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**SESSION 2**

**IP AND REGIONAL TRADE  
AGREEMENTS / FREE TRADE  
AGREEMENTS**

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**trading ideas**

**THE FUTURE OF IP IN ASIA PACIFIC**



# I. Evolution of Intellectual Property in Trade Negotiations

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Need to protect intellectual property rights worldwide at the end of XIXth Century



- *Paris Convention for the Protection of Industrial Property of 1883*
- *Berne Convention for the Protection of Literary and Artistic Works of 1886*



1967 → WIPO. Establishment of minimum standards to protect IPR



## Paris and Berne Convention

- Scope of protection not enough and complete*
- Lack of enforcement provisions and dispute settlement mechanisms*

- Countries required efficient rules and needed to include IPR in trade agreements

*-In the 80's United States incorporated IP in FTA's: Korea in 1986 Singapore in 1987 and Canada in 1988.*

*-In the 90's membership in the WTO and adherence to its **TRIPS** Agreement represented a firm commitment to set minimum standards to protect IPR*

**TRIPS** constitutes the most significant strengthening global agreement for the IP system and linked with trade issues



- **TRIPS** serves as a basis for further development of international rules on IP; its provisions are mirrored in several agreements.
- New subjects are also being discussed including topics of interest to developing countries, such as:
  - access to genetic resources
  - protection of traditional knowledge
  - expressions of folklore
  - internet domain names
  - pharmaceuticals and biotechnology

**TRIPS-plus**



## II. Importance of IP in FTA's and RTA's

- Free trade and regional integration intensify economic, cultural, social and commercial relations in a simple and efficient way
- IP System has acquired a great significance due to its link to commercial field, technological innovation and transfer and dissemination of technology



Changes in economic policy toward trade facilitation and liberalization, different protection levels and IPR infringements



Need of an efficient enforcement system

IP laws aim to safeguard inventor's or creator's IPR by granting them certain time- limited rights to control the commercial use of those products



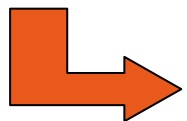
- Economy is based on technological knowledge as a result of:
  - Globalization
  - Free Trade Agreements
  - New knowledge areas
  - Monetary value of intangible assets
  - Unfair competition

IP requirement of investment

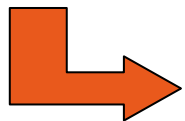


FTA's/RTA's promote free trade addressing to integration and development

- Major commercial exchanges
- Productive investment
- Technical and scientific cooperation



Harmonization and strengthening of IP standards



Establishment of policies to modernize IP system  
Promote competitiveness



- FTA's/RTA's foster trade practices between countries due to:
  - Recognition of a temporal privilege
  - Granting the right to exclude others of using the protected IPR
  - Prevention of unfair competition in a commercial scale.
- IP important issue to governments as a tool to carry out policies on economic and scientific development
- Impossible to imagine a strong economic growth and an increase in FDI without an structure of minimum standards to protect IP rights



### III. Experience of Mexico

- **NAFTA** (1994), IP Chapter 17, requires to apply substantive provisions of IP conventions; to assure enforcement procedures and to protect several substantive areas:
  - Copyright and related rights
  - Software and data base
  - Encrypted program- carrying satellite signals
  - Trademarks
  - Patents
  - Plant Varieties
  - Trade Secrets
  - Layout Designs
  - Geographical Indications and industrial designs.



## MEXICO

As a result of NAFTA:

- Amendments to Mexican Law of 1991*
- Creation of IMPI (1993)*
- Adoption of the new Law on Industrial Property in 1994*

FTA's provide benefit and growth mainly by supplying raw materials and fostering investments, services, technology and movement of people.

IP included in FTA's to guarantee effective protection of Mexican products and services



## MEXICO'S Commercial partners





## MEXICO'S COMMERCIAL PARTNERS

**NAFTA:** Free trade area of 450 millions of habitants. Total trade US\$ 235 millions (January-August 2006)

COUNTRY/ REGION	TOTAL IMPORTS OF MEXICO (Million of dollars)	TOTAL EXPORTS OF MEXICO (Million of dollars)
<b>Chile</b>		
1993	130.1	199.7
2006 (January- August)	1,636.8	324.6
<b>EU</b>		
1993	7,877.5	2,794.0
2006	18,888.5	8,621.9
<b>EFTA</b>		
1993	530	151.7
2006	874.2	1,010.4
<b>Japan</b>		
1993	3,928.7	686.4
2006	9,620.4	485.9



