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**CONSTRUCTION OF INNOVATIVE BUSINESS BASED ON  
OBJECTS OF INTELLECTUAL PROPERTY**

A.S. Bovkun (a)\*, T.S. Andreevskaya (b) V.S. Kolodin (c)  
\*Corresponding author

(a) Irkutsk National Research Technical University, Irkutsk, Russian Federation, Bovas87@yandex.ru,  
+79086404215

(b) Irkutsk National Research Technical University, Irkutsk, Russian Federation, ats@ex.istu.edu,+79834141416

(c) Baikal State University, Irkutsk, Russian Federation, gmberegova@mail.ru, +7902171225

*Abstract*

At the present period of time in our country, there is an active building of a new innovative economy, which does not depend on export of raw and energy resources. One of the main indicators of a successful innovative development is a growth rate of the intellectual property market. The article considers the practice of registration of intellectual property rights in various countries. It is revealed that the intellectual property market determines the innovative motivation and shows the level of the current state of the economy. The stable economy influences the results of intellectual activity because they are patented and protected.

This article examines the main problems that make it difficult to increase the competitiveness of domestic industrial enterprises in the region and develop ways to address these problems.

So, the authors proposed measures to increase a level of the number of registered objects of intellectual property management in the regions of Russia.

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**Keywords:** Innovation, innovation activity, region, innovative models.



## 1. Introduction

There is an active building of a new innovative economy which does not depend on export of raw and energy resources. One of the main indexes of successful innovative development is a growth rate of the intellectual property market. The article considers the practice of registration of intellectual property rights in various countries. It is revealed that the intellectual property market determines the innovative motivation and shows the level of the current state of the economy (Nechaev, Bovkun & Zakharov, 2017).

Analyzing the practice of registration of rights to the results of intellectual activity, it should be emphasized that the number of patented inventions in our country, in comparison with the leading innovatively developed countries, remains low. For example, Russia had about 208,400 patents for inventions in 2015 and in South Korea were registered 210.2 thousand patents in 2014. The leader among the innovatively developed countries is China, which increased the number of patented inventions 1.76 times, reaching 928 177 per year from 2011 to 2014 (WIPO, 2016). One of the important factors showing the dynamics of the intellectual property market is the number of registered results of intellectual activity by foreign applicants. Every year, the filing of applications is increasing for the grant of patents for inventions by foreign applicants in Russia. In 2007, the share of applications from foreign companies was 2.3 times less than our domestic applicants, and in 2011 this figure was reduced to 2 (Rospatent, 2014). This statistic characterizes the current state of the intellectual development market in our country. Foreign companies fill successfully the Russian market with their own products; Russian developers have serious problems in bringing domestic developments to market.

It should be noted that the economy of our country has a resource and raw orientation, in which many large industrial enterprises occupy a dominant position in the market. The demand of the world community for raw materials is stable, although it falls sometimes in connection with the surplus of oil products on the market, as well as the situation in the Middle East, but it is rather a temporary stage. The management of many enterprises that extract resources assess the economic effect of the use of new technologies and understand that they are the main supplier of raw materials on the market, so they show no interest in obtaining new technologies and modernizing production. Domestic large industrial enterprises, as a rule, are focused on borrowing foreign technologies and equipment, which are already significantly outdated at home. It is much more profitable for them to buy ready-made technologies and products than to finance ideas or develop their own project. For example, in 2009, 9.4% of the total number of enterprises in Russian industry developed and introduced technological innovations, while in Germany this figure was 71.8% (Beregova & Klipin, 2016).

## 2. Problem Statement

If we consider the possibility of increasing the competitiveness of domestic industrial enterprises in the region with the help of intellectual property management, we can see the following problems, because of which there are problems:

1. Problems related to the lack of knowledge in the field of intellectual property (to this problem should be attributed the lack of patent services in enterprises, low level of literacy in matters of protection

and legal protection of the results of intellectual activity; insufficient understanding of employees of enterprises who are authors of the results of intellectual activity, the need to ensure legal protection of the results of intellectual activity, as well as the lack of the necessary scientific capacity).

2. Administrative problems (reluctance of the management of enterprises to cause interest on the part of inventors in ensuring legal protection of the created results of intellectual activity; the weak interest of enterprises in supporting and creating favorable conditions for the activities of patent services, which in turn could solve the problem of ensuring legal protection of the results of intellectual activity).

3. Problems of legislation (problems associated with the imperfection of legislation in the field of intellectual property, in particular, regarding the payment of remuneration to authors of protected intellectual results for the right to use results of intellectual activity for state needs).

4. Financial difficulties (the lack of a material and technical base for domestic enterprises that contributes to the creation of protected results of intellectual activity; the lack of money to ensure legal protection of created results of intellectual activity).

### **3. Research Questions**

This article examines the main problems that make it difficult to increase the competitiveness of domestic industrial enterprises in the region and develop ways to address these problems.]

