

Intellectual Property Rights Intensive Industries and Economic Performance in the European Union



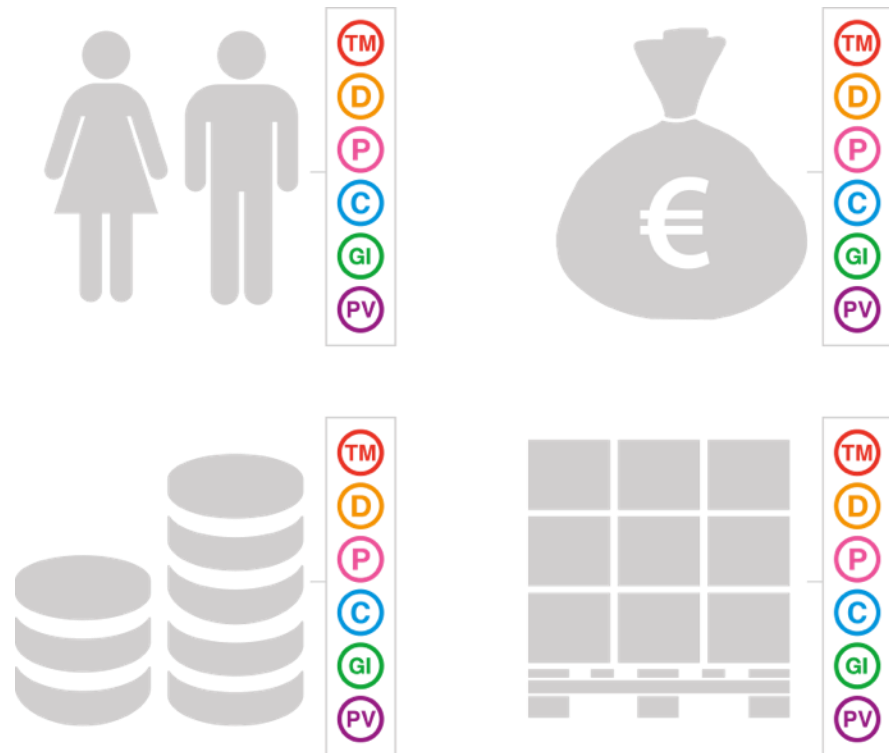
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Director, European Observatory on Infringements
of Intellectual Property Rights

Presentation to TRIPS Council
Geneva, 27-28 February 2018

Introduction: the value of intellectual property in Europe

This presentation is based on the main findings of the **updated EU-wide study** on the value of intellectual property rights to the economy of the EU.

How do trade marks, designs, patents, copyrights, geographical indications and plant variety rights (PVR) contribute to employment, GDP, remuneration and trade?



Methodology

In order to determine which industries are IPR-intensive, the register databases of **EUIPO**, **EPO** and **CPVO** were matched with the commercial database **ORBIS**.

Using this data, the number of trade marks, designs, patents and PVR per employee was calculated for each industry (using Eurostat data), and ***the industries which were above average according to this measure were considered to be IPR-intensive.***

For copyright, a standard methodology developed by **WIPO** was applied, and for Geographical Indications, data from **DG AGRI** was used. Further calculations were also required for final identification of PVR-intensive industries.

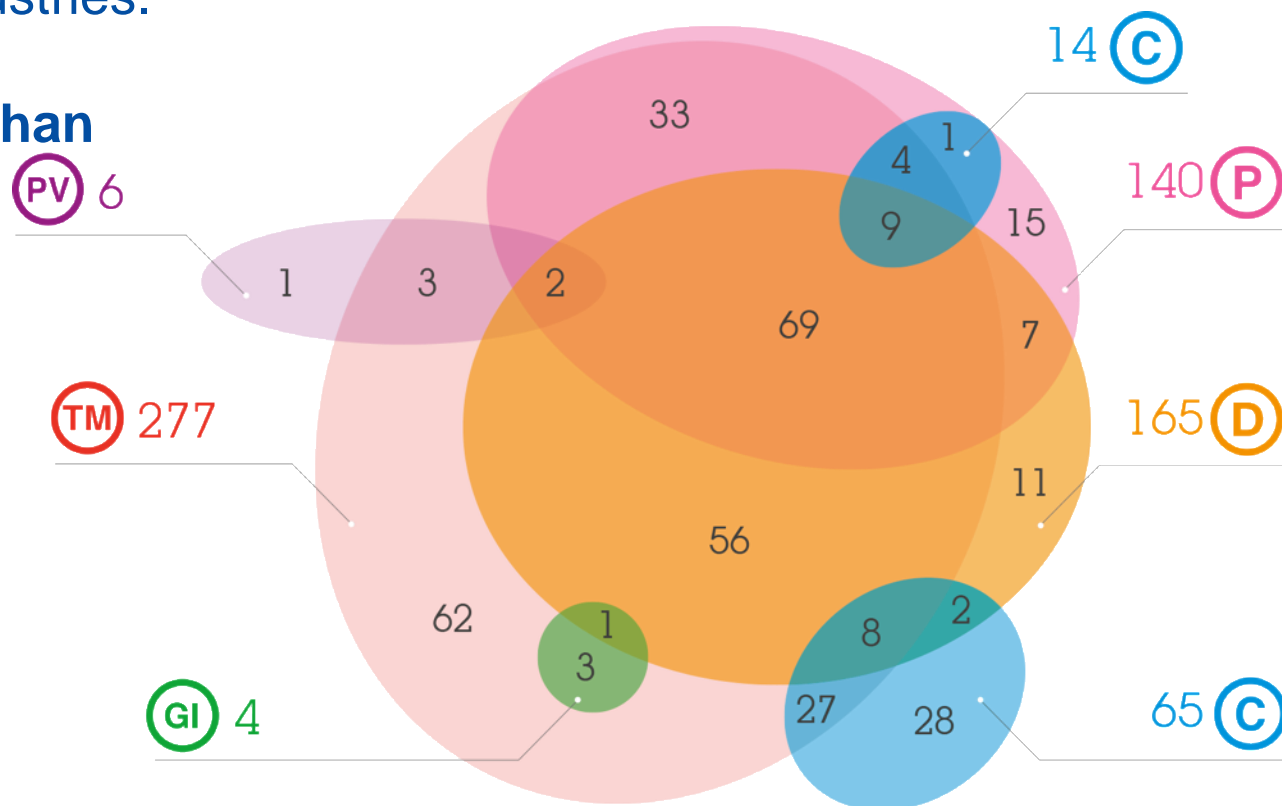
For more information on the methodology of the study, please visit <https://euipo.europa.eu/ohimportal/en/web/observatory/ip-contribution>.

IPR-intensive industries

There are a total of **342**
IPR-intensive industries.

Most of them are
intensive in **more than**
one type of IPR.

- (TM) Trade mark
- (D) Design
- (P) Patent
- (C) Copyright
- (GI) Geographical indication
- (PV) Plant variety rights



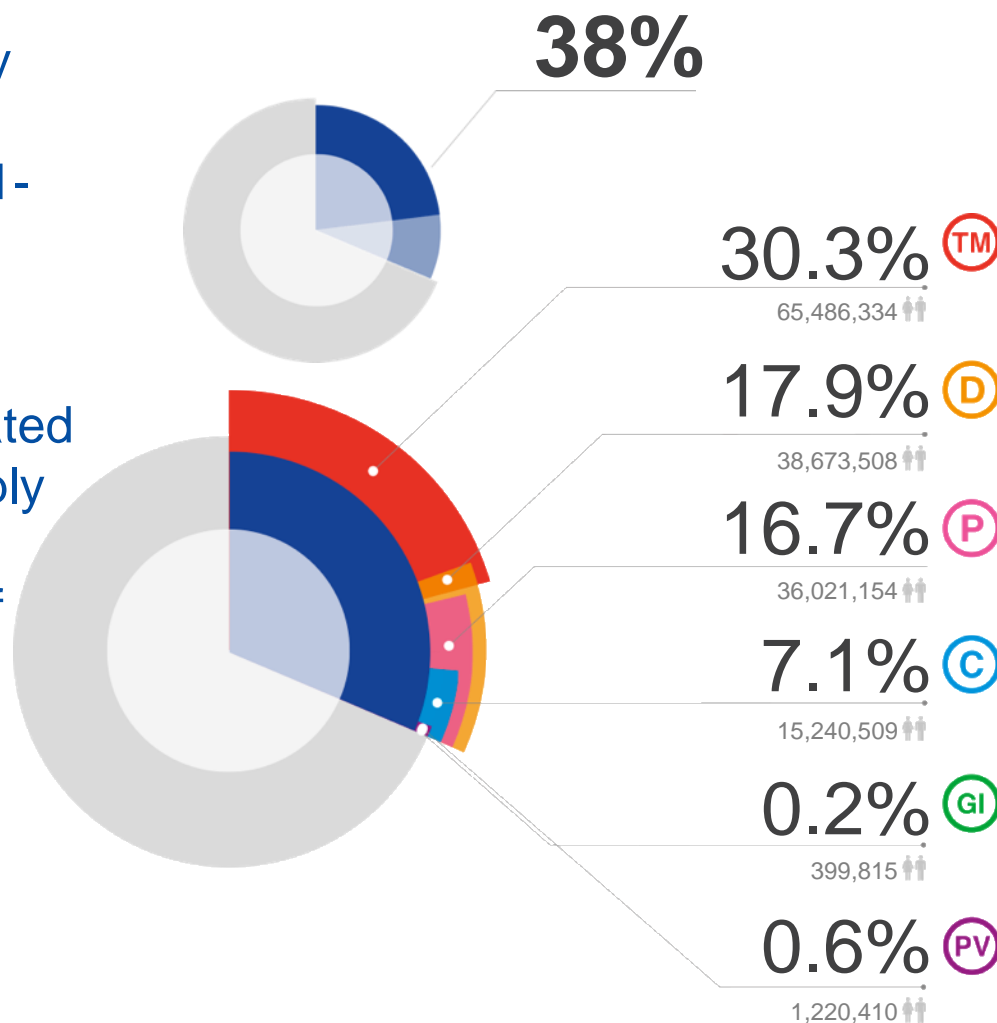


Contribution of IPR-intensive industries to employment

28% of all EU jobs were directly generated by IPR-intensive industries during the period 2011-2013.: **60 million jobs**

