

Policy Framework for Knowledge Based Capital

**Knowledge Assets; Regulatory Rights or Legal
Obligations?**

IP

Knowledge investment by firms for future returns:

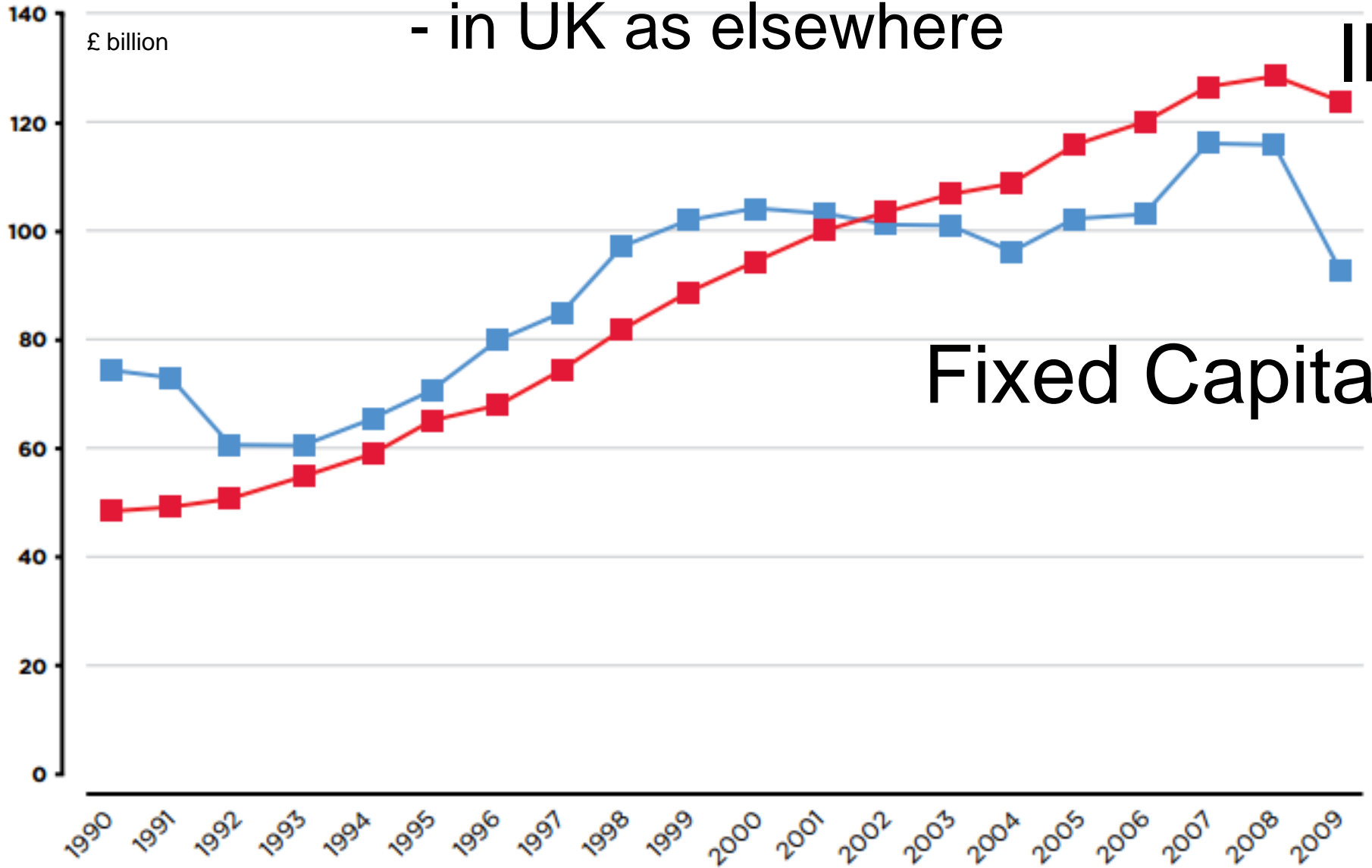
- Software
- Creative works
- R&D
- Designs
- Business organisation / processes
- Workplace skills
- Reputation / brands

