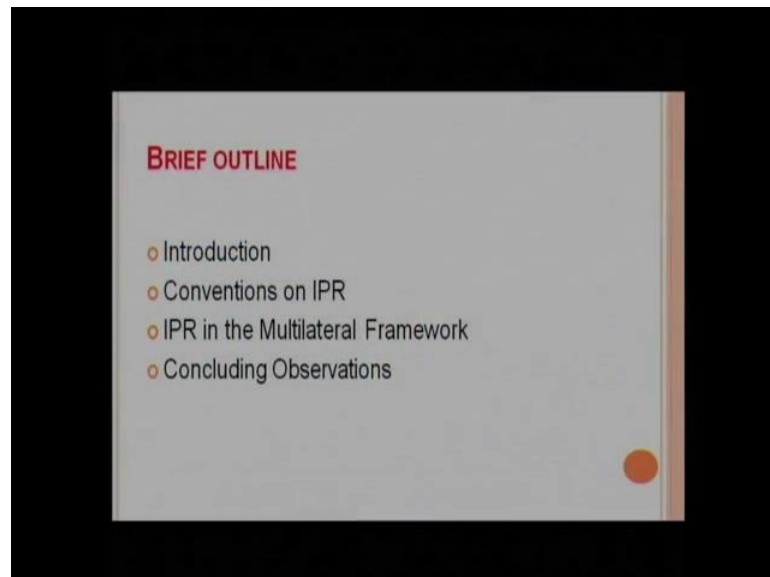


**Economics of IPR**  
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**Module - 01**  
**Lecture – 01**  
**IPR: Introduction and Historical Overview**

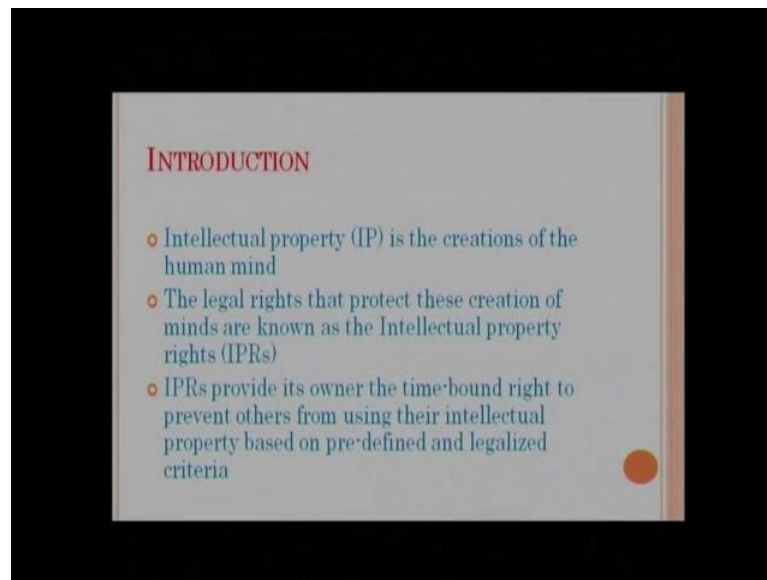
Let begin the course on economics of IPR. The first lecture is on Intellectual property rights introduction on historical overview. So, the brief outline of this course is.

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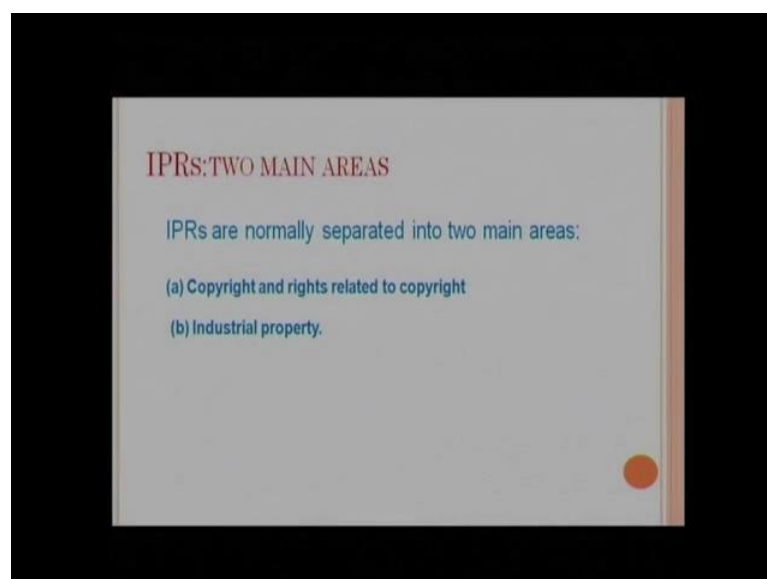
To introduce the intellectual property right, different conventions of intellectual property right in last few decades. Intellectual property rights in the multilateral frame work and the concluding observations. So, let us begin the basic concepts of intellectual property rights.

