



# **OPEN INNOVATION AND INTELLECTUAL PROPERTY**

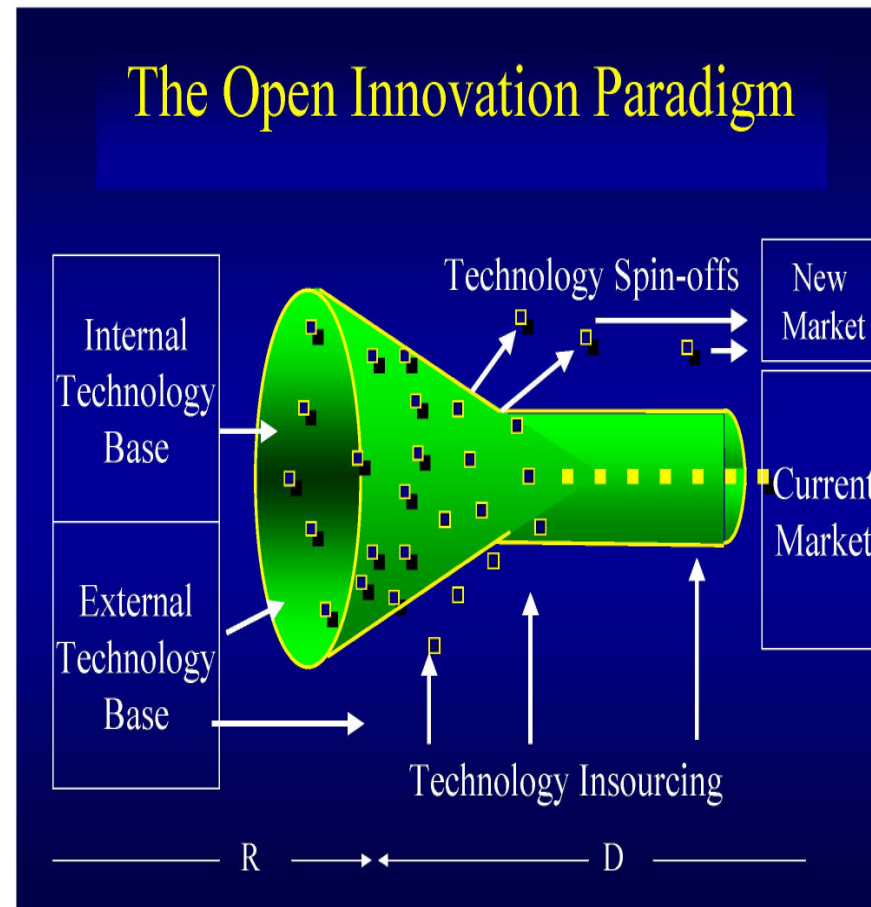
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# Define our terms

- Innovation: a new way of doing something
- Closed: internal R&D for new products
- Open: going outside the single entity

# Chesbrough's concept

- “Open innovation is a paradigm that assumes that firms can and should use external ideas as well as internal ideas, and internal and external paths to market, as the firms look to advance their technology”
- Image - Henry Chesbrough presentation on the OECD Conference on New Business Strategies for R&D



# Why go outside?

- Accelerated product cycles
- More global competition
- Increasingly mobile workforce
- Shift in geographical distribution of innovation
- Shift in geographical distribution of publications
- Enabling technologies

# Many flavors of “open”

- Specialist supplier
- Customers
- Crowdsourcing
- University/research center
- Public auction/prize
- Commons
- Closed network
- Open network

# Intellectual Property and Innovation

- What IP matters?
  - Patents
  - Trade secrets
  - Copyrights
  - Trademark
- IP as incentive
- IP as protection for commercialization
  - Framework to manage expectations
  - Framework to allocate risks and rewards

# Legal issues

- Secrecy
- Ownership
- Patenting requirements
- IP strategies
- Contract (including revenue sharing model)

# Developing country issues

- Innovation infrastructure
  - Culture
  - Laws (secrecy, bankruptcy)
  - Financing
  - Communications
- Business knowledge
- IP knowledge
- Marginalization



THANK YOU!