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TECHNOLOGY AUCTIONS AS THE NEWEST COMPONENT OF INNOVATION CULTURE



The concept of innovation culture as a key element of innovative development of economy has been analyzed; its main components have been identified. Technology auctions as one of new tools for effective innovation have been considered. The basic idea of auctions and the main improvements caused by this type of communication between buyers and sellers of technologies have been determined. The necessity of such activities in Ukraine has been substantiated.

Key words: transfer of technology, innovation, intellectual property objects, innovation culture, and technology auctions.

Innovation activities of the country are based on information openness, willingness of government to implement changes and reforms, and on sound policy towards entrepreneurship and risk. The concept of innovation culture of the state includes many factors, with their number growing every year. Technology auctions are among the ways of technology transfer as an integral part of the innovative development.

In recent years, the issues related to innovation culture have been studied by Ukrainian and foreign researchers, including *V.P. Soloviov* [1] *N.V. Krasnokutska* [2], *R. Foster* [6], and others. They deal with «innovation culture of the state» and highlight the government policy in the sphere of risk and entrepreneurship, willingness to change, and information openness as basic components of innovation culture. In the course of innovation development this concept can be amended with a lot of impact factors and elements effecting the overall formation of innovative market. However, despite relatively large number of publications on this subject, the concept of innovation culture and the constantly growing im-

portance of innovative components have not been disclosed enough.

The national innovation activities play a major role in raising the effectiveness of production. The stability is a priority factor for the business sector. Given the recent trends in global economic development, the innovation culture is in the limelight. This research deals with technology auctions as the latest element and means of technology transfer. While addressing the tasks, the method of logic synthesis, the systematic approach, and the combination of theoretical knowledge and experience of advanced economies have been used in order to make this study comprehensive.

RESEARCH RESULTS

In recent years, the concept of culture and its main components, the cultural factors, that influence innovation attract more and more attention of researchers and those who are directly involved in the creation of innovative products. The ability to develop and to implement innovations depends on the favorable attitude of the state towards risk and entrepreneurship, the willingness of government to implement changes and reforms, and on the openness to information flows. These

factors can be grouped under the term «*innovative culture of the state*». These are just the above factors that can create major obstacles to innovation or facilitate its further development.

The favorable attitude of the state towards innovation should be realized by virtue of public-private partnerships. The entrepreneurial skills, innovation management, and competence of employees are the most important factors of innovation capacity. The effective production should be based on the proper culture of innovation built with the use of international experience.

One of the critical factors of innovation culture is *technology transfer*. Recently, this factor has had a significant impact on the state of innovation in our country. In the course of technology transfer, one of the most difficult points is to identify potential buyers and sellers of technology. Given the practice of post-Soviet countries, it is necessary to pay attention to technology auctions as a new way of presenting the developments and evaluating demand for them among the business sector. It should be noted that in the USA, the main tools of technology commercialization are licensing and creation of startups. These activities have proved themselves to be definitely effective. With respect to the technology auction as a new method of sale, a lot of researches have to be done further.

The idea of intellectual property auctions appeared in 2006, in the United States. One of the most famous intellectual property auctions is ICAP Ocean Tomo Auction organized by the Trade Bank of Intellectual Property (Chicago) and ICAP Patent Brokerage, in the United States.

The registration fee for participant depends on the value of its projects. The minimum fee is USD 10 thousand, if the lot costs less than or equal to USD 150 thousand. The maximum fee is USD 25 thousand, if the lot value exceeds USD 1 million. The ICAP organizers gain a profit of 15% of each lot (to be paid by seller) and 10% of the original lot price if deal is done (to be paid by buyer). According to the organizers, these auctions help to improve the market transparency and to raise the liquidity of intellectual property. Since April

2006, the ICAP Ocean Tomo Auction and ICAP Patent Brokerage have held 16 such events in the United States and in Europe [3].

On March 20, 2013, an auction of intellectual property was held in Menlo Park (CA). Given the experience of previous events the bidders could make a conference call to the seller before the auction. The ICAP initiators always organize this type of communication that allows the participants to interact with the seller and to choose a reasonable approach to the analysis of developments and criteria.

