

FUNCTIONS OF THE INTERNATIONAL INSTITUTION OF INTELLECTUAL PROPERTY IN THE GLOBAL INNOVATION ECONOMY

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ABSTRACT

Intellectual property has now become an attribute of contemporary social knowledge in the sphere of jurisprudence, economics, sociology and psychology. As demonstrated by research over many years, conducted within the framework of Plato's Theory of Ideas, the institution of intellectual property has a far-reaching history.

The scientific and method-related developments made by specialists of the Federal Institute of Certification and Valuation of Intellectual Property and Business (Closed Joint Stock Company “SOIS”) have allowed the functions of the institution of intellectual property to be identified and substantiated in scientific terms as the foundations of the global innovation economy, and as a unique contemporary phenomenon which is currently the most powerful means of developing civilization.

In this article seven functions of the international institution of intellectual property are identified and substantiated: technical, technological, legal, economic, social, psychological and organizational.

Key words: functions, Theory of Ideas, Plato, intellectual property, innovation economy, institutional effect, international institution, science, inventiveness and intellectual rights.

Historical information

Today we stand on the threshold of a new revolution in public and historical relations – in intellectual terms, developing according to natural social and biological laws and based on the intellectual rights also described in different international conventions, and in Russian legislation – i.e., Part Four of the Civil Code of the Russian Federation.

As demonstrated by research over many years, conducted within the framework of Plato's Theory of Ideas, the institution of intellectual property also has a far-reaching history which began long before the emergence of the first provision on inventor's privileges – "The Venetian Statute on Industrial Brevets" (1474).

Ideas relating to the stimulation of inventive activity in Venice came from the richer and more prosperous Florence, where Marsilio Ficino re-established the Plato Academy and "infected", with this example, Leonardo Da Vinci who also created, in 1490, his own academy of friends devoted to artistic and inventive creation. As a result, ideas relating to the stimulation of inventiveness reached Venice, and from there across the sea to England, where monopolies on inventions already created the conditions for the Industrial Revolution.

The theoretical basis of the institution of intellectual property is the Theory of Ideas as the main legacy of Plato, for the accomplishment of which he also created in 387 A.D. his Academy in the suburbs of Athens. The purpose of the Platonic Academy was to train future monarchs, in order to rid the world of self-willed and incompetent sovereigns, who constantly dragged their States into many different kinds of conflicts and wars. The nucleus of the Theory of Ideas was the idea of good which is substantially higher than the idea of justice. Thus, according to Plato, the idea of good is primary and the idea of justice is secondary. This knowledge has unfortunately been lost in contemporary international legal practice.

All scientific and inventive activity, according to Plato, is the highest good. The real good is this knowledge and he who possesses it is truly the richest person most needed by society. Scientific discoveries and inventions, literary and artistic works, these are the most valuable good which man may create and leave for people who come after him.

The institution of intellectual property is already widely known today in its legalized form as legal documents, and has been active in the world for more than 500 years, during which it has encompassed all spheres of social, scientific and technical relations. It is the most stable and conservative construct of international law, which adapts little to other institutional forms, for example to international finance, accounting practice, audit etc., but forces those concepts to adapt to it.

Therefore, in the global process of social development, the global institution of intellectual property becomes the basic technical, economic and legal normative construct for providing a new most stable world order, on the understanding and bold application of which depend the fates of virtually all countries in the world, including Russia.

Principles of identifying the functions of the global institution of intellectual property

The institutional effect of the global mechanism provided by the influence of the global institution of intellectual property on society is manifested in that *firstly* it is superstructural in relation to traditional social and economic systems, which have long ago been formed in the world, i.e. it does not destroy them but forces them to adapt to it as to a new natural order of objects and relations. Thus, the global institution of intellectual property has an influence on the development of technology, economics and law. *Secondly*, it is ever more clearly becoming a universal global formal regulator of security, comfort, vital activity and self-expression of individual subjects, including States. Therefore it is necessary to become familiar with, study and monitor it. *Thirdly*, it is an identifier, an original litmus test for the division of society into pragmatists and infantalists, i.e. well informed and deep-thinking personalities, and those who think in a superficial, selfish and primitive manner. In other words, the global institution of intellectual property selects in society the intellectual elite, and does so in the most natural way. Each individual takes a decision independently, to participate actively in the universal intellectual process, or to isolate himself from it and occupy himself with similar, more understandable matters providing a quicker reward.

