15.3.2006 Course Outline for

"Economics of Intellectual Property Rights"

Technology Management and Policy 38C02000

This course discusses a variety of topics related to the economics and management of intellectual property rights. The objective is to equip the student with the necessary tools to evaluate the strategic and welfare importance of intellectual property and the various means to protect it, such as patents, copyrights and secrecy, as well as ways to generate revenue from intellectual property, such as licensing. Because of the lecturer's background there is a bias on the topics in the industrial organization and technology policy viewpoint, with a relative large section on innovation and IPRs in financial services industry. But this should not undermine the importance of other aspects and viewpoints on intellectual property rights. Therefore the course includes guest lectures.

The course involves some elementary formal microeconomic or game theoretic analysis (much less than in previous editions of this course). The basic concepts of game theory and industrial organization are reviewed such as Nash and subgame-perfect equilibrium, Bertrand and Cournot competition are quickly reviewed when needed, but I do not plan to spend much time in these. If these concepts are new, learning them may require some self-study by using, e.g, some intermediate microeconomics or industrial organization text book.

Requirements

Exam takes place 9th May, 9-13.

At least one exam question is based on the guest lectures and at least one involves some formal algebra or numerical examples. In addition, each student will be expected to complete a short (3-10) page essay. The essay may be related to a topic covered in the course, or it may be related to another topic of the economics and management of intellectual property rights. A good topic for an essay would be one which is covered in the course textbook but not during the classes. In such an essay the topic should be summarized, key tradeoffs isolated, and analysis or results should be critically evaluated in the light of the literature and reality. I expect the student to resort to other material than just the text book. Another example of an essay would be a short evaluation of a scientific article. In such an evaluation the main parts of the article's analysis (theoretical, empirical, conceptual) should be described, the results summarized, and then the analysis and results should be critically evaluated. The essay can also consist of research proposal for the master thesis or a part of thesis. In grading the course, I will put a weight of 0.6 to the exam and a weight of 0.4 to the essay.

Lectures

Unless otherwise indicated, the lectures take place on Mondays and Wednesdays 10.00-11.30 at the lecture room CG-106 Ernst&Young. There will be four guest lectures. The material supplied by the guest lecturers will be required material for the course unless otherwise indicated.

Wednesday 12.4 By Borenius & Co

Wednesday 19.4. By Electronic Frontier of Finland (EFFI)

Monday 24.4. By National Board of Patents and Registration of Finland (Patentti- ja rekisterihallitus), i.e., by the "Finnish Patent Office"

Wednesday 26.4. By Nokia