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Intellectual property is the creation of human minds. The legal right that protects these creations of minds is known as the intellectual Property. So, IPR provides its owner, the time bond rights to prevent others from using their intellectual property based on predefined and legalized criteria. So, the entire discussion of intellectual property right is time sensitive. For some of the intellectual property rights time is very important factor in the entire decision.

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So, there are two main areas of intellectual property rights in past, IPR are normally separated into two main areas. The first one is the copyright and a right related to copyright and the second one is the industrial property. So, copy rights are the rights to the authors, to the creator, to the singer, to the musician and the certain other related activities of the writing, singing and music are also known as the related rights to the copyright. Which is also named as the, neighboring rights in intellectual property framework today and then the second type of intellectual property is the industrial property such as patent, industrial designs and circuits.

So, there is a complete demarcation between the copyright and the rights related to copyrights and the industrial property. So, industrial property is completely linked today with the research and development activities, lab activities and the out of door research and lab activities, the new innovations and inventions and the new technology which is coming out is again the matter of protection and which comes under the protection under the industrial property. But the writer's right and the singer's right and the art and culture products these are all the part of the copy right (Refer Time: 03:14).

So, there are various conventions for the protection of intellectual property rights. One of the oldest and very important conventions of the protection of intellectual property right is the various conventions and this applies to the industrial property in the broader sense.

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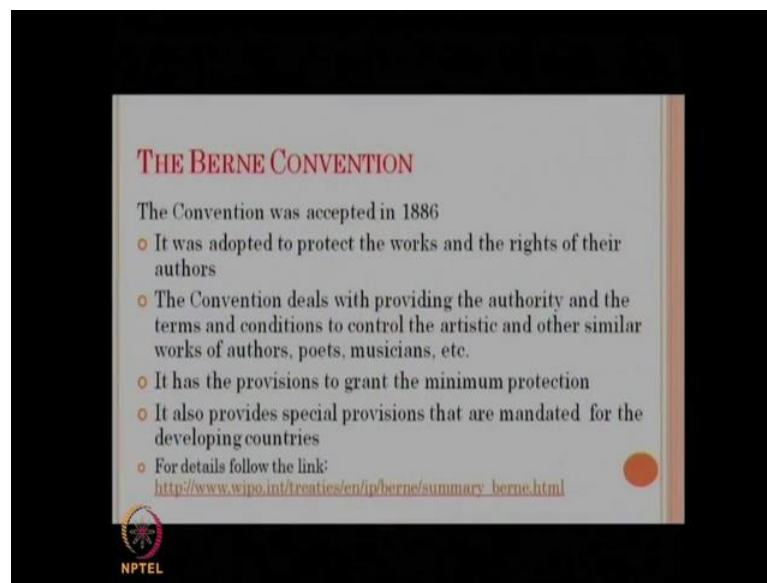


**PARIS CONVENTION**

- The Paris Convention, adopted in 1883
- It applies to industrial property in the broader sense, including patents, trademarks, industrial designs, utility models, service marks, trade names, geographical indications and the control of unfair competition
- This international agreement was aimed at ensuring the protection of intellectual works in other countries and was the first major step to help the creators
- For details follow the link:  
[http://www.wipo.int/treaties/en/ip/paris/summary\\_paris.html](http://www.wipo.int/treaties/en/ip/paris/summary_paris.html)

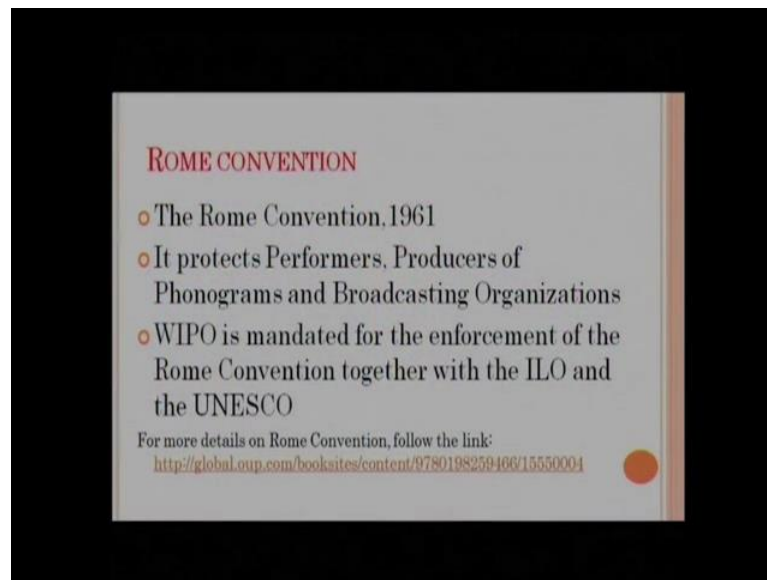
That includes patents, trade mark, industrial designs, utility models, service marks, trade names, geographical indication and the control of unfair competition. So, this international agreement was aimed at ensuring the protection of intellectual works in various countries and was the first major step to help the creators. So, this is the beginning of the major steps to protect intellectual property right especially in the industrial property sector.

