



ITSSD: IP-Based Innovation, Not IP Opportunism, is in Brazil's Best Interests

A new ITSSD article discusses how, by rediscovering the value of private intellectual property rights, Brazil can stimulate domestic innovation and generate economic growth

Princeton, NJ – September 21, 2006 - While the government of Brazilian President Luiz Inacio Lula da Silva works diligently to appear as a political moderate and a dependable market-friendly force within a highly volatile and blatantly populist region of the world, international business, trade and regulatory expert Lawrence A. Kogan of the ITSSD reports how Brazil, under Mr. Lula's leadership, is actually working to undermine exclusive private property rights and free enterprise globally.

In a new article appearing in the peer-reviewed *International Journal of Economic Development* (IJED), Mr. Kogan documents how the Brazilian government, assisted by ideological activists, academics and politicians, has brazenly led a bloc of emerging and less developed economies to craft a highly controversial anti-intellectual property right (IPR) legal framework. According to the article, Brazil is believed to be promoting this new international paradigm in order to divert attention away from its weak national education and innovation systems, to gain negotiating leverage at the now-stalled WTO Doha round trade talks, and to project itself politically as the international champion of a development agenda that calls for a massive redistribution of global wealth and knowledge (technology transfer) at or below concession rate prices.

Rather than embrace what clearly amounts to a national and global policy of (IP) opportunism, which aims to ensure open source, universal access to (life sciences and information technology) knowledge for all at the expense of exclusive, privately-owned IP rights, the article explains why Brazil should instead adopt a proven 'bottom-up' policy of domestic market-based discovery and innovation premised on strong individual private property right recognition and protection. This requires, says Mr. Kogan, that "Brazil not only invest in university and government-led basic research and development programs, but also in a WTO-consistent, market-friendly national enabling environment that fosters Brazilian and foreign industry commercialization of government-financed inventions into market-relevant innovations bearing temporary but exclusive private property ownership rights."

The article cites numerous studies and actual examples of how such a well designed and implemented *national* enabling environment can lead to a virtuous cycle of increased research and development (R&D)-related foreign direct investment, greater Brazilian and foreign company R&D collaborations and technology transfers, and expanded intergovernmental science & technology, financial, and trade cooperation. The article also features introductory remarks by three well-known experts: Dr. Pat Choate, Director of the Manufacturing Policy Project, and author of *Hot Property: The Stealing of Ideas in an Age of Globalization*; Legal Studies and Meigs Professor, O. Lee Reed, of the University of Georgia; and Dr. John Kilama, President of Global Bioscience Development Institute, Inc.

The article entitled, *Rediscovering the Value of Intellectual Property Rights: How Brazil's Recognition and Protection of Foreign IPRs Can Stimulate Domestic Innovation and Generate Economic Growth*, is accessible on the IJED's website at: http://www.spaef.com/IJED_PUB/v8n1-2.html and http://www.spaef.com/IJED/IJED_PUB/index.html . An Executive Summary of the article is also accessible on the ITSSD's website at: <http://www.itssd.org/publications.htm> .

*The ITSSD is a non-partisan non-profit educational organization devoted to the promotion of a **positive** paradigm of sustainable development consistent with private property, free market and WTO rules-based principles. The ITSSD examines international law as it relates to trade, industry and sustainable development around the world. ITSSD studies are accessible at: (<http://www.itssd.org/library.htm>).*