INTELLECTUAL PROPERTY MANAGEMENT AS PART OF THE KNOWLEDGE ECONOMY

By the end of the 20th century, economy had been developing as a classic one. As we entered the new century and the ever changing economic environment, traditional economy is no more actual. Time has come for the so-called knowledge economy which focuses almost exclusively on intangible assets. Among these, are of most value intellectual property items.

Factors such as land, machines, buildings and other tangible assets are not so important anymore. Intangible assets based on knowledge, experience, creativity, innovations, technological advancement are on the forefront of economic progress and are defined as intellectual property. As such, the ownership and effective management and protection of intellectual property is vital to all companies and their success.

**Keywords:** intellectual property, intellectual property management, knowledge economy, importance of intellectual property, effective management of intellectual property.

Statement of the problem and its connection with important scientific and practical tasks. Knowledge economy is an economic system, in which the production and services are based on actions concerning knowledge. Main assets for creating services and products in knowledge economy are intangibles as technologies, scientific achievements, innovations [8]. Since the birth of economic thought the rules for the functioning of economic units have followed one and the same logic. What has been changing was only the environment in which they had to exist and work. With the transition to knowledge economy though – a phenomenon which basically changed the history and the conditions for development in and of the economic environment – the traditional factors such as land, labour, machines and buildings, have lost their significance for the economic activities and thus, gradually, was determined the need of a new orientation towards other factors there. These new factors, which are of exceptional significance for the correct functioning of the economic units and also a moving mechanism of modern knowledge economy, are with intangible character. And the most significant and with a financial capacity are the objects of intellectual property. And as knowledge economy is not just a modern economic system which has temporarily gained popularity, but a basically different method, model, approach which basically changes micro- and macro-economic environment, for every kind of business, it becomes indispensable to follow the methods and, in the new conditions created by knowledge economy, the activities of the business should use these intangible assets with emphasis on the objects of intellectual property.

The analysis of the latest publications on the problem. The topic of intellectual property management, although highly relevant, is unfortunately sporadically discussed and poorly developed in Bulgaria. The most notable writings in the field are

- "Management of Artist Performer Rights" by Prof. Violeta Tsakova,
- "Trademark Management" by Assoc. Prof. Rumyana Brestnichka,
- "Financial Management of Intellectual Property" by Dr. Fanny Koleva,
- "Management of Innovation in the Industrial Enterprise" by Dr. Iskra Pantaleeva and
- "Collective Management of Copyright and Related Rights" by Georgi Sarakinov.

The fundamental information on the topic is provided in Prof. Violeta Tsakova's lectures, which she delivers for students from the Department of Intellectual Property in the University of National and World Economy as part of the "Fundamentals of Intellectual Property Management" course presented in New Bulgarian University, as well as "Intellectual Property Management" by Prof. Dr. Vladya Borisova in UNWE.

The basic principles of the topic are also laid out in the books and writings by specialists and professors in the intellectual property field such as Prof. Violeta Tsakova, Prof. Borislav Borisov, Prof. Maria Markova, Assoc. Prof. Dr. Rumiana Brestnichka, Prof. Dr. Vladya Borisova.

**Forming of the aims of the research.** The goal of this article is to show the importance of intellectual property and its management for the contemporary know-
Knowledge economy based business. The first part presents synthesized information about the nature of knowledge economy, the second part outlines the economic benefits of owning intellectual property and the third part outlines the three steps of effective intellectual property management. The last part presents the two possible outcomes as a result of intellectual property management – both positive and negative, as well as their consequences.

**Giving an account of the main results and their substantiation.** Knowledge economy and intellectual property. The important groups of assets of knowledge economy are divided into two main groups - assets concerning human resources (including but not limited to knowledge, skills and experience, introduced under the collective term know-how [16,17]) and assets concerning any intangible assets (including but not limited to patents, licenses, trademarks, designs etc., emerging as incredibly valuable for companies across the board). The common thing between those two groups of assets is that they are both the foundation for knowledge economy and part of intellectual property.

