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Muxtor Ne'matovich Sunnatov

Institute for Retraining Personnel and Statistical Research

Senior chairman (PhD)

Uzbekistan, Tashkent

INSTITUTIONAL MECHANISMS FOR MANAGING THE INTELLECTUAL PROPERTY MARKET IN THE INNOVATION PROCESS

Abstract: The article examines the characteristics of intellectual property management in the scientific, technical and industrial spheres in relation to the set of property rights, develops a subjective aspect of intellectual property (IM) relations, ie the scheme of distribution of powers between participants and analyzes the institutional structure of the market.

Key words: Intellectual property, copyright, patent law, sanctions, counterfeiting, integration, mechanism, global economy, related rights.

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Introduction

Paying special attention to the improvement of state administration in the field of intellectual property, the development of mechanisms for evaluating intellectual property objects in the innovation process, the fact that in the total income of the population in our country "interest from intellectual property and royalties in the structure of income received from property, are 20,1%" necessitates further development of this area in the future.

In particular, with the participation of the leadership of the World Intellectual Property Organization, representatives of Elsevier and other foreign organizations, scientific research is being carried out on the topic "Improving the position of the Republic of Uzbekistan in the ranking of the Global Innovation Index", which is an urgent task today, however, the need to "strengthen responsibility for violation of intellectual property rights (copyright, related rights, rights to inventions, etc.), as well as state control in this area" when developing programs for comprehensive measures for the further development of the scientific sphere in Uzbekistan, substantiates the relevance of this research work.

Scientific research to a certain extent will serve to implement the tasks specified in the Decrees and Resolutions of the President of the Republic of Uzbekistan No. UP-4947 of February 7, 2017 "On the strategy of actions for the further development of the Republic of Uzbekistan", No. UP-6097 of October 29, 2020 "On approval of the concept development of science until 2030", No. PP-4168 dated February 8, 2019 "On measures to improve public administration in the field of intellectual property", No. PP-4965 dated January 28, 2021 "On measures to improve the system for the protection of intellectual property objects", No. PP-4996 dated February 17, 2021 "On measures to create conditions for the accelerated introduction of artificial intelligence technologies", as well as in the implementation of tasks, set in other regulatory legal acts related to this area.

As a result of the study, the author studied the features of managing intellectual property objects in the scientific, technical and industrial fields in relation to a bundle of property rights, developed the subjective side of intellectual property relations, that is, a scheme for the distribution of powers between the participants in these relations (Table 1).

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It is proposed to finance advanced innovations in the intellectual property market through the "collective contribution of people" by attracting funds from foreign investments, international organizations and entrepreneurs in the commercialization of projects in the field of information technology with a high sales flow.

The introduction of this scientific novelty in practice leads to the development of healthy competition, ensuring the formation of an intellectual property market and the development of a startup ecosystem, and, in turn, will create a Central Asian startup hub. The role of digital infrastructure is important in determining the growth of the national economy and the impact of the country on the global world.

In a rapidly developing and modern world, raising funds via the Internet is becoming an alternative and promising scheme for project financing. In particular, the mechanism for placing and financing projects in the field of information technology through a crowdfunding platform has an

important place. This scheme provides young entrepreneurs and start-ups with the opportunity to attract investments and find sources of funding.

The advanced technology market, including artificial intelligence, blockchain, fifth generation mobile communications (5G), robotics, drones, genetic engineering, nanotechnology and solar photovoltaic systems, is ushering in a new era of digitalization of the economy and collaboration. 90% of these technologies belong to intellectual property. As you know, a new network in the field of production and services is being formed and developed all over the world, which is called the "Information of an intellectual product" network. The information of an intellectual product, in turn, substantiates the relationship of market entities in innovative activities during the commercialization of intellectual property (Fig. 1).

Here: legislative, regulatory legal documents (1), financial income (2, 4, 5, 6, 8, 10, 12, 14), intellectual property (3), products based on intellectual property (7, 13), product competitors (9), pirated product (11).

Table 1. Intellectual Property Management Functions *

№	Management of intellectual property objects based on the "Property Rights Package"	Subjects of property rights					
		Copyright			Patent rights		
		Author-creator (or co-authors)	Copyright organization	User	Author-inventor (or co-authors)	Patent Granting Organization	User
1.	Ownership	+			+		
2.	Right of use			+			+
3.	Right of disposal or management	+	+		+	+	
4.	The right to develop or receive income	+		+	+		+
5.	Residual value right or sovereign right	+			+		
6.	Right to safety	+		+	+		+
7.	Right of Inheritance	+			+		
8.	Right to Perpetuity	+		+	+		+
9.	Right to prohibit harmful use	+	+		+	+	
10.	Right to liability in the form of recovery	+	+		+	+	
11.	Right to Expected Balance	+			+		

*Developed by the author.