We will now try in detail to make sense of the content of this new universal international order which forms the new information society, new rules and methods, and new intellectual elite in all countries of the world. For this purpose, we will identify and substantiate the functions of the global institution of intellectual property, based on the tried and tested method which we devised previously¹, - the asymmetric modeling of values of a manageable phenomenon. The universal matrix underlying this method allows the values of any well-known social phenomenon to be divided up in terms of subjects, systemically researched and formalized (see table).

¹ The method of asymmetric modeling of the values of a manageable phenomenon was first published by the author in Chapter Two of the GUU study guide, *Valuation and Management of Property*, Moscow, GUU 2003, pp. 129-154.

**Universal matrix of the asymmetrical modeling
of the values of a manageable phenomenon**

FUNDAMENTAL PROPERTIES OF IDEAS			
	Materialization	Formalization	Perceptibility
Endo	Technology	Law	Creators
Exo	Techniques	Money	Consumers
	Substance	Time	Space
	Basic factors of the objectivization of a phenomenon		

The table presents the model for applying the technology for dividing up in terms of subjects the global institution of intellectual property as a widely known universal contemporary phenomenon. Each function of intellectual property, by analogy with the well-known functions of money, is examined as a specific “means”. Consequently, we examine the **technical, technological, economic, legal, psychological, social and general-organizational functions** of the global institution of intellectual property, and thereby adopt complex and systemic approaches to researching the problem in question.

Description of the content of the functions of the global institution of intellectual property

Technical function. Here the global institution of intellectual property acts as a means of production, reproduction and redistribution in the global area of the best technology in the world, starting with domestic and culminating in military technology. It is the very means of equipping society with diverse high-quality technology, providing it with maximum security and comfort for vital activity. However, in the long term the technical function of the global institution of intellectual property will transform the biosphere and noosphere which has been formed naturally over billions of years, thereby reducing the former and expanding the latter, and forming a new more dangerous ecosphere, which from time to time is repressed by minor technology-related disasters as a result of accidents involving technology, its inappropriate exploitation and low-quality and non-systemic utilization.

The technological function of the global institution of intellectual property consists in that it is a means of reproduction, distribution and redistribution of new highly effective technologies and forms of production in the world.

Dirty, dangerous and raw-material-intensive technologies and forms of production are exported from the territory of economically developed countries and transferred to the territory of weakly developed countries with a cheap labor force. The question may arise as to how the global institution of intellectual property becomes the means of such distribution? This is explained by the fact that multinational corporations, as the collective owners of the latest technologies, distribute and redistribute forms of production in the global area, and transfer raw-material-intensive, extremely harmful, dangerous and low-income firms to countries in the third world. Such redistribution occurs on the basis of licensing and franchising technologies, which in Russia are known as commercial concession agreements for the transfer of the means of individualization and the intellectual property remaining with such means as part of a unified system.

The legal function of the global institution of intellectual property consists in that it probably institutionalized a single main monopoly, generally acknowledged in global business, which in all legal and economic senses is encouraged, developed and publicized in economically developed countries. This monopoly of rights over new and effective ideas in science and technology is a leading contemporary instrument for competition in science, the innovations market, economics, and is already becoming the most important factor in global politics. The qualifications of managers and businessmen, high-level officials and politicians in various countries of the world are beginning from year to year to be defined ever more according to the criterion of knowledge and the practical application of their intellect in science, business, economics and politics. The destruction and out-maneuvering of main competitors are now taking place in the world precisely in this sphere of relations where attempts are made to remove all the intellectual advantages from a competitor and, so to speak, make him “toe the line” so that he develops according to the technical and legal rules of the intellectual leader.

The economic function of the global institution of intellectual property is based on the fact that for any business, i.e. in the micro economy, the main source of income is becoming intellectual property, provided that its qualitative protection and enforcement are organized. At the same time, for any State or any other major territorial subject, the function of the global institution of intellectual property lies in the fact that in the regional and global macro economy it is a non-formal distributor and redistributor of money and securities throughout the whole of the world economy. Simultaneously, in the sphere of the international financial system, on the one hand it is the epicenter for the formation of waves of large gross income and, on the other hand, the source of new and the latest financial crises for those who imitate the systemic and production-related intellectual activity through risky non-material assets or have a careless attitude to the existence and operation of the global institution of intellectual property.

In particular, the crash of the economic system of the USSR, foretold by the author as far back as 1978 and which actually took place in 1989-1990, occurred precisely owing to the imitation of scientific and technical progress in the USSR, where the leadership could not cope with the practical implementation of the tasks of the domestic economy, having ignored the global institution of intellectual property and all its demands.