## TRADE BETWEEN MEXICO AND OTHER COUNTRIES

COUNTRY / REGION	TOTAL IMPORTS OF MEXICO (Million of Dollars)	TOTAL EXPORTS OF MEXICO (Million of Dollars)
<b>NIC's</b> (Korea, Taiwan, Hong Kong, Singapore)		
1993	2,201.6	277.3
2006	11,445.2	1,413.4
<b>Peru</b>		
1993	169.9	94.2
2006	349.5	173.3

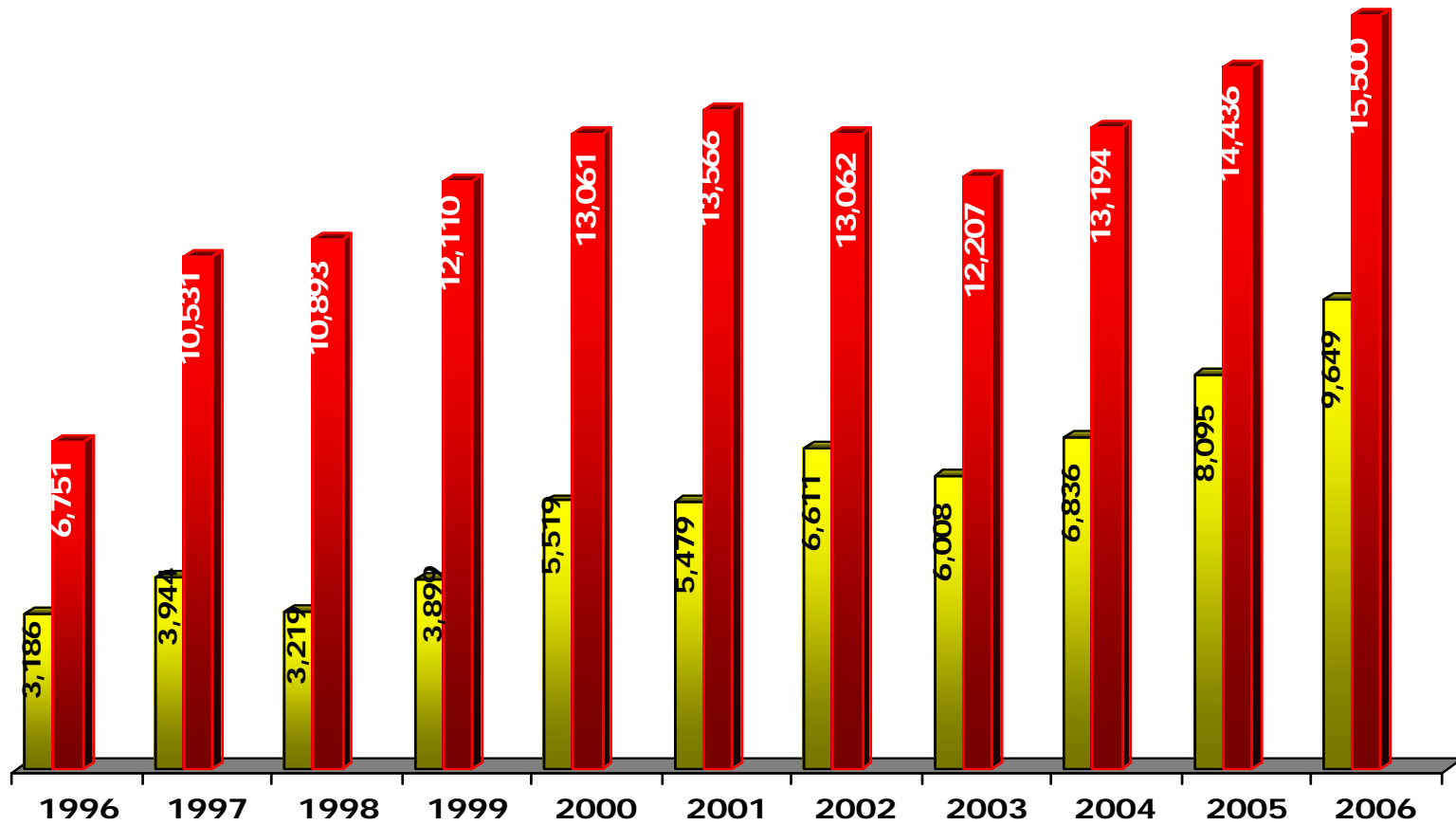
### FDI in Mexico (January 1994-June 2006)

