

Introduction
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Intellectual Property Law

Introduction

- **Intellectual property (IP)** is a term referring to a number of distinct types of creations of the mind for which a set of exclusive rights are recognized—and the corresponding fields of law.
- Under intellectual property law, owners are granted certain exclusive rights to a variety of intangible assets, such as musical, literary, and artistic works; discoveries and inventions; and words, phrases, symbols, and designs. Common types of intellectual property include copyrights, trademarks, patents, industrial design rights and trade secrets in some jurisdictions.
- Although many of the legal principles governing intellectual property have evolved over centuries, it was not until the 19th century that the term *intellectual property* began to be used, and not until the late 20th century that it became commonplace in the United States.
- The British Statute of Anne 1710 and the Statute of Monopolies 1623 are now seen as the origins of copyright and patent law respectively.

History

- Modern usage of the term *intellectual property* goes back at least as far as 1867 with the founding of the [North German Confederation](#) whose [constitution](#) granted legislative power over the protection of intellectual property to the confederation.
- When the administrative secretariats established by the [Paris Convention](#) (1883) and the [Berne Convention](#) (1886) merged in 1893, they located in Berne, and also adopted the term intellectual property in their new combined title, the [United International Bureaux for the Protection of Intellectual Property](#).
- The organisation subsequently relocated to Geneva in 1960, and was succeeded in 1967 with the establishment of the [World Intellectual Property Organization](#) (WIPO) by [treaty](#) as an agency of the [United Nations](#).
- According to Lemley, it was only at this point that the term really began to be used in the United States (which had not been a party to the Berne Convention), and it did not enter popular usage until passage of the [Bayh-Dole Act](#) in 1980.

Objectives

- **Financial incentive**
- These exclusive rights allow owners of intellectual property to benefit from the property they have created, providing a financial incentive for the creation of and investment in intellectual property, and, in case of patents, pay associated [research and development](#) costs.
- Some commentators, such as [David Levine](#) and [Michele Boldrin](#), dispute this justification.

Economic growth

- The existence of IP laws is credited with significant contributions toward economic growth.
- Economists estimate that two-thirds of the value of large businesses in the U.S. can be traced to intangible assets. "IP-intensive industries" are estimated to generate 72 percent more value added (price minus material cost) per employee than "non-IP-intensive industries".

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- A joint research project of the [WIPO](#) and the [United Nations University](#) measuring the impact of IP systems on six Asian countries found "a positive correlation between the strengthening of the IP system and subsequent economic growth."
- Other models, such as the [Nash equilibrium](#), would not expect that this correlation necessarily means causation: The Nash equilibrium model predicts that patent holders will prefer to operate in countries with stronger IP laws.
- In some of the cases, as was shown for Taiwan after the 1986 reform, the economic growth that comes with a stronger IP system might be due to an increase in stock capital from direct foreign investment.

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