### **4. Purpose of the Study**

The purpose of this research is to develop measures aimed at increasing the number of registered objects of intellectual property management in the regions of Russia.

### **5. Research Methods**

It was used the evaluation of registered results of intellectual activity in various countries.

### **6. Findings**

To solve the first problem, we can note the following. At present, there is an acute shortage of specialists in the management of intellectual property in our country. To submit application materials for the grant of a patent of the Russian Federation for an invention or utility model, it is necessary to know the composition of these materials and the requirements for the application materials. To pay for patent fees, you need to know in which document they are registered. Therefore, the inventors often have many questions that cannot be answered independently, because, as a rule, they do not possess the necessary knowledge in the field of legal protection of the results of intellectual activity. Patent experts or patent attorneys of the Russian Federation can answer these questions and help authors in registration of rights to the results of intellectual activity. Unfortunately, nowadays not organizations have patent offices, so inventors have to turn to patent attorneys who provide services for registration of rights to the results of intellectual activity on a fee basis. The services of patent attorneys in different regions are evaluated in different ways, however in any case this is not a cheap pleasure, therefore, not every inventor can afford them. As a result, the received inventions and utility models remain non-patent.

The primary task of the state to increase the legal literacy of citizens in the field of intellectual property should be the introduction of a compulsory educational course on intellectual property in universities in all specialties.

Priority tasks for the management of intellectual property in industrial enterprises should be:

- Creating the departments of intellectual property management.
- Training of staff in the university of our country, which produces intellectual property specialists - the Russian State Academy of Intellectual Property.
- Participation of people in specialized scientific schools, seminars, conferences devoted to intellectual property (Zakharov, Bovkun, & Vasiliev, 2017).

The real practical tool for the development of the intellectual property market is a software product developed on the basis of the department of intellectual property management of Irkutsk State Technical University. The research consisted in the development of a software product which can make it possible to quickly issue application materials for the grant of a patent of the Russian Federation for an invention or utility model and provide inventors with the necessary knowledge on the issues of legal protection of the results of intellectual activity.

This software product was developed as a web application that is adapted to the corporate network and has a clear interface, which can be used by a novice user of a personal computer.

The software passed state registration in the Federal Service for Intellectual Property and it received a certificate of state registration of computer program No. 2013612662 (application No. 2013610443, the date of receipt – January 29, 2013, registered in the Register of Computer Programs on March 11, 2013).

This software was tested in the activities of small innovative enterprises of the Technopark Irkutsk State Technical University. The use of the program "Patentovod (version 1)" showed that it is very comfortable to use it and it is a good assistant when you need to compose application materials. It helps save time in compiling application materials for the grant of a patent of the Russian Federation for an invention or utility model, as well as reducing the number of errors in a claim or utility model, because it is automatically compiled and includes all the completed characteristics that characterize the invention or utility model. In addition, with its help you can study the basic requirements of the legislation for application materials, learn the basics of classification in the IPC system, learn how to conduct a patent search in FIPS databases and see examples of writing a formula, abstract and main sections of the description of the invention or utility model (Bovkun & Troshina, 2017).

Solving the problem related to the lack of interest of business leaders to regard intellectual property as a possible source of income can affect the development of competitiveness in the market and can provide an opportunity to find new opportunities for the company's development. Sanctions from the European Union and the US can help in this; it will limit the Russian market from equipment and goods from abroad. And the issue of protecting intellectual products is constantly relevant (Nechaev, Antipina, Prokopyeva, & Romanov, 2016)

To consider intellectual property as a competitive mechanism for the development of the company, it is possible to use the following methods and approaches at the enterprise:

- Development of new markets including foreign markets for selling their own products.
- Search and attraction of investors including foreign sources.

- Submission of applications to venture funds to attract venture investments.
- Participation in the START competition of the Foundation for Assistance to Small Innovative Enterprises in science and technology.
- Participation in state, regional, municipal competitions, grants on the basis of public-private co-financing.
- The possibility of using the results of intellectual activity as an intangible asset with a certain value to conduct its commercial activities.
- Interaction and exchange of experience with foreign companies.

The problem of legislation. Recently, legislation in the field of intellectual property and all innovative activities has changed. However, despite the existence of a sufficiently large number of regulatory and legal acts regulating relations in the field of scientific, technical, intellectual and innovative activities, the legislation is characterized by a lack of comprehensive and coherent (Nechaev, Zakharov, & Troshina, 2017).

