illegal abuses that aim to undermine competition.
- 5) **We call for global efforts to combat online piracy of digital goods.** Economic losses to artists, content firms, and software producers from such piracy are enormous. They create great inefficiencies, erode the public tax base, limit digital goods development, and defeat entrepreneurial development. Digital piracy also weakens the development potential of emerging nations.
- 6) **We call for governments to increase efforts to interdict trade in counterfeit goods at their borders.** Such efforts are critical to protect the safety of consumers and businesses and to preserve the wealth-creating effects of businesses investing in innovation, standards, and integrity. Economic losses to counterfeit products are enormous and harm innovators and entrepreneurs in developed and developing countries alike.

- 7) **We call for a recognition that robust intellectual property rights underpin successful life-sciences innovation systems in nations worldwide.** IPRs allow innovators to capture a share of the social value they create from their innovations, and give innovators the confidence to invest in the risky, expensive, and uncertain process of developing new-to-the-world innovations, whether in the life-sciences or other sectors. While we are mindful of the need to ensure that people have access to needed medicines, we recognize that access to medicines presupposes the existence of innovative medicines, and that IPRs play an important role in facilitating their development.

### **Signatories**

**Bay Area Council Economic Institute**

**CASE**

**Center for Global Enterprise**

**Competere**

**Free Market Foundation**

**Fundación IDEA**

**Fundación Eléutera**

**Geneva Network**

**Libertad y Desarrollo**

**Information Technology and Innovation Foundation**

**I-Com**

**Macdonald-Laurier Institute**

**Property Rights Alliance**

**TicTac**