

Intellectual Property Rights: A Few Thoughts from an Entrepreneurship and Organizational Learning Perspective

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An Up-Hill Battle

Innovation is not only the process of creating something new, but simultaneously the destruction of something old.

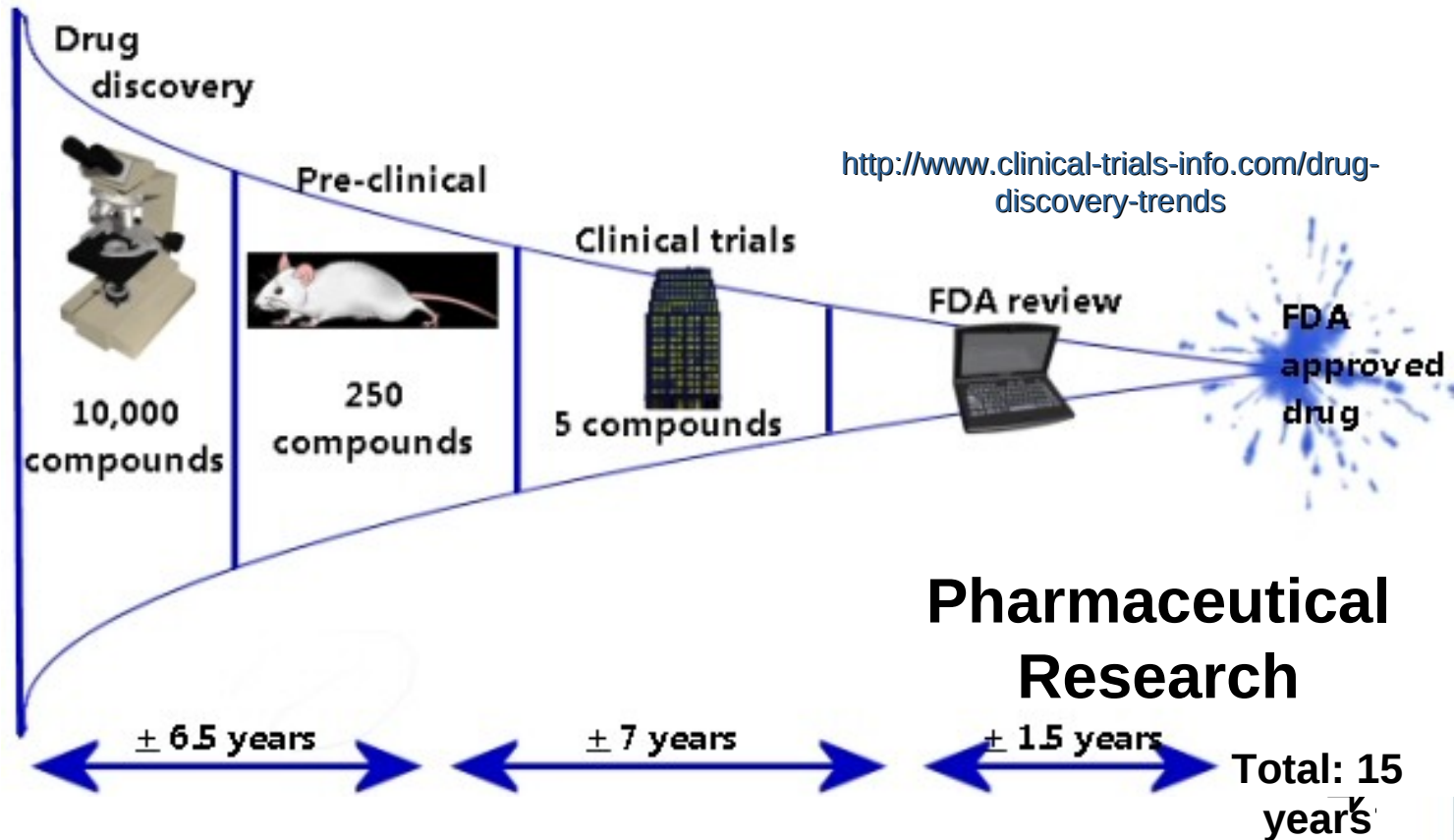
Innovation as creative destruction.

Joseph Schumpeter
(1883-1950)



Some challenges are justified...

Many innovative ideas turn out to be dead ends ...



Some Challenges are justified...

Many other innovative ideas turn out to be less valuable than expected

- Very similar solution already exists
- Functionally different superior solution exists
- Execution and implementation not feasible
- ... sometimes "not yet"

Magnetic Resonance
Imaging (MRI)
1932 - 1970



Other challenges not so justified

Inferior product supported by powerful competitors

- Access to distribution channels
- Economies of scale

Inferior product supported by powerful institutional norms

- Governmental certification
- Strong social and behavioral norms



How can IP help?

Patent database enables novelty evaluations

- Patent search during invention process
- Patent search after invention process

Patents increase legitimacy of innovating entrepreneurs

- Financial support
- Customer support

Patents protect innovators against imitation by others

- Powerful competitors
- Powerful customers



But increasingly IP does not help

Intransparency of patent databases

- Globalization
- Provisional patent filings
- Back-lock of patent applications
- Limited scrutiny by some patent offices (e.g., US)

Enforceability of patent rights

- Globalization
- Costly and unpredictable litigation processes (e.g., US)

Predatory use of patent system

- Patent trolls
- Defensive patent-based strategies by powerful incumbents



Patent System Needs Fixing

National Level

- Money talks (e.g., US stagnant budget for patent office)
- Better focus of economic policy (e.g., soft infrastructure matters)

International or Global Level

- Harmonized patenting processes
- International enforcement

Opportunity to "revolutionize" patent system



Patent System and Knowledge Management Strategies

Organizational knowledge management instrument

- Patents
- Trade secrets
- Limited access
- Open access

IP/Patent-related issues and solutions are only one part of bigger puzzle.

Traditional knowledge management approaches of organizations are challenged by

- Rapid globalization
- Continuing advances in information technology



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