Legislation in the field of intellectual property needs improvement in terms of the use of intellectual property. Indicators of the use of intellectual property objects are still low. The bulk of scientific research is financed by government orders, so it is necessary to adopt a special law that will regulate the use of intellectual property in economic circulation. The author does not perform the additional work that is in the contract because it will not bring him additional income. All this happens because of the absence of strict requirements for obtaining intellectual property under the state contract, as well as the norms of legislation that allow the customer to claim ownership and gratuitous use of the results. In the case of the commercialization of intellectual property and the successful market launch of a government customer, there is always the right to receive a simple non-exclusive licence, which can lead to a disruption of the balance of interests of the company that sells the intellectual product. At the initial stage, it is necessary to adopt a special law on the use of the results of intellectual activity for state's needs, which regulates the rights and motivates authors in commercializing the results of intellectual activity obtained under a state contract. Also, when an enterprise records the result of intellectual activity as intangible assets, an object of taxation on property of organizations arises, which significantly increases its expenses. In this part, it is advisable to apply a reduction in the tax base by the amount of book value when they are recorded as intangible assets.

The problem of constant optimization of costs forces many enterprises to skimp on their own development and postpone the risky investment in innovative projects, spending on scientific and design work. (Nechaev, Zakharov, & Troshina, 2017).

The primary task for the state today is to interest business in pursuing innovation activities. To make business believe in the profitability of innovation, it is necessary to create certain conditions that guarantee a profitable investment in innovation. So the Government has already developed Federal Law No. 195-FZ of July 19, 2007 "On Amendments to the Second Part of the Tax Code of the Russian Federation with Regard to the Formation of Favorable Tax Conditions for Financing Innovation Activities". Its main goal is to create an effective holistic mechanism for the development of innovative activities conducive to the development of the country's economy.

The forms of state support reflected in this Federal Law can be classified according to the following types:

1. Financial support (financial security, including subsidies, grants, loans, loans, guarantees, contributions to the authorized capital; implementation of targeted programs, subprograms and activities in the framework of state programs of the Russian Federation).
2. Legislative support (granting privileges on payment of taxes, fees, customs payments, export support, formation of demand for innovative products).
3. Infrastructure support (provision of infrastructure).

Educational and consulting support (provision of educational services; providing information support; provision of consulting support, assistance in the formation of project documentation) (Nechaev, Antipina, Prokopyeva, & Romanov 2016)

4. However, proceeding from the analysis of the existing state support of innovation activity, the measures of its effective impact on the construction of an innovative economy must simultaneously meet the following requirements:

- Complexity. It is necessary to adopt integrated mechanisms of innovative development of the country. The state support of innovation activity should be considered as a single complex of financial, tax, legislative measures aimed at the formation of a new economy. At the regional and municipal levels, provisions should be adopted that should collectively regulate the innovation activities of the region, the municipality, taking into account the specific nature of the priority development sectors in the given territory.
- Profitability. The state should create favorable conditions for business, directed at the expense of introduction of innovations for technical and technological renovation of production, introduction of new products to the market, private investment in high-risk projects.
- Priority. It is necessary to create such forms of state support, so that innovative business should be given priority. We need to rely on foreign experience, where in successfully developed countries a great deal is being placed on small innovative entrepreneurship, as the main source of state revenue. Abroad, innovative companies are presented with large tax breaks and financial resources, and investments in innovative activities are exempted from paying taxes.
- Duration. It is necessary to understand that innovative business will take a certain amount of time to gain a stable place in the market, and periodic financial investments and temporary regulations that promote the development of small innovative entrepreneurship will not be able to radically change this situation and significantly affect the course of further favorable events.
- Consistency. State support measures aimed at the establishment of an innovative economy should be coordinated at different levels of support: the state, the region, the municipality. It is necessary to know that at the regional level there are also different types of financing and mechanisms of tax incentives (corporate property tax, transport tax, profit tax, part of which is credited to the regional budget).
- Demand. It is necessary to create such forms of state support that there is a real demand from the business sector of the economy. To do this, it is necessary to increase the competition of enterprises in the market for obtaining higher profits (Zakharov, 2014).

Versatility. It is important to take into account that the construction of an innovative economy should be directed not only to organizations and to structures directly related to the process of innovative development, but also to organizations that ensure the development of an innovative economy. Such organizations may be leasing companies, patent offices and insurance agencies.

## 7. Conclusion

To increase the efficiency of the activities of innovative companies in providing legal protection for the results of intellectual activity, enterprise managers need:

- to ensure the interest of employees of innovative enterprises in creating competitive results of intellectual activity, for this it is necessary to develop an original incentive system;
- to carry out a marketing research even before the beginning of the implementation of the inventive activity, in order to promote the demand for future technologies, as well as to give them the properties that ensure high competitiveness in the market;
- to establish cooperation with patent services for more effective maintenance of legal protection of the created results of intellectual activity;
- to increase the literacy of staff in the field of intellectual property.

The innovative development of our country is impossible without the management of intellectual property. At the heart of any innovative product, there is the result of intellectual activity and, in the absence of documents on it, the market can "easily" reveal many competitors that produce this kind of innovative products. At the same time, it is not possible to prove the rights to an innovative product without obtaining protection documents for the created result of intellectual activity, and, consequently, building an innovative business is pointless (Nechaev, Bovkun, & Zakharov, 2017).

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