

The Role of Licensing and Technology Transfer in the Protection and Management of Intellectual Property : A Developing Country Perspective

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Private sector technology transfer is playing an increasing role in stimulating economic growth in developing countries and providing enhanced opportunities for U.S. industry.¹ To reach its full potential, however, technology transfer requires an adequate framework for the protection and licensing of intellectual property rights and know-how. The purpose of this paper is to provide an analysis of that framework from the perspective of a technology transferee in a developing country.

Viewing technology transfer within the context of intellectual property protection and economic development is important for at least two reasons. First, although most industrialized countries believe that intellectual property protection promotes economic development, some developing countries still perceive it as a means of perpetuating trade imbalances and enhancing dependence on the industrialized world.² Second, while greater attention is being paid to examining the impact of intellectual property protection on economic development,³ most analyses have ignored the role of technology transfer in the intellectual property-economic development process. This paper hopes to fill that gap by providing a straightforward, practical overview of the elements of technology transfer and how those elements, when combined with an appropriate level of intellectual property protection, can serve the best interests of developing countries.

DEFINITIONS, CONCEPTS, AND SCOPE

TECHNOLOGY

The notion of technology embodies any number or combination of diverse skills, knowledge, procedures, or rights. Technology may be tangible, for example, when it takes the form of plant or machinery, or intangible, when it consists, for example, of technical or managerial know-how. Although technology is frequently protected by the grant of exclusive intellectual property

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