

**Research Article** 

# An Overview of Intellectual Property Rights: Critical Issues for Global Efficiency with the Focus on Kazakhstan and Central Asia

#### Nurbek Achilov\*

G-Global Development Community, Kazakhstan

#### Abstract

This paper briefly reviews the intellectual property issues and evaluates main components and perspectives for implementation of new approaches and policies for development.

In a time of different level of development of intellectual property rights and existing barriers, especially in the period of globalization, it is vital to understand and build necessary state and organization level policies. The paper aims to investigate and bring those key elements, based on personal preliminary observations and analysis of various environments.

Understanding that Kazakhstan and many Central Asian countries are far from required level of intellectual property right, the paper provides ideas and policy recommendations for further improvement of intellectual property rights in the region and beyond.

**Keywords:** Intellectual property right; Intellectual property; Innovation policy; Innovation climate; Intellectual property systems; Global efficiency

#### Introduction

Today, almost every country has its own system of patents, trademarks and other intellectual property databases. There are also regional intellectual property systems, which have the same level of understanding in the terms and meaning of international property and finally an international organization – World Intellectual Property Organization, which strives to resolve many international issues.

From preliminary analysis of meaning of intellectual property, one can conclude that there are many definitions of intellectual property and rights on the internet. For example, According to the World Intellectual Property Organization, a global forum for intellectual services, policy, information and cooperation of 189 member states, intellectual property is a creation of the mind, which can be inventions; literary and artistic works; symbols, names and images used in commerce [1]. However, the National Institute of Intellectual Property of the Ministry of Justice of the Republic of Kazakhstan, an expert patent organization of the country, defines intellectual property as the right to results of intellectual activity and equated means of individualization of goods, services, companies, legal entities, which enjoy legal protection [2]. In the work of economic theorist Liebowitz, intellectual property defined as a set of products protected under laws associated with copyright, patent, trademark, industrial design and trade secrets [3].

This observation illustrates that intellectual property has different definitions based on economic experience, trends and theories. For example, in Western countries, intellectual property started from the period after industrial revolution in the beginning of the 19<sup>th</sup> century when industrial products started to cross borders.

The first main activities to protect creators in countries abroad started in 1883 when Paris Convention for the protection of intellectual property was signed [1].

In Kazakhstan and Central Asia, the history of intellectual property rights started during soviet period, which has different priorities in collective isolated economy and after independence when Kazakhstan joined international organization such as UN and WIPO, the intellectual property rights started a new history. Newly independent countries accepted new conventions to follow the rules accepted by international communities.

#### Observations

However, observation of member profiles of Kazakhstan and many other countries showed that countries are in different level of experiences and procedures for intellectual property rights [4]. For example, some countries had already accepted Hague system procedures for design and the other are still not and this is a small part of differences even from the regional point. The Table 1 shows the levels of accepted procedures in Kazakhstan and some of other countries in CIS region.

The Table 1 shows that compared to Kyrgyzstan and Tajikistan, which had already accepted Hague procedures for Design, Kazakhstan did not signed the protocols.

It is important to analyze the effect of internalization and as a starting point, let us overview the ranks of countries in patents, brands and design. The Table 2 shows the statistics of international applications by countries in 2014-2015 from two different sources [5,6].

From preliminary analysis, Table 2 shows that Kazakhstan is a leader in patents of the region in 2014. However, Kazakhstan's share is less than 0,001% of the world's volume. For a country with more than 100 universities and institutes, it proved again that they are not active in research and development. It shows that Kazakhstan like many other Central Asian countries are far from the normal level of intellectually

\*Corresponding author: Nurbek Achilov, Founder, Member of Board, Managing Director, NGO, G-Global Development Community, Kazakhstan, Tel: 77019402978; E-mail: nurbek2020@gmail.com

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	Kazakhstan	Kyrgyzstan	Tajikistan	Turkmenistan	Uzbekistan
PCT System Procedures for patents	Yes	Yes	Yes	Yes	Yes
Madrid System Procedures for brands	Yes	Yes	Yes	Yes	Yes
Hague System Procedures for design	No	Yes	Yes	No	No

Table 1: Accepted procedures on intellectual property rights in some countries of Central Asia and CIS.