In CIS countries, on December 12, 2012, the first Russian auction of intellectual property was held in the Russian Federation, at the Chamber of Commerce. The listing comprised 36 lots, two of which were sold. The first lot, a technique for production of cast protectors, was sold at the declared price of RUR 350 thousand. The second lot, a method for growing grain feed for cows, was auctioned for RUR 9 million. The full listing of lots offered at the first Russian auction of intellectual property can be viewed on the website of the International Exchange of Commercialization of Innovations (www.ieci.ru). It should be noted that despite the fact that only two of 36 technologies were sold, the organizers believed that such events facilitated searching of stakeholders and solvent consumers of intellectual property, since the competitive bidding helped to determine the fair market value of lots [4]. While signing the agreement between seller and buyer the necessary documents (a set of patents and applications; list of special equipment; technical documentation; technical, technological, economic, and other indicators of products licensed) are executed.

Unfortunately, this event has not been internationalized yet. Only Russian buyers and sellers are eligible to take part in the auction. This auction was only the first step on the path towards the development of this type of communication in the field of trade in technologies.

On February 1, 2013, on the IECI site, there started the registration for the second Russian auction of intellectual property. If the lot costs

more than RUR 50 million, the participation in auction is free for the seller. Although the original value of invention or technology is established only for those having successfully entered the market, the participant should indicate the value as estimated by an independent appraiser in accordance with the requirements of Russian legislation on appraisal activities.

The representatives of the National Academy of Sciences of Belarus also try to organize a national auction of intellectual property using the international experience.

Given the fact that this is only the first step on the path towards creating a system of innovation commercialization this type of communication can be a very effective tool for Ukrainian researchers to boost the commercialization and practical application of intellectual property. The experience of other countries (e.g. the United States) has showed that the licensing and the creation of startups are more effective approaches to increasing sales and acquisition of intellectual property, but in Ukraine, the technology auctions also may have good prospects as part of technology commercialization due to the fact that they imply simultaneous participation of several buyers and innovators in the event. Of course, to identify the most effective approach it is necessary to carry out further study and practical approval.

It should be noted that Ukrainian specialists have not been involved in auctions yet. Therefore, the stakeholder initiatives and the support from the state (that is interested in the auctions which have already been launched in other countries) are very important. The auction of intellectual property in Ukraine can provide researchers with an opportunity to successfully implement their own developments in the industry and will

help to identify the demand for them in the market and the necessity of practical approval of this type of communication.

CONCLUSIONS

Hence, the auctions of intellectual property can be an effective way for the development of innovation and the industry, provided the state pays appropriate attention to them. Every year, in Ukraine, the research organizations, including the institutes of the National Academy of Sciences of Ukraine, create a material aggregate of intellectual property at the expense of the budget funds. The support of innovations at the government level would be a significant factor for the researchers in Ukraine. Therefore, the state involvement in carrying out a feasibility study of intellectual property auctions can be an impetus to studying this issue. The analysis of the dynamics of intellectual property auctions in different countries and their results are also among the subjects of further research.

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АУКЦИОНЫ ТЕХНОЛОГИЙ КАК НОВЕЙШАЯ
СОСТАВЛЯЮЩАЯ ИННОВАЦИОННОЙ
КУЛЬТУРЫ

Проанализированы понятия инновационной культуры как одного из основных элементов инновационного развития экономики страны и выделены ее основные составляющие. Рассмотрены аукционы технологий как один из новых инструментов для эффективного внедрения инноваций. Определена основная идея аукционов и главные положительные изменения в результате проведения данного вида коммуникации продавцов и покупателей технологий. Обоснована необходимость проведения таких мероприятий в Украине.

Ключевые слова: трансфер технологий, инновации, объекты интеллектуальной собственности, инновационная культура, аукционы технологий.

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АУКЦІОНИ ТЕХНОЛОГІЙ ЯК
НОВІТНЯ СКЛАДОВА ІННОВАЦІЙНОЇ
КУЛЬТУРИ

Проаналізовано поняття інноваційної культури як одного з основних елементів інноваційного розвитку економіки країни та виділено її основні складники. Розглянуто аукціони технологій як один із нових інструментів для ефективного впровадження інновацій. Визначено основну ідею аукціонів, головні позитивні зміни в результаті проведення даного виду комунікації продавців та покупців технологій. Обґрунтована необхідність проведення таких заходів в Україні.

Ключові слова: трансфер технологій, інновації, об'єкти інтелектуальної власності, інноваційна культура, аукціони технологій.

Received 11.09.13