



Protection of Intellectual Property Rights: The WTO TRIPS Agreement

Office of the U.S. Trade Representative
Washington, D.C.

Who Benefits From Protection of Intellectual Property?

Public policy aimed at protection of intellectual property is based on the desire to ensure a rich, diverse, competitive marketplace. Giving inventors, scientists, writers, artists, business persons, and others enforceable property rights in their creations makes it possible for creators to recoup their investment in the creative process, encouraging them to devote their time and efforts to developing new works, products and services. Creators' home countries - - governments and societies -- also benefit when intellectual property rights (IPR) are protected by law and IPR laws are enforced. For example:

- Copyright laws encourage creation of a wide variety of literary works, computer programs, artistic works, and expressions of national culture.
- Patent laws encourage discovery and invention of new and improved products, processes and other contributions to society, while ensuring the freest possible public access to information regarding those new products and processes.
- Trademark laws encourage development and maintenance of high-quality products and services in order to engender customer loyalty.

Dissemination of information (for all purposes, from science to education to commerce) is enhanced. However, because thieves, pirates and counterfeiters neither respect nationality nor pay taxes, effective enforcement of intellectual property rights is crucial.

Strong, effective intellectual property protection is the cornerstone on which an attractive investment climate is built, and produces long-run economic benefits. For example, it:

- Stimulates innovation by providing an environment in which innovation is rewarded.
- Encourages development of lower cost methods of production and distribution of existing products.
- Invites introduction of new, safe and effective products, technology and services.
- Stimulates development of in-country markets through the adaptation and improvement of existing products and technology.
- Encourages the transfer of technology.
- Creates jobs in both primary and supporting industries throughout the economy.
- Creates a higher quality and technically-prepared labor force through the on-the-job training associated with authorized transfers of technology.
- Increases the amount of new capital that can be generated for investment in economic development.

- Creates advances which will contribute to the level of technology throughout the world.

What is TRIPS and What Does TRIPS Do?

The World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPS Agreement or TRIPS) is the most detailed and comprehensive multilateral agreement on intellectual property yet negotiated. Its significance is three-fold:

(1) in a single agreement, it establishes minimum standards of protection for the most important forms of intellectual property -- copyright and related rights (including for computer programs, data bases, sound recordings, and films); trademarks and service marks; geographical indications; industrial designs; patents; layout designs of integrated circuits; and undisclosed information.

(2) it establishes standards for enforcement of those forms of intellectual property by incorporating commitments regarding domestic procedures and remedies for enforcement of intellectual property rights, including establishment of certain general principles applicable to all IPR enforcement procedures; and

(3) it provides a binding, enforceable dispute settlement mechanism to resolve disputes regarding WTO Members' compliance with the established standards.

The TRIPS Agreement incorporates the fundamental WTO principles of national treatment and most-favored-nation treatment for all protected categories of rights, and provides general rules to ensure that procedures for acquiring and maintaining intellectual property rights are not unduly time-consuming or costly.

Conclusion

The TRIPS Agreement recognizes the need to promote effective protection of intellectual property rights and ensures that measures and procedures to enforce such rights do not themselves become barriers to trade. In so doing, TRIPS will continue to foster a welcoming climate for the social and economic growth and progress of WTO Members in the 21st century.