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After this another convention was in 1886. It was adopted to protect the works and rights of their authors mainly related to the copy right and this convention deals with providing the authority and the terms and the conditions to control the artistic and other similar works of authors, poets, musicians etcetera and it has the provisions to grant the minimum protection. So, it also provides special provisions that are mandated for the developing countries. For more detail we are giving you the link, you can just find out the major discussions on these issues through this link and that will be always beneficial for you to get more idea.

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So, the Rome convention is another convention which again one of the important convention in terms of which protects the Performers, Producers of Phonograms and Broadcasting Organizations. WIPO World intellectual Property Organization is mandated for the enforcement of the Rome convention together with the international level organization and the UNESCO. Again for more detail you can again find out this link on the Rome convention.

So, there were many other convention which are equally important in the field of protection of intellectual property right.

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OTHER CONVENTIONS AND TREATIES		
Sr. No.	Convention/Treaties	Year
1	Brussels Convention	1974
2	Washington Treaty	1989
3	Trademark Law Treaty (TLT)	1994
4	WIPO Copyright Treaty (WCT)	1996
5	Patent Law Treaty (PLT)	2000
6	Singapore Treaty on the Law of Trademarks	2006

Brussels Convention 1974, Washington Treaty, Trade Mark Law Treaty 1994, WIPO Copyright Treaty 1996, Patent Law Treaty 2000 and Singapore Treaty on the Law Of Trademarks are the major one which has tried to protect the different types of intellectual property rights in past. IPR in the multilateral frame work, today when we see the intellectual property right - intellectual property right is no longer the matter of the bilateral discussion and decisions and bilateral agreement.

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**IPR IN THE MULTILATERAL FRAMEWORK**

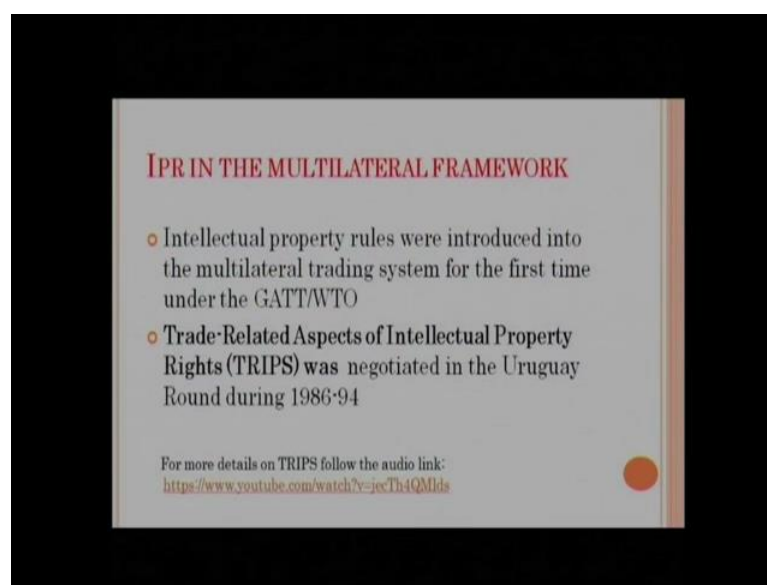
- Intellectual property rules were introduced into the multilateral trading system for the first time under the GATT/WTO
- Trade-Related Aspects of Intellectual Property Rights (TRIPS) was negotiated in the Uruguay Round during 1986-94

For more details on TRIPS follow the audio link:  
<https://www.youtube.com/watch?v=jecTh4QMlds>

After the general agreement on tariff and trade, especially last the option on agreement on tariff and trade which is known as the Uruguay Round. We find that Uruguay Round was the first round which has introduced the trade related aspect of intellectual property right in detail, this was one of the major attempted by the world community to enforce the intellectual property rights at global level and that was the very aggressive controlling system adopted by the general agreement on tariff and trade. And before that we find that various types of intellectual property right, rights protection and related discussion were available in various rounds of GATTs and we are also seen that different conventions also try to evolve a global system of protecting a different types of intellectual property in past.

