

Intellectual Property (IP) and its Meaning in the Development of Knowledge-Based Economy

Aldona Małgorzata Dereń

*Wrocław University of Technology, Poland
Politechnika Wroclawska, Polska*

Andrzej Kudłaszyk

*International School of Logistics and Transport in Wrocław, Poland
Międzynarodowa Wyższa Szkoła Logistyki i Transportu we Wrocławiu, Polska*

Legal regulations, especially in the field of intellectual property a decisive influence on the development of innovative activities and resources-development (R & D) companions. Low quality of these regulations and the poor knowledge of the applicable standards in this field among businesses is an important barrier to the development of a Knowledge-based Economy in which the advantage less and less competitive enterprises depends on the size of factories and the traditional. Today intellectual property resources widely regarded as those that create significant added value to the company. In this situation, improving the quality of legislation in the field of intellectual property, in particular the simplification of the operation of the regulatory environment and reducing the cost of this protection is a prerequisite for innovative activity characterized the Knowledge-based Economy.

1. INTRODUCTION

The first decade of 21st century is characterized by the development and spreading of digital technology, and the convergence of media, computer, and telecommunication technologies. The development of spatial extensive digital networks caused that the time of access to information (saved in digital way) all over the world is practically immediate, and the cost of sending information becomes independent from the distance of transfer. Shortening the time needed to access of information is often connected with diminishing the costs of gaining, transmitting, gathering, visualizing information. Digital technology is present in every sphere of social life, and it radically changes the living conditions of every society. It creates a new civilisational environment, and the scale and range of changes are so big that one can think of it in categories of global changes. The development of the uses of such technology in the field of computer science, telecommunication, and media causes not only mutual penetration of these branches, but also creates the basis of modern communication systems that are inseparable part of technological infrastructure in present world.

The most influential discipline is the New Economy. It influences the image and ways of functioning the societies, and is one of the pillar of information society.

2. THE IDEA OF NEW ECONOMY – KNOWLEDGE-BASED ECONOMY

The New Economy is an order based on the idea of product and digital services that can be sent via the net as for example voice, script, image, or software information.

This New Economy is also based on knowledge involving human know-how term in every process of creation where so called added values are the product of human intellect. Many activities in the field of agriculture and industry are now based on knowledge. Present companies function nowadays in a different way than it was during the industrial development. The difference in function is the same as the difference between functioning old fashioned and contemporary companies. The fields are cultivated by computerized farm machineries equipped with hundreds new functions such as intelligent identification systems. Don Tapscott states in his work "Gospodarka Cyfrowa. Nadzieje i Niepokoje Ery Świadomości

Systemowej” that “it is worth mentioning that nowadays the objects are animated by knowledge in different ways. In electronic economy one of the key ideas in association of products with sophisticated values, and transformation of these ideas into products. From the producers and customers’ point of view combining the products of surd values such as thoughts and/ or knowledge is the key to welfare in the new economy order”. (Business Press, Warsaw, 1998).

In the reality of New Economy an overriding role and meaning gain computer networks that enable the communication not only “through the wall”, but also from different parts of the world in order to use know-how in every aspect of economy life. In this situation the sentence that this is the time where networks are reserved not only for technologies, but are also applied onto human lives and organizations.

The term of New Economy was coined recently, as well as the definition of information society, and does not have one definition. According to L.H. Summers-Financial Secretary to the Treasury of USA “New Economy is visible and hard to define. What is certain is the change in the field of economy that is based on transferring the economy based on production of goods onto economy based on production and usage of knowledge” (Rauch J., The New Economy, Oil Computers and the Reinvention of the Earth in “The Atlantic Monthly).

An interesting opinion about New Economy presents Kenichi Ohmae. In his book “*The Invisible Continent: Fours Strategic Imperatives of the New Economy*” he claims that New Economy is difficult to describe only by traditional analyses and conventional categories. This economy consists of four important factors:

- tele-information technology
- globalization of economy processes (borders between countries and companies are waning)
- well-known processes and predispositions of traditional economy
- innovative finance instruments named as multiples

Interaction between these factors constitutes the elements of new economy order. These four forces interact with each other, strengthening their influences – law of synergy. They are metaphorically described by Ohkmae as New Continent. In history of human mankind, sudden

and rapid changes were usually connected with the discovery of new lands. Conventional thinking leads to a conclusions that the whole world is already habited and there is nothing left to discover. Meanwhile, some people – often described as brave, and curious – discovered new ways of living, changing completely the lives on old continents. This time the newly discovered world exists only in our collective conclusions. Therefore, Okmea describes a new order as an Invisible Continent.

In my opinion, the term New Economy means an effect of structural changes that were made because of introducing modern technologies on a massive scale, and using Internet for commercial purposes. New Economy is a system of new methods that includes both traditional enterprises and modern ones.

