



UNITED NATIONS
DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
STATISTICS DIVISION

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Seminar
Creation, Recognition and Valuation
of
Intellectual Assets

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Intellectual property a special asset

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Intellectual Property

a special asset

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Intellectual Property

- IP provides benefit through sharing
- IP does not provide a service as part of an economic transaction
- IP cannot be valued through cost of inputs

Intellectual Property

- Payments for sharing in IP are income transfers, not service payments
- The current SNA recognises these payments as royalty fees, licence payments, copyright fees, etc.
- IP does not deliver services to a production function, it defines the nature of the production function

Intellectual Property

IP releases value through access devices that allow sharing. The devices may or may not be assets in their own right

IP is a “public” good – it is non-rival in use

IP does not wear away – it loses or gains value through change in demand for access – this observed through the price of membership, and the number of members

Intellectual Property

- IP must be revalued regularly in the light of changed demand and observed income
- IP loses value Intellectual Property only through obsolescence
- Straight-line depreciation over asset life will be the exception, not the norm for IP

Intellectual Property

- IP life length can only be estimated with confidence when there is an active market in similar products
- IP is discovered, not created. There is often no connection between formation inputs and asset value

Intellectual Property

- The message
- Let's confirm we can measure it before we operationalise it.
- Is there agreement on a theory of how IP affects productivity measures? It doesn't meet the usual theory of assets feeding the production function through capital services.

Intellectual Property

- An asset is only recognised in the national accounts when ownership rights are exercised, otherwise no economic transaction takes place.
- Originals and copies
- Copies are access devices to the original, not separate versions of the original