

# **Policy Framework for Knowledge Based Capital**

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

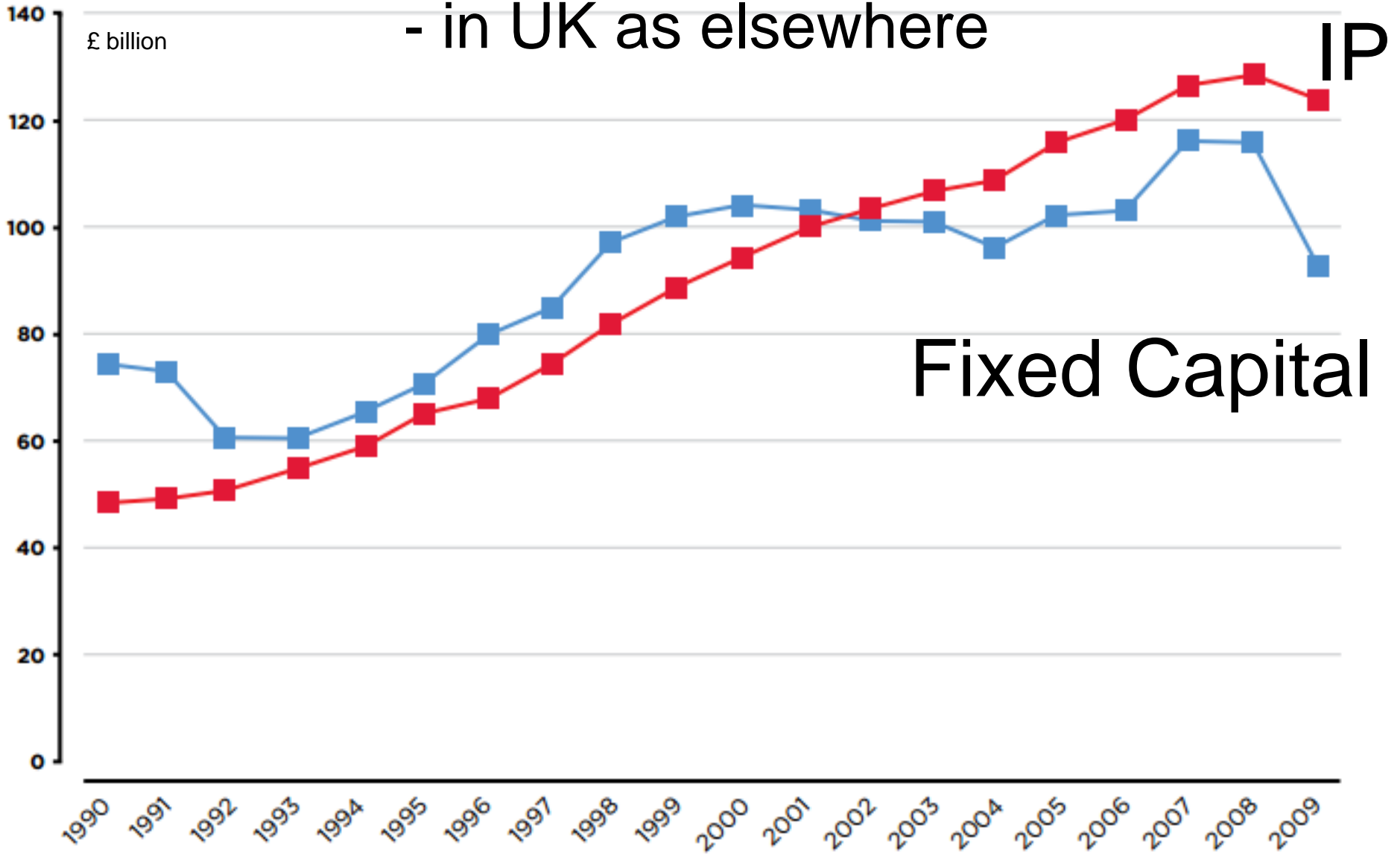
# IP

Knowledge investment by firms for future returns:

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

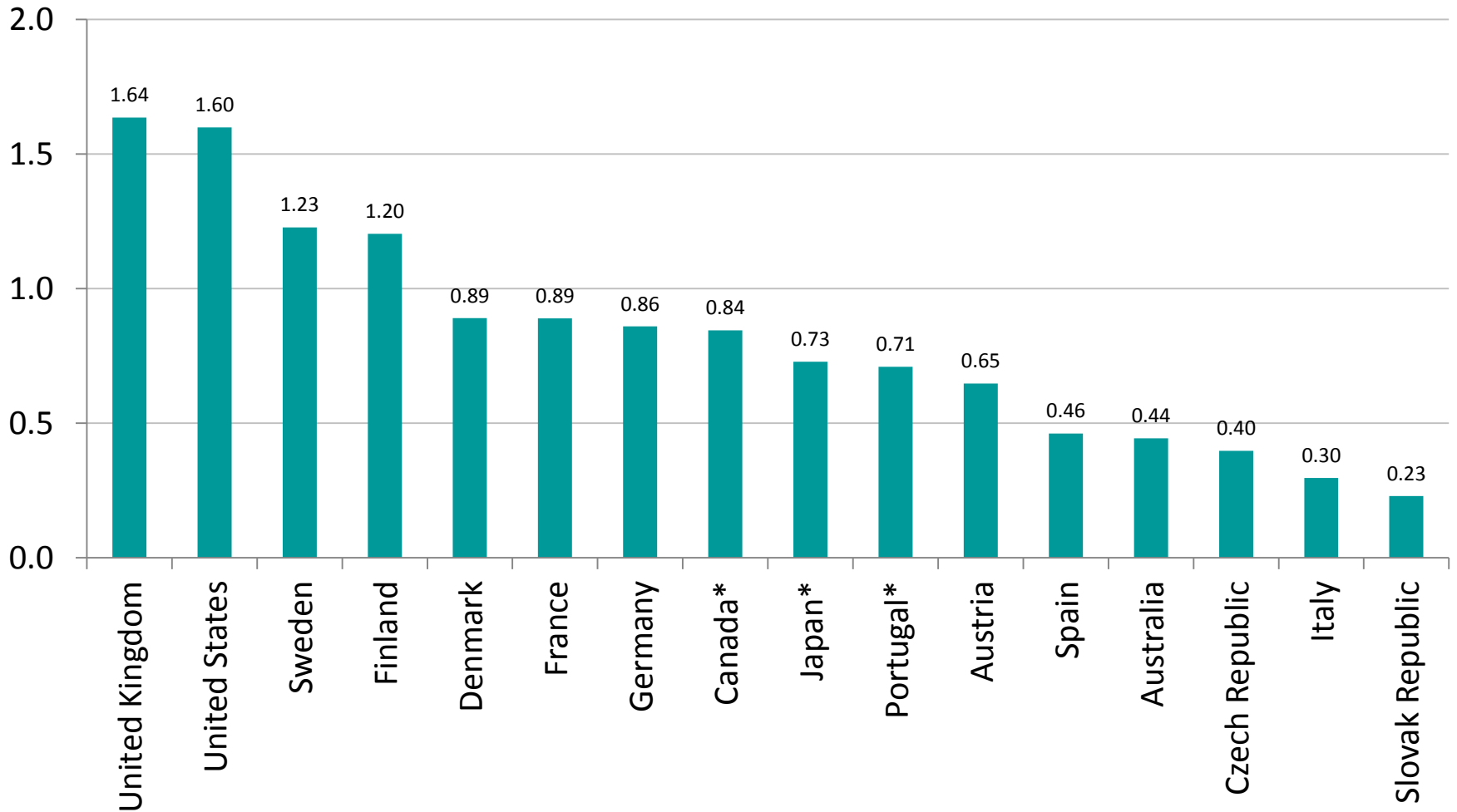
# Business investment has changed

- in UK as elsewhere



# Cross-country ranking on intangibles

## Intangible to tangible investment ratio



Source: OECD

