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His Highness Sheikh Saud bin Saqr Al Qasimi, Crown Prince and  
Deputy Governor of the Emirate of Ras al-Khaimah

A Symposium on:

“Intellectual Property and its Role in Investment Promotion”

Organized by:

The Economic Department and  
Talal Abu-Ghazaleh & Co. International

Keynote Speaker:

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Your Highness Sheikh Saud bin Saqr Al Qasimi, Crown Prince and Deputy Governor,  
Your Excellencies,

It gives me great pleasure to speak to you in this specialized symposium which holds a particular importance in strengthening and deepening the concepts and benefits of intellectual property rights. Intellectual property rights received wide attention in our Arab countries whether at the official level or in the private enterprises.

And it is very gratifying to witness such a meeting and gathering of intellectuals, experts and businessmen. I am very happy to have the privilege to be among this elite group of men to talk about one of the most important contemporary issues.

Concentration on intellectual property rights increases with the unprecedented speed and successive developments in the information and communication sector and electronic commerce. Intellectual property has become an important pillar in the modern economic policies of any country.

We live in a world governed by the successes achieved by economic sectors. Further, creating an atmosphere of competition is characterized by being able to attract investments.

It is becoming recognized that effective intellectual property laws that are consistent with international conventions, especially the "TRIPS", result in substantial foreign investment. And I add nothing new to your information if I say that the establishment of an intellectual property protection system is a condition for attracting foreign investment and encouraging domestic investment.

Because of our full conviction in this issue, we at Abu-Ghazaleh Intellectual Property (AGIP) as well as through the Arab Society for Intellectual Property (ASIP), have offered technical assistance and support for many Arab countries, particularly the United Arab Emirates and other Gulf states.

We had the honor to contribute to the development of laws and legislations on intellectual property in these countries, and we also contributed in the preparation of modern laws for others.

### **More commitment and respect for rights**

I am pleased that the intellectual property concepts have been entrenched, so that they became a priority for officials, academics, writers, researchers, industrialists, jurists, businessmen, writers, musicians, artists, creators and inventors, and this has not been the case a decade ago. However, we still need more commitment and respect for intellectual property rights meant for our development and evolution of our economy. A deep and responsible understanding, respect and wide and comprehensive acceptance of intellectual property rights encourage and help to maximize the "knowledge capital" of the country, including provisions for foreign direct investment.

All forms of intellectual property rights contained in the agreement of the World Intellectual Property Organization (WIPO) which are: literary artistic and scientific works, as well as inventions, scientific discoveries, industrial designs, trademarks, trade names, protection against unfair competition, and artists' exhibitions, all of these rights have an active role in investment, both domestic and external, and from them the interdependence between the subjects of intellectual property in various areas of investment emerges. Most investments contain a form of intellectual property rights, for example, medications must have patents, business reviews, and trademarks.

### **Economic benefits in the long run**

In the long run intellectual property rights result in economic advantages, which are: -

- Stimulating innovation by creating an environment in which innovation is rewarded.

- Creating low-cost methods of production and distribution of existing products.
- Creating products, processes and services that are safer and more effective, particularly in domestic markets, by adapting and improving existing products and technology.
- Finding jobs in each of the primary and supporting industries in various parts of the country.
- Finding a high-quality workforce along with technical preparation, through field training combined with the transfer of the licensed technology.
- Increasing the volume of new capital that could be generated for investment in economic development.
- Creating areas that contribute in raising the level of technology in various parts of the world, with collecting revenues -during that- from others who benefit from its use.

From here we find that in addition to the creation and development of laws and legislation on intellectual property, we also need to develop our capabilities and create an environment which can interact and understand the application of these laws. This requires cooperation and harmony between responsible bodies of the state and private sector institutions.

### **The role and responsibility of governments**

The responsible bodies must understand and define their role represented by investment in infrastructure and in the necessary capabilities for the private sector to market intellectual property. It must be emphasized that the firm construction in this area, place in front of future generations the opportunity to create, innovate and to protect rights in a fair environment. This is what is being achieved in the developed countries, and this is why I think that those responsible bodies must start bearing this responsibility, by:

- Direct and indirect accord on research, basic development and intellectual property marketing programs.
- Appropriate legislation and implementation of intellectual property rights laws.

- Realizing intellectual property education at universities and law schools and other governmental execution agencies.
- Infrastructure for information technology (IT)
- Development of capital markets.
- Adopting unified accounting standards and reporting in compliance with international accounting standards.
- Improving competitiveness and opening markets.
- Reducing and simplifying red tape, reducing extra taxes that affect the development of small enterprises.

Yes, the responsibility falls on the government to coordinate the efforts of various participants in the development process starting from the creation of intellectual property to its marketing and exploitation; this includes: individuals, universities, corporations, research centers, NGOs, and national and international bodies.... etc...

### **Qualification and Arab Certified Intellectual Property Practitioner certificate**

We must emphasize the importance of not delaying the understanding of the requirements of intellectual property rights and work as diligently as possible in this direction. We, on our part in the Arab Society for Intellectual Property (ASIP), which I have the honor to chair, have just finished creating complete programs and adopting course materials in collaboration with the World Intellectual Property Organization (WIPO) to qualify a broad spectrum of those interested in intellectual property, namely: lawyers, judges, academics, researchers, businessmen, as well as officials in the departments of intellectual property institutions in the Arab states. Whoever passes the exams successfully will be granted the ACIPP Certificate (Arab Certified Intellectual Property Practitioner), which is the first specialized professional qualification of its kind in the Arab world.

We desperately need to keep pace with the knowledge society, as intellectual property constitutes one of its basic pillars. Without the protection of intellectual property, the flow of knowledge will be limited and that will affect economic growth opportunities.