An **additional 10%** were generated indirectly, by industries that supply goods and services to the IPR-intensive industries, for a total of **38% of all EU jobs : 82 million jobs**

-  Trade mark
-  Design
-  Patent
-  Copyright
-  Geographical indication
-  Plant variety rights



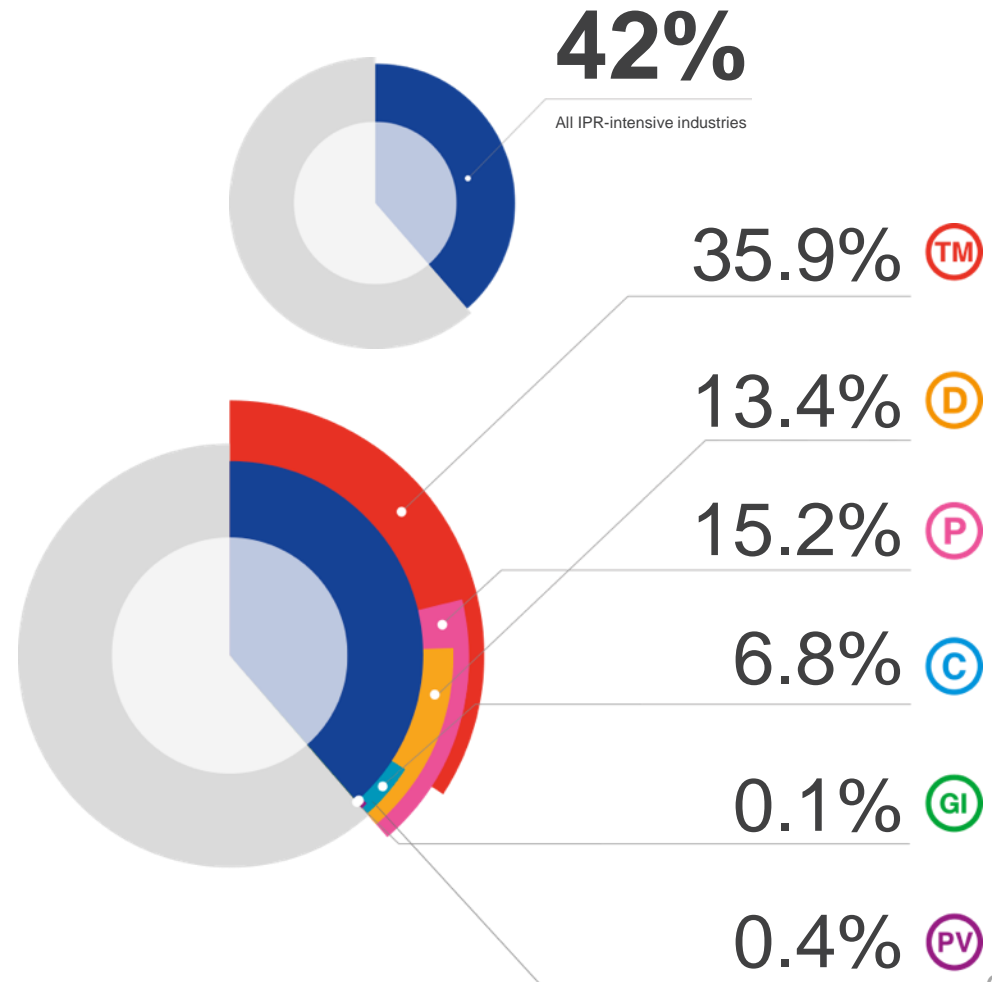


Contribution of IPR-intensive industries to GDP

42% of total economic activity (GDP) in the European Union was generated by IPR-intensive industries during the period 2011-2013.

This totals **over € 5.7 trillion** annually

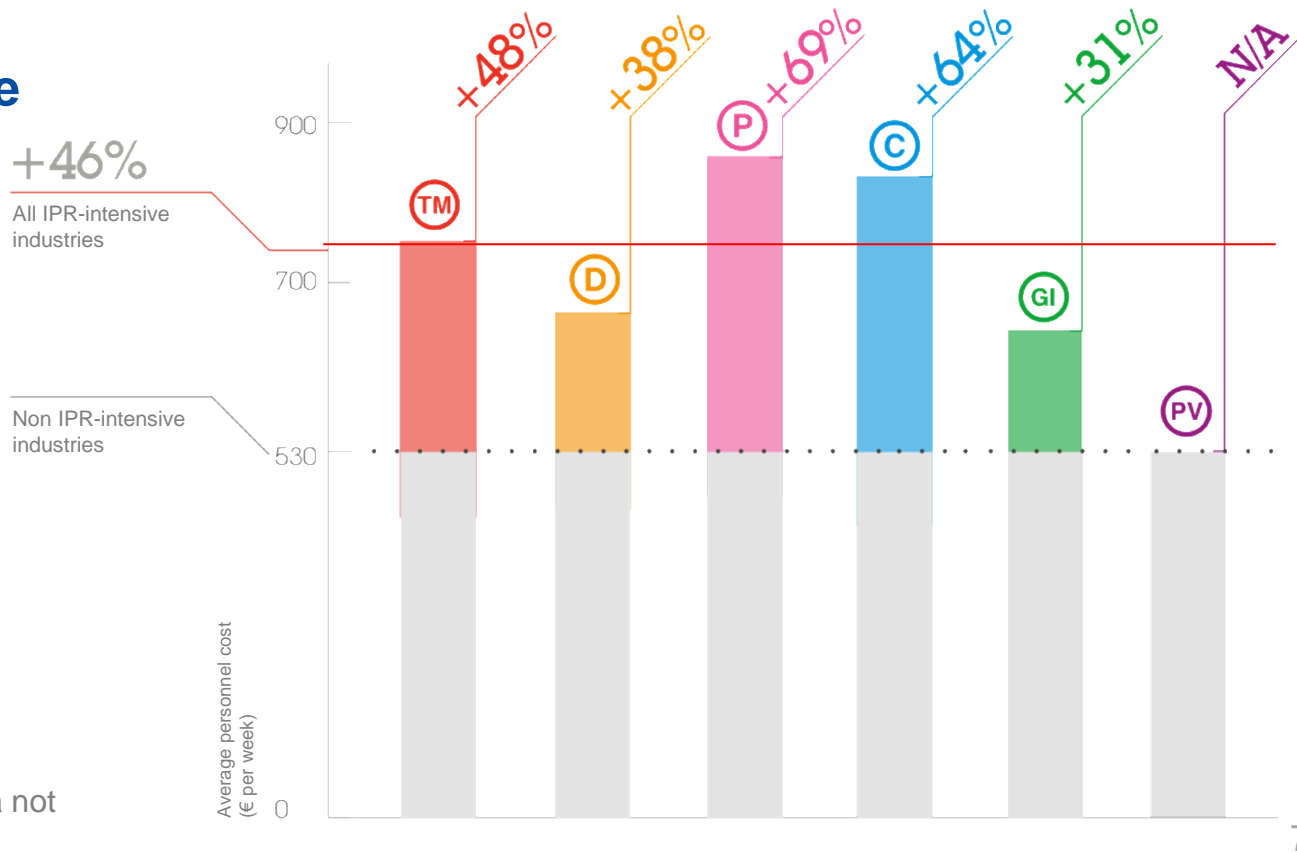
-  Trade mark
-  Design
-  Patent
-  Copyright
-  Geographical indication
-  Plant variety rights





Contribution of IPR-intensive industries to remuneration

IPR-intensive industries **pay significantly more** than other industries, with a wage premium of **over 46%.**

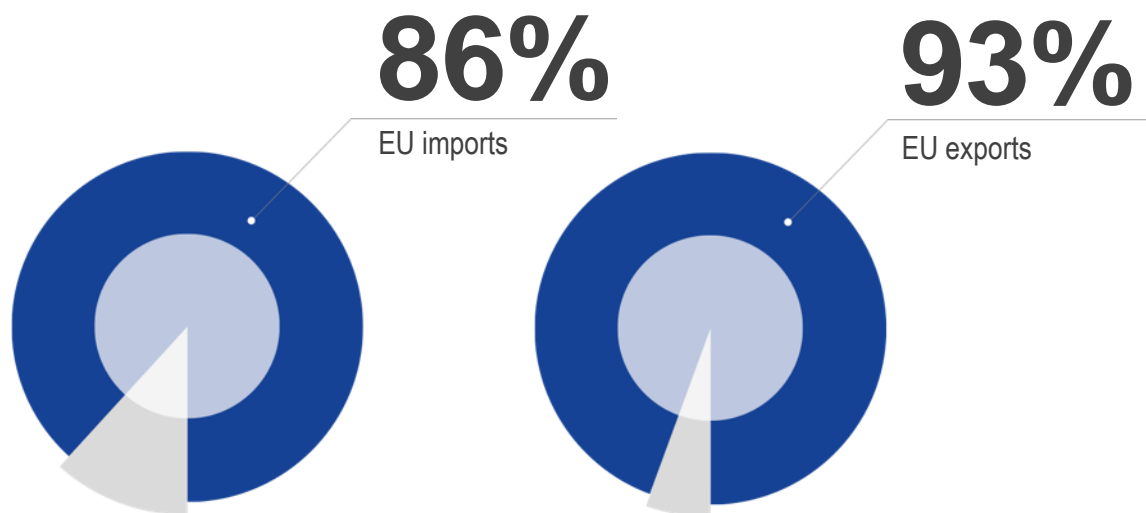




Contribution of IPR-intensive industries to trade

86% of EU imports
and 93% of exports
consist of products
from IPR-intensive
industries.

