



Culture matters to multinationals' intellectual property businesses

Deli Yang*

*Bradford University School of Management,
Emm Lane, Bradford, BD9 4JL, UK*

Abstract

This paper will examine how intellectual property issues arise due to the influence of cultural origins and background in cross-border businesses. With this aim in mind, this study is contextualised within three inter-related research questions applying a case study strategy with 13 Chinese and US managers. First, the paper discusses what IP problems managers have encountered. Second, it focuses on why such problems have arisen, i.e. why these problems are related to culture. Finally, the paper synthesises how the interviewed managers endeavour to solve the identified problems. To conclude, the paper draws to the attention of international business managers and researchers the fact that culture should be taken into account when dealing with IP-related cross-border businesses.

© 2005 Elsevier Inc. All rights reserved.

1. Introduction

Intellectual property (IP) refers to patents, industrial designs, utility models, marks, copyrights and other rights given to creators over the creations of the mind. The owner of an IP has an exclusive ownership over the creation for a certain period of time depending on the type of IP concerned (Yang, 2003). It has become an integrative factor and a significant dimension in the world business since the *Trade-Related Aspects of Intellectual Property Rights* (TRIPS) agreement was signed in 1994. It is also progressively developing into a dynamic research field (for example, Apke, 1998; Bosworth & Yang, 2000;

Clegg & Cross, 2000; Maskus, 2000; Nicholson, 2001; Shore et al., 2001). The research attention that this subject has attracted has transformed it from an interest in legal studies only to a mainstream of concern and relevance to the business community and research. In the business study of IP, a noticeable void is the impact of national culture on cross-border IP activities and how firms pursue strategic solutions to associated problems.

This paper aims to examine how culture matters in the process of cross-border business activities. The study is based on the case study of 13 Chinese and US managers working in the wholly-owned enterprises and their licensing firms in China. The US, as a home country and China, as a host country are chosen because they represent cultures at two extremes. As far as IP is concerned, the US is the most active advocator

* Tel.: +44 1274 234364; fax: +44 1274 546866.
E-mail address: d.yang@bradford.ac.uk.

and staunch supporter of IP due to its leadership in technology advancement in the world and IP activities in China (Bosworth & Yang, 2002). With the overall aim in mind, the paper intends to answer three relevant research questions. What are the IP issues in the operation of the US subsidiaries? Why do different culture roots interfere with the functioning of the business activities? How do Sino-foreign managers mitigate such problems?

Following Section 1 in this paper, Section 2 informs readers of some issues relevant to the understanding of the research aim, including the rapid establishment of the IP system in China, the forms and common characteristics of IP and the importance of IP activities from the US to China. The Literature and Current Research Setting section discusses the highly distinctive cultural dimensions between the USA and China grounded from different theories. This section also studies how previous research has answered the author's research aim and identifies the cultural elements that have had impact on IP. At the end of this section, the author, based on the review of the previous studies, justifies the current research and establishes a study framework. The Methodology section elaborates on the research strategy, data collection, the interviewees, confidentiality and analytical tools and validity. In the Findings and Analysis section, the paper reveals what IP problems

exist, how these problems are associated with social-cultural origins, and how these firms find their managerial solutions. Finally, the paper concludes the findings, discusses the limitations of this research, suggests the directions of further research and provides managerial implications.

2. Background

2.1. China's Open Door Policy and the formation of an IP system

The Open Door Policy since 1978 provided China with an external engine for economic development through foreign capital and advanced technology. Such sudden openness had a reciprocal response from most parts of the world for the access to the most populous market and cheap resources. However, the rudimentary IP system exposed China with problems in protecting investors' creative rights. From the 1980s to the 1990s, China rapidly established itself from a country with little knowledge about IP to one with a systematic framework. This system has further been improved over the last decade reflected in China's progress in the aspects of IP legislation, administration, enforcement and international commitments (Table 1).

Table 1
China's intellectual property system and international IP commitments

System	Sub-system	Exposition
Legislative guidance	Two-Tier Legislature	National People's Congress and its Standing Committee (first tier) and Ministerial and provincial level governments (second tier) are law and regulation enactors
	Legal Mechanism	IP laws and implementing regulations
Administrative control	State IP Office, Trademark Office, State Copyright Administration	Examination and grant or registration of IP rights
Judicial enforcement	Four-Tier People's Court System	Single Supreme People's Court; Higher People's Courts at provincial levels; Intermediate People's Courts at city levels; Basic People's Courts in remote areas
	Enforcement	Supervision and the execution of court verdicts
International commitments	Ratified over ten IP treaties, conventions and agreements	These treaties, conventions and agreements are under the auspices of the World IP Organisation, United Nations Educational, Scientific and Cultural Organisation and the World Trade Organisation

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات