

World Economic Forum Annual Meeting 2006
Davos , Switzerland

WorkSpace

CREATIVE IMPERATIVE

UNLEASHING CREATIVE POTENTIAL

THE END OF INTELLECTUAL PROPERTY RIGHTS

In 2010 governments and the public alike realized that the system of Intellectual Property protection was in chaos and effectively eliminated all existing patents, copyrights, and trademarks. The change wrought by unfettered access to information tipped the world upside-down as businesses, workers, and consumers were left to design a new world order. A mere 5 years later, in 2015, surprising outcomes have emerged.

Plus:

Prolific scientist/inventor snags 5-year \$70 million dollar contract

Anti-technology groups gaining ground in World's rural communities

Internet University wins contract to develop Information Certification Center

JANUARY 2015



0 129144 711251 8

€0.00 £0.00 \$0.00

The End of Intellectual Property Rights

Davos, January 27, 2015

In the decade since the 2006 World Economic Forum the world of intellectual property has spiraled out of control. The signals of imminent collapse of the IP Rights system were obvious even before that, most evidently in the differing vantage points of the have and have-not countries. The developed countries had the infrastructure to register patents and copyrights first, frequently leaving the developing world out of the race. The poorer countries could not keep up with the explosion in intellectual property laws, the burgeoning number of patent and copyright filings that it created, and the kinds of legal and technical enforcement created by an impossible backlog of cases. Perhaps most importantly, there existed a fundamental difference in how the East and West assessed the protection of ideas: the East believed that ideas are not protectable since they cannot be stolen and essentially remain the property of the inventor.

The 2001 Doha Declaration, 'Doha Development Agenda' as it was so loftily named, took a step toward trying to erase some of the cultural differences by leveling IP Rights. But neither the developed nor the developing countries had the will to increase trade liberalization to the degree needed to help the world's poorest.

That was the period called 'quaint history' before the advent of Wi Max

simple solar generators, and the \$100 PC that allowed the developing countries to leapfrog and gain internet access to all copyrighted material and on-line patents. This formerly-protected content was made available by the F.R.E.E. society (Federation for Radical Elimination of Every protection). That raised the question: when are laws law? At some point the will and possibility to enforce the IP laws was stalled and faith was lost in the international institutions created to save the system.

Determined not to miss out on opportunities, many multinationals began to release source code and patents as they tried to maintain their global position and ability to profit through "first-to-market" leaps using the creative power of multiple users innovating together.

The burgeoning changes that accompanied this mass access to information and technology tipped the world upside-down as businesses, workers, and consumers alike were left to deal with this unprecedented change in the world.

In the Beginning: Open Source

Hackers always claimed more power than others gave them credit for, but it is widely believed that the tight-knit community of programmers who resisted and were infuriated by licensed software deliberately created the open source movement. As early as 1985, Richard Stallman created the Free Software Foundation to support his work in developing a proprietary-free operating system. General Public

Licenses were created that allowed users to use, inspect, change, and redistribute free software provided that they follow the GPL licensing terms. Soon thereafter Linux was born. Probably the turning point was in 1998 when Netscape opened its source code for Navigator 5.0, giving the open source software community a great boost in credibility with business. By 2001 IBM had committed more than \$1 billion dollars to support Linux and 55% of the world's 2,500 largest firms used open source software with the number growing every year.

China's Role

The unraveling of intellectual property laws began as China ascended to become chief global exporter, feeding the growing global demand for counterfeit products. By the early 2000s an estimated 15-20% of branded software there was counterfeited. Nearly all branded software there was pirated. By 2010 the number had jumped beyond 50%. The worldwide demand for famous brands and the lack of strong legal protection for them made counterfeiting a lucrative and relatively safe commercial activity.

Local government was enmeshed directly and indirectly in the counterfeit trade. It served as distribution centers for these goods. China's fines for trademark infringement were negligible and criminal prosecution had decreased and the compensation for victims was paltry. China-pirated software hurt both foreign software corporations, who lost sales to piracy, and the local Chinese software companies that could not sell enough software to prosper. In the end, the widespread view from China won

out: people should pay only for tangible goods, not intangible intellectual property. That's water under the bridge now that all software is available.

The Stumbling Block: Patents on Life

Developing countries had spent centuries carefully breeding sustainable food crops. Yet corporations, mostly from the developed world, began to claim them as intellectual property once the US Patent and Trademark Office expanded patent rights in the 1990s. They began to encompass microorganisms, gene sequences, expressed sequence tags, proteins, cell lines, genetically modified plants and animals, and even some non-genetically modified species.

The 2001 TRIPS agreement of the World Trade Organization attempted to reverse the trend of patenting life to exclude living organisms and their parts from the patent system. But many IP claims had already been taken with over 900 patents on varieties of the world's five major staple food crops—Six agrochemical companies controlled most of these patents, almost all of them from the US and Japan. By 2001 at least 1,300 patents of full-length human genes had been granted. Developing countries rebelled en masse with the help of world class universities and open source biotech institutes.

These institutes, funded by social entrepreneurs and NGOs, fostered innovation and collaboration to achieve solutions to food security, agricultural productivity and natural resource management for the world's poorest nations. The new tools and enabling

technologies they created changed R & D paradigms, practices and policies and tapped into the immense ingenuity and resourcefulness of the disadvantaged communities.

Consumer Revolution

The internet set fire to consumer innovation and creativity by allowing mass access to ideas, music, films and books. The public became impatient with the governing copyright protection laws and no longer waited for or accepted the terms that corporations set before they could use the vast information in front of them.

The chain reaction that consumer creativity sparked was unstoppable. The public couldn't help but make use of the wellspring laid out in front of it, just as Disney had built on classical mythology, and Picasso on African art.

People on all continents started to organize as they questioned who really benefited from intellectual protection. Whether a writer or scientist, issues surrounding intellectual property and the public domain affected all people. The massive expansion of intellectual property law had stifled innovation, creativity and competition with the 'first in wins' thinking, ridiculously costly IP litigation, and frivolous protection of portfolios. Consumers wanted no part of it.

Increasingly, enforcement of the laws became a joke. Governments were powerless to stop this upset in the balance between public and between multinational corporations, and between developing and developed

countries. There battle lines blurred. Some citizens banded with IP attorneys and demanded authenticity of products, while other groups opted out entirely by joining the burgeoning "Luddite-inspired" anti-technology enclaves.

Well-spoken and talented scientist/inventors took stage center and became the superstars. Companies paid enormous salaries for the scientists who defied convention and helped spawn the creative economy of networked independent operators working with the free-flow of ideas.

System Failure?

In 2010 governments and the public alike realized that the system of IP was in chaos and effectively eliminated all existing patents, copyrights, and trademarks. The next five years birthed an unprecedented experiment filled with no clear direction and competing interests.

Now, in 2015, we begin to see that during the past five years firms and individuals have struggled and designed a new working economy. Self-organized workers designed solutions for small and large problems. Some of the outcomes have been surprising.

"Not ones to miss out on opportunities, the multinationals began to release source code and patents as they tried to maintain their global position to make profit through "first-to-market" product leaps using the creative power of multiple users innovating together."