

**South Centre's Sixth South Innovation Perspectives Seminar:**

**Reflections on Formulating the  
Chinese National Intellectual Property Policies**

**Organized by the Innovation and Access to Knowledge Programme (IAKP), South Centre  
12 March 2008, Palais des Nations, Room XXV, 15:00 – 18:00**

The seminar presented the process behind formulating the Chinese National IP policies. The discussants shared tools and mechanisms to make the national IP strategy compatible with development needs of developing countries and with the interests of various stakeholders.

**Keynote Speaker: Dr. ZHANG Qin, Deputy Commissioner, State Intellectual Property Office, China:**



- *A Chinese puzzle:* Why is industrialization based on our independent innovation illegal? Since developed countries usually grant patents earlier than developing countries, should the latter lose their right to apply the technology, which they could have achieved on their own, unless they pay as much as the former wants?
- There is a lot of misunderstanding in China on how to strike the right balance when it comes to IP protection. A conceptual, theoretical and philosophical understanding is required for answering even the most basic definitional aspect of what constitutes an IPR.
- The core principle of any national IP strategy should be to codify the “net national benefits”. And the objective of the national IP policy should be “national welfare maximization”.
- The functions of IPRs should be to encourage indigenous innovation, ensure fair competition, and protect public interest.
- Every country should know where and what its net benefits are based on the understanding of the domestic situation and international environment. Only then it should design its IPR institutions and how they should relate to the international IPR affairs.
- The IPR laws should be dynamic- the net benefits for a country are always changing.  
*The views expressed by the Speaker are his personal opinion, and do not reflect the position of the State Intellectual Property Office, China.*

**Commentator: Prof. Dominique Foray, Director, Chair of Economics and Management of Innovation and Dean of the College of Management of Technology at EPFL, Lausanne, Switzerland**



- The national IP strategy needs to be compatible with the development level of the country. A prime consideration is the technological and industrial prowess of the country. Pre-TRIPS history provides numerous examples of countries that were able to frame IP institutions to fit their national growth strategy. Switzerland is one such example.

- Where is China? Is China at the frontier of innovation or far behind? Although there has been a rapid growth in the area of research and development but this has been so from an extremely small base. The extent of innovative activities performed by multinationals in China remains modest. Despite impressive progress, China's transition to status as a significant net exporter of innovative goods and services lies many years in the future. The national IP strategy has to cope with this intermediary situation- the fact that China is on a transition path.
- Although China could devote considerable resources to solve the problems faced by economies at the frontier, but why cross that bridge before you reach it? There is no standard 'best form' of IP institutions.

**Commentator: Mr. Kiyoshi Adachi, Legal Officer, Intellectual Property Team, Policy Implementation Section, UNCTAD, Geneva**



- It is important as a part of national IP strategies to repeatedly ask how to strike a balance between exclusive rights and public domain.
- The primary objective of a national IP strategy should be to use IP tools to achieve independent and homegrown innovations. The "greatest good for the nation" should be the overriding concern while formulating the national IP strategy.
- IP strategy should not be static. Review mechanism should be established to ensure that the national IP strategy continues to match the development needs.
- China's IP strategy would be important for rest of developing countries. Presently, reference points concerning to IP norms and standards are based on developed country perspectives. Least Developed Countries (LDCs) can look up to China as the new reference point.

**Chair: Dr. Xuan Li, Coordinator, Innovation and Access to Knowledge Programme, South Centre**



- To teach one how to fish is better than giving one a fish. Knowing how to formulate the national IP strategy is more important than the strategy per se.
- A common challenge remains for policymakers of developing countries on how to adapt existing IPR mechanisms to address national development needs and promote the local innovation capacity.
- A comprehensive development strategy should be developed on the basis of proper understanding between IP protection and economic development- in terms of driving forces and constraints.
- Economic independence of developing countries is likely to be ruined without appropriate intellectual independence.

The South Face is a service provided by South Centre (An Inter-Governmental Organization and Think-Tank of South) to provide space to voices and opinions of the South on global issues.

For more information on this Service and how you can use it to cover events organized in partnership with South Centre, please contact: Vikas Nath, Head - Media and Communication, South Centre - Geneva  
[nath@southcentre.org](mailto:nath@southcentre.org) Tel: +41 22 791 8050

This edition of "South FACE" is produced by Yogesh A. Pai, South Centre, Geneva