National Intellectual Property Systems, Innovation and Economic Development

Colombia's National Intellectual Property System

Caroline Paunov
The socio-economic and innovation context

- Colombia is 3rd most populous and 4th largest economy in Latin America

- Stable economic performance in last decade, strong macro-economic discipline, trade reforms, increased security

  → *positive context for strengthening innovation system*

- Overall expenditure on S&T activities lags behind, traditional output indicators equally modest

  → *variety of factors require focus from skill base to articulation of different actors & critical complements of IP systems’ contributions*

- Small number of well-known universities (research) and some strong private sector capacities (Ecopetrol), rapid growth in mineral exports (esp. oil) - “Dutch disease” or opportunities?

  → *leading sectors beyond traditional manufacturing firm*

- Inequality challenge: informal sector employs 1/2 of the labour force

  → *renders broader focus for IP policies desirable*

- Challenges for innovators (limited access to capital, high barriers to business entry, infrastructure)

  → *need to be addressed: IP provides incentives only for those who can commercialise*
Applying the framework

### Innovation and IPR
- **Types of IPR** (patents, utility models, trademarks, copyright, trade secrets, ...)
- **Rationales of IP for innovation** (incentives for invention, access to knowledge, access to finance, addressing information asymmetries, ...)

### Organisation of IP systems
- **Legal quality of IP**
- **IP operations and procedures**
  - IP law (substantive patent law, utility model law, trademark law, ...)
- **IP enforcement and litigation**
  - International dimensions (agreements and bodies)
  - IP skills and training

### IP users
- Leading “frontier” businesses
- “Catching-up” businesses
- Innovators in traditional and informal sectors
- Universities and public research institutes

### IP, markets and diffusion
- Open innovation
- Open source
- Licensing and markets for IP
- IP and markets for finance
- Competition (standards and IP, patent pools and antitrust, patent races, proliferation of patents)

### Fields of IP use
- **Innovation in biotechnology and pharmaceuticals**
- Innovation in agriculture
- Creative industries
- Innovation in ICT

### IP policies in the context of innovation
- Characteristics of IP policies relative to others
- Policy design (prioritization, compatibility and tradeoffs)
- Governance of IP
Organisation of the Colombian IP system

- **Comprehensive legal provisions:** TRIPS, Andean Community & signatory of major international treaties
- **New IP policy** with strategy 2008 document [CONPES, 3533]
- **Intersectoral Commission for Intellectual Property (CIPI):** created in 2010, initial success in co-ordination, next step: driving an innovation agenda!
- **A few key actors for this:**
  - *a)* Colciencias: key player in STI;
  - *b)* DNP: technical secretariat of CIPI;
  - *c)* MCIT: presidency of CIPI, international treaties & business development and
  - *d)* IP offices
## Organisation of the Colombian IP system

<table>
<thead>
<tr>
<th>Tasks\type of IP</th>
<th>Copyright</th>
<th>Plant Variety Protection</th>
<th>Industrial Property</th>
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<tbody>
<tr>
<td><strong>Co-ordination agency</strong></td>
<td>Intersectoral Commission for Intellectual Property (CIPI)</td>
<td>Ministry of Agriculture and Rural Development</td>
<td>Ministry of Trade, Industry and Tourism (MCIT)</td>
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<tr>
<td></td>
<td>Ministry of Trade, Industry and Tourism (MCIT) &amp; National Planning Department (DNP)</td>
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<tr>
<td><strong>Policy design</strong></td>
<td>Colombian Copyright Office, Ministry for Internal Affairs and Justice</td>
<td>Ministry of Agriculture and Rural Development</td>
<td>Ministry of Trade, Industry and Tourism (MCIT)</td>
</tr>
<tr>
<td><strong>Administration of IP</strong></td>
<td>Colombian Copyright Office</td>
<td>Colombian Agricultural Institute (ICA)</td>
<td>Superintendency of Industry and Commerce (SIC)</td>
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<tr>
<td><strong>Foreign policy design</strong></td>
<td>Ministry of Foreign Relations; Ministry of Trade, Industry and Tourism (MCIT)</td>
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<tr>
<td><strong>Enforcement</strong></td>
<td>Colombian Copyright Office</td>
<td>Colombian Agricultural Institute (ICA)</td>
<td>Superintendency of Industry and Commerce (SIC)</td>
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<td>Attorney General, Customs Authority, National Police and others</td>
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<td><strong>Entities in charge of supporting the IP system</strong></td>
<td>Ministries of Culture; Agriculture and Rural Development; Trade, Industry and Tourism; Information and Communication Technologies; Education and others</td>
<td>Colciencias, SENA, collecting societies, Artesanías de Colombia and others</td>
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Institutions in charge of IP (SIC, ICA, Copyright Office) since 2012 now courts of first instance in IP law cases

