

CONTENTS

<i>List of Figures</i>	page ix
<i>List of Tables</i>	xii
<i>List of Contributors</i>	xiv
<i>Preface</i>	xxxi

1 Thematic Overview: Charting the Evolution of Knowledge Flows 1

ANTONY TAUBMAN AND JAYASHREE WATAL

PART I Conceptual Framework 25

2 The Shifting Contours of Trade in Knowledge: The New ‘Trade-Related Aspects’ of Intellectual Property 27

ANTONY TAUBMAN

3 How Digitization is Transforming Trade 84

LEE TUTHILL, ANTONIA CARZANIGA AND MARTIN ROY

4 Intellectual Property and Digital Trade – Mapping International Regulatory Responses to Emerging Issues 108

WOLF R. MEIER-EWERT AND JORGE GUTIERREZ

PART II Measuring Trade in Knowledge 169

5 Measuring International Intellectual Property Transactions in a Globalized World: Current Challenges and Possible Improvements 171

JOSCELYN MAGDELEINE AND ANDREAS MAURER

- 6 A Missing Link in the Analysis of Global Value Chains:
Cross-Border Flows of Intangible Assets, Taxation and Related
Measurement Implications 194
THOMAS NEUBIG AND SACHA WUNSCH-VINCENT
- 7 Global Ebbs and Flows of Patent Knowledge 218
ANDREW W. TORRANCE, JEVIN D. WEST AND LISA C. FRIEDMAN
- 8 Sources of Knowledge Flow between Developed and
Developing Countries 265
LAURIE CIARAMELLA, GAÉTAN DE RASSENFOSSE AND
FLORIAN SELIGER
- 9 Using Intellectual Property Data to Measure Cross-Border
Knowledge Flows 293
JACOB DUBBERT, ALEXANDER V. GICZY, NICHOLAS
A. PAIROLERO AND ANDREW A. TOOLE
- 10 The Global Digital Content Landscape 323
ERICK S. OH
- 11 Cross-Border Knowledge Flows through R&D FDI:
Implications for Low- and Middle-Income Countries 352
VITO AMENDOLAGINE, CRISTINA CHAMINADE, JOSÉ GUIMÓN
AND ROBERTA RABELLOTTI
- 12 The Innovation Environment and Knowledge Diffusion:
Improving Policy Decisions through Patent Analytics 376
HOLGER ERNST, CARSTEN C. GUDERIAN AND MARCO RICHTER
- PART III Impact of Knowledge Flows on Trade
and Development 403**
- 13 Global Knowledge Flows, Absorptive Capacity and Capability
Acquisition: Old Ideas, Recent Evidence and
New Approaches 405
LEE BRANSTETTER AND KEITH E. MASKUS
- 14 Trade in Intellectual Property-Intensive Goods 431
MERCEDES DELGADO AND MARGARET KYLE

- 15 Knowledge Spillovers through International Supply Chains 453
ROBERTA PIERMARTINI AND STELA RUBÍNOVÁ
- 16 How do Patents Shape Global Value Chains? International and Domestic Patenting and Value-Added Trade 471
NIKOLAS J. ZOLAS AND TRAVIS J. LYBBERT
- 17 The Enforcement of Intellectual Property Rights in a Digital Era 498
MICHAEL D. SMITH AND RAHUL TELANG
- 18 The Digital Creative Economy and Blockchains: Options and Prospects for the Developing World 531
KEITH NURSE, ERICA SMITH, KAYLA GRANT AND ALICIA SHEPHERD
- PART IV Policy, Regulatory and Legislative Frameworks 553**
- 19 Streaming of Music and Audiovisual Works 555
MARY LAFRANCE
- 20 Adapting Trade Rules for the Age of Big Data 591
MIRA BURRI
- 21 Trade in Knowledge and Cross-Border Data Flows: A Look at Emerging Digital Regulatory Issues 623
NIGEL CORY
- 22 Cross-Border Knowledge Flows under International Trade Agreements: A Need for New Multilateral Disciplines? 649
LUCAS SPADANO AND LUIZA TÂNGARI COELHO
- 23 The Need for a Global Framework for Knowledge Transactions: Cross-Border Licensing and Enforcement 685
JACQUES DE WERRA AND JEFF C. DODD
- 24 Fitting Machine-Generated Data into Trade Regulatory Holes 738
PETER K. YU

