IP and innovators in traditional and informal sectors

From a social and economic perspective, support for local and inclusive innovation, which refers to innovation in economic sectors which are insufficiently covered formal arrangements, is particularly important in developing and emerging countries. This is because these sectors employ a substantial share of the labour force. However, IP for innovators in traditional and informal sectors is less relevant than it is for the other IP users because activities in this group are much more incremental and often involve very small local markets. They might, therefore, not be of sufficient quality for IP and patents, in particular, might be out of reach. Innovators in these sectors most frequently use informal mechanisms for appropriating returns from innovation such as after sales and other services, customer loyalty, family/community mechanisms, in tandem with community sanctions/ostracism for copying/imitation. This said, low use of other types of IP might be due to limited awareness or concern over enforcement rather than limited potential returns. Evidence on the relative importance of these factors to date is still scarce (WIPO, 2013).

Several Preparedness indices of adoption for IP policy. These include GII for traditional and informal sectors. For the group of innovators into innovation systems, development and the opportunities to integrate into formal markets.

Traditional knowledge can provide opportunities for innovation but poses challenges for the current IP system as it is not easily traceable. Types of IP protection entrepreneurs have also deployed non-IP strategies to support the local creative industry. They provide one-stop access to a wider body of creations, thereby allowing users to make use of the knowledge of others. Copyright is the main type of IP here. In this case, effective collective management organisations are critical.

In general, collective action is more important for innovators in informal and traditional sectors. They are weak or even nonexistent, GIs will encounter major problems on the road to success. Successful strategy through the use of trademarks, for example, will not be feasible unless these are supported by GI registrations. If a large number of products are registered using GI, such investments provide opportunities for generating income for groups in traditional and informal sectors. Copyright is important in developing and emerging economies. However, as is the case for other types of IP, ownership rights do not alone generate economic value impact by registering Gi. Many countries taking this approach also experience the risk of dilution. GI can also be a means to support marginalised groups that are weakly positioned in innovation systems. Similarly, claiming national or group IP rights that closely affect agricultural products, handicrafts and traditional knowledge. Types of IP are relevant than it is for the other IP users because activities in this group are much more incremental and often involve very small local markets. They might, therefore, not be of sufficient quality for IP and patents, in particular, might be out of reach. Innovators in these sectors most frequently use informal mechanisms for appropriating returns from innovation such as after sales and other services, customer loyalty, family/community mechanisms, in tandem with community sanctions/ostracism for copying/imitation. This said, low use of other types of IP might be due to limited awareness or concern over enforcement rather than limited potential returns. Evidence on the relative importance of these factors to date is still scarce (WIPO, 2013).

Support for discussions on IP regarding traditional knowledge is therefore crucial. It is creating a community among that knowledge, communities or their knowledge to the benefit of the owners. A key issue for individuals in informal and traditional sectors is the access costs generated by IP protection. IP protection is often considered to be a barrier to innovation in these sectors, in particular during the process of innovating and developing new products. This is because the potential returns are limited and the costs of registering IP might be prohibitive.

References

Source URL: https://www.innovationpolicyplatform.org/content/ip-and-innovators-traditional-and-informal-sectors

Links