The EU had an overall
trade deficit of €42
billion. In contrast, it
had a **trade surplus
of €96 billion** in IPR-
intensive industries.

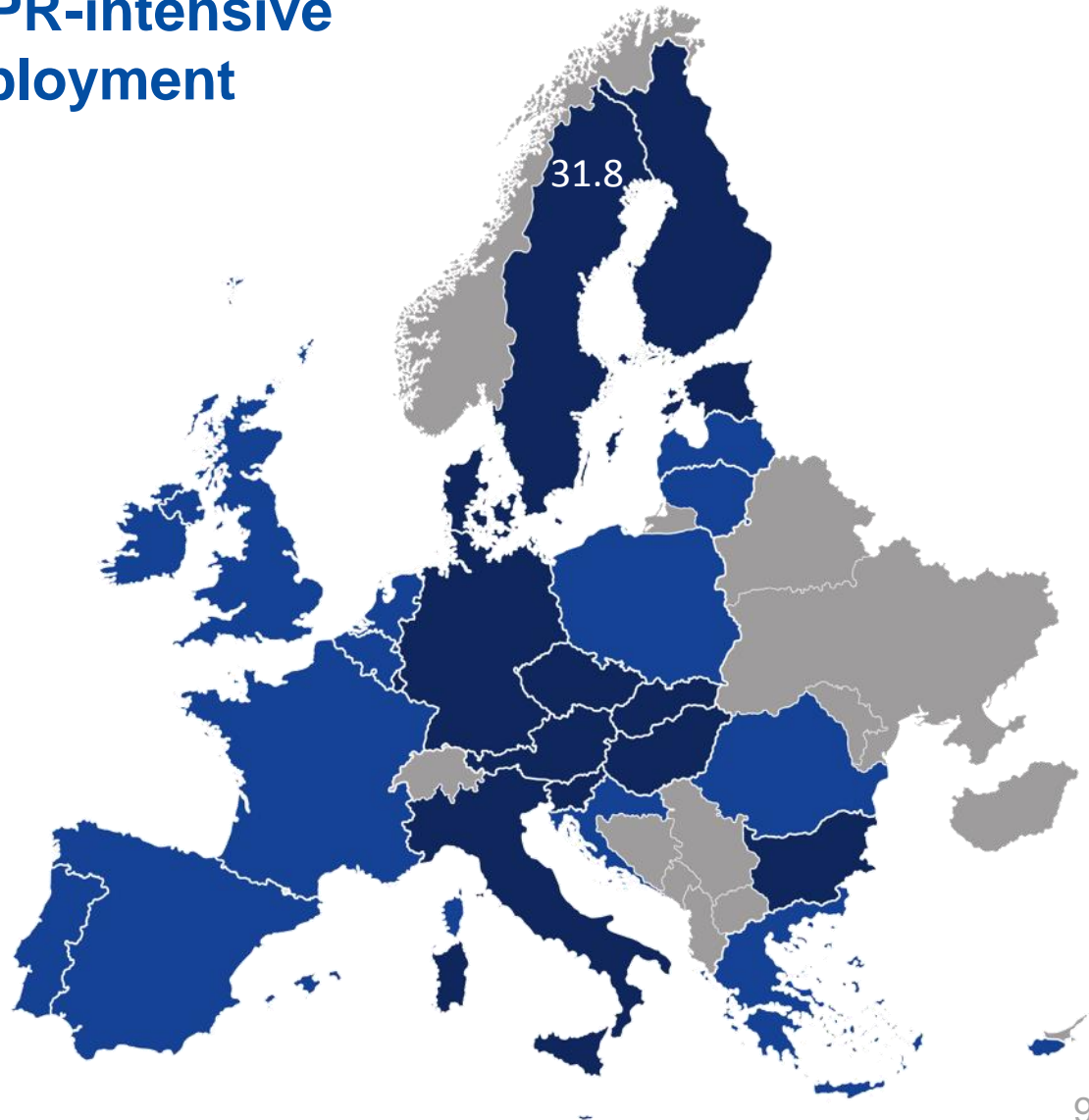


Contribution of IPR-intensive industries to employment by Member State

IPR-intensive industries directly contribute **27.8% of employment** in the EU.

27.8%
EU average

- Above EU average
- Below EU average



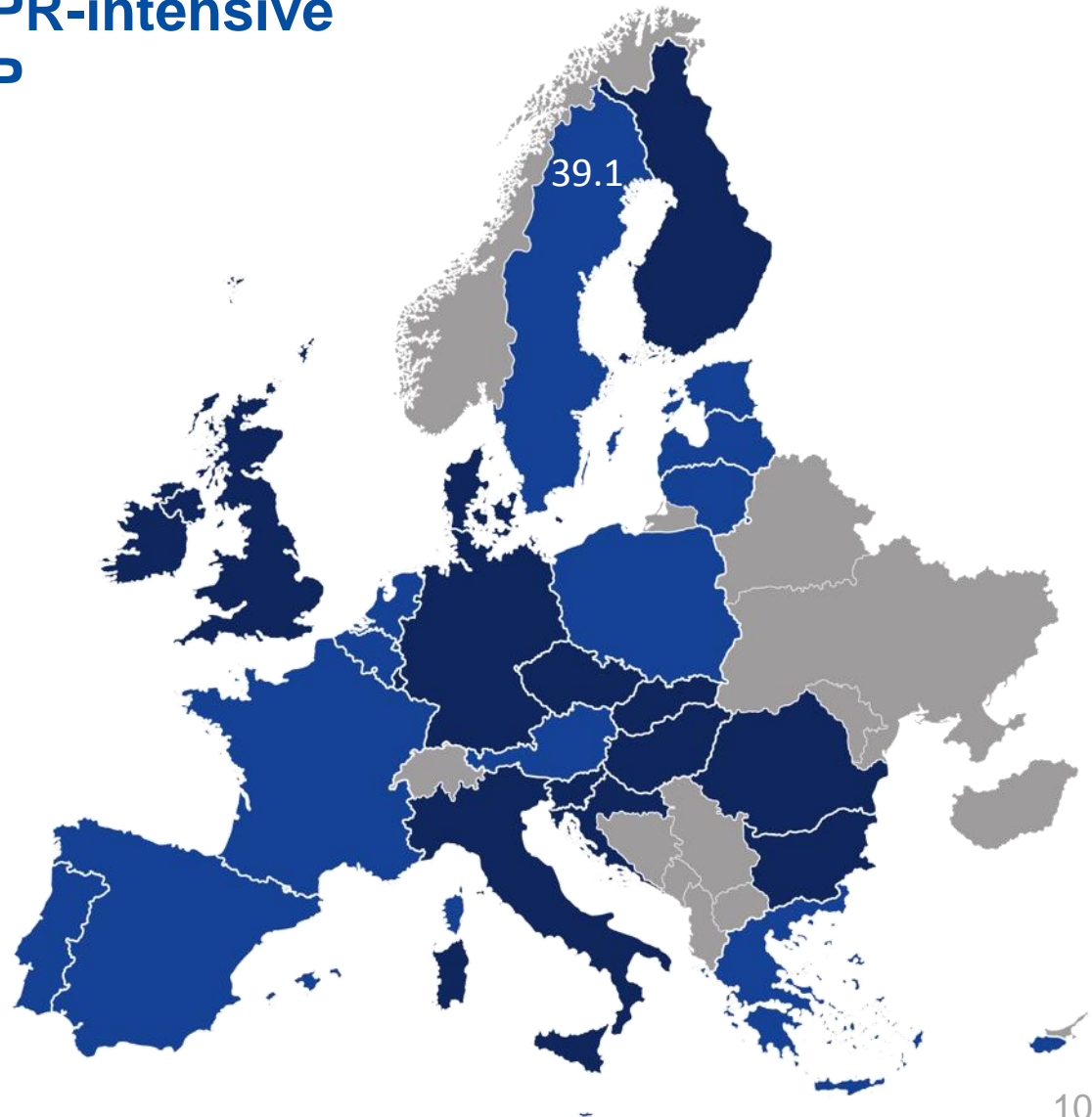


Contribution of IPR-intensive industries to GDP by Member State

IPR-intensive industries contribute **42.3% of GDP** in the EU.

