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.
THE CCP

The ESRC Centre for Competition Policy (CCP), at the University of East Anglia, undertakes competition policy research, incorporating economic, legal, management and political science perspectives, that has real-world policy relevance without compromising academic rigour.

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