

## The strength of intellectual property environments and foreign direct investment

The theme of the first session has been the correlation between the strength of an IP regime and foreign direct investment (FDI) in a given country.

Participants were drawn from the IP policy community and included among others, three Members of Parliament, three members of the inter-ministerial committee on IP, other Government Officials, Clalit Sick Fund, Academics, representatives of research centres, patient federations and the legal community.

### Presentations

For this session, we have invited three distinguished guest speakers who provided encompassing, comparative and in-depth perspectives of this issue.

Mr. Lippoldt presented his comparative research into the correlation between IP and investments. The research surveyed 140 countries. Mr. Lippoldt research indicates favourable initial results in developing countries: tendency for increased IPR stringency to yield gains in FDI, international licensing and, to some extent, merchandise trade. Another important finding presented was that patent rights had positive effects on inward FDI: a 1% increase in the patent rights index is associated with a 0.5% increase in the stock of FDI.

Mr Whelan presented the Irish model of success in attracting FDI, particularly in the Pharma sector. Mr. Whelan's message was that Ireland with its EU level of IP protection never had to deal with IP as a barrier for investments. He argued that IPRs are one of the essential pillars of a robust and attractive business environment. He said that there is no doubt in his mind that had this not been the case, FDI would not have flown so easily to Ireland.

Mr. Harel presented the company's view on the importance of IP. The way in which Jacob built his presentation is fascinating - he first went to Merck's legal department and asked them for the legal history of 6 countries. He then asked MSD subsidiaries in these countries for the MSD involvement there. Then, he brought the two lines of history together in one page and demonstrated that when the IP environment was turning favourable, MSD increased its investments.

### Interactive session

During the second part of the day, participants took part in an innovative role-playing simulation.

The simulation created some spectacular discussions around IP and investment. It provided participants with perspectives which they do not have in their daily routine. The simulation was constructed in such a way that required participants to wear "hats" other than their own – for example to assign government officials with the role of a corporate executives, and so on. The

most enthusiastic participants were the Members of Parliament who took part in the session and the Government officials.