

Japan's innovation key to sustainable solutions

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It is often said that within crises are found the seeds of opportunity. The economic crisis that plunged the global economy into a tailspin is no exception. Many, including Japan's entrepreneurs, are nurturing these opportunities by focusing on innovation along the path to recovery.

Knowledge is increasingly at the center of wealth creation. The intellectual property system is one of the indispensable mechanisms for translating knowledge into commercial assets. Intellectual property rights create a secure environment for investment in innovation and provide a legal framework for trading intellectual assets.

The World Intellectual Property Organization (WIPO) is committed to promoting innovation and creativity. Working with our 184 member states, we are buttressing global investment in knowledge creation through the development of a robust and sustainable intellectual property system, one that strikes an appropriate balance between the needs and interests of innovators, investors and society. Such a system fosters further innovation, and its diffusion, in a way that benefits society at large.

While not a panacea for the world's economic woes, a continued focus on innovation promises to enable companies to take advantage of

growth opportunities. This is particularly the case in Asia where emerging economies are registering the fastest growth rates. Japan's technological leadership in this context, along with its rich experience in promoting innovation, presents invaluable lessons for others.

In spite of a decline in national patent applications, Japan's use of WIPO's Patent Cooperation Treaty (PCT) points to a clear recognition of the importance of protecting innovations in overseas markets.

In 2009, Japan was one of the few industrialized countries to increase its use of the PCT—an international filing system that helps obtain patent protection in multiple countries—with a growth rate of 3.6 percent.

Applicants from Japan now account for 19 percent of all PCT applications, up from 9.8 percent in 1999. Japan was the second-largest user of the PCT system in 2009, and four Japanese companies featured in the top 10 companies using the PCT. Clearly, Japanese companies are focused on strengthening their competitive edge in the international arena.

They are developing their global brands as well—Japan's use of the international trademark registration system rose 2.7 percent last year, despite an overall decline in economic growth. This shows that Japanese companies are willing to invest during difficult times to reap benefits



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later: strong global brands command customer loyalty and premium prices, and contribute to healthy profit margins and growth.

In commercial centers in Tokyo, and in all parts of the world, eager consumers are seduced by the range of groundbreaking Japanese technologies available, from high-end cameras to hybrid engines. The tools of the intellectual property system—patents, trademarks and designs—play a key role in delivering these new products to market and in furthering the success of Japanese companies.

The key role of innovation goes well beyond commerce, however.

History has shown that a commitment to innovation enables us to push the frontiers of human progress. Innovation plays a pivotal role in developing solutions to a raft of global challenges facing humanity, such as climate change, food security and public health.

A balanced IP system stimulates the creation, diffusion and application of the technology-based solutions we need to meet these daunting challenges. In the area of climate change, for example, the IP system helps drive the development of clean technologies and green design, from

products that are eco-friendly from conception to disposal to the green branding that helps consumers make informed choices about the products they buy.

Innovation is the space between a problem and its solution. A balanced intellectual property system plays a vital role in this space. WIPO is committed to ensuring that each of its member states is in a position to reap tangible benefit from the effective use of intellectual property. It is equally committed to ensuring that the system continues to deliver on its mission to promote innovation and creativity for the benefit of humanity.

One thing is clear: If the world is to return to sustained economic growth, while significantly lowering carbon emissions and protecting our environment, then our focus must be on innovation. If we are to meet the enormous challenges facing humanity, the global community must work together to marshal our creative resources to develop new, more effective solutions.

Japan, a global innovation leader, has a key role to play in shaping the multilateral, economic and technological landscape of the 21st century.

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