But this is the first step where the country adopted a very especially the GATT; General Agreement On Tariff And Trade adopted a worldwide negotiation on trade related aspects of intellectual property right and this is one of the long period negotiation in the world which continued from 1986 to 1994 before the establishment of World Trade Organization and the why it is different because this particular agreement, Trade Related intellectual property rights agreement is one of the agreement which has given the major challenge for many developing and list of that countries and countries were not really aware that we have to adapt a system which is going to have a very much globally controlled mechanism

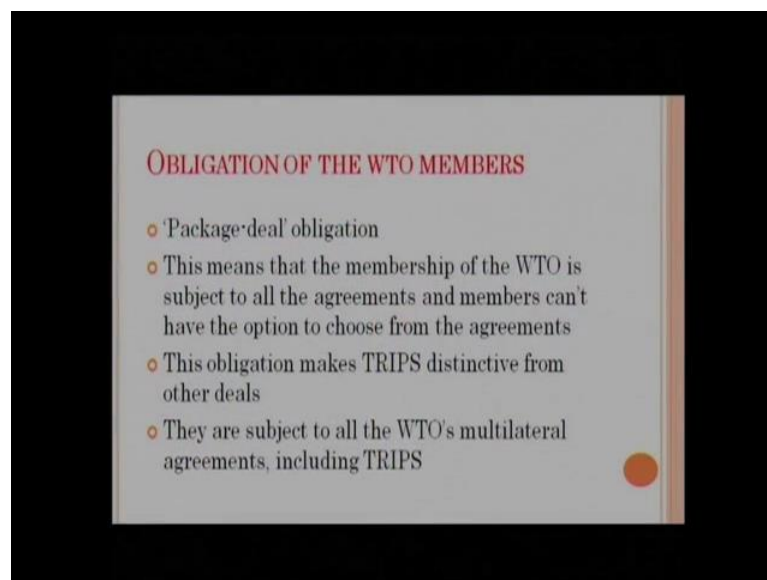
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They never thought that they have a system within the country; domestic law should be equally important and equally placed to protect the interest of the global treaty such as TRIPS. So, after a huge negotiation and the discussion of this particular trade related aspect of intellectual property rights world had adapted the TRIPS agreement through WTO in 1995 and this is the major, you can say major behavior various countries are now adopting and evolving the domestic law to comply this particular TRIPS agreement.

So, we are today in the multi-lateral frame work of TRIPS agreement. So these agreements, different members are really having the package deal obligation today, what is basically in the package a country cannot really have a different type of rules and regulations at that domestic economy.

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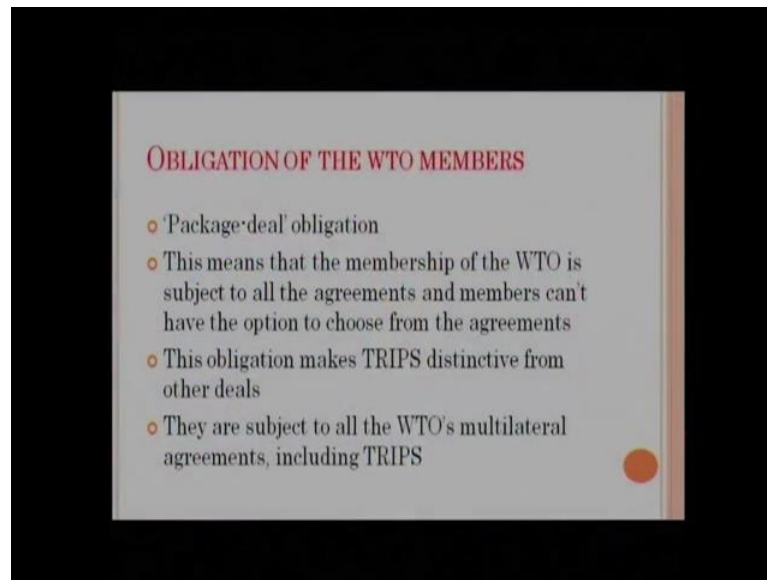
In fact, country must have the complimentary rules and the order to comply the adjusting rules, adjusting agreement. So, if we start the membership of World Trade Organization it subject to all the agreements and members cannot have the opinion to choose from the agreements, but it is in (Refer Time: 09:48) that member has to comply those agreements.

But at as same you can have a different opinion on certain articles and country can really go and bargain at the World Trade Organization for certain aspect. So, such liberties are there, but those liberties are based on the agreement, those liberties are based on the discussion and deliberation and it is not the single countries. It is not the single countries



motive or single countries decision that whatever they feel like they can adopt and whatever they understand they are going to continue with those principles and those laws it is not going to continue. So, this obligation makes this particular trade related intellectual property rights agreement.

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Why distinctive form the other deals in past, especially on the intellectual property? Because they are subject to all the WTO ministerial agreements and the multilateral agreements and different ministerial conference has in WTO had also complimented to have this agreement continue in the world today.

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So, the important majors of trade related intellectual property rights are two basic international trade principles to member states regarding intellectual property. So, there are two basic principle one is the national treatment and the second one is the most favorite nation treatment. So, let me also discuss in brief that what is basically the meaning of national treatment and the how this national treatment should be mentioned and what is basically the MFN treatment. So, national treatment means the way you treat your firm intellectual property firms within your country.