# IPR

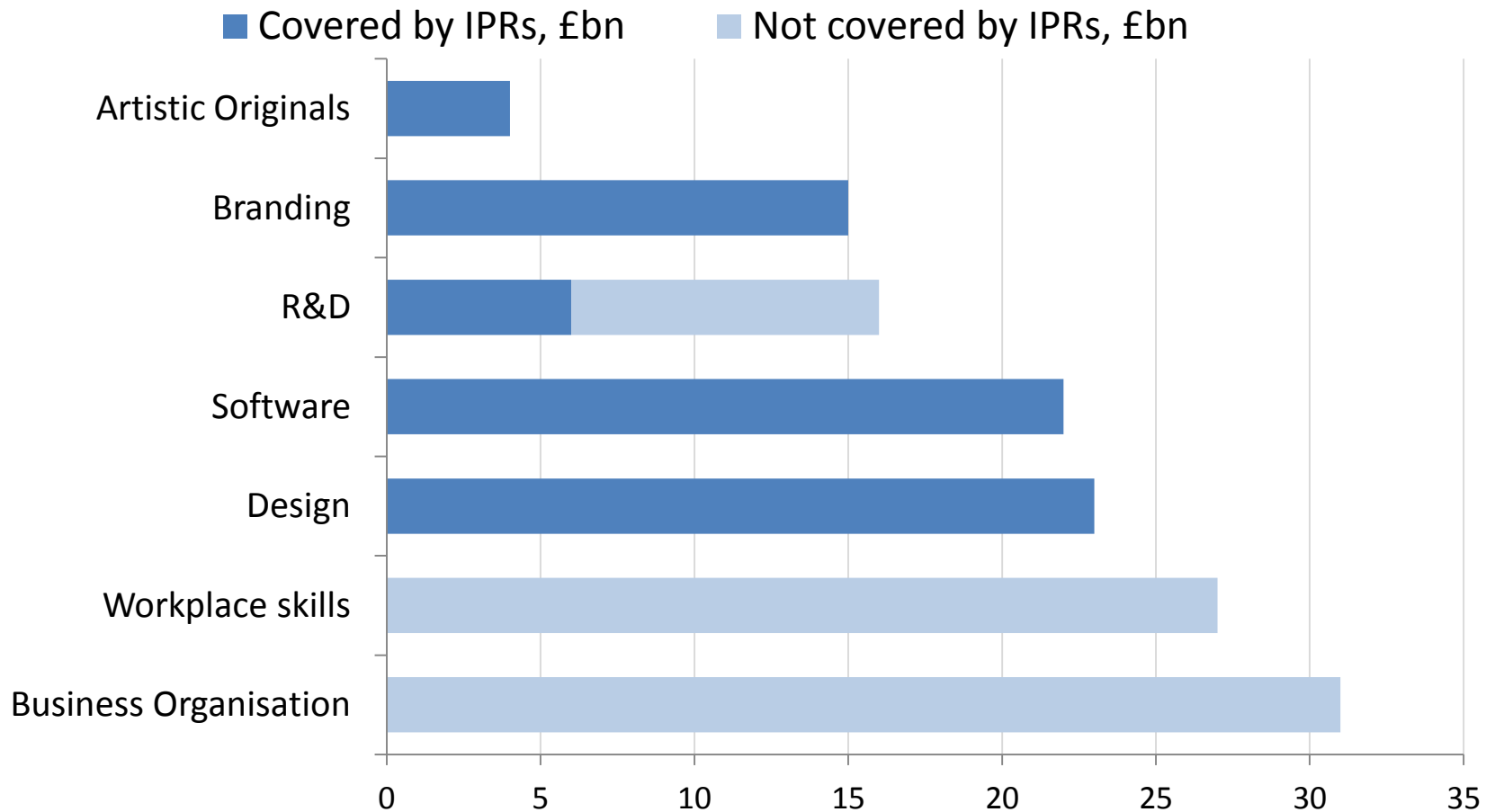
“to promote the Progress of Science and useful Arts,  
by securing for limited Times to Authors and Inventors  
the exclusive Right to their respective Writings and  
Discoveries”.

