

Tax Incentives for Technology Transfer

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Introduction

Article 66.2 of the World Trade Organization's Agreement on Trade Related Aspects of Intellectual Property Rights created a legal obligation for developed country Members to encourage technology transfer to the least developed countries. Despite such provisions, very little technology transfer to developing countries has been conducted so far.

Summary

The doctoral project explores the current problems and deficiencies relating to transfer of technology and the potential for stimulating and influencing innovation and transfer of technology by means of tax breaks.



Objective

The main objective of this doctoral research is to bring about transfer of technology and to overcome the problem that governments normally are not in a position to honour commitment made towards developing countries, as technology is in the hands of the private sector. In addition the PhD project will investigate whether Article 66:2 obligations can be met by tax incentives, avoiding at the same time conflicts with the ban on export subsidies.



Conclusions

Currently, article 66:2 TRIPS is the only provision providing an obligation for developed countries to conduct transfer of knowledge to least developed countries. The provision so far has not been sufficiently implemented. Therefore, tax breaks for knowledge transfer might be the only effective tool to encourage knowledge transfer from North to South.

References

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