The similar treatment you have to provide to the other firm or other creators, other innovator coming from outside the world. So, the domestic treatment provides the country clear cut guidelines that you cannot discriminate a country on the ground that the treatment which you are providing to your economy will be different from the treatment which you are providing to other companies coming from other part of the world.

The second point is the most favorite nation treatment. So, suppose if you have provided certain tariff reduction or certain flexibility to a country, that flexibility will be automatically given to other countries involve in the trade with you. All these forms are on the equal platform. So, the basic objective and motive of national treatment and most favorite nation treatment is to provide a very clear cut and very transparent framework of intellectual property right, where countries and performance are not being discriminated

on the ground of nation and outside the nation principle, but all these forms are on the equal platform, all these forms are equally treated any country in the world.

So, this is the basic principle of the WTO on which most of the agreements are establish today, but we find that country to reach national treatment and most favorite nation treatment are being violated and large numbers of cases are basically in the disputes settlement body. WTO had a dispute settlement. Settlement body where a country can file a case against another country and naming that and explaining that what has been major problem in the country in terms of the protection of most favorite nation and the national treatment status.

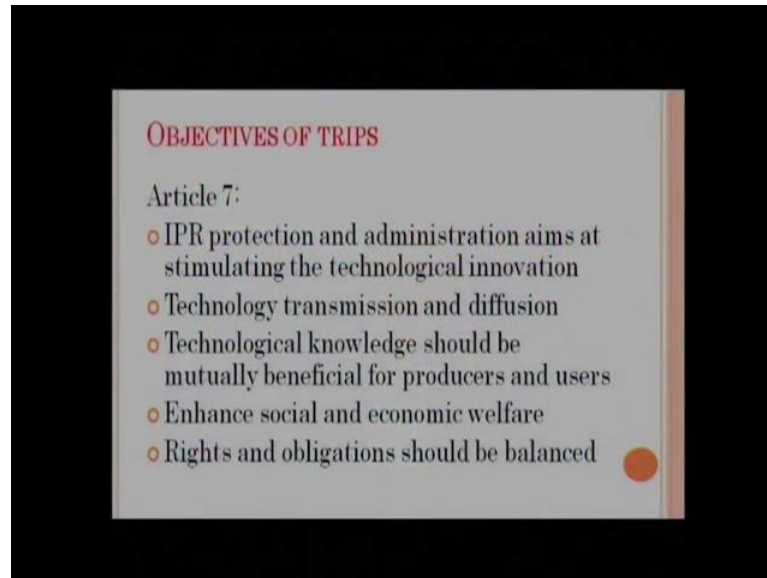
So, the TRIPS agreement establish a minimum extend of for the viability and the scope and the use of seven forms of intellectual property. Before that we have found that different conventions are tried to find out protection and the deliberations on particular intellectual property rights. So, various convention move towards the industrial properties while the (Refer Time: 14:34) conference and Rome conference they were trying to have a more copyright related agreements.

So, and the trademark and the other aspect also came in the other conventional. So, we are finding that different conventions had tried to find out and to involve a intellectual property right system where a global network and global platform should be evolved to protect the interest of the owner, but TRIPS is the single umbrella where all these 7 major intellectual property rights are combined together and the rules were framed and the agreement were signed by the members of the world community and the because of this today we are having a global frame work of intellectual property rights and the rules set by this TRIPS agreement is the rules adapted by every country in the world.

There are some specific examples where some of the countries are not really able to cope up with these agreements. So, countries some of the countries are given some time to evolve certain rules and obligations according to the TRIPS agreement and the many list of developed countries are also trying to involve such rules and obligations. But the fact is that one cannot say today a country cannot say today that we are going to really reject the TRIPS agreement. It is not possible today because every country has shown its interest and every country had as really established some of the local laws to protect the trade related intellectual property rights and this source the minimum extended of

capability and the scope and the usage and the protection of seven forms of intellectual property rights in the multilateral frame work which is again involved at the local level also.

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So, what is basically the main objective of this TRIPS agreement? The article 7 of this TRIPS agreement the general guidelines shows that the intellectual property rights protection and administrations in short stimulating the technological innovation. The basic aims and basic objective is to innovate to stimulate the technological innovation in the country and to administrate these intellectual property at a very large level. So, technological transmission and diffusion which was very slow before establishment of TRIPS agreement, today we find that many countries many smaller countries are also very much important player in the protection of intellectual property right and they are really coming out with various technological product today and the industrial products are coming out, electronic products are coming out and the technological transmission and diffusion is more faster scale today compare to past.

So, this shows that the objective of trade related intellectual property rights is being fulfilled today because if you see the United States as an example. So, 70 percent of united states GDP is because of contribution caused by the intellectual property rights product. So, this you get how IP products and IP based product's are one of the major contributor of the GDP especially in developed country and the some other example

from Korea, Singapore, Hong Kong, Taiwan is also showing us that technological transmission and diffusion is on faster rate.

