



**APEC Symposium On Paperless Trading Capacity  
Building And Intellectual Property Protection  
People's Republic of China  
September 2007**

**Paper  
The Influence and Actions of APEC Intellectual Property  
Protection on Paperless Trading Capacity Building**

A world map is shown in the background, overlaid with several vertical bands of color: red, orange, yellow, green, blue, and purple. The text is centered over the map.

# The Influence and Actions of APEC Intellectual Property Protection on Paperless Trading Capacity Building

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Beijing China

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## *The influence and actions of APEC intellectual property protection on paperless trading capacity building*

- The relationship between intellectual property protection and paperless trading capacity building;
- The difficulties of intellectual property protection for developed economies in paperless trading capacity building;
- The difficulties of intellectual property protection for developing economies in paperless trading capacity building;
- Problems related with intellectual property protection for the economies and paperless trading capacity building;
- Major problems related with intellectual property protection that can affect the APEC paperless trading capacity building ;
- Suggestions for development .

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*The relationship between intellectual property protection and paperless trading capacity building*

- Concept and definition (1)

Paperless trading: the activities of trade data exchange that are conducted in electronic form. It refers to the various participants in the trade chain that have used the means of information technologies to realize the standard business data transmission and processing between the participants and the application systems, in order to complete the whole process of transaction for the trading activities.

[Source: APEC Assessment Report on Paperless Trading (2005)]

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*The relationship between intellectual property protection and paperless trading capacity building*

- Concept and definition (2)

Electronic commerce means information generated, sent, received or stored by electronic, optical or similar means including, but not limited to, electronic data interchange (EDI), electronic mail, telegram, telex or telecopy. It also includes the business activities undertaken by means of information interchange and storage that have used substitutes to replace paper.

[Source: UNCITRAL Model Law on Electronic Commerce]

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- Concept and definition (3)

Electronic commerce: all activities related with products, promotion, marketing, sales, logistics and service that are undertaken by means of electronics.

[Source: WTO]

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*The relationship between intellectual property protection and paperless trading capacity building*

- Concept and definition (4)

Up till today, there is still no universally recognized definition to paperless trading. Out of the necessity of paperless trading research, based on the analysis and induction of the collected literature, defines it as:

“a significant instrument in the process of international trade that integrates the business behavior of trading partners with the accomplishment of government functions by way of information technology and standardized rules for the purpose of realizing the electronic data exchange (EDI) between the trade administration departments of the government, enterprises and value-adding service providers and thus stimulating trade development.”

[Source: APEC Research Report on Paperless Trading Capacity Building and Intellectual Property Protection (2007)]

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- **Concept and definition – conclusion**

Although paperless trading capacity building has market characteristics, in nature it is to allow all economies to undertake infrastructure construction in order to achieve easiness and freedom in trade and it is the ability building process for setting up a trade bridge between the public service in trade and the economies, which will be realized through digitalization. For this reason, the evaluation of the influence by intellectual property on paperless trading capacity construction should be based on the common interests and the public service ability construction instead of the consideration of business operation process and the profit distribution.

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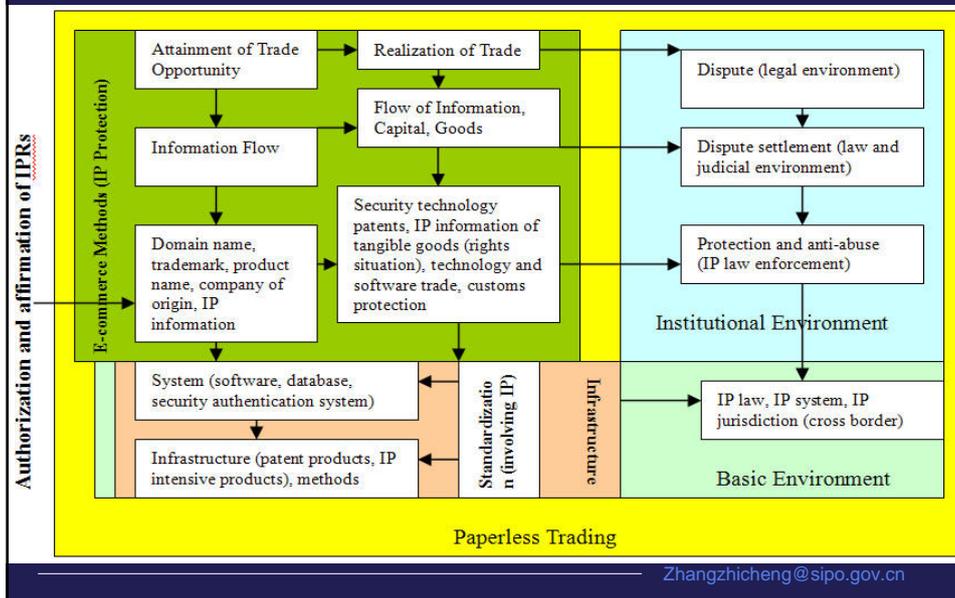
- **Basics and conditions**

- ★ Basic information technologies: network technologies, communication technologies, etc. ;
- ★ Assistive information technology: security technologies, electronic signature technologies, electronic certification technologies, electronic contract technologies, etc. ;
- ★ Commodities and commercial service identification system ;
- ★ Standardization system ;
- ★ Software and database.

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*The relationship between intellectual property protection and paperless trading capacity building*



*The relationship between intellectual property protection and paperless trading capacity building*

- The major influence of intellectual property protection on paperless trading capacity building
- ★ To paperless trading infrastructure construction ;
- ★ To the application of necessary paperless trading technologies ;
- ★ To the common will of the economies.

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*The difficulties of intellectual property protection for developed economies in paperless trading capacity building*

- General conditions:

**The complete intellectual property system, rich IP resources and strong enforcement and management capabilities have provided sufficient guarantee to paperless trading capacity building.**

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*The difficulties of intellectual property protection for developed economies in paperless trading capacity building*

- Major obstacles:

- ★ Patents have created difficulties to the application of technologies ;
- ★ The business modes and patent protection have increased risks for business operation ;
- ★ Expensive intellectual property protection and application cost.

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*The difficulties of intellectual property protection for developed economies in paperless trading capacity building*

■ Major obstacles :

- ★ Legal construction cannot meet the requirements of intellectual property protection for paperless trading ;
- ★ The new intellectual property has restricted the paperless trading capacity building ;
- ★ The expenses for purchasing intellectual property rights have negatively influenced the paperless trading capacity building ;
- ★ Intellectual property protection has technically confined paperless trading capacity building for developing economies.

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*Problems related with intellectual property protection among the economies*

- The standardization issues related with intellectual property have delayed the process of paperless trading ;
- The difference of creative abilities have caused the different profit earnings for various economies in the process of paperless trading and have affected the political wills of the economies;
- The truthfulness of trading messages cannot be really guaranteed ;
- The territoriality of intellectual property protection and the cross-border characteristics of paperless trading will lead to disputes in administration ;
- There are no effective coordinative system and development frame for intellectual property related with paperless trading.

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*Major issues related with intellectual property protection that can affect the APEC paperless trading capacity building*

- **Governmental ability**
- **Trading platform**
- **Technical support**
- **Participation system**

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### ***Development Vision***

**Realize the coordinated development of capacity building and intellectual property protection!**

- ★ **Strengthen intellectual property protection for the developing economy according to needs ;**
- ★ **Increase the sharing space for intellectual property related with paperless trading ;**
- ★ **Use adaptive policies to promote the construction of public service system ;**
- ★ **Increase coordinative ability related with intellectual property policies.**

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