

Summary of Discussions

Academics, corporate executives and policy makers from 18 countries in Africa, Asia, Australia, Europe, North America and South America assembled at the WIPO headquarters in an International Conference on Intellectual Property Management Education and Research, convened by the World Intellectual Property Organisation (WIPO), in Geneva, on July 17 and 18, 2008.

The Conference welcomed the initiative taken by WIPO in organizing the first ever international conference on intellectual property management education and research. The participants examined the state of intellectual property management teaching and research, shared experiences and discussed future perspectives and challenges relating to this increasingly important discipline.

The Conference produced concrete proposals for expanding and enhancing the scope and depth of intellectual property management education and research worldwide and called on WIPO to provide sustained leadership in order to foster this emerging discipline. The breakout sessions discussed and made recommendations on the following issues:

- Intellectual property and strategy
- Intellectual property, innovation and technology management
- Intellectual property, marketing and branding
- Intellectual property and finance
- Intellectual property and corporate social responsibility

The Conference concluded with a call for enhanced international cooperation and partnership in order to foster and strengthen intellectual property management education, considering the critical role intellectual property management education and research plays in understanding and appropriating the benefits of the intellectual property system.

The conference agreed to undertake the following:

1. To strengthen and enhance intellectual property management education, training and research;
2. To assist WIPO Worldwide Academy in conducting a survey of the state of supply and demand in different countries with regard to intellectual property management education and research;
3. To establish a portal and online forum within WIPO Worldwide Academy web site which should facilitate international collaboration, *interalia*, among professors, researchers, policy advisors, business executives, managers involved in IP management education and research; and
4. To call on WIPO Worldwide Academy to:
 - (a) provide stronger leadership in the fostering of intellectual property management education and research worldwide;
 - (b) seek advice from, and collaborate with, participants from the Conference towards the creation of an international permanent network of intellectual property management education and research, through which the Academy will launch new projects aiming at promoting intellectual property management education and research to follow up discussions and outcome of the Conference;
 - (c) create new education and training material such as case studies, distance learning courses, suggest a list of suggested research topics and good practices in intellectual property training with a view to enhance the quality and methods of intellectual property management education and research;

(d) disseminate useful information about intellectual property management education and research to governments, businesses, universities and intellectual property professionals;

(e) establish an electronic forum in order to continue the dialogue initiated at the Conference as well as for exchange of information, ideas and experiences on intellectual property management education and research;

(f) establish a link with the Global Network of Intellectual Property Academies (GNIPA); and

(g) encourage the heads of academic institutions, especially business schools, engineering colleges and law schools, industry associations, minister of industry and education, to consider supporting the development of intellectual property management education and research.

[Annex follows]

Annex

General Observations, Challenges and General Recommendations

General observations

- Intangibles, including intellectual property (IP), have emerged as major drivers of value and wealth creation in the knowledge economy of the 21st century. Effective management of IP assets is therefore critical.
- The new role of IP is not to block others. The question now is how we do good things with IP. IP is a tool to create new businesses.
- IP management skills and competencies are critical for creating and sustaining value from IP assets.
- Businesses want cost-effective and timely acquisition of IP rights which have such legal certainty as to allow for predictable IP environment with minimum transaction cost of IP assets.
- Policy makers, corporate leaders and heads of educational institutions, especially the business schools, have not yet fully grasped the importance of IP management.
- There is little understanding of IP amongst CEOs as well as managers in functional areas such as marketing, finance, strategy, corporate social responsibility and innovation and R&D management.
- IP management should be introduced as part of general management theory and integrated in functional areas such as marketing, finance, strategy, entrepreneurship, innovation management.
- IP management should be part of MBA, Executive MBA, Executive Education courses in business schools as well as part of the subjects offered, *interalia*, in schools of engineering, social sciences, public administration.
- Collaboration among policy advisors, business, business schools, universities, executive education institutions and WIPO Worldwide Academy is necessary.

Challenges

The present IP management education landscape is characterised by:

- Lack of awareness among heads of business school, corporate leaders, policy makers, business associations and prospective students of management, engineering and economic about the importance of IP.
- Lack of courses
- Lack of qualified faculty
- Lack of teaching materials
- Lack of financial and technical support for IP management research
- Much of IP teaching occurs in law schools

- Teaching and learning IP is not considered as an appealing endeavour
- Silo mentality in academic institutions does not favour interdisciplinary teaching and research which is required in the case of IP.
- IP management research compared to research in other management areas is not yet regarded as a worthwhile activity
 - Lack of specialized IP management journals of repute
 - IP research is dominated by econometric analysis based on patent data
 - IP management education situation is particularly difficult in developing countries.

General Recommendations

- Inform policy makers, educational institutions and corporate leaders about the growing importance of IP management education and research
- Empower WIPO Academy to play a catalyst role in the development of IP management education and research
- Establish a group of WIPO Academy advisors on IP management education and research
- Establish a global network of IP management teachers and researchers under the auspices of the WIPO Academy
- Develop IP management teaching materials (books and case studies), pedagogical and research methods
- Train IP management teachers and researchers
- Organize periodical conference on IP management education to review latest developments and to give further impetus

[Summary of breakout sessions]

Summary of Breakout sessions

“Every manager touches intellectual property. Many do not know. Intellectual property management ought to be injected at the functional level.”

