

IPR; the currency of the Knowledge Economy

Put simply, IP assets are those knowledge assets in respect of which the law confers certain valuable rights.

For example:

1. If the knowledge asset is a product or process that is new, has an “inventive step” and is capable of industrial application, it could qualify for a **patent** with certain valuable rights for 20 years. (The right to prevent someone else from making, using or selling the product or process)
2. If the knowledge asset is some commercially valuable information that is not readily available outside the organization it could be a **trade secret**. Treated as a trade secret (and subject to certain conditions) a knowledge asset could be protected indefinitely. Examples of potential trade secrets: a formulation, method, supply chain or customer relationship data, circuitry designs, software source code, flow charts, know-how, know-why, methodology, technique, source –even processes.
3. If the knowledge asset is a creative expression it qualifies for **copyright** protection. That gives the author (or his employer or assignee) the right to prevent copying, adaptation, performing etc. Note that copyright protects the expression of ideas, concepts, plans, structures, techniques, methodologies, processes and so on. Examples of copyright materials are website content, software, documentation pertaining to processes, techniques, formulations, methodologies, structures, promotional materials, artistic materials, sound tracks, audio and video materials.
4. If the knowledge asset is a design that could be applied to a product, it could qualify for protection as an **industrial design**. This pertains to the external, ornamental, non-functional aspects of the product.

In what ways are such IP assets akin to currency in the Knowledge Economy?

The answer lies in the ways in which IP assets or IP rights can be harnessed for business advantage. Some of these are outlined below:

1. IPR can be licensed to earn revenues and enhance profits
2. IPR can be bartered or cross-licensed to reduce costs of technology acquisition or gain access to technology from 3<sup>rd</sup> parties.
3. IPR can be leveraged within the business to reduce costs, increase throughput, gain a competitive advantage over competitors, through product features that cannot be copied, forge special relationships and so on
4. IPR can be traded for equity in start-ups or in joint ventures

5. IPR can be used to raise the market value of business entities; translating into various other benefits
6. IPR can be pooled in collaborations, teaming arrangements and joint ventures
7. IPR can be the basis for a spin-off of a division or business
8. IPR is the basis of the franchising business with its numerous benefits

Thus IP assets are versatile. But the rights and limitations of each IP asset are complex. When business executives and technologists understand the many business options that open up from the leveraging of IPR, they will be greatly empowered in their plans and operations.

If you are a technologist, business executive or entrepreneur, you will learn, from this website, about the many ways in which IPR can confer competitive advantage, create business value and help mitigate risks. Keep reading.