As it is not a new phenomenon, intellectual property is displaced by knowledge economy in the spotlight, and from the periphery of the economic activity it falls at the core of all changes. Due to the emphasis which knowledge economy places on intangible assets, intellectual property which formerly has been an economic factor with the purely protective function to protect objects such as innovations, inventions, copyright, designs, trademarks from outer unauthorized use and abuse, now has become an economic factor affirming its positions of a means of development, economic growth and creating value.

Intellectual property objects do not present economic growth and do not create value solely based on existence. Growth and value are generated by and through effective intellectual property management. Intellectual property management gives room for ideas to manifest in financial statements to be compiled, legal and economic interests of the company to be protected, freedom to operate in a particular market to be ensured, and even some costs minimization. All of the above are signs of significant value and promising future of the company to investors, competitors and customers.

**Economic benefits of owning intellectual property.** Microeconomic units which use intellectual property and which have introduced its management as a part of their overall strategy, those who accept intellectual property as a valuable asset and effectively manage this asset – they all become a standard of development and of economic realization of those objects as a whole. Due to the emphasis on efficiency, quality, costs optimization. As this combination is not only the most profitable but also economic growth and do not create value solely based on existence. Growth and value are generated by and through effective intellectual property management. Intellectual property management gives room for ideas to manifest in financial statements to be compiled, legal and economic interests of the company to be protected, freedom to operate in a particular market to be ensured, and even some costs minimization. All of the above are signs of significant value and promising future of the company to investors, competitors and customers.

The classification of the intellectual property objects is the first step towards their measurement. Anything that is not measured cannot be managed. Due to their specificity, intellectual property objects in their capacity of intangible assets must be assessed and reported simultaneously with financial and non-financial indicators. This way, their contribution to value creation can be calculated most accurately.

Secondly, when implementing intellectual property management system, one should determine what business strategies and vision for company’s development have been chosen. They must be in line with the intellectual property management policies, ensuring adequate use of resources, taking correct actions, achieving company goals, executing strategies and achieving optimal results. That is, intellectual property management should develop the economic framework, models and tools through which the company should develop.

The third step is to establish active management process of intellectual property (including use, creation, purchase, licensing, sale, transfer of rights) with an emphasis on efficiency, quality, costs optimization. As this combination is not only the most profitable but also...
the easiest and most efficient management approach. Profitability is the main goal as, in all cases, intellectual property management must be commercially-oriented.

Classification of Intellectual Property objects owned

Synchronization of Intellectual Property management strategy with company’s business strategy and vision for development

Starting of effective, qualitative and profitable IP * management

SUCCESS

**Fig. 1. Steps for effective intellectual property management**
*developed by the author

Consequences. Many companies fear that they do not have enough resources to build and manage an intellectual property portfolio. In fact, companies need to acquire (create, attract, license, sell) and manage their own intellectual property in order to have sufficient financial resources. A different perspective on intellectual property puts the company in a profitable or loss position and could lead to two major economic results - positive and negative. Each of these is a prerequisite for the development of dozens of business, economic and financial "scenarios".

The result of poor intellectual property management is inefficient allocation of company resources, potential failure to meet investment goals and strategies, under or overestimation of the current financial outlook of the company.

The result based on the effective management of intellectual property is the use of all intellectual property objects as an active and powerful tool for increasing company's influence in the sector, attracting investors, increasing company's profit, creating an innovator culture and, last but not least, creating competitive advantage with ongoing technological innovation, setting and introducing industry standards, and high barriers to enter the market based on the intellectual property owned.

Conclusions and prospects of the further investigations. Based on the analysis, intellectual property objects are at the heart of knowledge economy and must be consistent with a company's activity, policy, and strategy. Intellectual property has tremendous economic benefits for any organization and, when used properly, guarantees success at microeconomic level which also leads to success at macroeconomic level. These benefits are not only part of the activity of the individual economic entities, but also part of the development and state of the macro-economic system as a whole.

