"Creating a financial market for IPR"

OECD Expert Workshop on Patent Practice and Innovation

Dr. Martin A. Bader
Competence Center Intellectual Property Management
Institute of Technology Management at the University of St.Gallen (ITEM-HSG)

OECD Conference Center, Paris, May 10-11 2012
Contact

Dr. oec. HSG Martin A. Bader
Head of
Competence Center Intellectual Property Management
University of St. Gallen
Institute of Technology Management (ITEM-HSG)
Dufourstrasse 40a
CH-9000 St. Gallen, Switzerland
T: +41-71-224 7223
F: +41-71-224 7301
Email: martin.bader@unisg.ch
http:// www.item.unisg.ch

Dr. Martin A. Bader
European Patent Attorney, Dipl.-Ing.
Managing Partner
BGW AG
Management Advisory Group St. Gallen – Vienna
Varnbuelstrasse 13
CH-9000 St. Gallen, Switzerland
T: +41-71-840 08 31
F: +41-71-840 08 32
Email: martin.bader@bgw-sg.com
http:// www.bgw-sg.com
Institute of Technology Management (ITEM-HSG)
University of St.Gallen (HSG), Switzerland

Chair

Innovation Management
Prof. Dr. O. Gassmann

Competence Centers

**IP MANAGEMENT**
Dr. M. Bader

**GLOBAL INNOVATION**
Prof. Dr. M. Zeschky

**BUSINESS MODEL INNOVATION**
Dr. K. Frankenberger

**OPEN INNOVATION**
Dr. C.H. Wecht

**CENTER FOR INNOVATION**
Dr. S. Mühlmeier

**R&D CHINA**
Prof. Dr. M. v. Zedtwitz

**University of St.Gallen (HSG)**
- One of the world’s oldest business schools (est. 1898)
- Leading amongst the European business schools alongside London Business School and London School of Economics
- 30 institutes in management, economics, and law, 6700 students (25% foreigners from 80 countries), 900 researchers, and 83 professors

**Institute of Technology Management (ITEM-HSG)**
(Prof. Dr. O. Gassmann)
- One of the first academic institutes for technology management (1989)
- Leading European research center for the management and application of technologies
- Effective node for transfer of scientific knowledge to industry processes and successful products and services
- Four internationally active professors, more than 60 scientists and doctoral students

**Competence Center IP Management** (Dr. M. Bader)
- Leading IP Management research center in Europe
- Areas of research: patent management and patent strategy, valuation, exploitation, industry factors, emerging markets
The IPR Market team of ITEM-HSG

Prof. Dr. Oliver Gassmann, Director ITEM-HSG
- Full professor for Innovation Management at the University of St.Gallen
- Member of numerous academic and corporate advisory boards
- Former Vice President Technology, Schindler

Prof. Dr. Beat Bernet, HSG
- Professor for Banking at the University of St.Gallen
- Member of numerous academic and corporate advisory boards
- Expert for Banking and market structures

Dr. Martin A. Bader, Head of Competence Center "IP Management"
- European and Swiss Patent Attorney
- Former Chief Intellectual Property Counsel, Infineon Technologies

Florian Liegler, Research Associate
- Doctoral candidate with research focus on financial markets and intellectual property rights
- Former Associate in Mergers & Acquisitions, Sal. Oppenheim

Frauke Rüther, Dr. des. HSG, Dipl.-Kffr., M.A., Research Associate
- Doctoral candidate with research focus on external patent exploitation and technology market intermediaries
- Former Junior Analyst in Corporate Finance, B.Metzler GmbH
An IPR Market comprises (III): IPR Asset Market and IPR Financial Market

Indicative market structure (IPR Market)

- **IPR Financial Market**
  - Vehicles create financial products which investors can purchase
  - Primary market is created when vehicles issue shares, bonds, etc.
  - Secondary market arises when products can be traded by investors

- **IPR Asset Market**
  - Already exists
  - Patent sellers transfer their IPR to patent buyers in exchange for monetary compensation
  - Transactions happen directly or via intermediaries and "vehicles"
Conclusions of the study
In the process towards a more formal and elaborate organised IPR Market…

...policymakers and market organisers should...

- Focus on the IPR Asset Market
- Avoid market fragmentation and ensure liquidity in the market
- Ensure high patent quality
- Consider promoting licensing rather than transfer of ownership

...companies supplying and / or demanding IPR should...

- Consider additional transaction partners (vehicles)
- Analyse their own role on a potential new IPR Asset Market via e.g. commoditisation vehicles
- Consider new financing options for innovation through the market
- Accept IPR as production input factors (rather than avoiding)
Future challenges for the trade with intellectual assets
Study on Creating a Financial Market for IPR in Europe

- Collaborative research conducted on behalf of the European Commission by the Institute of Technology Management at the University of St. Gallen (ITEM-HSG), Switzerland and Fraunhofer MOEZ in Leipzig, Germany

- **ITEM-HSG download:**

- **European Commission:**
Thank you for your attention

Dr. oec. HSG Martin A. Bader
Head of
Competence Center Intellectual Property Management

University of St.Gallen
Institute of Technology Management (ITEM-HSG)
Dufourstrasse 40a
CH-9000 St. Gallen
Switzerland

T: +41-71-224 7223
F: +41-71-224 7301
Email: martin.bader@unisg.ch
http://www.item.unisg.ch
Annex
### Patentmanagement

**Innovationen erfolgreich nutzen und schützen**

Gassmann, Oliver; Bader, Martin A.  
2011, ~385 pp., 3., vollständig überarbeitete und erweiterte Auflage  
ISBN: 978-3-642-16604-4

Dieses Buch richtet sich an Führungskräfte in den Bereichen Innovation, F&E und Patentmanagement. Wissenschaftlern und Studenten bietet das Buch anwendungsorientierte Impulse zu den Ausprägungen des Patentmanagements von innovativen Unternehmen im hoch kompetitiven Umfeld.


Schlagworte:  
- F&E-Management  
- Innovationsmanagement  
- Intellectual Property Management  
- Patente  
- Patentmanagement
Intellectual Property Management in R&D Collaborations
The Case of the Service Industry Sector

Bader, Martin A.
2006, ~280 Seiten
ISBN: 3-790-817023

This work examines the current, relevant and complex problem of how companies can take an intellectual property lead within research and development collaborations. Special emphasis is placed on the early phases of the innovation process and the service industry sector, in which intellectual property management is still a new phenomenon. The author derives archetypes for managing intellectual property in collaborations and analyses their strengths and weaknesses. The findings of the book are based on a series of interviews with companies in a variety of industries and regions, as well as on a detailed examination of the peer companies IBM, SAP, Swisscom and SwissRe. The author offers organizational and managerial recommendations based both on his extensive industry background and on scientifically induced hypotheses, and has thus written a book of interest to both scientists and practitioners.

Keywords:
• Intellectual Property Management
• Patent Management
• R&D Management
• Research Collaboration
• Service Industry Sector
Future challenges for the valuation of intellectual assets
Study on Patent Valuation Practices of Europe's Top 500

- Study on 'The practice of evaluation of technologies and patents'
- Collaborative research conducted for PricewaterhouseCoopers (PwC) by the Institute of Technology Management at the University of St. Gallen (ITEM-HSG), Switzerland and its Innovation and IP Management spin-off BGW AG, and Shearman & Sterling LLP
- Europe's top 500 applicants before the European Patent Office