Session on Intellectual Property and Strategy

An IP Strategy should be developed in relation to a vision and should be different for different actors (start-up, SME, multinational firm, business, university, region, government etc). Furthermore, an IP strategy would vary according to the functional level, business unit, corporate/top-management.

The core focus of strategy could be on (a) Strategic IP Creation; (b) Strategic IP Blocking and (c) Strategic Business Development

The Potential: Intellectual Property Management in the Core of Strategic Transformation

From R&D relations to background and foreground transactions (early innovation)

From product innovations to conceptual innovations

From product markets to technology markets

From hierarchical innovation processes to network and transaction based innovation processes (open innovation)

From openness by publication to openness by construction

From national firms to multinational firms

From laborer to strategic human resource

From a local start up to a glocal start up

From national culture/law/infrastructure to multinational and pluralistic culture/law/infrastructure

From physical infrastructure to intellectual infrastructure

IP and Strategy: Functional Areas

R&D and Early Innovation

Open Innovation

Technology Leveraging

Standardization and Technical Platform

Venture Creation and Strategic Alliances

HR Management and Incentive Structures

IP Management in Corporate Strategy

Education and Training in IP Strategy

Instrumental and tool oriented – build on what is recognized

Role-play and lab oriented

Standardization Lab

Patentlab

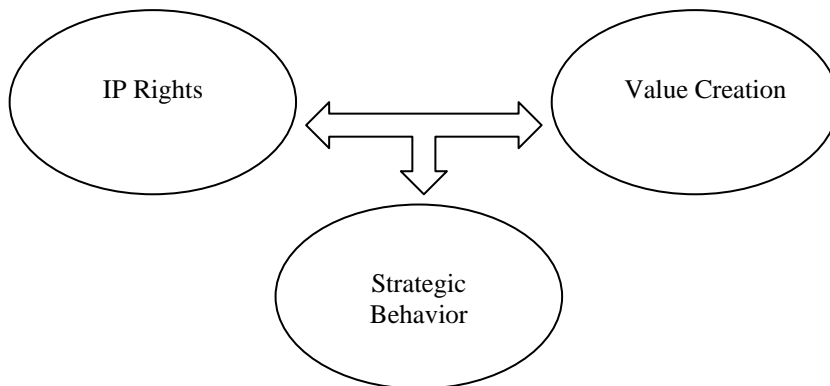
Early Innovation Lab

Open Innovation Lab

Focus and question theoretical foundations

Operating within the paradigmatic captivity of law, economics, business disciplines

Research on IP and Strategy



Research Approaches

Empirical research on value creation based on IP – access to cases, best practices, behaviors, considerations

Tool oriented, normative and constructive research

Theoretical work, reconsidering paradigms for value creation

Session on Intellectual Property, Innovation and Technology Management

Intellectual property education is often a central part of innovation and technology management course at engineering schools. Students at engineering school typically have a specialization in a certain technology area. Studying management of intellectual property, particularly patent, could be introduced in courses on innovation and technology management school, finance and accounting, strategic management, business planning and entrepreneurship.

However, there is a great diversity in the way IP education is taught in innovation and technology management schools. Some schools have created an independent department on technology management at graduate level which attracts engineering and science bachelors; other schools offer a minor course on technology management within a specific technical department. There are also schools which provide undergraduate level IP education within the context of general technology education.

The list of research topics in this area includes

1. Organizational aspect of IP management in the context of technology management, such as linkages between IP and R&D departments at large corporations.
2. Management of university and industry collaboration.
3. IP management in high-tech start-up companies.
4. Difference in IP strategy by technology field, such as comparing IP management in biotechnology and software industries.
5. Use of IP information in R&D strategy, such as technology mapping and technology roadmaps using patent information.
6. Understanding technology market from legal perspective, such as licensing contract and patent infringement settlement.

In order to provide effective IP management education services, it is important to develop case material based on real business stories. The role of WIPO and related international organizations is to stimulate the development of case material in technology management schools around the globe. For case development contributions from industry is essential. WIPO can provide a platform for exchange of information between the academic and corporate worlds. Finally, cross learning of best practices can be expected in regular meetings (as well as meeting in cyber space) organized by WIPO.

Session on Intellectual Property and Marketing

Few marketing executives are aware of or are interested in intellectual property. Teaching and training programs for marketing executives should present intellectual property in a manner which is appealing and relevant.

Increasing globalization, competition, similarity of products and media cost means that a marketing/branding strategy covering various geographies must be built on a solid intellectual property foundation. Premeditated use of IP system can help companies in sustaining the value of a product and service over a much longer period of time and can arrest commoditization.

The two main functions of brands are: (a) Identification and (b) Differentiation.