Due to the economic importance of intellectual property, it is imperative to emphasize on the efficient management of its objects. They must be properly classified and evaluated with financial and non-financial indicators, they also should be in a two-way alignment with the strategy and the vision for the company development, management should focus on efficiency, quality and cost optimization.

Depending on the extent to which a company is committed to quality intellectual property management, relevant results can be achieved. If intellectual property management is neglected, results will be with poor financial consequences. If a focus is emphasized, the company is well on its way to achieve positive financial results.

* Refers to Intellectual Property
References


УПРАВЛЕНИЕ ИНТЕЛЛЕКТУАЛЬНОЙ СОБСТВЕННОСТЬЮ, КАК ЧАСТЬ KNOWLEDGE ECONOMY

К началу XXI века экономика развивалась как классическая, с ее традиционными факторами, проблемами и способом функционирования. По мере того, как мы вступаем в новый век, экономическая среда меняется с ее рынками, клиентами, правилами, потребностями и возможностями, и нейтрализует экономическую перестаёт быть актуальной, и возникает необходимость в управлении новым типом экономики. Настало время для так называемой экономики знаний. Экономика знаний выделяет интеллектуальную собственность, ее защиты и эффективное управление ею для обеспечения существования интеллектуального вклада. Это взаимодействие, эта взаимосвязь настолько заметны. Нематериальные активы, основанные на знаниях, опыте, творчестве, инновациях, технологиях, которые всегда имели решающее значение для экономики, теряют свое значение и уже не так заметны. Нематериальные активы, основанные на знаниях становятся основой для этой новой системы экономики и имеют первостепенное значение для ее развития. Среди этих нематериальных активов наиболее ценными и наиболее важными являются объекты интеллектуальной собственности. Это связано с тем, что такие факторы, как земля, машины, здания и другие материальные активы, которые всегда имели решающее значение для экономики, теряют свое значение и уже не так заметны. Нематериальные активы, основанные на знаниях, становятся основой для этой новой системы экономики.

Ключевые слова: интеллектуальная собственность, управление интеллектуальной собственностью, экономика знаний, важность интеллектуальной собственности, эффективное управление интеллектуальной собственностью.

УПРАВЛІННЯ ІНТЕЛЕКТУАЛЬНОЇ ВЛАСНІСТЮ, ЯК ЧАСТИНА KNOWLEDGE ECONOMY

К кінцю XX століття економіка розвивалась як класична, з її традиційними факторами, проблемами та способами функціонування. По мірі того, як ми вступаємо в нове століття, економічна сре́да змінюється з її ринками, клієнтами, правилами, потребами та можливостями, традиційна економіка перестає бути актуальною, і виникає необхідність в управлінні новим типом економіки. Настало час для так званої економіки знань. Економіка знань фокусує основну увагу на нематеріальних активах, які становлять ядро нової економіки. Таким чином, виникає необхідність владі над интелектуальною собственістю, її захистом та ефективним управлінням для забезпечення існування інтелектуального вкладу. Економіка знань змінює важливість інтелектуальної собственности, но в то же время інтеллектуальная собственность также меняет экономику знаний практически невозможно рассмотривать их отдельно.

Ключевые слова: интеллектуальная собственность, управление интеллектуальной собственностью, экономика знаний, важность интеллектуальной собственности, эффективное управление интеллектуальной собственностью.
також змінює економіку знань. Цей взаємозв'язок є настільки вузьким і важливим, що для інтелектуальної власності та економіки знає практично неможливо розглядати їх окремо.

Ключові слова: інтелектуальна власність, управління інтелектуальною власністю, економіка знань, важливість інтелектуальної власності, ефективне управління інтелектуальною власністю.

Література


Стаття надійшла 25.10.2019
Стаття прийнята до друку 7.11.2019
Доступно в мережі Internet 26.12.2019

Цитування згідно ДСТУ 8302:2015

Cite as APA style citation


70