The epicenter of the modern crisis in the United States of America became the extremely high-income companies which imitated supposedly huge intellectual property in maintaining secondary securities, so called derivatives, for the invention of which the Nobel Prize was awarded at an earlier date. The lies, falsehoods and profanation in the sphere of supposedly high intellectual endeavors are now traps for those who actually keep their distance from the global institution of intellectual property and, by contrast, become a rich seam for those who successfully create and live according to its rules, for example Bill Gates.

The psychological function of the global institution of intellectual property lies in the fact that when this institution is boldly applied in a multifaceted manner within the national economy, it substantially transforms the intellectual elite of society, if the remaining functions are successfully implemented.

The leading intellectuals in the national economy are, in completely objective terms, becoming scientists and authors of scientific discoveries, as well as inventors and authors of patents, know-how and other valuable technical results of intellectual activities.

This function of the global institution of intellectual property obliges any educated person to make use of his intellect and his intellectual capabilities, analyze and improve his own intellectual activities and search for productive creation methods for the purpose of optimum self-expression. In this connection, psychological science is beginning to pay ever greater attention to the study of productive creation processes. Businessmen and politicians of leading economically developed countries understand that the education of their national intellectuals is a huge and complex task, and moreover very lengthy. They therefore prefer to form mechanisms to stimulate the brain drain from countries which have shown an inadequate mastery of the order of the global institution of intellectual property at their national level. Benefiting from the incompetence of the authorities in post-socialist countries in the sphere of activities within the global institution of intellectual property, they are luring young and older scientists alike, who are not in demand in their own countries.

The Federal Institute of Certification and Valuation of Intellectual Property and Business has devised a methodology and other procedures to stimulate national specialists, inventors and scientists, subject to significantly more advantageous and future-oriented conditions, than in the United States of America and Western Europe. However, Russian Government officials are blocking them despite the active support for these methods shown by the Ministry of Education and Science.

However, the psychological function of the global institution of intellectual property is unrelated to the will and opposition of individuals, layers of the population and political trends which hamper their manifestation. It is reproduced productively in those places where it receives the “go ahead”, and has transformed backward economies in such countries into the most advanced and stable in the world. These include Singapore, the Republic of Korea, Hong Kong, China and other countries.

The social function of the global institution of intellectual property consists in selecting from the mass of low-quality goods and services the high-quality and most valuable, prestigious and strategically stable in market terms from the position of their guarantee of service and renewal. On the one hand, this function forms in the public consciousness trust in research-intensive goods, and the work of scientists and inventors as the defining value of the whole of society. On the other hand, it shows all entrepreneurs the general dimension of market development and relations in society, which implicitly prompts each inhabitant of the planet as to where advertising for research-intensive goods and services works, regarding the fact that higher education and the award of academic qualifications and acquisition of scientific knowledge are extremely important from the point of view of labor intensity and demand on the labor market. For all those who have no ability in and are not predisposed to scientific, inventive and even commonplace technical activities, it is best of all for them to develop the skills of artistic creation. The basic social idea of this institution in society consists in directing the most able part of it towards creative activity and convincing all of them that labor unrelated to creation is becoming less and less prestigious and respectable.

However, this social function is now virtually blocked by the media, since for the vast majority of non-intellectual politicians and businessmen, it bears a threat to their existence in the political arena. For this very reason, the media in all countries with market economies are occupied with educating “the destructive consciousness of citizens”, where what relates to feelings, and is transient and fragmentary on the TV screen squeezes out all that relates to systems, solidity, knowledge and problems. For this very reason, in all discussions of real problems in society and on various subjects the focus is placed on artists, journalists, sportsmen, officials and politicians –

people who play no real part in the formation of the economy and are committed. Therein lies the main opposition of the media to the development of the institution we are examining not only in Russia. The global institution of intellectual property is a serious threat to petty criminals and adventurers in business, science, art and politics. This institution, through its very existence, declares war not between rich and poor people, which in itself is absurd, but war between stupidity and intelligence, between those simulating intellectual activities and true intellectuals, between rogues and creatively substantive and self-sufficient people. For the time being the first group are clearly winning ahead of the latter group.

The general organizational function of the global institution of intellectual property consists in all the above functions being implemented in a systemic, harmonious and comprehensive manner. There is no official global regulator of this function nowadays. The World Intellectual Property Organization undertakes only a partial share of the legal function and does not get involved in the judicial and law-enforcement practice of the relations which have been formed in this sphere as part of private business. In this regard, the remaining functions of the global institution of intellectual property remain outside its sphere of activity. However, in informal terms, this role is played more and more by the Governments of economically developed countries, with the United States of America at their head. Unfortunately, in this global system of technical, economic and legal relations the Government of the Russian Federation has as yet in no way designated its role and has been taken up with selling those raw materials which are still available for sale.