120 million of dollars- USA and Canada

25 million of dollars- European Union



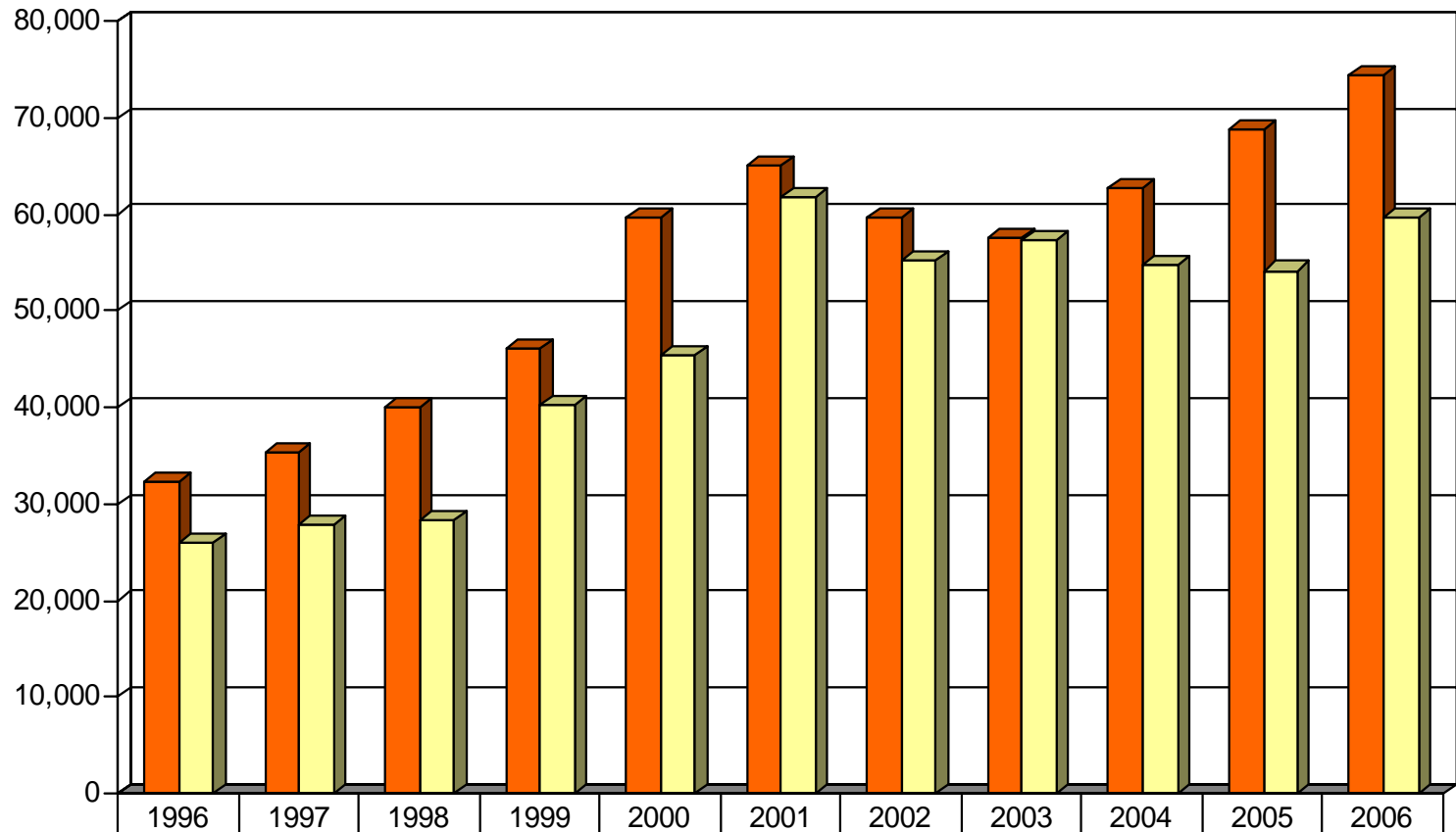
# IMPI's FIGURES PATENTS





## IMPI's FIGURES

### DISTINCTIVE SIGNS (Trademarks, Business Advertisements, Trade Names)



■ APPLICATIONS	32,336	35,426	40,042	46,156	59,721	64,970	59,576	57,613	62,595	68,805	74,378
■ REGISTRATIONS	25,983	27,821	28,362	40,321	45,483	61,729	55,131	57,296	54,834	54,154	59,673



## IV. Final Remarks

- FTA's/RTA's diversify export and import markets and foster companies' investments to take advantage of benefits offered by these agreements.
- IP has evolved due to trade liberalization and changes in technology and globalization
- New areas are foreseen in relevant international fora related to IP
- Need to define the relationship between TRIPS and new IP regimes

*“an adequate and effective IP protection system can be an important spur to competition at all levels of economic development”*

(Maskus, Keith E. 2000)



**Thank you for your attention!**

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