Business investment has changed

- in UK as elsewhere

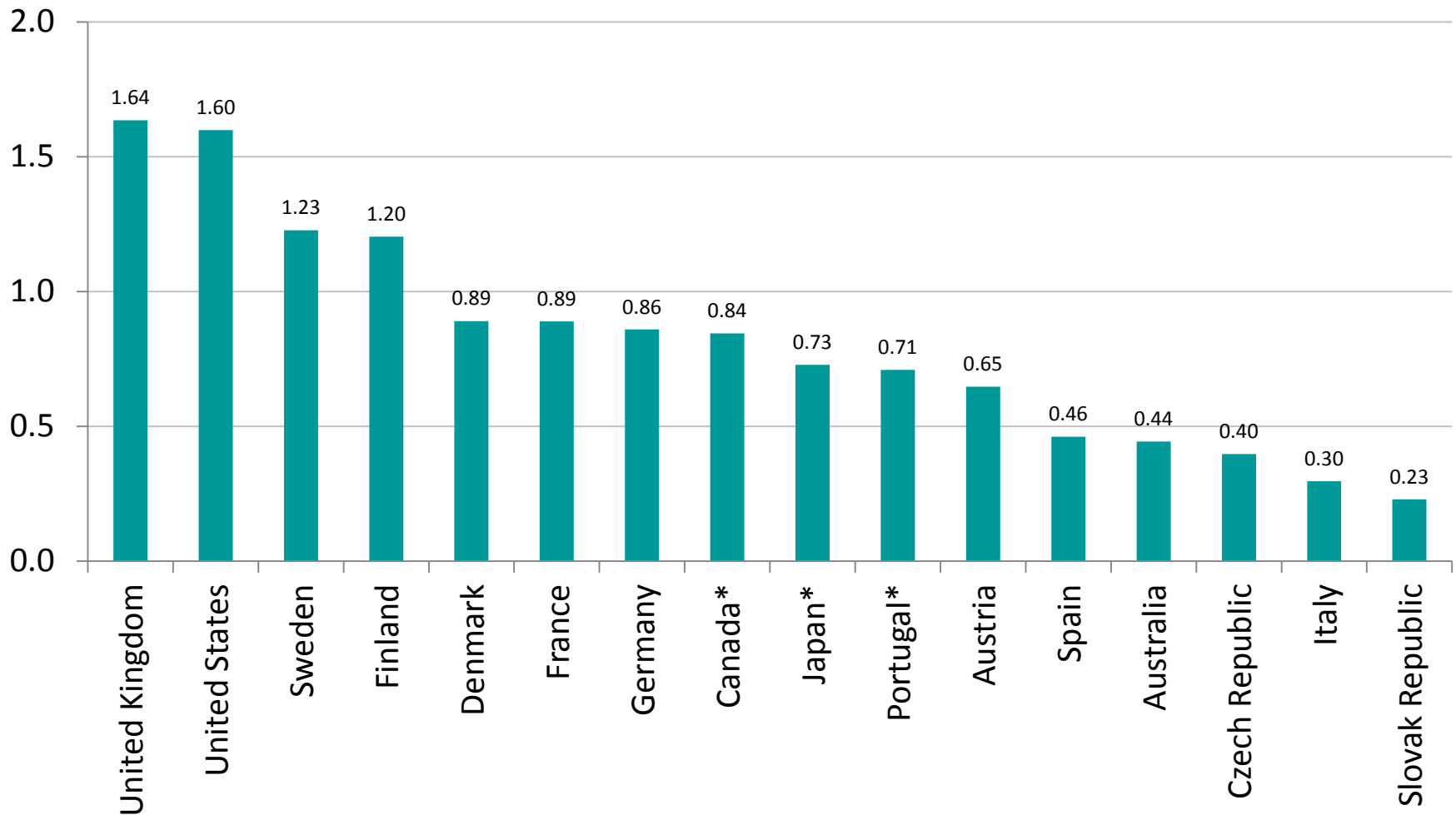
IP

Fixed Capital



Cross-country ranking on intangibles

Intangible to tangible investment ratio



Source: OECD

IPR