At the same time technological knowledge should be mutually beneficial for the producers and user. So, today we find that technological products and technological knowledge is no longer the matter of monopoly. The country today is very much engaged in involving and producing technological products and there is a huge competition among the countries to find out that which one which country is going to have a best product in the world.

So, we are not really living today in the world where only few country where really having the technological transmission and technological product produced, but today we live in a world where the technology produced in one country is no longer the monopoly of the technologically produced product in that particular country, but it is transmitting so fast in other country. So, one cannot say that a technology produced in a country is going to continue forever, but maybe a neighboring country, maybe a smaller country can challenge the technology within few month and that way we are in a very fast moving technologically driven world compared to past and credit goes to the intellectual property right system involved after the TRIPS agreement.

So, we cannot deny really that these intellectual property rights are also having the economic social welfare. So, it has really enhances the social connectivity. We find today that lots of IT products are really connecting the world we cannot really deny this fact that compare to last 50 years, 40 years we are more connected and more interlinked today. So, the credit goes to the new types of innovations and technological products which is under the protection of intellectual property rights because intellectual property right gives you some incentives. If we have the ownerships of intellectual property rights we are certainly having certain incentives and that incentive is time bound. If a person is having patent; a patent can give you the economic return for many years more than two decades and that way you are having the economic age, when you are really protecting a certain intellectual property.

So, through this we are really competing to each other firms are competing to each other due to grabbing the incentives economic incentives involved, but if you connect these with the Adam Smith's; Invisible Hand Theory. It is not only the economic benefit of that

particular person, but there is a benefit trickling down to the society world as a whole is more connected today world are more satisfied in terms of getting new products compared to the world where people have to wait for even for the basic telephone connections for a many years.

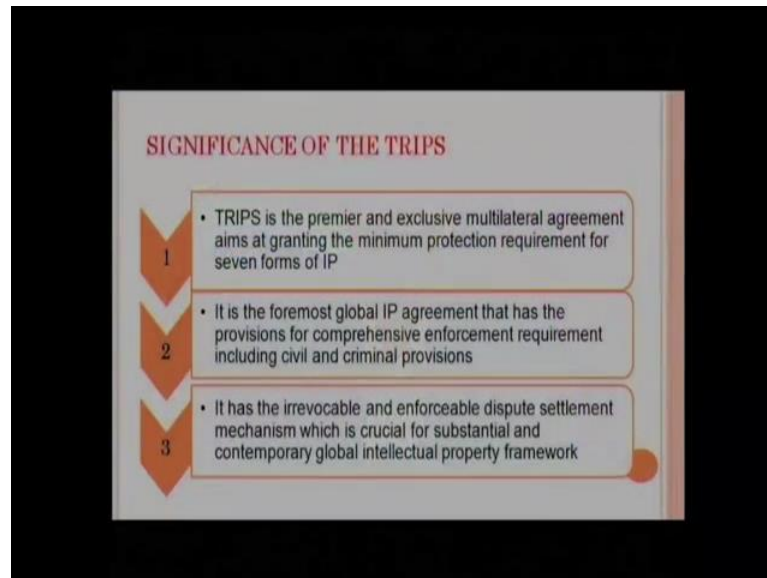
So, but the point is the ultimate goal of this entire TRIPS agreement is to have the rights in obligations in a very balanced way. So, if you have the rights of protective intellectual property you have also the obligations to protect the intellectual property of others. So, world cannot and country cannot say that we have to have we should have the right to protect our own product, but we do not bother to protect the intellectual property of others that is not going to work. So, the ultimate objective of TRIPS agreement is to balance to evolve a very balanced IP world where rights and obligations are complimentary. The obligations and rights both are matching to each other and social and economic welfare is not only individualized, but it is going to have more and more mass impact. At the same time technological knowledge should be mutually benefited for the producers and users it is not only the producer's stake. It should be also the users stake, so the production of intellectual property products and the technological products.

Today we find that the forms are more greedy in nature and they want to exploit the market, but the fact is that more they are trying to exploit the market, some of other global forces are equally active to protect their creation and innovation and their technological products in the world and they are also coming out with a new product and so the world is not really monopolized world today. It looks like the intellectual property or the patent monopolizes the world, but when we see the electronic item, when we see the other IT products, we find out it is not really the world of monopoly because we are really having large number of competition through the technological transmission and diffusion. But at the same time we also find that there are certain challenges, issues on the way forms do not really have to capture the entire forms are not really having motive to distribute their economic benefits.

They want to grab the benefits of the intellectual property, but slowly some of the forms and if the rules are clear and (Refer Time: 24:37) then forms are not going to become really the monopolist form. If global forces are active, if different eyes are active to catch those free writers if different eyes are really dying to find out the ways to protect interest

of the smaller and small firms and small country. We do not find that world is going to become a monopolized world.

