

Teaching IP in Economics and Management

Russian approach

Mission report of the visit to RGIIS

Antoine Dintrich

23 July 2010



SUMMARY

1. ACTIVITY BACKGROUND	3
2. OBJECTIVES OF THE MISSION	3
3. METHODOLOGY	3
4. PRESENTATION OF THE MISSION IN MOSCOW	5
5. TECHNICAL REPORT ON THE RGIIS APPROACH	8
6. PROPOSALS AND RECOMMENDATIONS	17
7. CONCLUSION	18

1. ACTIVITY BACKGROUND

Russia is Europe's third largest trading partner, with technology intensive goods forming a significant portion, the achievement of increased harmonisation of regulations and legislations of the IP system will contribute to optimise the trade flow between the two entities. A specific step in this direction is to streamline and enhance the effectiveness of teaching IP economics in Russia by improving courses and course structures currently available at the State Federal Institute of Intellectual Property (RGIIS) in its IP economic programme.

2. OBJECTIVES OF THE MISSION

This mission aims to further develop the IP economic programme launched by RGIIS in 1999 and expanded over the last 2- 3 years. This programme covers a wide range of economic and management sciences in the field of IP. It provides inter alia skills and knowledge of commercial use of IP in economic activities of the enterprise, valuation of IP objects, licensing management, economical and organizational means of IPR enforcement, innovational risks, strategic management of IP rights, international commerce and IP et cetera.

More precisely, the objective is to suggest some revision and development of the teaching programme offered by RGIIS. Following the seminar, RGIIS will be invited to review its own approach and teaching modules and to discuss the possible changes with the expert.

3. METHODOLOGY

Firstly during a 2 days seminar/round table experts from several European and EIPIN (European Intellectual Property Institutes Network) institutions active in IP education have presented their own approach to teaching IP in economics.

The seminar has given the opportunity to discuss the various approaches in teaching IP economics, share curricula and offer advice and experience.

The main outputs of this round table were followings:

- Teaching IP economics means covering a very large scope of competencies: law (business law, IP rights, and contracts), financial issues (valuation, business plan, and venture capital), commercialization issues (marketing innovation, communication and negotiation, Licensing and technology transfer), and litigation (enforcement, forum shopping, arbitration and mediation).
- There are different course formats: full time academic year, part time academic year, succession of short sessions (2/3 days).
- The formats differ as to the target of course (student, professional) and to the level of course (basic, advanced, expert).
- There are various pedagogical approaches: lectures, cases study, group work, visit of firms.
- There are various types of lecturers and speakers: academics, patent attorneys and lawyers, IP specialists from industry, representatives from institutions (Patent Office, Customs, and judges).

At the same time RGIIS has presented its organization and a translated version of the interdisciplinary teaching modules of RGIIS has been passed to the experts.

The experts agreed on following comments:

- The presented teaching modules are very complete: all the key issues of IP economics are taken into account,
- The different curricula seem to be very detailed, each one lasting a very large duration.

Nevertheless, in order to streamline and enhance the effectiveness of teaching IP economics in Russia by improving courses and course structures currently available at RGIIS, following issues have to be studied further:

- Appropriateness between course contents / length of the courses/ target groups,
- How is interdisciplinary taken into account?

- What kind of pedagogical methods are used:
 - Present learning/distant learning?
 - Lectures / tutorials/workshops
 - Theoretical approach/practical approach (case study, role play, simulation...)?
- What is the repartition between the different types of lecturers/speakers: Academic, lawyer, IP specialists from industry?
- How is measured the acquisition of knowledge by participants?
- Is there an evaluation of the quality of the courses made by participants?

These aspects are the core objectives of the mission of expert II in Moscow.