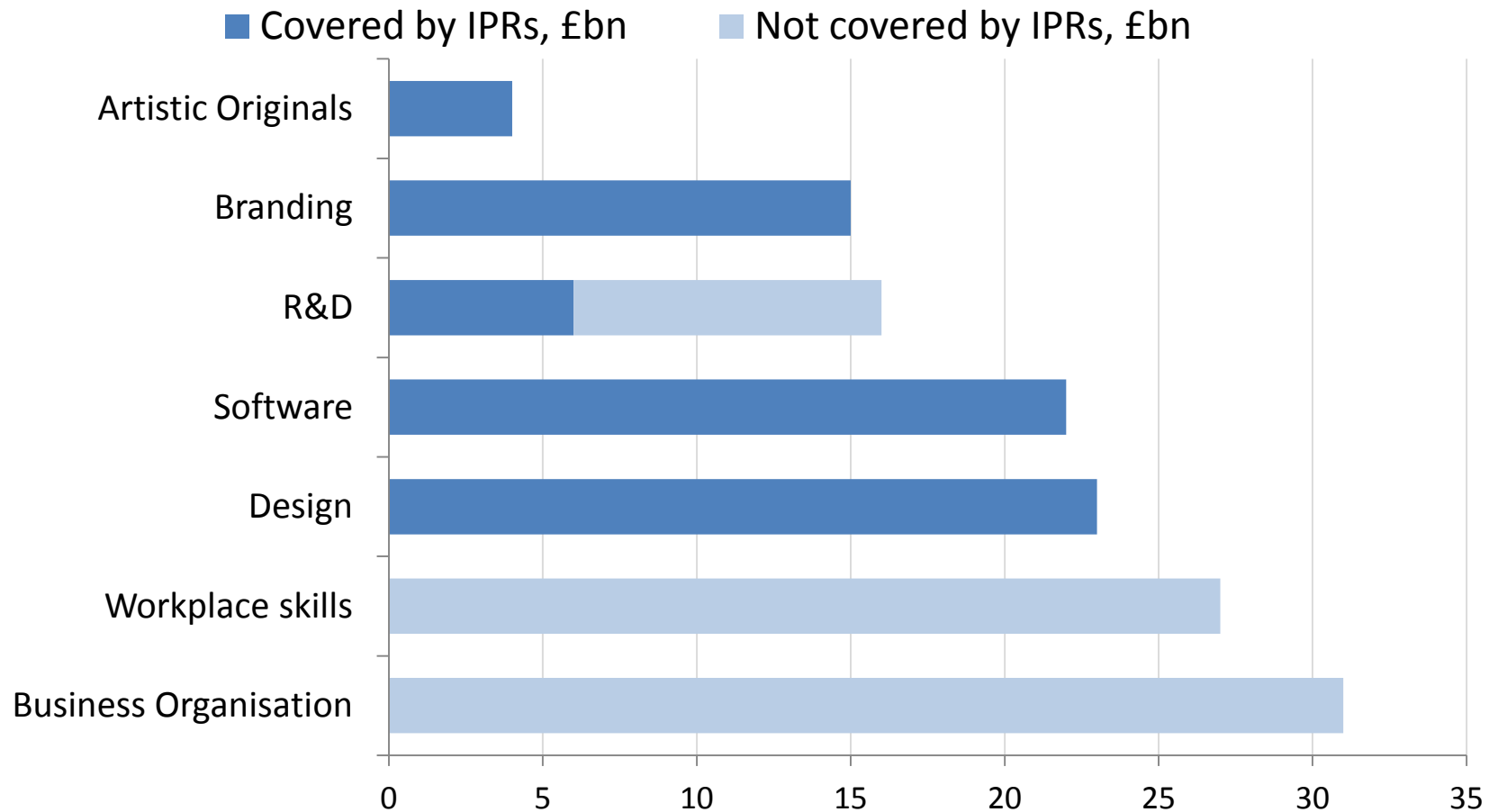
“to promote the Progress of Science and useful Arts,
by securing for limited Times to Authors and Inventors
the exclusive Right to their respective Writings and
Discoveries”.