### **Our priorities on the intellectual property map**

For this we have to determine our priorities, which I may have mentioned on a previous occasion through what I called "the Arab map of intellectual property". They are:

**-The implementation of the TRIPS Agreement:** Seeking the full implementation of the TRIPS Agreement, and urging and assisting other Arab countries to become members of the World Trade Organization (WTO) (and thus to comply with the TRIPS Agreement). I can recall in this regard that my company (TAGI), under the guidance of the WTO, is working with a non-governmental Swiss company called CASIN to provide capacity-building for the Arab people and for both the public and private sector institutions that need assistance in learning how to face multilateral negotiations and trade liberalization.

**-Organizing the support for intellectual property protection:** The government officials and business leaders' understanding and acceptance in the Arab world of the need, importance and necessity of intellectual property are increasing. Nevertheless, this understanding needs to spread more broadly to other segments of society, particularly to consumers and other sectors besides the political leadership. This support is necessary to allow effective implementation and continuous protection, as well as to achieve public acceptance of new legislations and international cooperation on intellectual property, and this will be essential in the new global knowledge economy.

**-Improving the management of intellectual property:** Many Arab governments only recently started addressing complex common issues of

the global community of intellectual property; that's because the challenges facing the Arab national intellectual property authorities are many.

The continued and increased assistance from ASIP, the business community and WIPO is an important factor for the development of human and technical capacity of the Arab intellectual property management offices.

**-Education** - development of intellectual property within the minds of human beings: The Arab education systems do not adequately prepare our students at the primary to the graduate level for competition. Learning through dictating information without understanding opinions on unsophisticated knowledge does not help students who are in need of creativity and innovations development in the knowledge-based economy. We need to develop the capacity for the important evaluation of choices and not blindly accept them.

**-Investment:** The Arab business community needs to begin to invest in research and development, and there is a direct link between investment in research & development and innovations that can acquire patents.

**-Governmental support:** Through basic research and appropriate tax grace periods and other incentives, governments need to do more to support investment in research and development. They also need to increase their direct investments in basic research, particularly through the university system.

**-International cooperation:** There are numerous international treaties that seek to protect and regulate intellectual property at a global level, however, the representation of Arab countries in these treaties is less than it should be. Arab countries must participate in more international treaties on intellectual property, as well as in the efforts of developing a right global system of intellectual property. This would be in their own interest because current departments that apply intellectual property regimes in the global economy are limited to the industrialized countries. Financial and administrative constraints that reduce the global protection of intellectual

property will be just as useful if not more so for developing countries, where they can start developing intellectual property in the knowledge-based economy.

**-Arab cooperation:** We need to strengthen cooperation within the Arab world. The establishment of an Arab patent office that serves the entire Arab world would be a good start, with our deep appreciation for the Patent Office of the GCC states. There are many other areas where our cooperation is possible.

### **TRIPS and technology transfer:**

The TRIPS agreement asserts that the increase in the protection of intellectual property rights would greatly facilitate the attempts of the companies of developing countries to enter into joint ventures and to some cooperative arrangements for technology transfer on a commercial basis. There are growing indications that the protection of intellectual property rights in host countries is an important factor when companies of developed countries decide to invest in developing countries. It is certain that this factor plays a pivotal role in making investment decisions in the chemical and pharmaceutical industries. Recent studies have shown that this factor is one of the important variables in other industries, particularly those that manufacture products that are easy to copycat (such as electronics and computers).

### **Protection leads to the increasing number of patents:**

Increasing effective protection of intellectual property rights will raise the number of patents registered in developing countries. It was already said that the rules on patents aim at preserving the balance between the need to protect the rights of patents' owners and the benefit of industrial enterprises and the whole society from new and evolving knowledge. The agreement calls for the implementation of provisions requiring patent applicants to disclose the technical data that will help qualified technicians



to exploit inventions. The availability of such data would enable the industrial sector, particularly in countries new to industry, along with other countries that have a sufficient group of qualified technicians, to use it for further research and development of methods or products different from those protected by the patent. It is certain that this incentive in the innovative process will benefit the entire country.

### **Protection encourages companies and foreigners to embark on joint ventures:**

In another area, the agreement confirms that the increased protection of intellectual property rights will encourage foreign partners in joint ventures to undertake further research and developments in the host developing country. At present, most of the researches are confined to the partners' countries only. This development will enable local partners to influence to a large extent the content and priorities of research work.

In short, it could be argued that at the medium and long term, protection of intellectual property, as envisioned by the agreement, will have a positive impact on the development of the innovative process in developing countries. But in the short term, as shown by some studies, the improved protection has forced some industrial enterprises in sectors such as pharmaceuticals and chemicals, to pay higher prices to obtain technology that is protected by patents.

### **Benefits of Intellectual Property:**

Summing up, the commitment to intellectual property rights results in many benefits, mainly:

1. Attracting foreign capital.
2. Maintaining domestic capital through internal investment.
3. The state achieves a respectable international reputation as being a keeper of rights.
4. Allows investment in creativity instead of copying and piracy.

5. Encouraging investment in research and development. Developed countries spend between 5-15% of the value of their overall investment.
6. Encouraging Arab people to offer their services in the environment of protection instead of migration.
7. Encouraging national creativity in light of the infrastructure that protects creativity. It is proven that 90% of the world's inventions are in the states that have established regulations for the protection of intellectual property.
8. Evolution of society in the state which protects property rights to a knowledge society through interest in creativity in all its forms.
9. The opportunity to train national competencies in modern technologies and the creation of technological skills.
10. Protecting the citizens who deserve to have an original and a high-quality product. Protecting the consumer is impossible in the absence of a property protection system.