Among such terms as "smart car", "smart home", "smart city", the phrase "smart people" is also often found in the achievements of science. Consequently, the improvement of mechanisms for supporting projects initiated by smart people and organizations accelerates the implementation of the results of scientific and technical developments in production,

and also ensures the creation and development of a sustainable chain of systems for the release of innovative products to the international market. In 2015-2020, the total number of applications for the grant of patents for inventions amounted to 3318 units (table 2).

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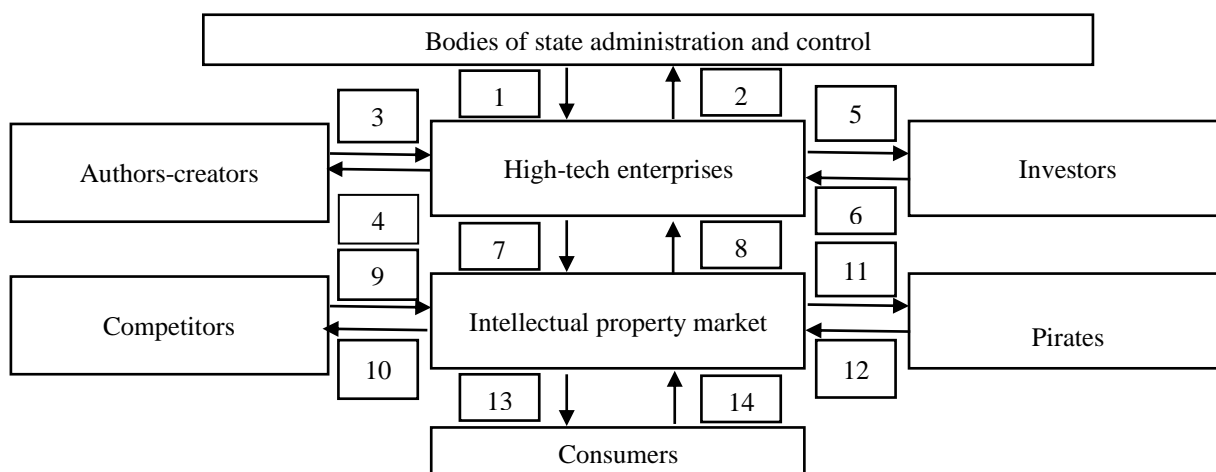


Fig.1. The relationship of market entities in innovative activities in the commercialization of private property
(Developed by the author.)

The number of active patents in the intellectual property market is increasing every year. The reason for this is due to the fact that the invention registration mechanism is not perfect. Today, not enough attention is paid to the role and importance of using intellectual property objects (OIP) in commercial organizations in Uzbekistan, in particular, to its institutional framework. In addition, existing sources are trying to

be understood using various approaches and methods, such as "intangible objects", "intellectual property", "intellectual capital".

This creates additional difficulties both economically and institutionally. On the basis of the study, a scheme was developed for the correlation of the concepts of "intellectual property", "intangible assets" and "intellectual capital".

Table 2. Dynamics of the number of patent applications for inventions in 2015-2020

Indicators	2015	2016	2017	2018	2019	2020*	Total
Applications submitted, total of them:	507	555	553	650	543	510	3318
national applicants	288	353	357	470	374	303	2145
foreign applicants	219	202	196	180	169	207	1173
including under the procedure of the Patent Cooperation Treaty (PCT)	213	194	185	157	153	161	1063

*Developed by the author.

Comparison of intellectual property and fixed assets allowed us to identify similarities and differences between intellectual property and fixed assets (PF). The use of OIS in the above areas allows you to increase the production capacity and production efficiency of the enterprise. The correct use of intellectual property increases the income and profitability of the enterprise, as a result of which its value increases. This chapter has developed the main criteria for similarities and differences between intellectual property and fixed assets (Fig. 2).

There are a number of basic principles for evaluating intellectual property: the principle of profitability, the principle of substitution (change), the principle of expectation, the principle of compliance,

the principle of supply and demand, the principle of competition, principles that depend on the macroeconomic situation or the economic development of the region. Since an object of intellectual property (IP) is presented as a commodity, it must have its own market value. At the same time, it is required to effectively use the institutional structures of the market for IP valuation services.

For the capitalization of intellectual property assets, the cost approach is used, which assesses the costs associated with the creation of intellectual property assets at their enterprises or their acquisition by third parties. In this case, the amount of profit for a certain reporting period is determined by the following formula:

* Data for 2020 was obtained by the author from the official bulletin of the Agency for Intellectual Property under the Ministry of Justice of the Republic of Uzbekistan.