→ step towards greater efficiency (guarantee of ownership) but requires vigilance of functioning

• Fee structure with discounts for smaller entities, also general reductions of trademarks
→ growing awareness that price is not binding constraint

• Continuous reduction of application processing time since 2011
IP markets and diffusion

- Licensing and IP markets weakly developed but interesting success stories
  - **TECNNOVA**: fostering university-industry co-operation

- Institutional characteristic: entity in charge of granting industrial property is also competition authority

→ *proposal to create autonomous IP institution*
IP users ... a quick data perspective

- Weak use of IP system by residents by regional and international standards, particularly patents
- Concentration of patent-level innovation capacities in universities and the oil sector.

Number of patent applications for the top 10 Colombian entities for 2007-12

- **ECOPETROL S.A.**: 30
- **UNIVERSITY OF ANTIOQUIA**: 11
- **POCH FIGUEROA PABLO**: 9
- **UNIVERSITY DEL VALLE**: 8
- **NATIONAL UNIVERSITY OF COLOMBIA**: 8
- **BALLESTEROS CAMELO CARLOS JULIO**: 6
- **ELÉCTRICOS INTERNACIONAL LTDA**: 6
- **INDUSTRIAL UNIVERSITY OF SANTANDER**: 5
- **SERINPET LTDA REPRESENTACIONES Y SERVICIOS DE PETRÓLEOS**: 5
- **CASTRO PULIDO HERIBERTO**: 5

Source: SIC
IP users ... a quick data perspective

- Relatively weak use of utility models in spite of relevance for large number of national entities

- More affordable fee compared to patents and, with recent reductions = reasonable timeframes

  ➔ Either reflection of past (long processing) or, likely part of explanations, other factors such as limited awareness ... would require different approaches
Innovators in traditional and informal sectors

- Limited experience using geographical indications with notable exception and success story: “Café de Colombia”

  → replication needs more efforts into institutional parts than identifying more products

- Traditional knowledge and biodiversity equally critical & dialogue with afro-indigenous community
“Catching-up” firms and leading “frontier businesses”

- Addressing needs of SMEs → critical role of regional services

- Propiedad Intelectual Colombia: Chambers of Commerce & IADB → specialised IP consulting services, practical support and management of relevant IP

- Challenges for IP support programmes: demanding and lengthy selection leading to rigorous selection but difficulties for companies & firms
Research institutes and universities

- Regulatory constraints faced by researchers in public universities substantial & limited incentives
- Difficulty of finding right counterparts – challenges broader than IP-related challenges

- *Technology transfer offices*: challenge of scale currently mostly initial attempts, possibly regional services or other types of cooperation for efficiency
Some conclusions

- Recent reforms have considerably improved legal and administrative conditions.
- More remains to be done to assist a wider group of innovators in identifying how IP can serve their innovation activities.
- The CIPI could be enabled to push the “IP for innovation” agenda forward.
For further information...

• **Project Website:**
  – [http://oe.cd/ip-studies](http://oe.cd/ip-studies) or

• **Innovation Policy Reviews:**

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