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Knowledge products and knowledge artifacts: How should we deal with Napster, Monsanto, Linux et al. ?

By definition, knowledge products are more difficult to protect and not surprisingly, have generated heated debates as to their use and protection. Some famous examples are those of Napster, Monsanto and Linux (though many more can be cited). At present, there is no consensus on what should be the optimal policy mix to deal with knowledge product markets. Furthermore, two points are of note. First, standard microeconomic theory does not distinguish between the different knowledge products. Second, arguments on private incentives and public policy with respect to knowledge products, are invariably founded on the same framework and principles, as for conventional products. To tackle these two problems, the present paper develops a theoretical framework that precludes the uniform treatment of products and problems being generated by digitalization. It involves the traditional capital theory approach proposed by E. Von Weizsäcker (1980; 1984). The framework developed identifies and categorizes the different types of knowledge products, and thus provides the foundations for tackling the most “hot” issues raised by property rights and knowledge appropriation, such as those created by Napster, Monsanto and Linux.