



Innovation as Public Interest Concern

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November 10, 2017

public interest

noun

1. the welfare or well-being of the general public; commonwealth
2. appeal or relevance to the general populace

** The Random House Webster's Dictionary of the English Language: The Unabridged Edition*

The Role of Innovation

“We live in a global knowledge economy and the key to “winning the future” is to excel at the turning what we discover and learn into marketable new products and technologies. Innovation, adaptation and the use of these new technologies **are the primary drivers of growth** within economies and across international borders”*

“[i]ndeed, across all industries, there is clear evidence that the technologies that underpin the Fourth Industrial Revolution are having **a major impact on businesses**”**

* KEITH MASKUS, PRIVATE RIGHTS AND PUBLIC PROBLEMS: THE GLOBAL ECONOMICS OF INTELLECTUAL PROPERTY 1 (2012)

** Klaus Schwab, *The Fourth Industrial Revolution: what it means, how to respond*, WEF REPORT, Jan. 14, 2016

Innovation as a Public Good

“If the knowledge economy and the economy of ideas is to be a key part of the global economy and if static societies are to be transformed into ‘learning societies’ that are key for growth and development, **there is a desperate need to rethink the current regime and to allow for a much less restrictive flow of information and knowledge**”*

* DEAN BAKER, ARJUN JAYADEV AND JOSEPH STIGLITZ, INNOVATION, INTELLECTUAL PROPERTY, AND DEVELOPMENT: A BETTER SET OF APPROACHES FOR THE 21ST CENTURY, CEPR REPORT (2017)

Controlled Innovation

“Support for international trade becomes that much more important - because it enables us to take better advantage of the new economies of scale; it allows networks to be larger; and it allows more value to reside in those networks. In that sense it is perhaps only a slight exaggeration to say that **the importance of comparative advantage is yesterday's economics - while today's economics is the importance of global scale**”*

“Access to global markets nowadays often is controlled by a limited number of gatekeepers that act as **the spider-in-the-web of global value chains**”**

* Lawrence H. Summers, “The New Wealth of Nations” Remarks by Treasury Secretary Lawrence H. Summers at Hambrecht & Quist Technology Conference San Francisco, CA’ (*U.S. Department of the Treasury*, 10 May 2000)

** Knorriga and Meyer Stamer, ‘Local Development’ (n 110) 28

Innovation and Power Relations

President Putin: “The world’s leading economies are looking for sources of growth, and they are looking to capitalise on the enormous existing and growing potential of digital and industrial technologies, robotics, energy, biotechnology, medicine and other fields. <...> [T]here is impending restructuring of entire industries, the devaluation of many facilities and assets. <...> [C]ompetition will escalate in both traditional and emerging markets. In fact, even today **we can see attempts to secure or even monopolise the benefits of next generation technologies**”*

The Economist: “The superstar effect is particularly marked in the knowledge economy. In Silicon Valley a handful of giants are enjoying **market shares and profit margins not seen since the robber barons** in the late 19th century”**

*‘Plenary session of St Petersburg International Economic Forum’ (*President of Russia*, 17 June 2016)

** The Economist, September, 2016

A Public Interest Imperative

“[E]conomists have recognised that **the most important determinant of growth, and thereby development and welfare is technological change** and the knowledge embodied in that technology. **To maximise global social welfare**, policy makers should strongly encourage global knowledge diffusion from developed to developing countries when similar technology is appropriate for both types of countries. Such an understanding would suggest that a global social welfare maximiser would minimise impediments to knowledge transfer”

* DEAN BAKER, ARJUN JAYADEV AND JOSEPH STIGLITZ, INNOVATION, INTELLECTUAL PROPERTY, AND DEVELOPMENT: A BETTER SET OF APPROACHES FOR THE 21ST CENTURY, CEPR REPORT (2017)

Implications for Competition Law

- **A new form of competition should be promoted** that encourages a broader dissemination of knowledge and advanced technologies, while eliminating barriers imposed on the global flows of innovation by both the global technological monopolies and the cartel-like technological joint ventures burgeoning within their “walled gardens” at the expense of the excluded consumers and entrepreneurs around the world
- BRICS authorities shall be brave to actively use all sorts of remedies encouraging effective dissemination of knowledge and advanced technology in the global context

Let me know your thoughts:

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