42.3%
EU average

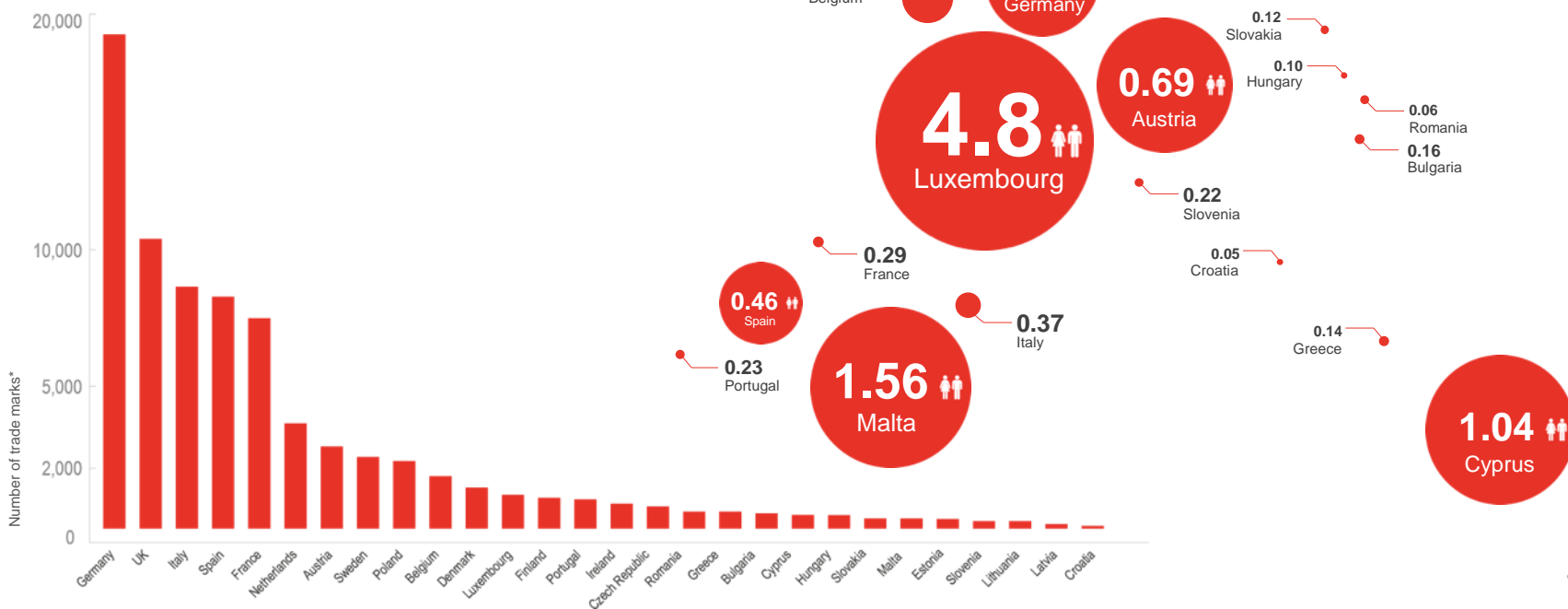
- Above EU average
- Below EU average



IPR Origin – Trade mark

TM Number of trade marks per 1000 employees

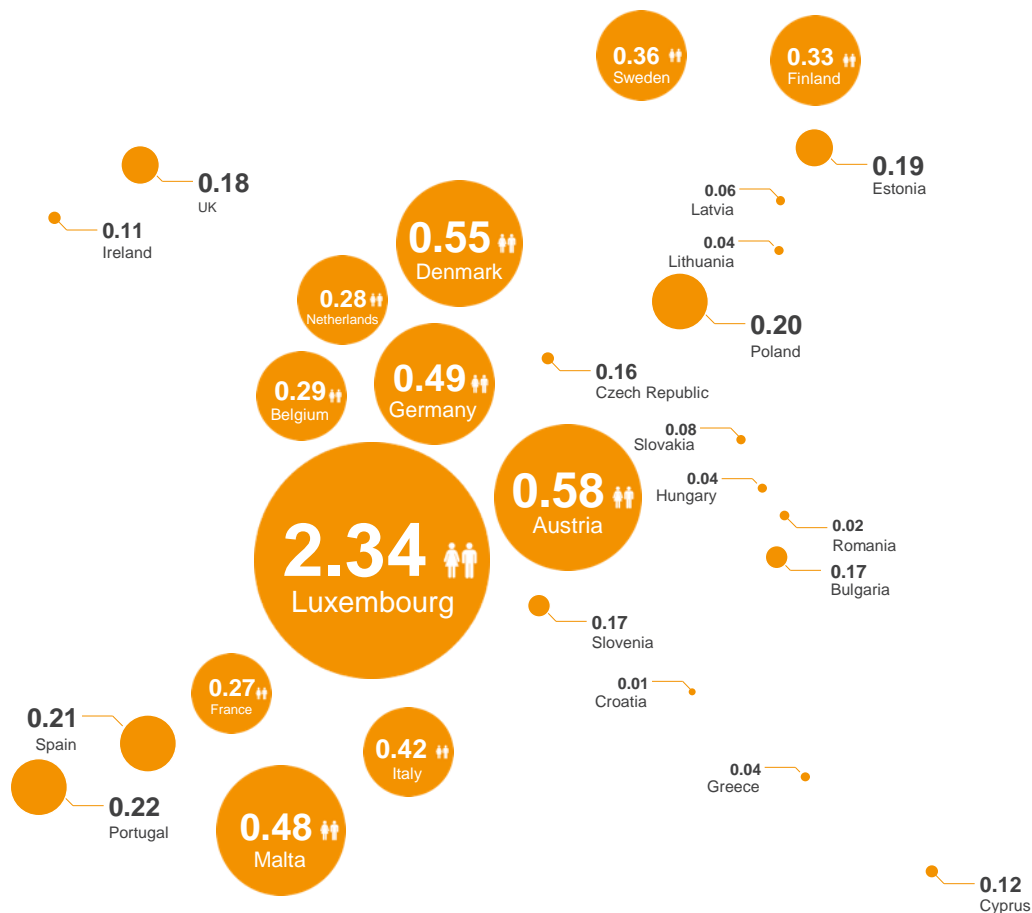
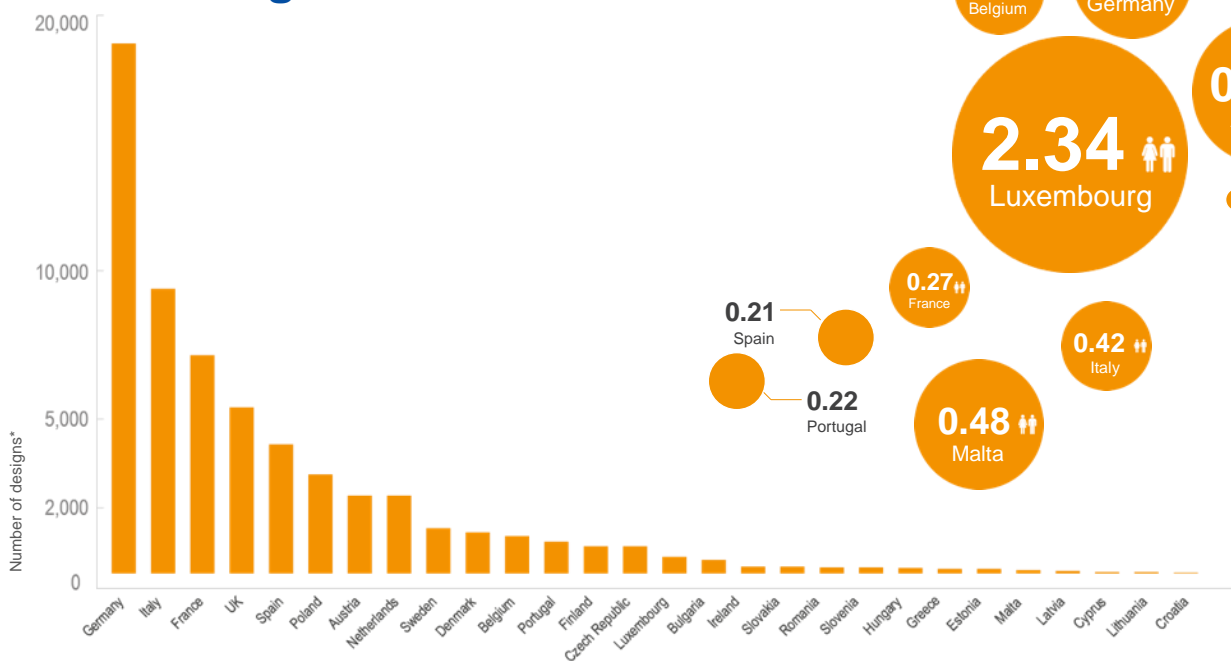
Which EU Member States register the most trade marks?