4. PRESENTATION OF THE MISSION IN MOSCOW

23 June 2010 : Arrival to Moscow and meeting with Natalia Belenkaya in order to finalize the organization of the working day of 24 June

24 June 2010 : Meeting at RGISS, Moscow

Welcome from Ms Valentina Orlova, Vice-Rector, RGIIS

Presentation of the Russian delegation of RGIIS

- Veronika Smirnova (Associate Professor, RGIIS)
- Tatiana Ermolaeva (Head of Chair, RGIIS)
- Marina Ivanova (Professor, RGIIS)
- Anna Savitskaya (Associate Professor, RGIIS)
- Natalia Belenkaya (Senior Specialist, Rospatent)
- Elena Koroleva (Head of Chair, RGIIS)
- Liudmila Voytova (Associate Professor, RGIIS)
- Olga Bykova (Deputy Director, RGIIS)

Introduction to RGIIS

Ms Valentina Orlova and some other colleagues presented the role of RGIIS, its history and its actual organization:

- position as state unit
- structure and funding
- mandate and main goals
- Composition and origin of staff and faculty
- relation with the University of Moscow
- Typology of clients
- Pedagogical approach and teaching methods

Comments:

RGIIS was created in 1968. Originally, the institute was dedicated to secondary education with a focus on IP Law.

Progressively, the target has been extended to scientist, professionals and teaching personal.

Nowadays RGIIS trains also future IP specialists working for the national Russian patent office and future patent attorneys.

An e-learning department has been created, together with a scientific research department aiming at research in the field of intellectual property.

RGIIS has also an international department which is in charge of international educational issues.

The faculty is composed by 182 teachers, 40 of them having a PhD in Law or Science.

Today, RGIIS is composed by for pedagogical departments:

- The Law department

It is dealing with civil law, public law, copyright, IP rights. About 1000 students are trained each year, including full time students and part-time students. 33 students are following e-learning courses yearly.

- The post-graduate department

The department is composed by two dissertation councils:

- Civil Law, family Law, international Law and private Law.
- Economics and management.

About 10 theses are prepared each year.

- The IP management department

This department has been created as RGIIS plays a key role in creating an IP market in Russia.

It is composed by three entities, one dedicated to the economic theory, the other to the management of innovation and the third to the commercialization of IP.

The IP management department is in charge of the core aim of this mission.

- The department in charge of retraining specialists

This department proposes 9 programmes for professional retraining with tailored courses within the IP area.

Some courses are focusing on SMEs specialists and some other on professionals from big firms or state institutions.

Since 1991 RGIIS also trains future patent attorneys. The examination is organized three times a year and 85% of the students pass the exam.

Review of facilities

Visit of the premises: presentation of teaching rooms (class rooms, amphitheatres) and technical resources (computers, Laboratory).

Comments:

The premises of RGIIS are pleasant, with a sufficient capacity and good technical resources.

Presentation of course content

The different course contents are presented:

- compared with goal
- compared with student profile
- compared with resources

An in depth analysis of each module is presented later in the technical report. This analysis aims at well understand the pedagogical organization and identify if some aspects could be improved.

Discussion on the programmes

Following issues has been discussed:

- pedagogical approaches
- teaching methods
- Repartition and balance of the different courses

Discussion on cooperation opportunities

Following issues has been discussed:

- Creation of case studies
- Exchange of teachers
- Organization on workshops on IP valuation
- Information on norms on IP management

Closing and synthesis of the meeting

Friday 25 June Fly back to Strasbourg

5. TECHNICAL REPORT ON THE RGIIS APPROACH

The State Federal Institute of Intellectual Property (RGIIS) is proposing programmes which cover a large range of training needs.

The programmes are divided into 4 teaching modules aiming at different target groups:

- M1: Intellectual property Management	697 hours
- M2: Retraining course programmes (distant learning)	780 hours
- M3: Professional Development Course Modules	336 hours
- M4: Minimum PhD Examination Programme	56 hours

The major items of economic and management sciences in the field of IP are covered:

Management:

- Innovative management
- Strategic management
- IP economic and IP management
- Economic and organisational methods of protection of IP rights
- Innovation risks

Marketing:

- Negotiation
- Patent Searching Database
- Mechanisms used in placing items of intellectual property on the market

Finance:

- Business valuation
- Inventorying and valuing items of intellectual property
- Venture financing

Commercialisation:

- License trade
- Technology transfer
- Commercialisation of copyright and associated rights

We will now conduct an analysis of each module in order to well understand the pedagogical organization and identify if some aspects could be improved.