# Intangible Investment and IPRs

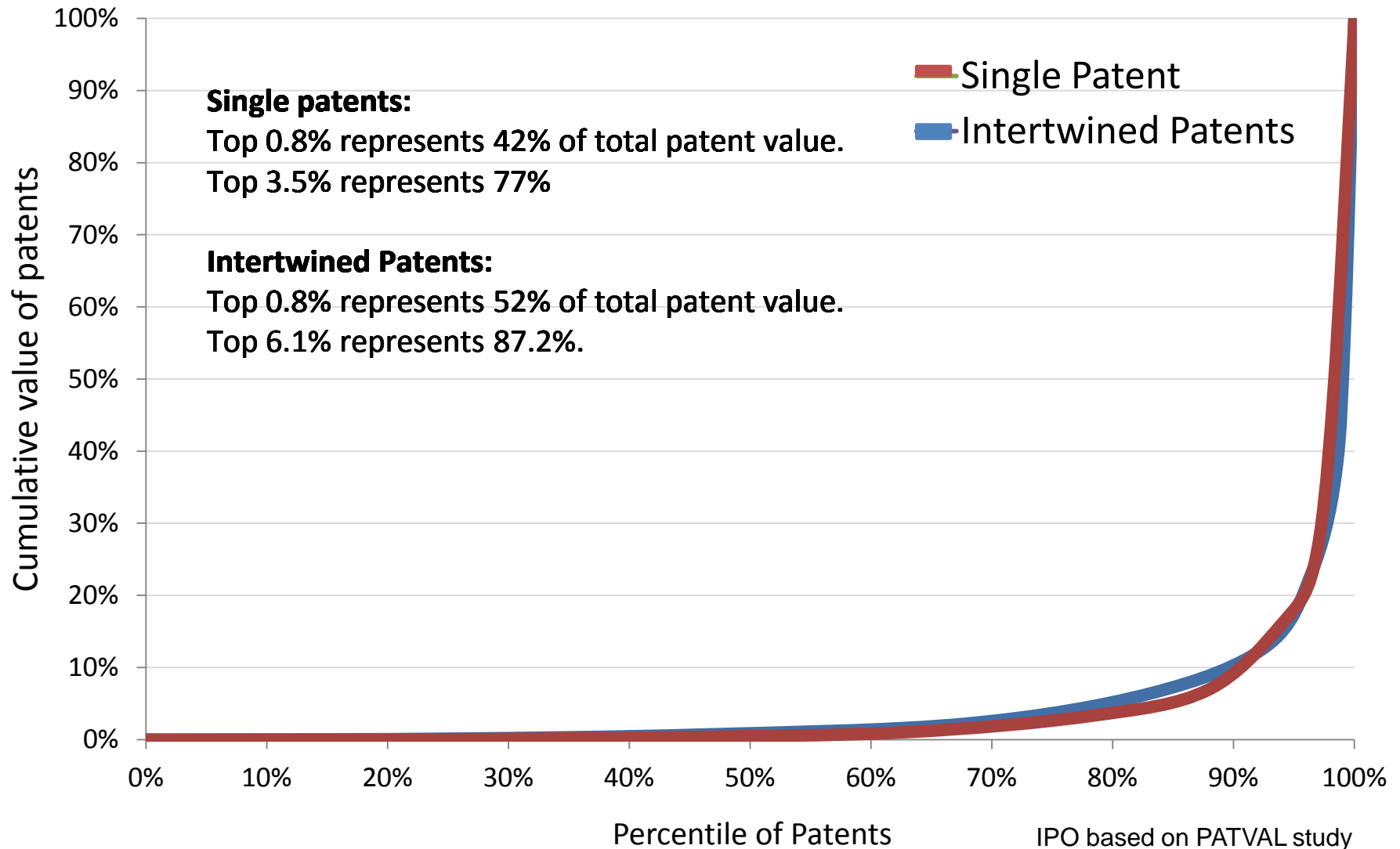
IPR	Patents	Copyright	Design IPR	Trade marks
<b>Intangible investment</b>				
R&D	X	X	X	
Software development	X	X	X	
Design	X	X	X	
Creative industries		X	X	
Market research & advertising		X		X
Business process investment	X	X		
Training & Skills development				

# IPRs protect 50%+ of UK intangibles

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



# 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?