IPR Origin – Design

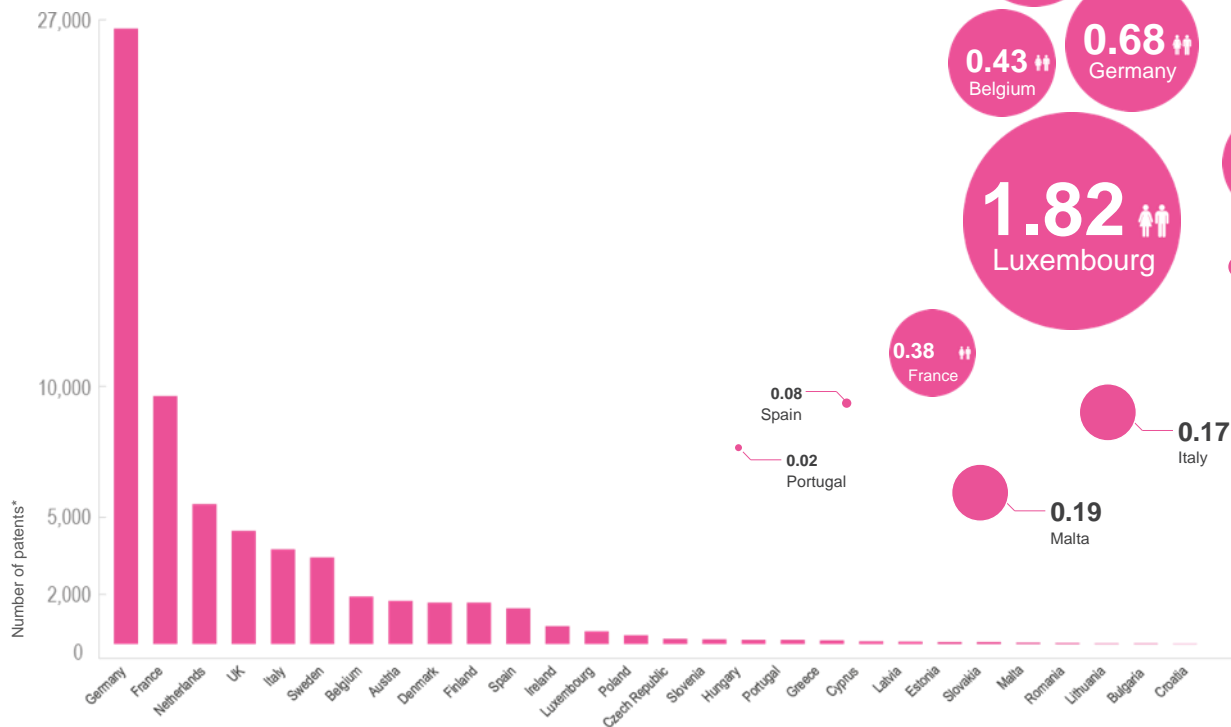
D Number of designs per 1000 employees

Which EU Member States register the most designs?

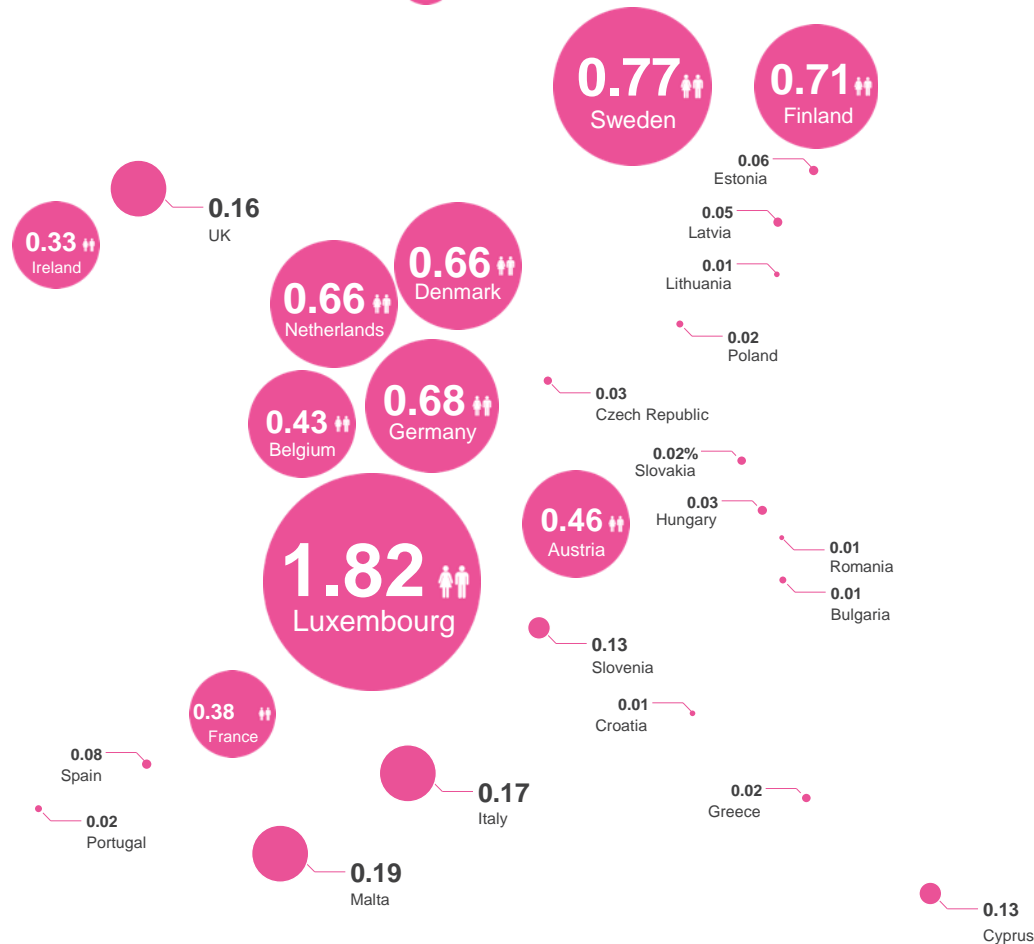


IPR Origin – Patent

Which EU Member
States register the
most patents?



(P) Number of patents per 1000 employees

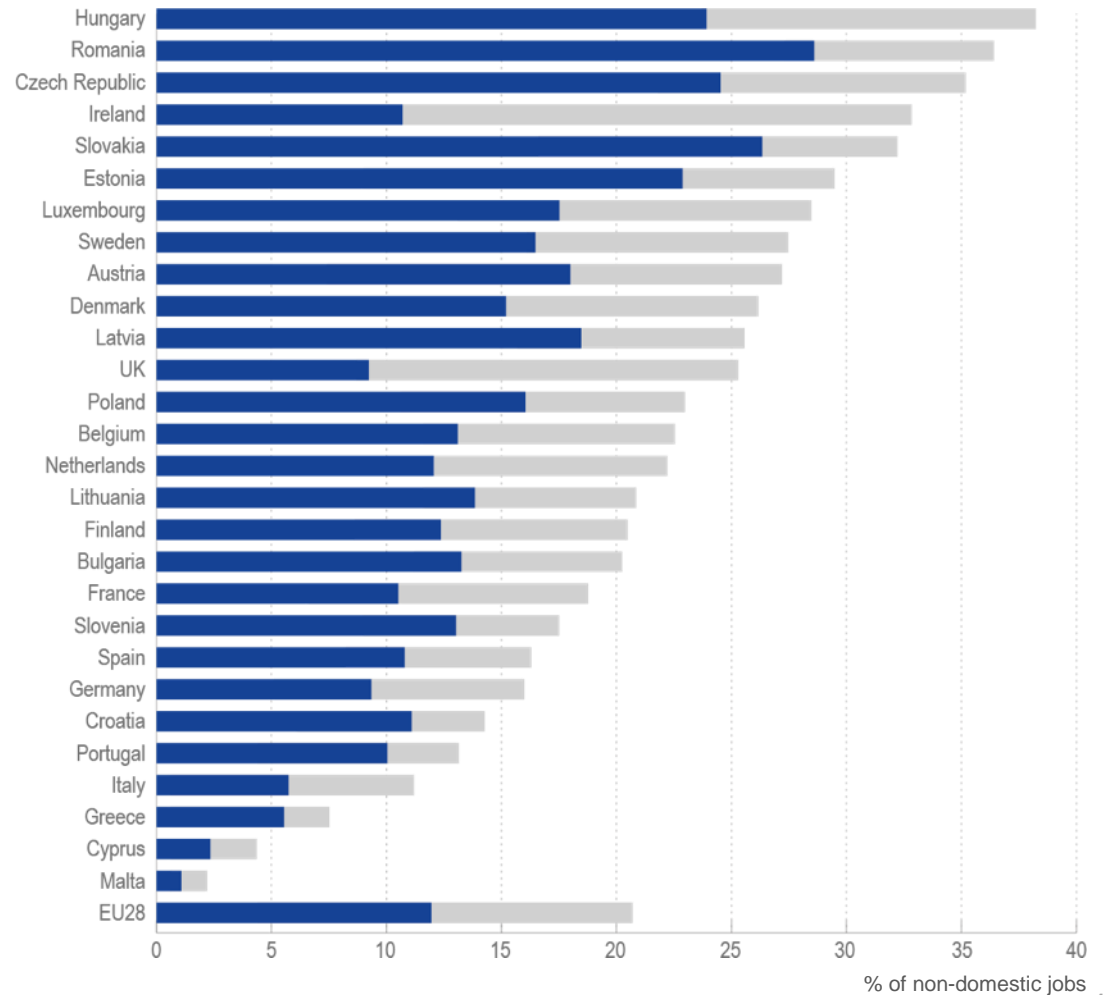


IPR contribution to job creation

Job creation can be
considered another
positive IPR
contribution to the
European Union.