5.1 Module 1- Organisational Management Course Programme – Intellectual Property Management

- course contents and scope: Large overview of IP management
- target groups: Experienced professionals
- Length of the courses: 697 hours

	Course	Duration	Remarks
1	Introduction to IP Management	18	Basic introductory course
2	Business negotiations	32	It is important to organize role plays and simulations
3	Management system studies	8	OK
4	Innovative management	81	It would be interesting to present the management of salaried creators and inventors
5	IP economics and management	60	Introduction to courses 7/13/14
6	Strategic management (IP)	6	OK
7	Business valuation	38	Important basic course, prerequisite for course 13
8	Contemporary issues of innovative economic	38	OK

	development		
9	Information technologies	19	An introduction to patent mapping should be added
10	venture financing	38	An introductory course on IP audit and IP due diligence could be added
11	Innovation risks	38	It is important to present the problematic of freedom to operate (FTO)
12	Economic and organisational methods of protection of IP rights	38	OK
13	Inventorizing and valuing items of intellectual property	57	It would be interesting to present some valuation tools (like IPscore)
14	Mechanisms used in placing items of intellectual property on the market	96	Important basic course, prerequisite for courses 15/16/17
15	License trade	38	Need case studies and presentation of real cases
16	Technology transfer	54	OK
17	The commercialisation of copyright and associated rights	38	Original course focusing on non registered rights

We can make following comments:

1. **Course duration:**

The number of hours (nearly 700hours) seems to be quite important, taking into account that this programme is targeting professionals. It could be interesting:

- To consider distant learning for some topics
- To specify some course exemption for participants who have a previous training or practical experience in some fields.

2. **Course structure:**

Globally, the Intellectual Property Management Course programme is very complete, covering major items of IP management.

Nevertheless the important number of courses (17) makes it difficult to have a clear overview of the programme's structure and of the courses' balance between the different disciplines.

For that reason we have presented the curriculum divided into 4 categories:

- 1. General management** **24% of total-** 165 hrs
 - Management system studies
 - Innovative management
 - Contemporary issues of innovative economic development
 - Innovation risks

- 2. IP management** **20% of total-** 141 hrs
 - Introduction to IP management
 - Strategic management (IP)
 - IP economics and management
 - Economic and organisational methods of protection of IP rights
 - Information technologies in an innovative economy

- 3. Finance** **19% of total-**133 hrs
 - Business valuation
 - Inventorying and valuing items of intellectual property
 - venture financing

- 4. commercialisation** **37% of total-** 258 hrs
 - Mechanisms used in placing items of intellectual property on the market
 - Business negotiations
 - License trade
 - Technology transfer
 - The commercialisation of copyright and associated rights

It appears that the balance between the different disciplines is satisfying.

Nevertheless, some specific topics could be added in order to complete the curricula:

A course presenting some valuation tools:

valuation of IP rights is quite important but it is not easy to get used to. That's the reason why it would be interesting to make a presentation of some valuation tools like IP Score.

These tools help:

- evaluate patents and patent portfolios,
- identify potential gains and opportunities for saving costs

➔ 12 hours are needed for this course, which would be a part of "Inventorying and valuing items of intellectual property"

A course on patent mapping:

With the increasing number of patents filed each year, it is nowadays crucial to play with the existing patent mapping tools.

Patent mapping is essential for:

- Assessing large sets of patent data
- The creation of a visual representation of information from and about patent documents in a way that is easy to understand
- Using bibliographic data in order to identify which technical fields particular applicants are active in, and how their filing patterns and IP portfolios change over time
- Finding out which countries and firms lead in which technological fields.