PART V **Looking Forward** 769

- 25 Looking Forward: Building the Foundations for Policymaking in
the Knowledge Economy 771

ANTONY TAUBMAN

Index 807

FIGURES

2.1	List of exporters in recorded optical discs in 2018	<i>page</i> 36
2.2	List of exporters in unrecorded optical discs in 2018	37
2.3	Value and share of trade in physical form of digitizable goods	53
4.1	RTAs with increased IP content over time	132
4.2	Specific IP provisions in RTAs with IP	135
5.1	World international transactions relating to charges for the use of intellectual property, n.i.e., 1995–2017	175
5.2	World international transactions relating to charges for the use of intellectual property n.i.e. (CUIP), computer services (CS), research & development (R&D) and audio-visual services (AV), 2005–2017	175
5.3	European Union (28) and the United States – charges for the use of intellectual property, n.i.e., receipts by main partner, 2016	176
6.1	Royalties Licences and Fees (RLF) receipts and payments, in USD billion and as share of trade	199
6.2	Charges for the use of IP as a percentage of lagged R&D, 2016	205
7.1	Trends in patent numbers	230
7.2	Rates of interjurisdictional citation	231
7.3	Patent citations between developed and developing countries	233
7.4	Importance of citing patents between developed and developing countries	234
7.5	Importance of cited patents between developed and developing countries	235
7.6	Mean importance of citing patents between developed and developing countries	236
7.7	Mean importance of cited patents between developed and developing countries	237
7.8	Trends in total, wind power and pharmaceutical patents over time	238
7.9	Trend in wind power patents over time	239
7.10	Rates of interjurisdictional citations for wind technology	240
7.11	Wind power patent citations between developed and developing countries	240

7.12	Importance of citing wind power patents between developed and developing countries	241
7.13	Importance of cited wind power patents between developed and developing countries	242
7.14	Mean importance of citing wind technology patents between developed and developing countries	243
7.15	Mean importance of cited wind technology patents between developed and developing countries	244
7.16	Trend in pharmaceutical patents over time	245
7.17	Rates of interjurisdictional citation for pharmaceutical technology	246
7.18	Pharmaceutical patent citations between developed and developing countries	246
7.19	Importance of citing pharmaceutical patents between developed and developing countries	247
7.20	Importance of cited pharmaceutical patents between developed and developing countries	248
7.21	Mean importance of citing pharmaceutical patents between developed and developing countries	250
7.22	Mean importance of cited pharmaceutical patents between developed and developing countries	250
7.23	Radial diagram of international knowledge flow	252
7.24	Directional knowledge flow between developed and developing world countries	253
8.1	R&D collaboration (applicant criterion), by region and technology	271
8.2	R&D collaboration (inventor criterion), by region	274
8.3	Technology sourcing from developing countries	276
8.4	Technology sourcing from developed countries	277
8.5	Technology transfers to developing countries	279
8.6	Technology transfers from developing countries	281
A8.1	Links between the United States and Canada/Core Europe and developing countries	292
9.1	USPTO patent assignments at grant, 1976–2017	314
9.2	USPTO trademark assignments, 1899–2018	314
10.1	Breakout of the video on demand (VoD) ecosystem, by types of providers (non-exhaustive)	333
10.2	Global music revenue, by segment, 2017	338
11.1	Dynamics of R&D&DDT greenfield investments (total and %)	358
12.1	Percentage shares in top 10 per cent most valuable crop protection patents as measured by the Patent Asset Index	385
12.2	Process of concentration in the chemical industry	386