Intangible Investment and IPRs

IPR	Patents	Copyright	Design IPR	Trade marks
Intangible investment				
R&D	X	X	X	
Software development	X	X	X	
Design	X	X	X	
Creative industries		X	X	
Market research & advertising		X		X
Business process investment	X	X		
Training & Skills development				

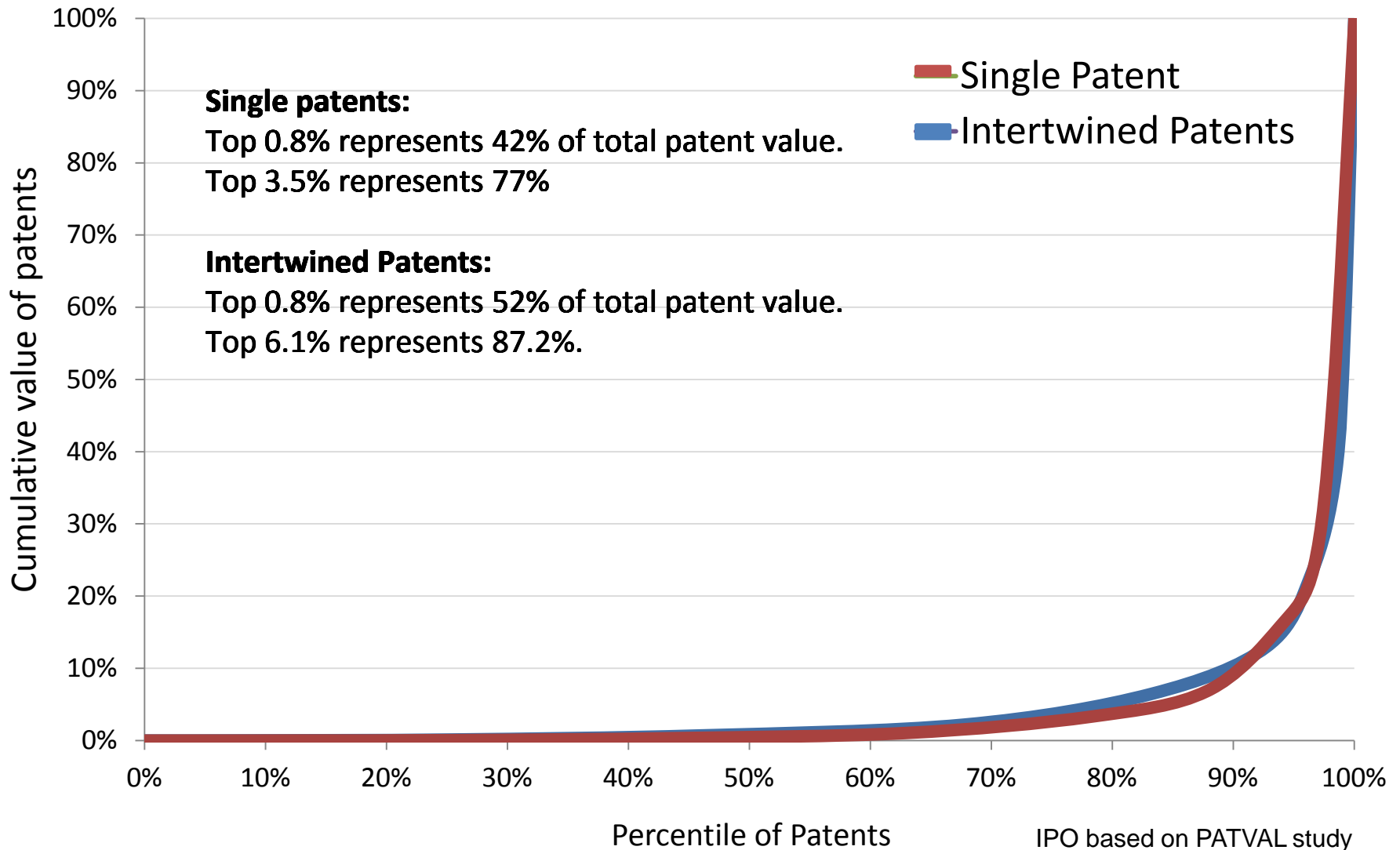
IPRs protect 50%+ of UK intangibles

...not unpatented R&D, business processes, skills



Source; Imperial College for IPO

Value is typically very skewed



Effective IP markets and KBC

- Markets, value and competition
 - Does winner takes all overtake competition policy?
 - Are trolls and hold up inevitable?
- IP value and innovation value
 - Do IP systems deliver the right incentives?
 - Do they encourage innovation or rent seeking?
- Can the IPR system define invention efficiently
 - Can you tell you're trespassing?
 - If not why should you be prosecuted?