The role of foreign investment in promoting the international transfer of technology

No one denies the importance of international transfer of technology (ITT) to developing countries. Intellectual creativity plays a key role in economic development for all countries, worldwide.¹ That is why countries protect all types of intellectual property (IP) rights, providing an IP owner a number of exclusive rights that are protected by law.² Whenever a country lacks effective legal protection for IP rights, it will be less attractive with regard to foreign investment in IP or patents.³

Transferring such technologies on the international level requires international enforcement to market transactions to developing countries. In fact, ITT is the process of transferring technology as a total system from the IP owner in a developed country (transferor) to a secondary user or recipient in a developing country (transferee) in a way that enables the transferee to absorb the technology and use all IP rights related to such technology independently for the purpose of achieving the TRIPS objectives.⁴ As per such transfer, the transferee can get access to technical information related to such technology.

The promotion of ITT increases the capabilities of developing countries and assists them to gain more independency. This will lead to more economic development. This is why the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) fosters, to some extent, ITT to developing countries through foreign direct investment (FDI).

Accordingly, FDI is a channel for promoting the ITT in developing countries. ITT might be transferred through FDI in two different methods. This can take the form of either horizontal transfer or vertical transfer.⁵ The horizontal transfer occurs when FDI transfers

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⁴ Shaikhah Alhelali, The International Transfer of Technology under the TRIPS Agreement- Thesis submitted to the University of Nottingham for the degree of Doctor of Philosophy at the School of Law, 2017.
the entire technology required to produce goods or equipment. On the other hand, the vertical transfer occurs in different stages of the production process across countries and the transfer is related to each stage.\textsuperscript{6}

The conference paper proposal will answer mainly the following research questions:-

1. How FDI can be a channel to foster ITT, its methods, importance?
2. How does the World Trade Organization, through TRIPS Agreement and other related goods agreements foster the FDI to developing countries?
3. What are the barriers to such role of FDI in Kuwait?
4. What do we recommend to encourage FDI in Kuwait?

\textsuperscript{6} Amy Jocelyn Glass and Kamal Saggi, \textit{The Role of Foreign Direct Investment in International Technology Transfer}, 2008.