- 12.3 Sum of Patent Asset Index (top) and average Competitive Impact (bottom): development from 2000 to 2015 for top 10 countries by Patent Asset Index in 2015 388
- 12.4 Top 10 countries where German patents spread in terms of the Patent Asset Index from 2000 to 2015 391
- 12.5 Top 10 countries where Japanese patents spread in terms of the Patent Asset Index from 2000 to 2015 392
- 12.6 Top 10 countries where US patents spread in terms of the Patent Asset Index from 2000 to 2015 393
- 15.1 R&D spillovers by distance and the intensity of supply chain linkages, the effect of a 10 per cent increase in foreign R&D spending 462
- 16.1 Construction of final merged dataset from PATSTAT and WIOD data 478
- 16.2 Yearly *VAX*, *NStages* and *Upstreamness* and international patent flows by sector 480
- 16.3 Estimated unilateral elasticities for *VAX*, *NStages* and *Upstreamness* with respect to patents with 95 per cent confidence intervals based on robust standard errors 486
- 16.4 Regression coefficients for *VAX*, *NStages* and *Upstreamness* based on patent flows by sector 488
- 16.5 Unilateral regression coefficients for *VAX*, *NStages* and *Upstreamness* based on patent flows by region 489
- 17.1 Bollywood revenue (log scale), 1960–2010 505
- 17.2 Indices of Indian movie production, 1960–2010 506
- 17.3 IMDb rating of top 20 Bollywood movies 507
- 17.4 Google notice and takedown requests, 2011–2016 513
- 17.5 Post-shutdown change in weekly digital movie sales vs December 2011 Megaupload penetration 515
- 17.6 iTunes single track unit sales trends (2008–2011) 519
- 18.1 The economic contribution of cultural and creative industries by region, USD billion 534
- 18.2 Global recorded music revenues, 2004–2019, USD billion 538
- 18.3 Global music revenues, 2019 539
- 18.4 Global collections of royalties, share by regions, 2017 541

TABLES

A3.1	Specific commitments across selected sectors, by modes of supply number of schedules with specific commitments (out of 152) <i>page</i>	105
4.1	Selected ISP provisions in selected EU and US RTAs	149
5.1	Exports of high-tech goods 1995, 2000, 2010, 2015–2017	174
5.2	Reporting of BPM5 intellectual property-related items, 2010	178
5.3	Reporting of BPM6/MSITS2010 intellectual property-related items, 2015	182
6.1	Taxonomy of formalized and informal technology transactions	197
6.2	Regression results of excess cross-border receipts to tax rates	206
6.3	Estimates of global and low-income country fiscal effects from profit-shifting	208
6.4	Estimate of global profit-shifting of cross-border CUIP flows	209
A8.1	Groups of countries used in the chapter	287
9.1	Trade in knowledge: summary of selected literature	297
10.1	Global digital content revenues, by sector and subsector, 2017	325
11.1	Geographical distribution of R&D&DDT FDI (total and %)	359
11.2	Geographical and sectoral distribution of R&D&DDT FDI (total and %)	360
11.3	R&D&DDT greenfield investments towards low- and middle-income countries: main host and home countries (total and %)	362
11.4	Global cities attracting R&D&DDT greenfield investments in low- and middle-income countries (total and %)	363
11.5	Top R&D&DDT investors in low- and middle-income countries (total FDI)	365
11.6	R&D-related acquisitions in low- and middle-income economies	366
12.1	Technological dependence measured via Patent Asset Index percentage changes between 2000 and 2015 in <i>prior art</i> from selected countries' origination	394
14.1	List of economies by economy-type	438
14.2a	Definition of high-IP group (SITC Rev. 3 Labels and Codes)	442
14.2b	Definition of high-IP clusters (SITC Rev. 3 Codes)	443

14.2c	Definition of control group of low-IP products (SITC Rev. 3 Labels and Codes)	444
14.3	Descriptive statistics	445
14.4	Post-TRIPS estimated effect on trade of high-IP sectors, 1993–2016	446
A14.1	Classification criteria for a country's TRIPS compliance	451
15.1	Summary of main variables by industry, average over the period 2000–2008	458
15.2	Summary of main variables by economy, average over the period 2000–2008	459
A15.1	Industry descriptions	467
A15.2	10 most connected economy-pair-industries by the type of supply chain linkages	468
A15.3	Knowledge spillovers through supply chains – regressions results	469
A15.4	Knowledge spillovers from main innovators – regression results	469
A15.5	The distance decay of knowledge spillovers	470
A16.1	Country-Industry Regressions on <i>VAX</i> Ratio, 1995–2011	496
A16.2	Country-Industry Regressions on <i>NStages</i> and <i>Upstreamness</i> , 1995–2011	497
17.1	Academy awards by country, pre-/post-piracy	508
17.2	Taxonomy of anti-piracy options	514
A17.1	Peer-reviewed journal articles finding no statistical impact of piracy	525
A17.2	Peer-reviewed journal articles finding that piracy harms sales	526
18.1	Music collections by region, 2017 (Euro millions)	540
18.2	Average collection for copyright, by number of inhabitants across the globe	541
A18.1	Digital music providers in the developing world	550
22.1	Provisions relating to knowledge flows in WTO agreements and selected FTAs	668