→ 12 hours are needed for this course, which would be a part of "Information technologies in an innovative economy"

A course on Litigation and Enforcement: It is important that students have basic knowledge on:

- Stick Licensing, i.e. identifying infringers of a patent in order to force them to buy a licence
- The substantive and procedural law relating to the prosecution of patent applications
- How patent prosecution affects the value of patents

→ between 12 and 18 hours are needed for this course, which would be part of the block 4. "Commercialisation"

A course on Soft IP : protection, valorisation and commercialisation of non patentable technology

Following aspects should be treated:

- What is soft IP: know how, trade secret, confidential information
- How to protect soft IP: non disclosure agreements, restrictive covenants
- First mover advantage
- Business methods

→ between 6 and 12 hours are needed for this course, which would be part of the block 2 "IP management"

A course on IP audit and IP due diligence

With the increasing part of intellectual property in the value of firms, it is important for future IP specialists to have the key notions on IP audit and IP due diligence.

Following aspects should be treated:

- Methodology of IP audit
- How to conduct a Due Diligence investigation
- Presentation of mail methods

→ between 6 and 12 hours are needed for this course, which would be part of the block 3. "Finance"

A course on Freedom to operate

With the increasing number of patents filed each year, it is now crucial to check Freedom to Operate (FTO) while developing a innovative solution. It means an evaluation of whether you infringe the patent, design or trademark rights of another entity.

Following aspects should be treated:

- What is Freedom to Operate?
- How do you establish Freedom to Operate
- What are the alternatives strategies facing previous patents?
- When a limitation is an opportunity

→ 6 hours are needed for this course, which would be part of the block 3. "Finance"

5.2 Module 2- Retraining course programmes

- course contents and scope: Large overview of IP management
- target groups: Future specialists in a IP field
- Length of the courses: 780 hours (correspondence course)

	Course	Duration	Remarks
1	IP as the subject matter and area of innovative activities	156	This course emphasizes the role of IP in global markets, with a focus on negotiation and commercialisation on IPR.
2	Commercial exploitation of IP in company business	156	This course focuses on the role of IPR in processing R&D.

	operations		
3	The organisation of corporate IP work	156	This course takes into account acquisition and defence of IPR.
4	Means of individualisation in entrepreneurial activity	156	This course is focused on marketing aspects of IPR.
5	The management of intellectual property in companies with different forms of ownership	156	This course is focused on managing IPR in a company.

This programme is the most important one with duration of 780 hours.

By studying attentively the different courses, we can notice that there is some overlapping:

- The commercialization of IP rights appears in course 1, 2, 3 and 4.
- The patent searches appear in course 2, 3 and 5.

Even if some overlapping can be foreseen as the concepts may be studied over different point of views, it would be certainly interesting to analyse more precisely the content of each course in order to coordinate the different teachers on these issues.

For example, concerning the commercialization of IP rights, it is interesting to consider Licensing out but also licensing in, and to focus on the difference and the complementarities between the two approaches.

Concerning patent searches, it is important to take into account the new tools for patent mapping, as explained previously.

5.3 Module 3- Professional Development Course Modules

- course contents and scope: Large overview of IP management
- target groups: Managers, specialists, postgraduates, lecturers
- Length of the courses: 336 hours

	Course	Duration	Remarks
1	Intellectual property in the innovative activities of companies	120	This basic course is well balanced with a focus of legal aspects of IP.
	Commercial exploitation of	72	This course treats a lot of

2	intellectual property in the business activities of companies		different concepts → should be more focused (see below)
3	Intellectual property valuation. Mechanisms used in placing intellectual property on the market	72	This courses is well structured and well balanced between valuation and commercialisation
4	Accounting for intellectual production at small enterprises	72	This course emphasizes the accounting aspects of IP.

The second course treats a lot of different concepts: legal protection, patenting operations, patent searches, Licensing, accounting issues like amortisation, taxation.

It should be clearly focused on commercialisation of IP, the legal aspects being a pre requisite (for example by following the first course). The following issues should be presented:

- Patent searches, including patent mapping
- General principles and fundamentals of placing items of intellectual property on the market
- International practice of the commercialisation of intellectual property
- IP conflict and dispute resolution

5.4 Module 4- PhD in economics

- Course contents and scope: Large overview of IP management
- Target groups: Lecturers and postgraduate students
- Length of the courses: 56 hours

This module is composed by two courses of 28 hours each.

