Chapter 12
Web-Based Intellectual Property Marketplace:
A Survey of Current Practices

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ABSTRACT

In the past year, knowledge and innovation management have acquired increasing relevance in organizations. In the last decade, open innovation strategy, and in particular, crowdsourcing innovation model has also gained increasing importance. This model is seen as a new innovation model, capable of accelerating the innovation process. Therefore, it is important to understand how organizations can best take advantage of this innovation model. This paper approaches in two ways for commercializing intellectual property: crowdsourcing innovation, and intellectual property marketplaces. Thus, with the intention of understanding the concepts and practices, the study started by collecting scientific articles through bibliographic data bases. The paper provides knowledge about concepts and practices underlying the ways for commercializing intellectual property. It also contributes with a proposal of architecture for an intellectual property marketplace, based on the analysis of practices about crowdsourcing innovation and intellectual property marketplaces. This architecture is still in a draft stage, but already includes helpful insights for organizations interested in applying the open innovation strategy.

INTRODUCTION

The Knowledge Management (KM) presents as goal the increase of efficiency and efficacy to the level of individual and collaborative work (Ramos & Carvalho, 2008). Thus, to better manage the organizational knowledge, it pretends to increase the innovation capacity as well as improve the decision processes. In the last years the KM has acquired increasingly preponderance in the international sphere.

This paper approaches two ways for commercializing Intellectual Property (IP): Crowdsourcing Innovation (CI) and IP marketplaces.

The CI is presented as a new way to innovate, capable of accelerating the innovation process (Adams & Ramos, 2009). This innovation model is supported by web platforms, for example, the platform of InnoCentive, and NineSigma, used to launch challenges for a community registered in the platform. The IP marketplaces are also supported by web platforms where registered members can promote their IP, namely patents. In this way, and considering the analysis made of some these marketplaces, the purpose of them is promoting the IP commercialization, providing the following services: selling, buying, and licensing of IP. It is important to refer that the two ways mentioned above are also important in the Small and Medium Enterprises (SMEs) scope, because these ways help them to promote their inventions with potential of commercialization as well as to enable them accessing to the innovation networks.

The study is mainly motivated by the growing interest that CI and IP marketplaces have raised. The main objective of this paper is to present the concepts and practices in CI and IP marketplaces, ending with a draft of a proposal of architecture for an IP Marketplace that systemize the practices of two ways for IP commercialization. As there is no available systemization that promotes a view about the IP commercialization market, the proposal of architecture presented here intends helping SMEs.

Thereafter the paper talks about IP commercialization, presents a review of current practices on CI and IP marketplaces, develops the architecture for an IP marketplace and put forward a few issues on future research before the conclusion.

INTELLECTUAL PROPERTY COMMERCIALIZATION

In recent years two ways for commercializing IP, CI and IP marketplaces, supported by web platforms have acquired increasing relevancy. The CI practice aims to promote the creativity with

intention for creating new ideas and concepts; and the IP marketplaces aim to provide support for commercializing IP already patented, i.e., they are focused in the transferring of IP among IP owners and buyers.

To understand better the contents of the survey that are being discussed in the next section, some concepts related to crowdsourcing and IP marketplaces are being discussed next.

Created by How (2006), the crowdsourcing term is presented as a web-based business model, composed of a distributed network of individuals. The idea is to launch challenges, with the intention of creating innovative solutions. In other words, a company puts in a crowdsourcing platform a challenge, for what the associative creative network (designated by crowd) develop solutions (Brabham, 2008).

This study finds that there are two main definitions about crowdsourcing. The first one is given by Howe (2006): "Technological advances in everything from product design software to digital video cameras are breaking down the cost barriers that once separated amateurs from professionals. Hobbyists, part-timers, and dabblers suddenly have a market for their efforts, as smart companies in industries as disparate as pharmaceuticals and television discover ways to tap the latent talent of the crowd. The labor is not always free, but it costs a lot less than paying traditional employees. It's not outsourcing; it's crowdsourcing"(p. 3).

And the second definition was given by Brabham (2008): "Crowdsourcing is not just another buzzword, not another meme. It is not just a re-packaging of open philosophy for capitalist ends either. It is a model capable of aggregating talent, leveraging ingenuity while reducing the costs and time formerly needed to solve problems. Finally, Crowdsourcing is enabled only through the technology of the web, which is a creative mode of user interactivity, not merely a medium between messages and people" (p. 87).

However, to understand the activity in IP marketplaces and CI, it is necessary to consider

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