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$$PT1 = \sum_{th}^{tk} Vt \times \Delta\Pi t \times Kdt, \quad (1)$$

where: PT1 is the amount of expected profit for the period T from the sale of own produced goods and services; Vt is the volume of sales of products based on intellectual property items during the year; ΔΠt is the expected profit from the sale of a unit of manufactured products; Kdt – discount factor in t-year; th and tk are the initial and last years, calculated respectively with period T. When using other forms of commercialization of IP rights (sale of patents and licenses, contribution to the authorized capital of a joint venture, franchising, leasing, industrial cooperation, commercial privilege, etc.) the copyright owner receives only a part (10-30%) of the total profit, the rest belongs to the buyer of patents and licenses. In this case, the amount of profit received by the right holder is determined by the following formula:

$$PT2 = D \times \sum_{th}^{tk} Vt \times \Delta\Pi t \times Kdt, \quad (2)$$

where: PT2 - the amount of royalties paid from the sale of licenses and patents; D is the share of the copyright owner in the profit of the patent or license holder, in % x. A comparison of the calculation formulas shows that the greatest effect is obtained when the intellectual property is used in one's own production, in which high profits can be obtained.

Intellectual property valuation is required when an enterprise/organization goes into liquidation, when conducting a merger and acquisition, when filing an

official report with the court, when assessing the damage caused by infringement of property rights, when determining the right paid to authors, and if necessary when issuing and licensing rights intellectual property, and the valuation of intangible assets - when making contributions to the authorized capital of an enterprise / organization, making decisions on investments in an intangible asset, acquiring and selling property rights, valuing and acquiring a business, as well as for International Financial Reporting Standards. The Commonwealth of Independent States (CIS), including Uzbekistan and a number of developed, developing and undeveloped countries are also members of the World Intellectual Property Organization (WIPO). WIPO acts as an international arbitration forum for commercial disputes relating to the protection of intellectual property.

Copyright and related rights, as well as international conventions in the field of patents, are fundamental to equal and fair relations between countries.

Based on the analysis, it was determined that the intellectual property market of the Republic of Uzbekistan needs to be managed in total in accordance with 14 international agreements that are members of the World Intellectual Property Organization (WIPO), as well as agreements managed by WIPO, the International Organization for the Protection of New Varieties of Plants UPOV (International Union for the Protection of New Varieties of Plants, UPOV), the World Trade Organization (WTO) and the United Nations (UN).

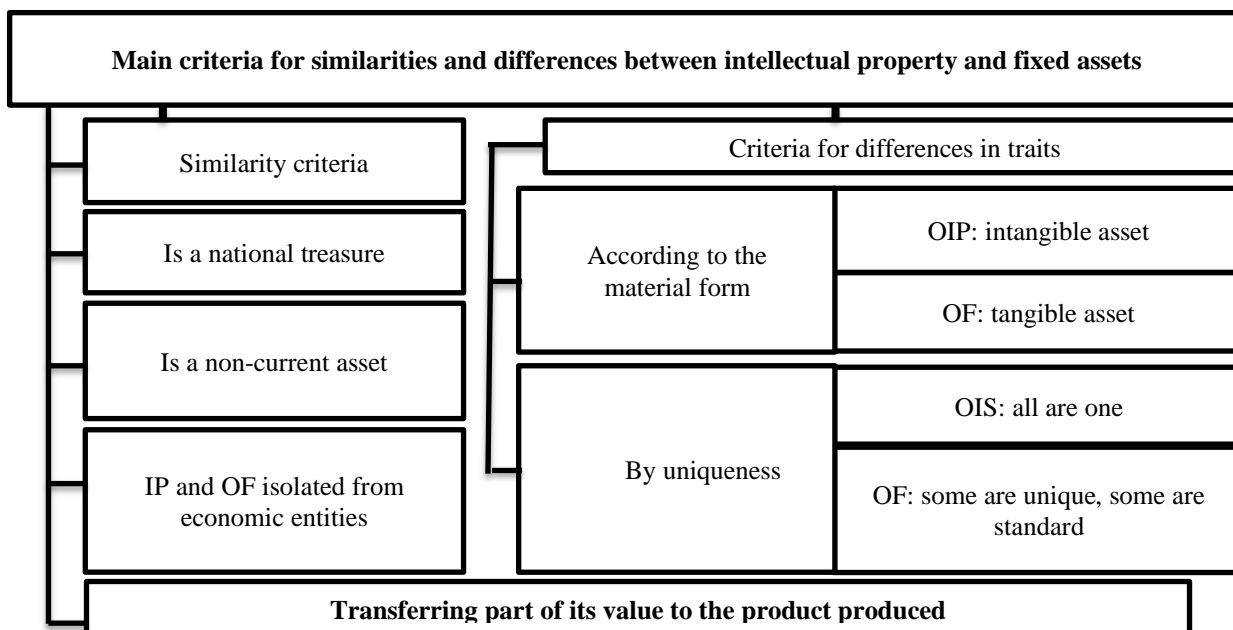


Fig.2*. Main criteria for similarities and differences between intellectual property (IP) and fixed assets (PF)
(*Developed by the author.)

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Studies on improving the institutional management of the intellectual property market have shown that in practice there is no state that would regulate or manage intellectual property on the basis of a single state body. In practice, 6.8% of the state resolves this issue through a specific ministry or

organization. Improving the mechanism for regulating the intellectual property market in the economy is, first of all, a state policy, and today the state is taking measures to improve the system for protecting intellectual property objects.

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