The first course is named "**Intellectual property and its role in the development of innovative activities**". It is composed by 5 chapters:

1. The subject matter and types of intellectual property and their special features. Patents and the development of technology.
2. The history and evolution of intellectual property
3. Technology transfer
4. Planning the creation and exploitation of intellectual property

5. International cooperation in intellectual property

On a first insight it seems difficult to teach these 5 topics in only 28 hours, but taking into consideration that this module aims at PhD students, we may consider that a large part of the concepts will be acquired by reading books and articles.

Considering the structure of the module, we can make following comments:

- The chapters 1, 4 and 5 which are dealing with historical, legal and organisational aspects of the IP market could be merged in a single course.

- This could permit to dedicate more time to chapters 3 and 4 which are more important as they are focusing on economical aspects of IP.

The second course is named "**The regulatory framework of intellectual property management in the Russian federation and ways of its improvement**". It is composed by 6 chapters:

1. The status of the Russian intellectual property market
2. The fundamentals of RF policy relating to the exploitation of the products of intellectual activity
3. The fundamentals of the commercialisation of intellectual property in the Russian Federation
4. Innovation risks
5. The mechanisms used to protect intellectual property rights
6. The ways of improving the regulatory framework of intellectual property management.

This second course is focusing on the development of the economical aspects of IP in the Russian Federation. It is globally well structured. The single remark is that the chapter 4 on "Innovation risks" is not specific to the Russian Federation and could be treated in the framework of the first course.

6. PROPOSALS AND RECOMMENDATIONS

Pedagogical proposals

1. To increase the courses dedicated on litigation and enforcement
2. To dedicate a course to the management of salaried creators and inventors
3. To create a course on Soft IP : protection, valorisation and commercialisation of non patentable technology protection
4. To create an introductory course on IP audit and IP due diligence
5. To create an course on patent mapping using
6. To create a course on freedom to operate

Recommendations

1. The use of English language

An important point to raise is the use of English in the business world, especially with the development of a worldwide IP market.

Nowadays very few RGIIS teachers are able to speak and to teach in English.

This is problematic for two reasons:

- Firstly, a large number of information related to IP issues are available in English, without being translated into Russian: specialized books and articles, case studies, patent data bases, valuation tools. Therefore it is difficult for teachers to update their knowledge and to access to recent developed pedagogical material.

- Secondly, the courses are taught essentially in Russian language and the students are consequently not used to working in English, what will hinder their capability to work efficiently in the IP market.

If the Russian federation wants to strengthen the development of the market of IP rights, it is a key issue to develop the use of the English language.

In a short term we can make following propositions:

- To introduce some courses in English Language, with a co-animation from an English speaking teacher and a teacher from RGIIS

- To organize exchange of English speaking teachers/speakers between RGIIS and some European institutions: EPO, IEEPI...

- To transfer English speaking case studies to RGIIS that will be studied during the curricula.

2. The development of valuation tools

As the valuation of IP rights is becoming more and more used in a market based economy, it is important for RGIIS teachers to update regularly their knowledge and compare techniques and point of view with European experts.

Therefore we propose to organize an annual workshop with EPO on valuation methods and existing valuation tools.

3. The use of norms

Different working groups are currently establishing norms on "IP management" and "IP valuation" in the framework of the European Union.

These norms will give the opportunity to compare best practises and to improve some technical approaches.

We suggest transferring to RGIIS the future norms on "IP management" and "IP valuation" as soon as they will be published.

7. CONCLUSION

RGIIS proposes a very complete scope of courses on economic and managerial aspects of Intellectual Property.

It is now important to develop regular contacts with European partners in order to exchange best practices, to exchange teachers, to organize workshops and conferences on emerging issues.

These networking activities will enhance the entrance of the Russian federation in a knowledge based economy and will help developing business relationships with the European Union.