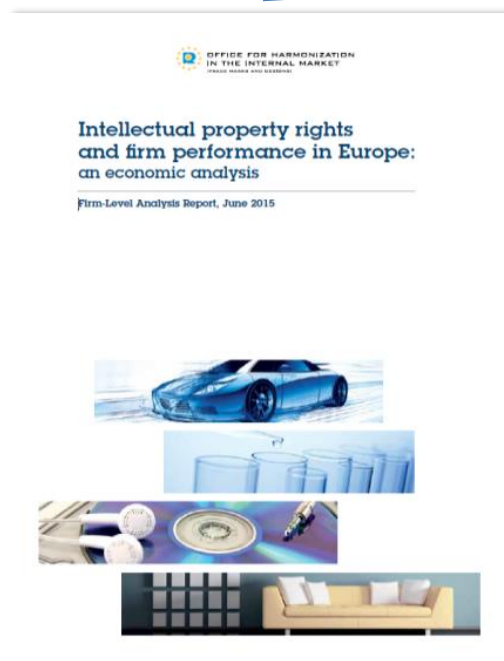
- Jobs created by IPR-intensive industries from other EU countries
- Jobs created by IPR-intensive industries from non-EU countries

Jobs created in EU Member States by foreign companies (IPR-intensive industries)



% of non-domestic jobs

IP CONTRIBUTION: Individual firm perspective

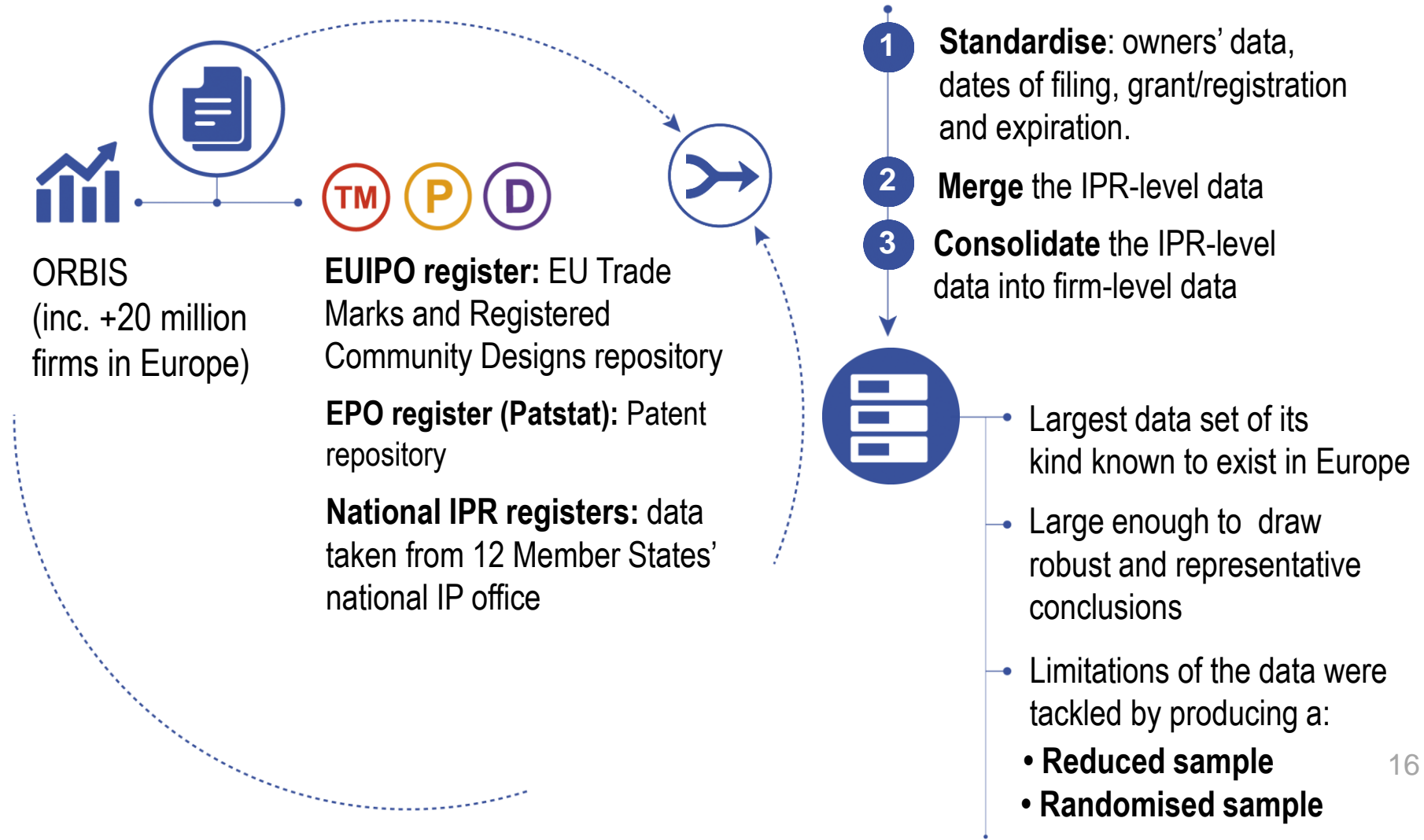


2015



2016

A unique dataset



Sampling strategy

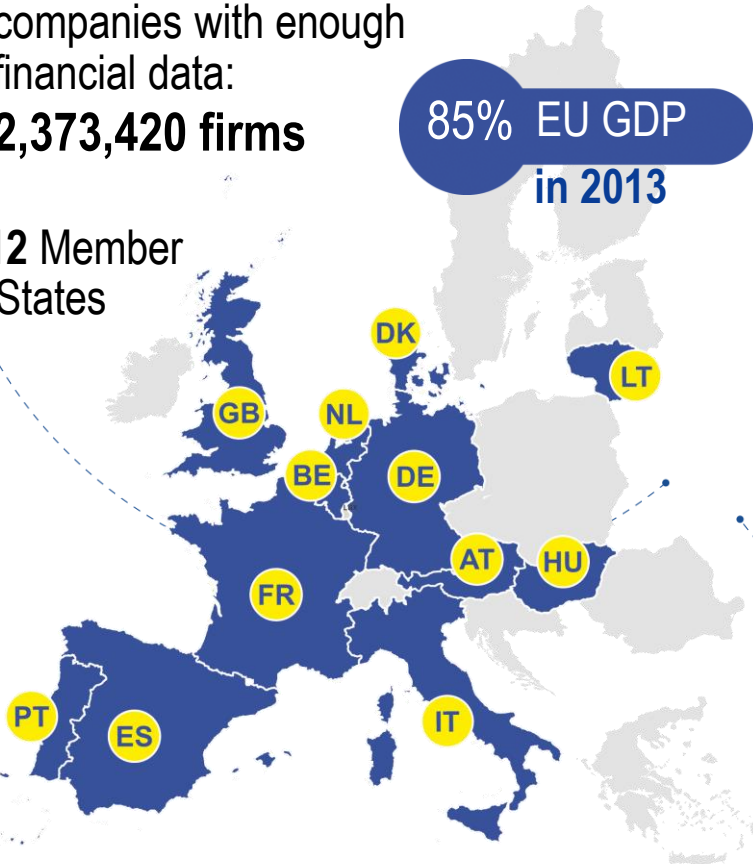


Merged dataset
IPRs at national and
European level

- **REDUCED SAMPLE:**
companies with enough
financial data:
2,373,420 firms

85% EU GDP
in 2013

- **12 Member States**



RANDOMISED SAMPLE:
132,277 firms

50% OF THE FIRMS 
EXAMINED

- Companies had at least:

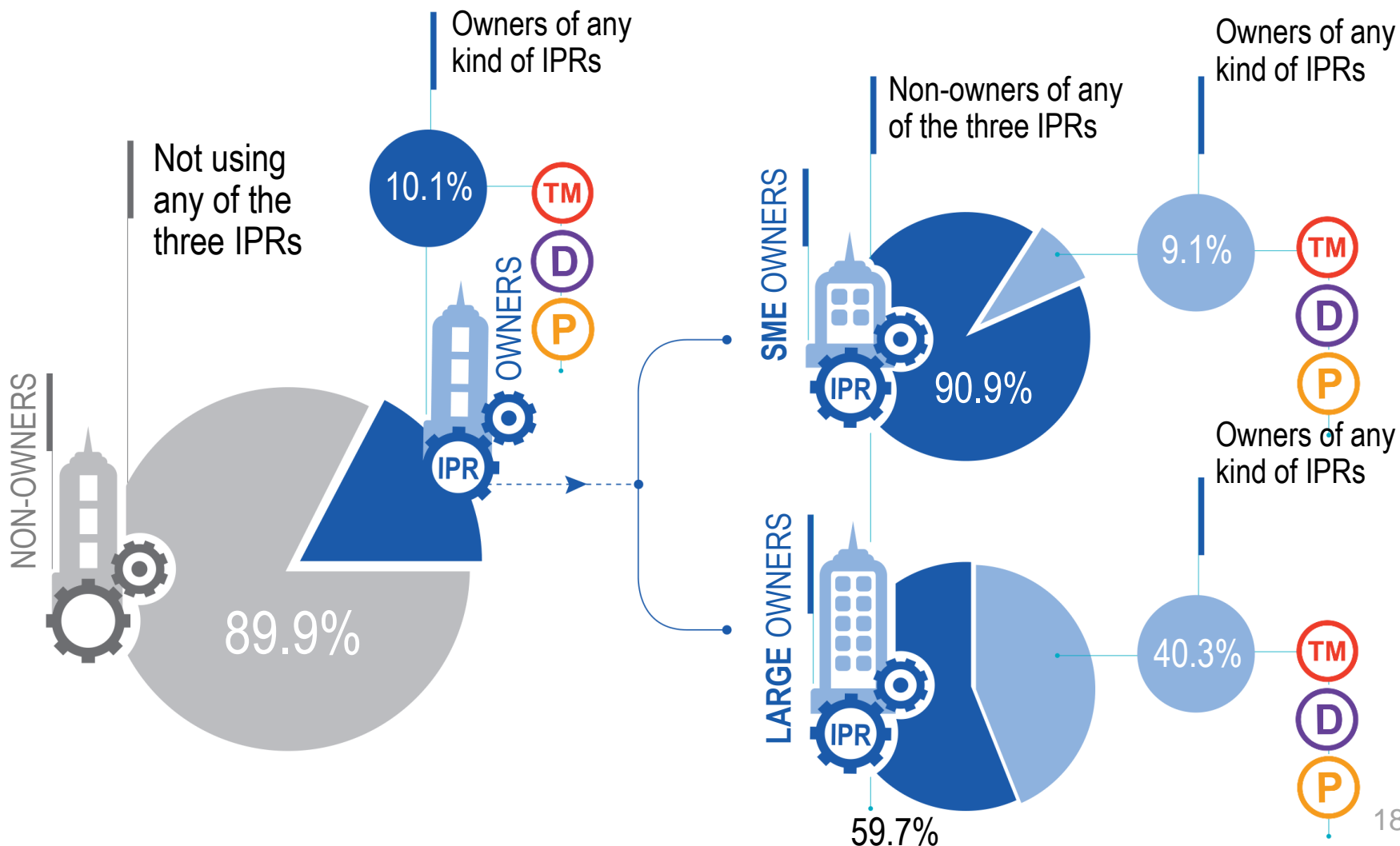
1  or **1**  or **1** 



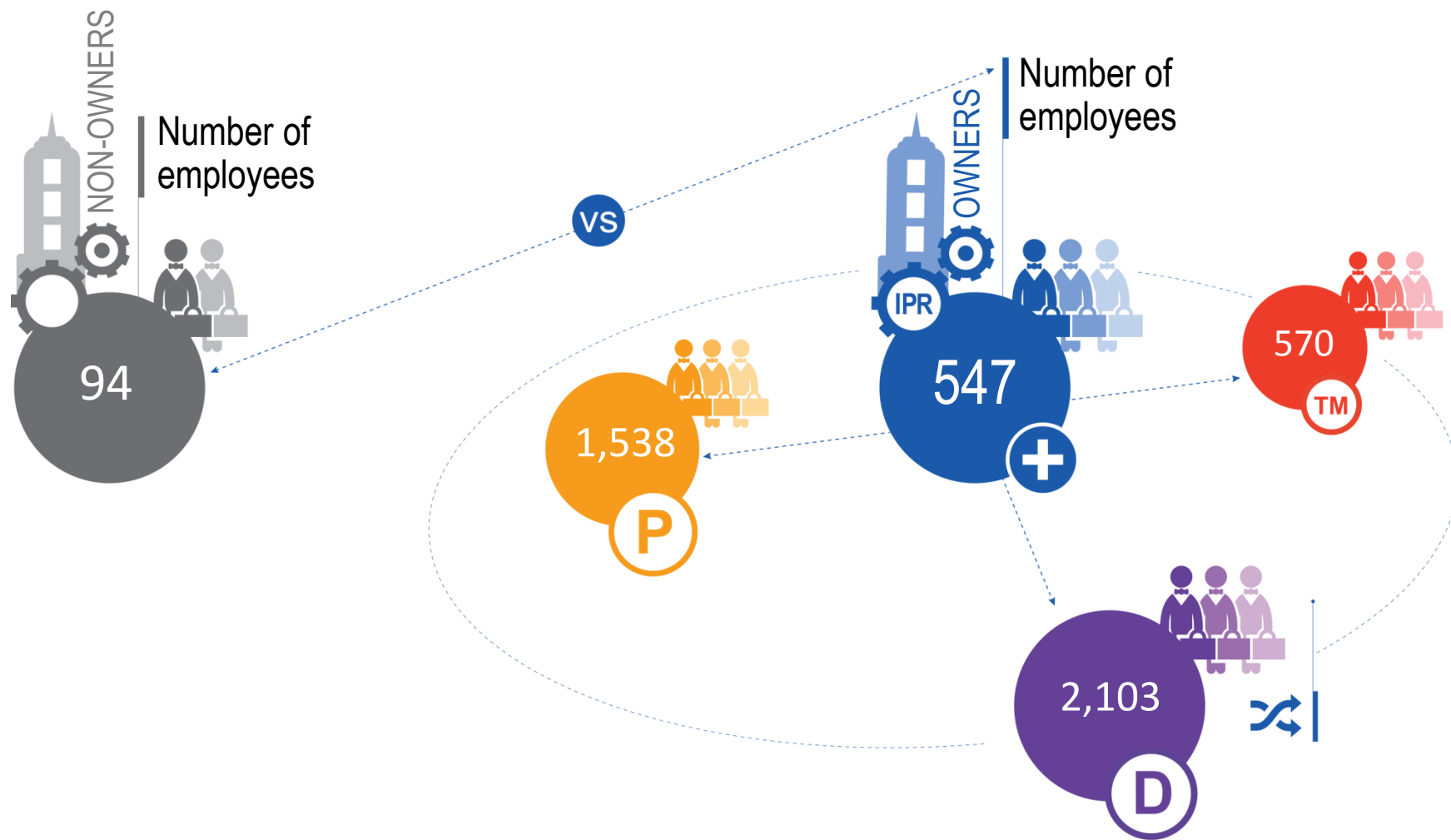
The data on each
company's IPR
portfolio was
matched with the
commercial
database ORBIS

The dataset was constructed
in such a way that about half
of the companies examined
have at least one patent,
trade mark or design in their
portfolio.

