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Chambers of Commerce and Intellectual Property (IP)

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Intellectual Property (IP) is one of the most important issues in modern economy and it is increasingly becoming central to the competitiveness of companies in many sectors, particularly those that are more intensive in innovation. So, this article pretends to introduce some ideas about why chambers of commerce should embrace IP as an important subject matter that deserves close attention.

IP is a system of legal protection of intangible assets based on the attribution of exclusive rights awarding legal certainty to innovation and differentiation. The usefulness of IP for a Chamber of Commerce:

1) A smart use of the IP system can enhance companies' competitiveness and promote innovation

Prevent competitors from copying products or services

When a new product or service goes into the market and attracts clients, it is possible that competitors may try, sooner or later, to make identical or similar products, which will damage the innovator or the creator of the original product. While the innovator has probably invested significant time and resources to develop it, competitors exploit these results and take advantage of the creativity and inventiveness for nothing, undermining the capacity to profit from such efforts.

The protection offered by IP provides the title to a certain innovation or creative work, limiting in an effective manner the possibilities of the competitors to copy or imitate the products.

Enhance the market value of firms

Valuable IP rights can be considered an important asset for companies, particularly those that rely strongly on their intangible assets. Through the ownership of valuable IP rights it is possible to increase the commercial value of firms. IP can enhance the value of small and medium enterprises (SMEs) in the eyes of investors and financing institutions. IP assets may also significantly raise the value of enterprises in the event of a sale, merger or acquisition. In order to obtain that, IP rights must be

part of the enterprise's business plan.

Gain revenues

Increasingly, private enterprises and academic institutions see patents, trademarks, copyrighted works and other forms of IP as an economic asset, which may generate incomes through technology licensing, joint ventures, franchising, trademark or copyright license agreements, merchandising, sales or commercialization of the IP-protected products or services.

Create a strong identity in the market

IP rights are important not just for large companies but also for SMEs; they can contribute to improve their competitiveness enabling a better differentiation of company's goods and services. It is also crucial for marketing and promoting products or services through making them easily recognizable, creating a loyal clientele and diversifying market strategy to various target groups.

Access new markets

Within a context of liberalization of markets and strong competitive pressure, one of the main challenges for firms, particularly for SMEs, is to be able to modernize and improve their offer of products or services, introducing technology and adding value to products by means of a better differentiation. Investment in innovation, especially technological innovation, is a requirement to export products or services with higher added value, contributing thus to the economic development of the country.

Avoid duplication, obtain valuable technological information and stimulate R&D

Innovative companies that are unaware of the IP system may invest in developing "new" products and services which may already have been invented and protected by others. An active use of the technological information contained in patent documents could save companies a lot of time and resources, and enable them to be at the cutting edge of innovation in their technical field and to start research from a higher level.

Obtain financing

In some cases it is possible to use IP assets to finance a business, for example through getting loans from banks or investors. That is the reason for the importance of a proper valuation of intellectual property assets to obtain finance.

2. The emergence of IP as a central issue for businesses in the knowledge economy provides Chambers of Commerce with the possibility to create new services for members

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Chambers of Commerce have the possibility of offering IP-related services to their members in order to add value to the present activities and also to have an additional source of income.

3. It is an important argument to attract new members and associations

The inclusion of IP within the activities of the Chambers of Commerce could attract new members and associations, especially those that are highly innovative and for which IP is particularly significant. It can help to enhance the image of Chambers of Commerce, as innovative service providers that are sensitive to the evolving needs of companies in a globalized economy.

4. The impact of counterfeiting and piracy in the economy

As leaders of the private sector, Chambers of Commerce should make efforts at protecting all forms of private property, including intangible assets. Like other types of property, IP can be owned and managed to create an economic return, so it should be protected against counterfeiting and piracy because significant resources are lost every year due to them. For the owner of the IP rights the concerns include the harmful effects to maintain a presence on the market, the impact on sales and the harm to the reputation of trademark or the other subject matter protected.

For consumers the concerns are mainly that they are cheated into buying dangerous or useless products. On this respect, there are numerous examples of cases where counterfeit products have been outright dangerous both to public health and safety.

5. It is present in the modern international trade agreements

This issue is particularly important for many countries, as modern free trade agreements always include IP rights, and Chambers of Commerce should be involved in these negotiations as representatives of the private sector.

It is also important to consider that in many countries, the public sector may not have negotiators specialized in this subject matter, and it is important to support them. In addition, even where local expertise in the public sector is present, it is important for the chambers of commerce to be knowledgeable about the subject matter in order to represent the interests of the private sector and convey them to policy-makers during the negotiation

of trade agreements.

6. It is important to promote foreign direct investment

Investors generally prefer to invest in countries where there is a steady intellectual property climate that works properly and in a foreseeable way. This is particularly important in activities that involve transfer of technology.

7. The key role that Chambers may play in policy-making

Chambers of Commerce as representatives of the whole private sector should take an active role in order to be a place where different interests could be found to reach an acceptable solution for all parties. For this reason it is important to understand the needs of chambers members' in order to represent them well during debates on policy reform in this area. Understanding these needs is crucial because some sectors may want stronger protection, others weaker protection; some may want greater access to public domain; others may want more restrictive rights, etc.

So chambers of commerce can play a key role in understanding the most suitable compromises that may satisfy the needs of all their members.

8. It allows to demonstrate leadership in the society

By developing expertise in IP rights, Chambers of Commerce have the opportunity to show and demonstrate to the public opinion that they, as leaders of the private sector, are interested in and are leaders on new emerging issues that are increasingly central to the "knowledge economy" that we live in. For that purpose it is important to involve and collaborate with all stakeholders, IP office, universities, IP agents, etc.

In conclusion, it is important to point out that nowadays IP is present in most areas of our society and in particular it is getting involved, more and more frequently, in the enterprise life. The combination of IP and human capital is a potent economic force in today's knowledge-based economy, so Chambers of Commerce, as important stockholders should embrace IP as an instrument to support enterprises, in particular SMEs, and to show leadership in a subject that is important for all sectors in the economy.