Strong brands can fasten economic growth for emerging countries. Branding as field of study is spreading in management courses.

There are many signs that show that branding is on the move. Nevertheless intellectual property is rarely part of the program. Intellectual property still focuses on name or logo protection only.

Research

Trademark data to support brand management.

Relate semiotics to brand differentiation.

Session on Intellectual Property and Finance

The following main points were made during the session:

1. Accounting, IP and Finance & Investment analysis are fields where the respective professionals need education about each others' fields in order to promote interdisciplinary understanding.
2. The need for better information about intangibles held by firms beyond the public IP database information. 10K forms exist in the US, but similar information including IP details is often not available elsewhere, e.g. in Germany.
3. Databases already play a role in valuation, for example through royalty rate data services. Contextual valuation data may come to play a significant part in future IP valuations.
4. Arrangements regarding IP ownership were thought to be rarely made purely for tax purposes. This was re-emphasized by several speakers.

5. The need for valuation to be considered within an actual context.
6. The need to fully exploit the value attached to any given IPR and the consequent need to consider all of the multiple value streams that IP can generate.
7. Whilst noting that many IPRs were novel by definition, the need to consider appropriate standardization of IP valuation methods and their quality and applicability.
8. IP value funds are investing in IPRs as distinct from the companies concerned. Such funds need to be able to raise finance to acquire pre-market IP which can be developed in collaboration with the inventors and with the possibility of licensing. Identifying suitable IPRs is a key issue and good value indicators might assist this.
9. Over the past four years IFRS rules for business combinations have meant that Fair Future Value of Intangibles must now be accounted for. In such processes, there is a need to isolate the relevant cash flows but this is not always easy.
10. When considering accounting valuations a critical factor is “the new context of the IPRs.” In a combination/merger/acquisition synergies may easily be ignored, but the new valuation context is important and must be taken into account.
11. IP Managers often act as translators in enabling senior managers to understand IP and enabling IPRs to be subject to senior management action.
12. IP awareness amongst senior managers needs raising. Though 80% of company value may lie in intangibles, senior management often seem largely unaware of IP.

Session on Intellectual Property and Corporate Social Responsibility (CSR)

This session examined the rationale for including intellectual property related corporate social responsibility in management teaching and research.

A. NATURE OF CSR RE IP

A.1 Rationale for IP-related corporate social responsibility

Q: Why should there be CSR?

A: Because the corporate organization is an artificial creation and it receives various types of protection and advantages from the State, such as limitation of liability, tax advantages, etc.

Q: Why should there be CSR re IP?

A: Because an intellectual property right (IPR) is artificial creations of the State, and the owner of the IPR receives a protection and advantage from the State, being the exception to free competition.

A.2 Sources of CSR

Internal (voluntary): corporate principles of behavior

External (involuntary): regulation / legislation (e.g. national competition laws, TRIPS flexibilities)

A.3 Dimensions of CSR re IP

Internal:

- maintenance / enhancement of image and reputation
- compliance with laws (e.g. competition laws)
- avoidance of dilution of shareholder value (e.g. sustainability of business)

External:

- regulation of monopoly power
- existence of non-economic (in addition to economic) rationales for, and objectives of, IP (e.g.: developmental, societal, ethical and environmental rationales / objectives)

B. TEACHING CSR RE IP

B.1 Discipline of CSR

It needs to be recognized that CSR is not a discipline in own right. Rather, CSR is seen as being about reputation management; it is not (yet) seen as about strategic management.

B.2 Curriculum of CSR re IP

A curriculum of CSR re IP should deal with:

- rationales of CSR re IP
- sources of CSR re IP
- dimensions of CSR re IP

B.3 Pedagogy of CSR re IP

Teaching of CSR re IP should imbed the topic through points of connection in the current management curriculum – e.g.:

- when considering the issue of market power – consider how to exercise it responsibly
- when considering the issue of information asymmetry – consider how it can contribute to CSI (Corporate Social Irresponsibility)
- when considering the issue of deadweight loss of monopolies – consider how it will be regulated externally if it is not regulated internally

Teaching of CSR re IP should utilize case studies.

B.4 Case study possibilities:

- South Africa v Glaxo re access to medicines
- Pharma's benefit-sharing agreements under CBD
- Qualcomm's licensing of CDMA
- EU anti-trust action against Microsoft
- Starbucks v Ethiopian coffee marks

C. RESEARCHING CSR RE IP

C.1 Possible Research Topics:

- What is special about IP that leads to special CSR re IP?
- How do CSR, IP and competitiveness relate? (e.g. does CSR re IP add to firm's competitiveness?)
- What are the CSRs re IP with respect to: access to medicines; production of environmentally unfriendly products; global warming / climate change; human rights?
- Is there a special CSR re IP and Developing Countries (e.g. re UN's Millennium Development Goals)?

D. INTERNATIONAL COOPERATION

D.1 Possibility for International Cooperation

- Production of a teaching resource on CSR re IP, incorporating a multi-disciplinary and multi-geographical perspective

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