

# International trade meets intellectual property

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International Trade Meets Intellectual Property Intellectual property (IP) is information with commercial value, whereas Intellectual Property Rights (IPR) is the public willingness to bestow the status of property on inventions, ideas and creative expressions. Economists believe that there is importance to protect intellectual property, arguing that free-market forces do not provide sufficient incentive to create knowledge because an innovator cannot appropriate the full benefit of his or her innovation (Goldstein 150).

Policymakers determine how much protection is necessary to allow an adequate rate of return to stimulate innovation. These policies include the granting of trademarks, copyrights and patents. Patents protect inventions that are novel, not obvious to those in the field, and useful. Trademarks are commercial symbols that producers use to identify their services and products. Copyrights protect authorship works, such as books, from the time of their creation. The protection extends to integrated circuits lay outs designs, trade secrets, geographical indications and industrial design (Bainbridge 100).

The stakes in protecting intellectual property were high for many companies in the US. Not only in the product development is cost, in the knowledge-based and artistic industries, but success rarely guarantee. Before TRIPS, the completion of TRIPS, US International Trade Commission estimates were that American companies lose between \$50 and \$70 billion annually to inadequate intellectual property protection abroad. Most affected of this are Pharmaceuticals, films, publications, chemical products, sound recording and software. For example, international markets were of growing significance to the US film and television business. However, as videocassette recorders became readily available the level of film piracy increased (Idris 241).

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The position IP-based industries were not universally accepted, however. Many developing nations oppose the idea of strengthening international intellectual property rights. Moreover, not only the developing countries opposed to it but also some industrialized countries. These nations, traditionally did not allow patents on food and medicines holding that monopolies should not be permitted on products so essential to consumer welfare. Developing countries argue that increasing IP protection brings no significant, dynamic gains but inflicts considerable static costs: price increases, harm to consumer welfare and more royalties to foreigners (Goldstein 150).

Many developing countries did not think that intellectual property should be protected like any other property. Technological innovation was not universally seen as a private capital gain; many saw it as a public benefit that could be used to promote economic development or protect health. Developing countries that resisted the inclusion of IP in trade negotiations cited the importance of controlling prices, protecting indigenous industries, and encouraging technology transfer (Idris 241).

Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement, it was an agreement that established the most comprehensive set of global trade rules for intellectual property- protecting everything from movies, sound recordings, and software to drugs and agricultural chemicals (Bainbridge 100).

The agreement's principal provisions included protection of patents for 20 years after the date of filing, regardless of place of invention or manufacture. Patent protections for pharmaceutical products, life-forms with certain exclusions for plants and animals are in inclusion. Protection of

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copyrights for at least 50 years, with extension of copyrights to software, confidential test data, and semiconductor layout designs for 10 years were discussed and included. Finally, exclusive rental rights to authors of computer programs and films as well as to performers and producers of sound recordings and broadcasts and recognition of well-known trademarks were agreed upon (Holland 77).

#### Work cited

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