

Cross-sectoral Business Perspectives on Technology Diffusion and Innovation

Innovation Insights

Innovation Insights is a Geneva-based, cross-sectoral initiative aimed at sharing business perspectives on innovation and technology diffusion with policymakers, inter-governmental organizations, and others working to develop solutions to society's greatest challenges.

We consider that technological progress will be critical to addressing global challenges – in areas such as the environment, delivery of government services, healthcare, communication, education, job creation and economic growth – in ways that are cost-effective. Based on experience, we know that lack of intellectual property (IP) protection can slow the development and broad deployment of new solutions to such challenges.

Innovation Insights advocates for strong innovation frameworks, including IP systems that are business model-neutral and that provide incentives for investments in R&D and the commercialization of new technology solutions over the long-term. We advocate for policies that encourage partnership and the broad sharing of know-how. We engage with officials to support policy environments that support commercially sustainable technological advancement and deployment.

Innovation policy-making

We are committed to innovation policy-making that supports long-term technological advancement and economic growth, and that is firmly rooted in facts and empirical evidence, including evidence about the impact of a given policy choice. We support efforts to build a quality evidence base for IP and innovation policies.

We believe that governments and other actors that influence innovation policies have a responsibility to take a long-term perspective. Innovation is dynamic, and it is difficult to predict where it will originate, in what form, and according to what business model. We consider it important that innovation policies, including IP protection, not be modified in response to short-term considerations or based on a static snapshot of an economy or ecosystem at a given moment in time.

Robust, business-neutral IP systems

Creative and R&D-intensive companies typically rely on a range of different IP rights to protect their most valuable assets, including patents, copyrights, trademarks, and trade secrets. An essential component of any successful innovation framework is an effective system for the protection of IP rights (IPR). Robust IP rights provide an incentive for long-term investments in risky and innovative ventures, enabling their owners to recuperate the significant costs of developing and bringing to market new technology solutions.

Robust, predictable IP systems support innovation and collaboration, providing certainty for businesses and enabling them to engage in long-term planning and investment. IP systems should enable users to effectively protect and defend their intellectual assets, and should also be business model-neutral.

IPR support global technology diffusion

IPR are critical enablers of technology diffusion, collaboration, and innovation. They underpin the partnerships, sales and licensing transactions, joint R&D, and other activities that result in the global diffusion of useful new products and services. IPR are managed differently depending on the context.

IPR support partnerships, which are key conduits for the diffusion of technology solutions as well as of critical know-how. IPR help define what each party brings to the table and how the fruits of joint efforts will be owned and managed, and they help partners recuperate their investments upon success in the marketplace. Partnerships are key to generating sustained technology diffusion, building the local knowledge base and increasing absorptive capacity.

Collaborative innovation

Collaborative innovation, also called dispersed or networked R&D, is increasingly important to innovative ecosystems, which benefit from licensing and other forms of voluntary technology transfer. Strong patent protection facilitates collaborative licensing and innovation and allows inventive companies to share valuable discoveries that might otherwise be maintained as trade secrets.

Collaborative innovation, sometimes referred to as “open” innovation, reflects the growing complexity of technological development, the importance of convergence across multiple fields of science and technology, and the benefits of diverse partnerships that extend beyond sectoral and geographic boundaries.

Because no single entity or researcher has all the answers, technological progress is best supported by collaboration and the cross-fertilization of ideas. Collaborative innovation also facilitates efficient specialization across a diverse spectrum of business models, ranging from inventive startups, research universities, R&D-intensive engineering and licensing companies, and manufacturers, to name a few. A collaborative innovation model accommodates diverse development and voluntary licensing models and is underpinned by robust IPR protection and sound IP management. It works best in environments where information can be widely shared.

Trade secrets

In the information age, knowledge is increasingly becoming a primary asset, and a firm’s competitiveness and strength often depend directly on its ability to protect trade secrets and know-how, as a complement to patents and other critical forms of intellectual property protection. For many companies, in diverse sectors, trade secrets help drive inventive activity and are among an entity’s most valuable assets.

Because trade secrets can be protected without registration or other formalities, they can be especially attractive for start-ups and SMEs, including in emerging countries and least-developed countries (LDCs).

Technology standards

We welcome efforts to broaden the implementation of standards, which are important conduits for technological advancement and diffusion. However, we believe it is critical that Standard-setting organizations (SSOs) and government officials not undermine patent rights or impose unwarranted limitations on patent owners. This could undermine participation in standards-setting by leading innovators, which would be counterproductive to the goal of developing high quality standards that are widely used. It could also result in different treatment for patents in different fields of technology.

Standard-essential patents (SEPs) are associated with a commitment to engage in good faith negotiations aimed at reaching a FRAND licensing agreement. We consider that arms-length bilateral negotiation, coupled with recourse to relevant courts in the event of a dispute, is an appropriate approach to managing SEPs.