

# International Cooperation in Pharmaceutical Research

## BACKGROUND

- The need for a stronger system of intellectual property rights (IPR) has been much debated in recent years. The agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) came into force in 1995 and represents an important development of the IPR regime at the international level. New rules establish a minimum standard in the protection of IPR, with the aim of facilitating the transfer of innovation among countries and fostering cooperation between the developed and developing world.
- The theoretical literature is weighted towards the view that an increase in the stringency of IPR can be beneficial for the transfer of technology. An innovator has a stronger incentive to operate in an environment governed by an effective IPR system. Moreover, tighter patent law renders imitation more costly.

## METHODOLOGY

- The authors report on research to determine whether the increased strength of IPR protection introduced by the TRIPs agreement is able to stimulate effectively technology transfer.
- The analysis draws on data about international cooperation in pharmaceutical R&D for the period 1978 to 2010. The sample includes both developed and emerging economies.

## KEY FINDINGS

- The results indicate that stronger protection of IPR has failed to provide a stimulus to technological pharmaceutical collaborations as measured by the number of joint patents.
- However, stronger protection of IPR exerts a positive influence on scientific collaboration as measured by the number of joint publications.

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## THE CCP

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## FOR MORE INFORMATION

The full working paper (11-17) and more information about CCP and its research is available from our website: [www.competitionpolicy.ac.uk](http://www.competitionpolicy.ac.uk)

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# CCP Executive Summary