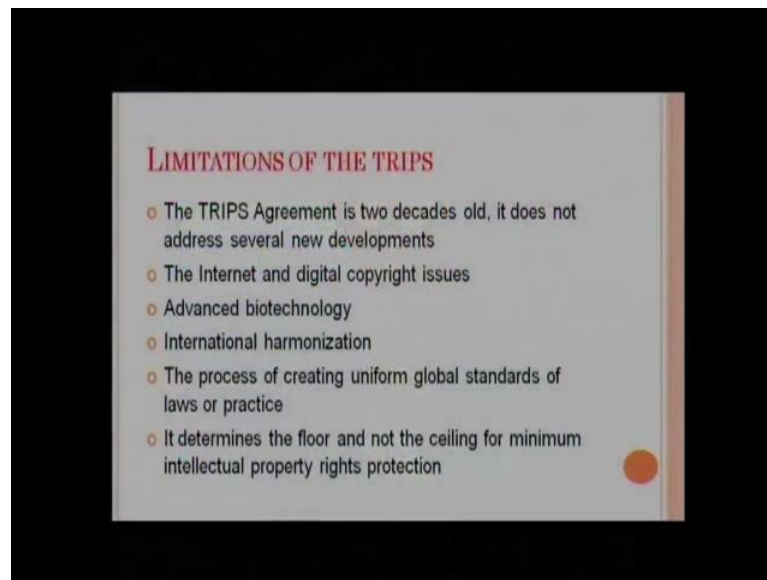
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So, there are significance of this TRIPS agreement because this is the most leading agreement exclusive multilateral agreement which generating the minimum protection requirement of seven forms of intellectual property. It is the foremost global intellectual property agreements that have provision for comprehensive enforcements requirement including civil and criminal provisions. It has the irrevocable and enforceable dispute settlement mechanism which is crucial for sustaining and contemporary global intellectual property framework.

So, the broader issues of TRIPS is to apply the fundamental principles of the trading agreement and other international agreement of intellectual property, which is not really in place there are certain draw backs on the way at the same time adequate protection of intellectual property rights are not in favor of many countries today. Enforcement of intellectual property rights effectively in other countries and dispute settlement of intellectual property between the WTO members is another challenge because some time it takes time to find out the solution. And the transitional provisions when the new system is been introduced is another issues of the TRIPS agreement.

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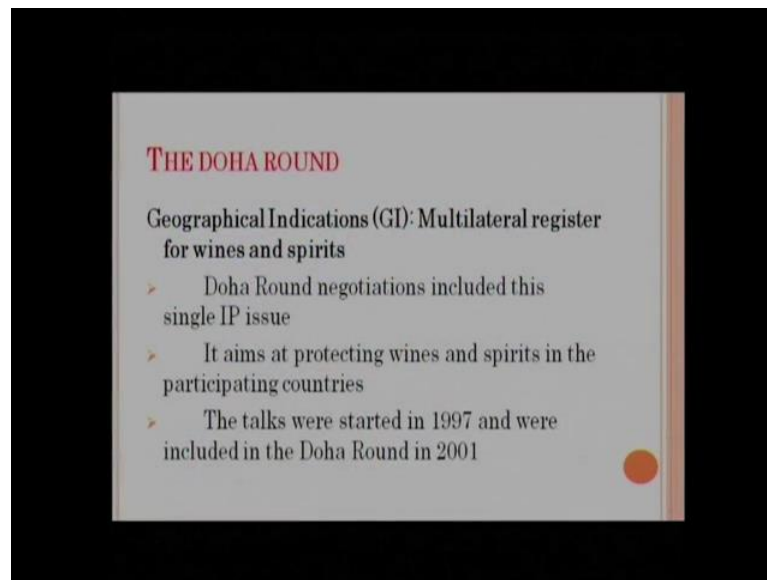


Now there are limitations of the TRIPS agreement because the TRIPS agreement is two decades old. It does not address several new developments. The internet and digital copyright issues is another challenge advanced biotechnology international harmonization is another limitation of the old TRIPS agreement.

The process of creating uniform global standards of law or practice is another limitations and it determines the floor and not the ceiling of minimum intellectual right protection. So, with these challenges one of the recent Doha Round which is more in controversy today which also had some of the intellectual property rights as a part of their agenda.