Knowledge-Based Economy means also information and knowledge how to use it. It becomes, next to work and funds, and important element of production. Knowledge is the base of New Economy.

In Knowledge-Based Economy the knowledge and intellect are the basis. Intellectual values and repertories are basic holdings of every organization that should centre qualified workers. Peter F. Drucker in his paper Post Capitalist Society states that knowledge and intellect are the most valuable resources of every organization.

3. IP PROTECTION AS AN INSTRUMENT OF BACKUP FOR KNOWLEDGE-BASED ECONOMY

In modern economy the supremacy of companies is less dependant from the size of companies and traditional funds. Economy success of these companies depends on immaterial elements such as human capital, distribution network, advanced technologies. Therefore, a natural need is a need for IP protection for intellectual capital.

IP allows to ensure exclusivity in the range of immaterial elements of company. IP is a broad category that consists of:

1. Patents,
2. Protection laws concerning industry patterns and trade marks,
3. Copyright laws.

The topic of interest of IP are not material objects, but immaterial ones.

Every type of IP protection has a common feature – they give the authoritative the possibility to ban others certain actions that are connected with economy exploitation of welfares that are the subject-matter of protection. It has practical consequences. Some entrepreneurs do not use their rights because they believe that nobody would violate their rights, or they think that for example gaining a patent is very expensive.

In 1793 Jeremy Bentham wrote that “without legal protection, the invention would have been eliminated from the market by competitor who even could use given invention for own purposes”. IP protection should stop such abuses.

The development of innovative actions and activities is crucial in Knowledge-Based Economy. Innovative companies usually stem from small firms with limited budget. IP protection is a factor that creates innovation. IP should encourage the entrepreneurs to make decisions connected with effective usage of economy strategy.

In Knowledge-Based Economy it is crucial to know the system of IP. It influences on:

- Commercialization of own achievements,
- Selling the patent or protection rights as a ware,
- Save protection rights,
- Acting against illegal copying.

Moreover, IP allows to avoid uneconomic investments, and to create own image through trade marks. In Poland and in Europe, the IP system and Bentham’s arguments are accepted by the societies and brought into life. The level of IP is constantly rising. The employers also filled the list of traditional copyrights with new patents understood in a broader sense for example the law concerning database. Therefore, the number of patent applications is rising.

4. CONCLUSION

IP is one of the most important values for a company that functions according to Knowledge-Based Economy.

Acquiring the IP rights relies on activities that lead to acquiring the specific intellectual rights. Saving IP rights is based on actions that lead to extending the protection of welfares for example by paying rates regularly.

Performing IP means using welfares according to the law. Finally, managing IP rights gives the right to dispense some IP laws, giving them in utilization, or pawning them.

The process of managing the IP means making decisions and actions that are called as patent policy of a company. It is, however, connected with sizeable funds. They may pay off as profits from producing and selling the protected products. The company can also give license to use their products and benefit from it.

The structure of IP is very complicated, but also flexible. It offers different types of rights protection and procedures of giving patents. Unfortunately, it is a costly procedure.

BIBLIOGRAPHY

- [1] Bartol K.M., Martin D.C., *Management*, McGraw-Hill, Ic., Platino 1991
- [2] Castells M., *The Information Age, Economy Society and Culture*, Vol. 1 – 3, Blackwell, Oxford 2002
- [3] Don Tapscott, *Gospodarka cyfrowa. Nadzieje i niepokoje Ery Świadomości Systemowej*, Business Press, Warszawa 1998
- [4] Dereń A.M., *Własność intelektualna I przemysłowa. Kompendium wiedzy*, Oficyna Wydawnicza PWSZ, Nysa 2007
- [5] Kłapkowska A., *Spółeczeństwo informacyjne a nowa gospodarka*, (w:) *Wybrane zagadnienia współczesnej ekonomii*, po red. R. Pajdy, Akademia Górniczo-Hutnicza, Kraków 2001
- [6] Kotarba W., *Zarządzanie wiedzą chronioną w przedsiębiorstwie*, ORGMASZ, Warszawa 2001
- [7] Kotarba W., *Ochrona wiedzy w Polsce*, Wyd. ORGMASZ, Warszawa 2005
- [8] Promińska U., *Kilka refleksji nad zależnością znaku towarowego od przedsiębiorstwa*, „Rzecznik Patentowy” nr 2/2000
- [9] Teluk T., *E-biznes. Nowa gospodarka*, Wyd. Helion, Gliwice 2002
- [10] Steward T.A., *Intellectual Capital*, Bantam Doubleday Dell Publishing Group, NY. 1997, Canadian International Management Institute, vol. Nr 20/97

