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The Significance of Innovation

By Alejandro Luna | Fri, 11/19/2021
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The wealth of nations is no longer measured by their natural resources, gold, silver and oil reserves but by their level of technological development.

Around the world, “innovation” is the buzzword. Although it is difficult to define exactly what constitutes innovation, since it is normally considered as the creation of new products or processes, particularly those that break the mold and, therefore, result in competitive advantages and profits for its developers.

But who are these people? Inventors? Entrepreneurs? They could be but it seems that, in our time, it is not enough to have a brilliant idea or to create a new product or process. To be commercially successful you need to be innovative or “disruptive,” or to have other skills, such as commercial, administrative, business design, marketing, licensing strategies and other skills to help place a new product or service in the public commercial or industrial sphere and make it successful.

In short, innovating is not always inventing, inventing is not always innovation in its broadest context and neither are all innovations disruptive.

Do patents promote innovation? To answer this question, we would have to look at the data, such as the growing number of patent applications in industrialized countries. If we compare this data with the same statistics of patent applications in developing countries, the same comparison could be made with the gross domestic product of various jurisdictions, where the result might be that the greater the number of patent applications in a country, the better its economic indexes.

There appears to be a direct relationship between the level of economic development and the standard of living; however, without going into the statistics, it is enough to recognize the indubitable fact that innovation is the religion of our time.

One of the questions that arises after reviewing the various justifications of the patent system is whether companies or people, but mainly companies since the garage inventor is increasingly a figure of nostalgia, could invent and develop without an existing patent system. The answer is that they could but without compensation and economic speculation, derived from exclusive privilege, it is difficult to believe that innovators would invest their time to recover their costs in innovation, especially in the face of competition copiers, which leads to the conclusion that without a patent system, the innovator could hardly escape without losses or could undertake the costly path of innovation without much effort.

Is it possible to invest in innovation without the incentive of patents? It is difficult to believe that anyone would invest valuable resources of time and money without expecting a reward or return. If the incentives are not altruism, personal growth and similar, we can conclude that in some cases, the incentive may come from other factors.

An example of a different incentive from the exclusive right, like altruism or personal satisfaction, is a generalized need, as exemplified by the pandemic caused by the SARS-CoV-2 virus, where the incentive to bring a vaccine to the market was preventive or to provide an effective treatment against COVID-19. It is more than attractive to invest time, money and effort to obtain and commercialize these products, since the incentive arises from high need and demand for them that surely will pay off in an economic return.

The COVID 19 pandemic, far from offending the patent system, strengthens it and confirms the need for a compensatory and stimulating system, since the magnitude of the need caused by the COVID-19 pandemic is not common in its dimension and magnitude. The speed to access technology solutions, not limited to health sector but also telecommunications, to face the pandemic would not be at hand without a patent system that ensures the return before the expectation and risk in an innovative project in any branch of science or with any technique.

Now more than ever, during the COVID-19 pandemic, the world has witnessed the relevance of pharmaceutical innovation, not only in the prompt reaction to offer various vaccines against the invisible enemy, but also with promising new products to cure the COVID-19 disease. New vaccines, products, and medical devices to deal with the pandemic do not emerge spontaneously; they derive from the virtuous circle of previous innovation, research and development, the main driver of which comes from a healthy patent system.

From an intellectual property perspective, there is no question that the technology behind vaccines, the vaccines themselves, and the products that are being tested to cure COVID-19 are driven by the patent system. The pandemic has confirmed that innovation is and will be the solution to many of humanity's challenges, such as health, pollution, hunger, security, and other problems. For more than

500 years, and especially in the last century, it has been proven that the best way to promote such innovation is through the patent system.

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