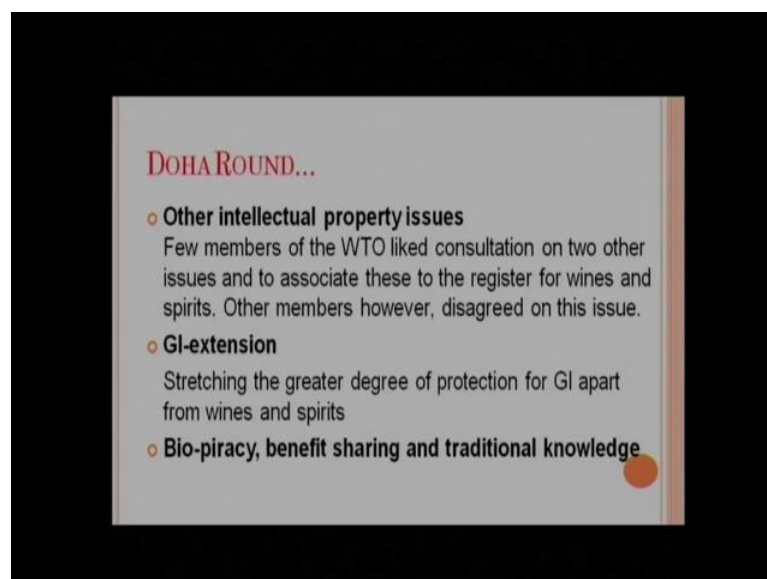


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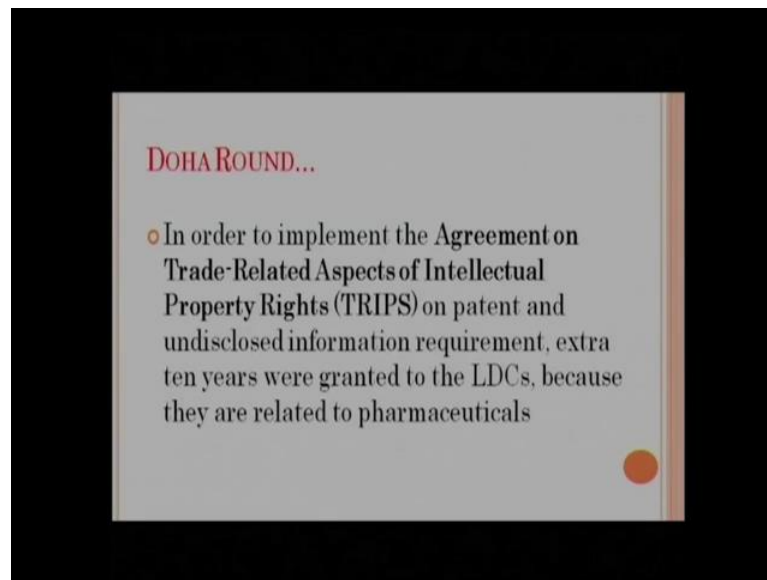
The Doha Round negotiation included the single IP issue. It aims at protecting wines and spirit is in the participating country, especially in the geographical indications sector. The talks were started in 1997 and were included in the Doha Round in 2001.

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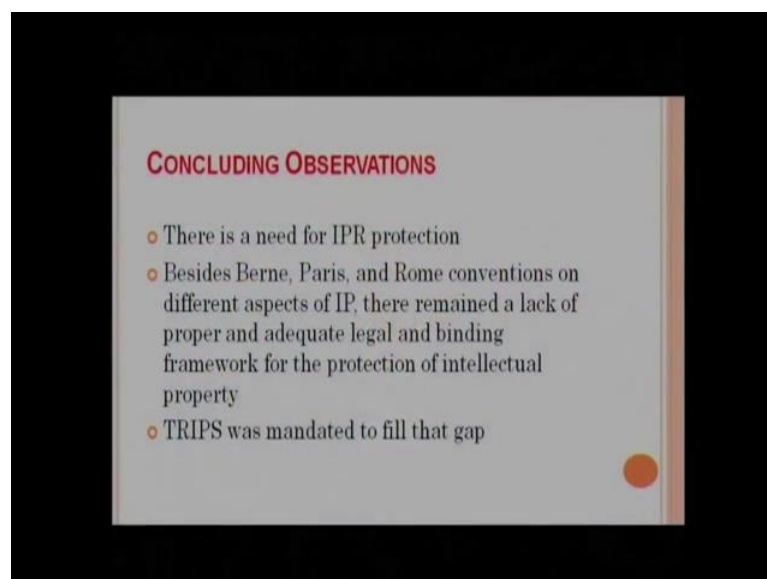
Other intellectual property issues such as few members of WTO like; consultation on two other issues and to associate these to the register for wines and spirits. GI extension is a full bio-piracy benefit sharing and traditional knowledge is another issue; it was involved in Doha Round.

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In order to implement the agreement on trades, on patents and undisclosed information requirement, the extra 10 years were granted to the least developed country because they are related to the pharmaceuticals.

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So, with this overview of from history to present, we find that there is a need for more wider intellectual property rights protection today. Besides see conventions on different aspects of intellectual property right there remained a lack of proper and adequate legal and binding framework for the protection of intellectual property in the world today.

TRIPS were mandated to fill that gap, but with different lectures and different discussion of this course we will find that even after having the national treatment and most favorite nation treatment. World is a still unequal in terms of intellectual property rights protection and we will try to explore many more challenges and issues through different lecture in this course.

Thank you.