	Kazakhstan	Kyrgyzstan	Tajikistan	Turkmenistan	Uzbekistan	World
Patents granted by US Patent and Trademark Office in 2015	36	4	0	1	14	5 739 851
International Applications via WIPO Adminis	tered Treaties in 2014		^			
PCT System	21	1	0	0	6	595 400
Madrid System	50	3	1	0	3	857 736
Hague System	0	0	0	0	0	61 605
Rank	· · · · ·		^			
PCT System	62	108			77	
Madrid System	55	87	105		87	
Hague System						

 Table 2: Statistics of countries of the Central Asia on intellectual property.

	Leading economies	Differences, Limitations, Required Policies	Kazakhstan and other developing countries
Language barrier	No	Only 3 languages of WIPO and 9 languages of patent scope, for example, do not let local researchers to access databases of world patents, trademarks and other IP. English language policy is required.	Yes
Holder of rights for intellectual property	Owner or creator of the intellectual property	No requirement or system for proving via special test/interview that applicant is a true owner of the intellectual property. Information and PR policy of state body is necessary	Organization or leader of organization
Thinking logic	Individual, teamwork - long-term	Many people in Kazakhstan think on a tribal level that the ideas and decisions belong to elders or leaders of social groups or organizations. Primary and secondary education and public policy reformation is necessary.	Collective, family, organization – Short Term
Business logic	Invest-earn-develop	Societies have different logic because of past history, traditions, trade experiences, and understanding business disciplines, core princes of market economy etc. Business and economic education policy redesigning.	Earn-Spend-Save
Research and development	Stimulates new research and development	There are many differences in the level of financing, infrastructure and state support. Innovation, economic and state support policy reforms are priority.	Demotivates individuals for research and development

Table 3: Matrix of components and countries for developing intellectual property rights.

property rights of the leading economies because of effective state and organization policies.

Therefore, the next step is to see what the main factors of intellectual property rights are that will allow countries effectively increase the level of intellectual potential of the countries on the international arena so that it will provide better possibilities for creators to contribute in the development of economies and new business areas of competitive advantage of the country.

In fact, there are more than 100 countries, which are almost in the same situation. This is a main barrier for creating competitive advantage of developing countries creating much more serious problems to bring global efficiency in managing resources. Hence, it is a demanding topic for improving policy development issues on a global scale.

Based on observation and system analysis of Kazakhstan, I concluded several key specific components in Table 3, showing key differences of countries in intellectual property rights.

Table 3 shows factors that should play a key role in accelerating the development policies for intellectual property issues. The components of the table actually form the foundation for creating an effective innovation climate of Kazakhstan and any other developing country.

### **Result and Discussion**

To illustrate, during Astana Economic Forums, I received many new ideas and prototypes from Kazakhstan's scientists and one day when we gathered them with the researchers of renowned universities of Europe, scientists' works were new in the country but not for professional guests who came to evaluate. In addition, when they asked scientists of Kazakhstan whether they checked the patent and other intellectual property databases, their answers were negative. Therefore, the invited investors were not ready to consider those new ideas of the country. This experience showed that scientists in Kazakhstan and the region are still not aware about the procedures for intellectual property protection, lacks skills, including language skills, to access databases, and improve their attractiveness and R&D.

In a period of globalization, developing competitive and innovative economies through improving the intellectual property protection can provide better results for common activities resulting in global efficiency. Consequently, it will stimulate economies to accept common rules and procedures in many areas of socio-economic policies.

From previous work [7], intellectual property policy is a key component of growth strategies for the development of innovations.

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For countries, which are on the way to form their foundations for intellectual property rights, it is paramount to evaluate present policies from various angles with purposes to change local thinking and approaches of researchers and inspire them for active involvement in creative work with international communities.

#### Conclusion

To this moment, the current paper highlights only major ingredients to provide common recommendations on policies on intellectual property right issues of Kazakhstan and the region. Further revision is necessary to evaluate and compare components, which can provide a firm understanding of critical issues of intellectual property rights in resolving barriers for R&D, innovation and global economic growth. Moreover, it is important to compare national systems and databases of intellectual property, their differences and perspectives for global standardization, and the main holders of intellectual property in various countries to define the focus of segments in policies. On an individual level, an examination of researchers is required to analyze and compare motivation factor, accessibility to databases, state support activities and efficiency of information channels. These should provide effective policy and mechanisms to improve indicators for intellectual property rights in Kazakhstan and many other countries of the world.

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