more likely to be the source of production of a product which is protected by Canadian intellectual property law than of a similar product which is not eligible for protection. In the case of protection, however, the American rights owner is guaranteed some remuneration for use of his creation. That remuneration can result from production in the U.S. but equally could take the form of royalties or intra-corporate transfers resulting fromproduction outside the U.S.

Increased intellectual property protection in Canada, therefore, will not necessarily result in guaranteed remuneration (and, in selected instances, enhanced remuneration) for rights holders. The U.S. interest in these negotiations stems from the fact that U.S. nationals hold the majority of intellectual property rights in this country. For example, in the patent area, Americans were the owners of 56% of all Canadian patents granted in 1982, compared to just 4% granted to by Canadians. CALURA statistics for the same year show that 76% of intellectual property royalty payments by corporations operating in Canada went to U.S. interests while 12% went to Canadians. It is apparent that the effects of Canadian intellectual property laws on intellectual property owners appear to be the primary source of U.S. concern about Canada in this area. Indeed, it could be