



# **Boao Forum for Asia Annual Conference**

## **Summary (No. 8)**

Boao Forum for Asia Institute

March 23, 2017

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### Session 5

#### **The Innovators' DNA**

**Time:** 5:00 p.m. to 6:15 p.m., March 22<sup>nd</sup>, 2017

**Venue:** ICC, Level 1, Dong Yu Grand Ballroom A

**Moderator:**

- Gina SMITH, NYT Bestseller and Co-Founder of aNewDomain.net

**Panelists:**

- Logan ALLIN, Partner, Formation Group
- LI Jiange, Chancellor, Guangdong Technion Israel Institute of Technology
- Yossi VARDI, Entrepreneur and Investor, Israel
- WANG Binying, Deputy Director General, World Intellectual Property Organization (WIPO)
- Ken XIE, Founder, President & CEO, Fortinet
- ZHANG Yaqin, President, Baidu

**Key points:**

- The government should continue to streamline government and delegate authorities, clear barriers in corporate innovation and provide guarantee for innovation through policies.



- The introduction of innovative mechanism requires that we establish an innovative and friendly ecosystem, encourage personal invention and innovation, and protect intellectual property rights. The protection of intellectual property rights is also the protection of the driving force of innovation. It is also a necessary condition for building a friendly ecosystem.
- Copying Silicon Valley is an ineffective move, because innovation is multifaceted, which requires the support of history, culture, education, and ecosystem.
- Creating cross-border opportunities for enterprises, strengthening cross-border cooperation, and building a global innovation network will help to create a chain of innovation.
- We need to bring in and keep international talents. We should improve talent-introducing measures in line with international and domestic conditions.

### **Synopsis:**

At the moment, innovation is the main force for global economic and social development. During the 13<sup>th</sup> Five Year Plan Period, China will place innovation at the core of overall national development and vigorously implement the innovation-driven development strategy. Across the world, a new round of technological and industrial revolutions is emerging. Therefore, discussions on how to have the innovation DNA and the spirit is very important for a country or region to enhance its competitiveness.

### **The Ecosystem Required by Innovation**

Yossi VARDI said that cultural factor exerts great influence on the innovation spirit. Every city in the world wishes to become the hub of



innovation. But there is only one Silicon Valley in the world. Innovation DNA is the decisive factor.

WANG Binying noted that the key to innovation is the ecosystem. As an international organization responsible for protecting intellectual property rights, the World Intellectual Property Organization provides various types of intellectual property protection services and plays the role of innovation DNA in order to drive innovation and promote sustainable development of the global economy.

Ken XIE noted that the key to success in global competition is the long-term investment and constant innovation. For example, the area of cyber security requires long-term R&D; and once it develops into a unique product, it can maintain the leading edge for many years. Cyber security is a changing area that requires constant revolution and innovation. Otherwise, the enterprises cannot realize sustainable development and will thus be eliminated from the market.

LI Jiange said that innovation DNA cannot be copied but can be grafted. Guangdong Technion Israel Institute of Technology is the first university built by China and Israel. The principle of cooperation is to bring in the quality education resources and innovation spirit from Technion Israel. Israel's population is only 1/3 of Beijing. According to the "2016-2017 Global Competitiveness Report" issued by World Economic Forum, Israel ranks third in innovation. The United States tops the list and China ranks second. One of the characteristics of Technion Israel is that 23% of its students have started at least one enterprise in their lifetime; in addition, 70% of the senior management staff of the listed enterprises in Israel are graduates of this university.

## **Cross-border Cooperation Drives Innovation**



Logan ALLIN noted that the key to innovation is creating cross-border opportunities for enterprises. Copying Silicon Valley is an ineffective move, because innovation is a collection of many things, which requires the support of history, culture, education, and ecosystem. Investment is not innovation. For enterprises in China, Asia-Pacific region, the United States and Israel, to build a global innovation network through cross-border cooperation is conducive to the establishment of an innovation chain and enterprises' exponential development.

WANG Binying noted that from the perspective of international organization, the world intellectual property organization should guarantee that intellectual property rights are properly used and protected so as to promote sustainable development of innovation. This organization provides three categories of services to maintain the sustainability of innovation: first, PCT International Patent System, which makes sure the patent owners can apply for patent in the safest and most effective way; second, Madrid System, through which owners of innovative brands can register their trade marks and be protected in other countries as well; third, Hague Agreement, which protects industrial design. All these three categories play the role of innovation DNA.

Logan ALLIN put forward three suggestions for enhancing innovative ability. First, we need to have a good education system, information intervention channel and human resources. Second, we need to have channels and capital to conduct resource communication and exchange with various countries in the world. Lastly, we need to increase cross-border communications. The cross-border direct investment can enhance the innovative ability of a region.

Yossi VARDI noted that we need to create an internationalized ecosystem to improve support measures and retain talents. Innovation comes from talented people. In contemporary society, great changes are taking place in people's life. Therefore, the mechanism for bringing in talents should also be changed accordingly. We need to create a good environment in which people can enjoy life and work.



Logan ALLIN suggested that universities, enterprises and the government should work together to jointly promote innovation and development. The cooperation between universities and enterprises is very important. Stanford has done very well in this respect. Many Chinese universities, like the one in Kunshan, also attach great importance to cooperating with enterprises in research and development.

### **China's Innovation Has Made Breakthroughs**

ZHANG Yaqin said that in the past 15 years, China has made great progress in innovation models. The innovation of professional models, products and technology are increasingly involving innovative infrastructure. Innovation in fields such as artificial intelligence, automatic driving, supercomputers, and machine learning is even leading the world.

ZHANG Yaqin said that enterprises should enhance the competitiveness of products through differentiated technologies. Enterprises need fund, talent and market in technological innovation. China has produced a large number of talented people and is also attracting international talents. In the future, enterprises should return to more basic research and increase investment in technological research and development.

WANG Binying said that China's environment for innovation has been improving in the pass 30-plus years and has reached a very high level. China's innovation ecosystem boats great potentials with a great momentum for innovation.

Yossi VARDI said that China's innovation and start-up has come to a tuning point. Entrepreneurs such as Robin LI and Jack MA are already very successful and we should encourage the new generation with incentives.



Investment is very important to building an innovative environment and many high-tech enterprises need support.

LI Jiange believed that China's environment for innovation is huge and keeps improving and we should not be too pessimistic about it. China has the most patent applications in the world and its patent declaration amount ranks third in the world. Its high-tech industry will see an explosive development.