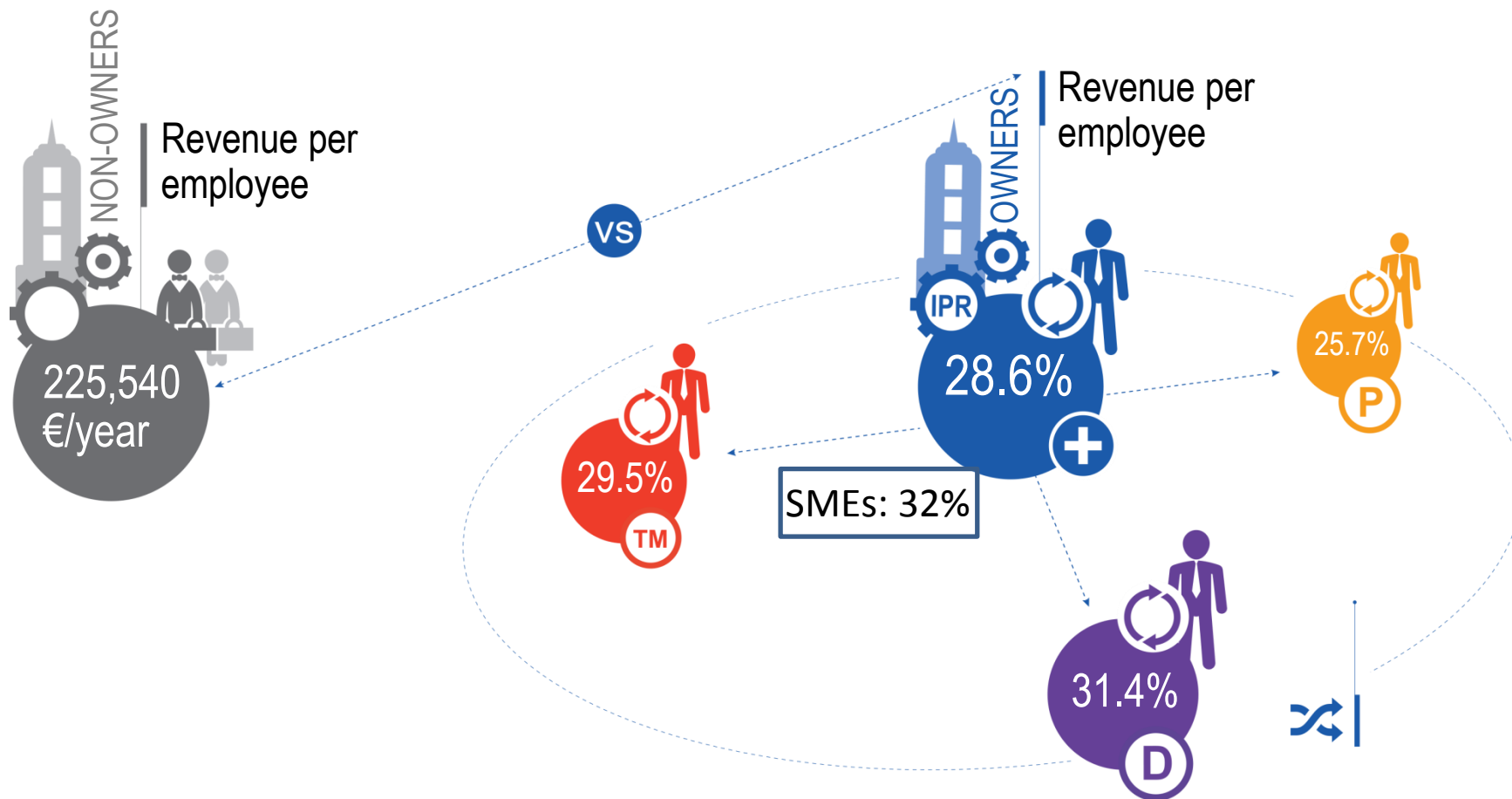
IPR ownership by firm size



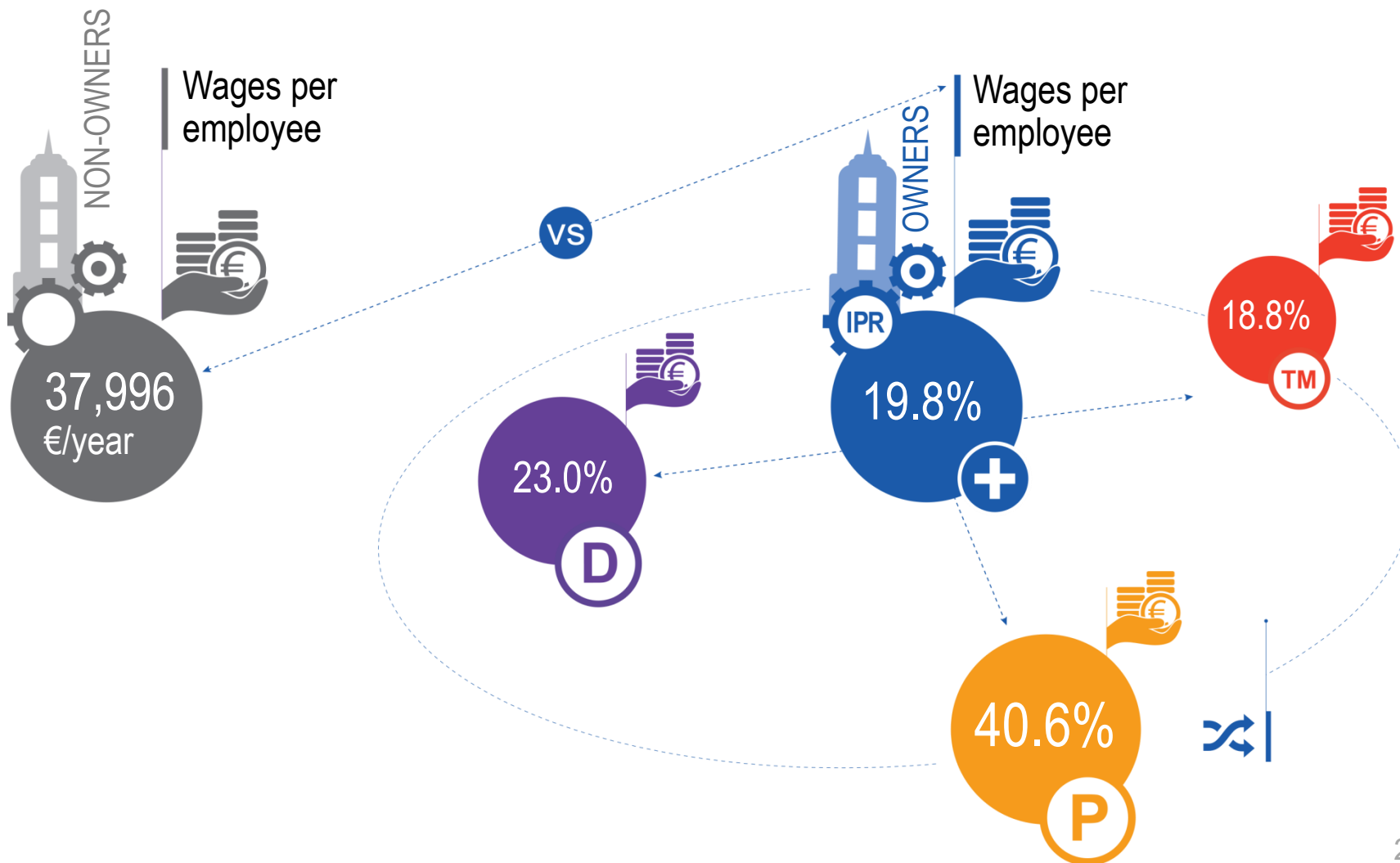
Main results: number of employees



Main results: revenue per employee



Main results: wages



SME SCOREBOARD

INTELLECTUAL PROPERTY

Objectives

- Explore **if and how** (innovative) SMEs position themselves **towards IPR**
- Focus on
 - **Level of awareness** on IPR
 - **Relevance** of IPR for SMEs
 - **Why** SMEs **register** or do not register IPR
 - What **types of IPR** are used
 - **Constraints** and **difficulties** when using and enforcing IPR



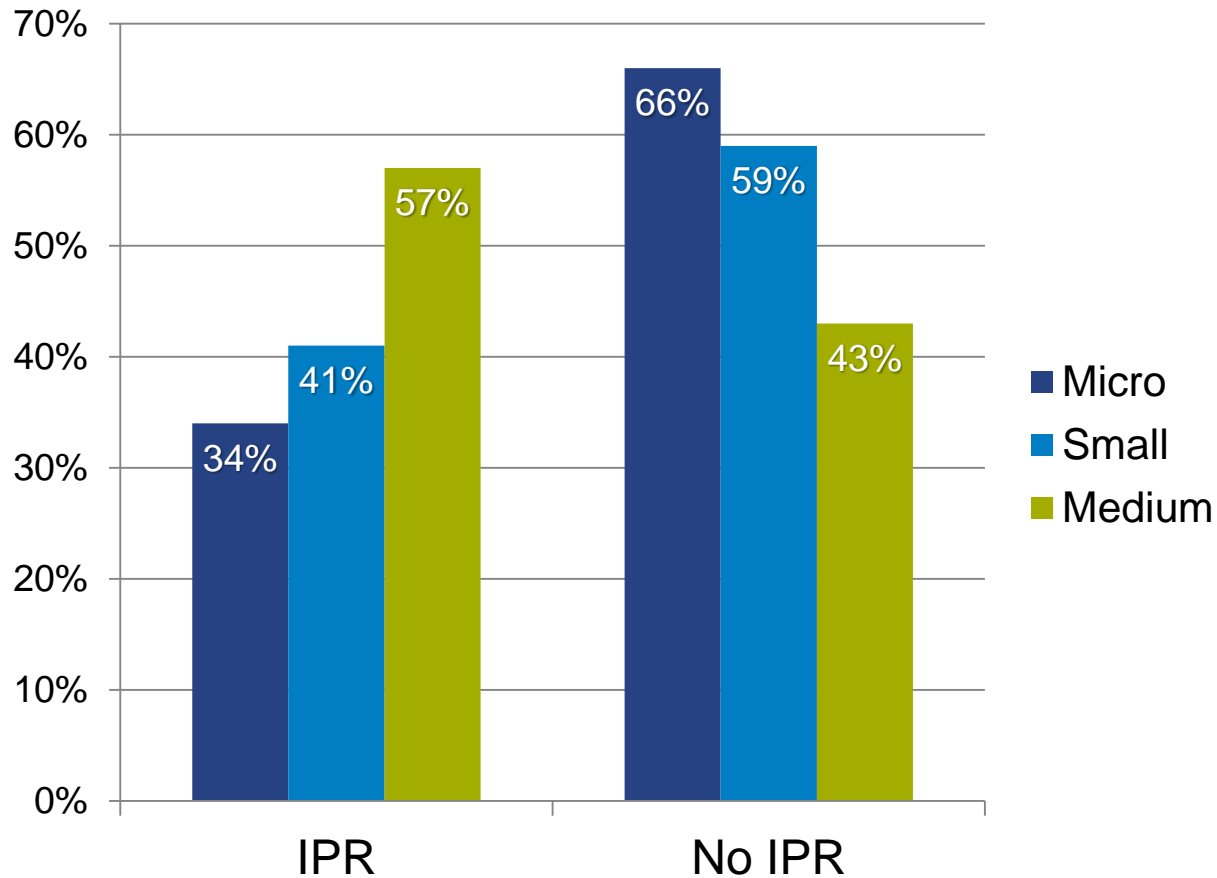
- Better understanding the **positioning of SMEs towards IPR**
- Use results to develop **appropriate awareness approaches/messages and materials** tailored to SMEs needs

Methodology

- **Telephone survey in EU28 countries** amongst SME companies
- **CATI** (Computer Assisted Telephone Interviewing) methodology
- **Stratified sample** design segmented on **IPR usage, company size & sector, Member State**
 - **Oversampling** of segments
- **Country samples** too low to indicate significant differences
- Achieved sample size: **8.970** respondents

Overview of sample characteristics

IPR usage & company size



Key findings

- The majority of small & medium enterprises (63%) believe that they are **innovative**.
 - **Level of innovation** does **not always match the perception**.
 - **Majority of SMEs** are **not very familiar with IPR**
- The main reasons **motivating SMEs to register** an IPR are **to prevent copying, gaining better legal certainty and increasing their value and image**.
- Majority of companies that have **registered an IPR (65%)** believe it had a **very positive or positive** impact on their business.
- **One third** of the SMEs report **having suffered from IPR infringement**.
 - The **larger** the SME, the **higher proportion** of infringement.
 - Micro sized companies report feeling **the negative impact** of infringement **more intensely**

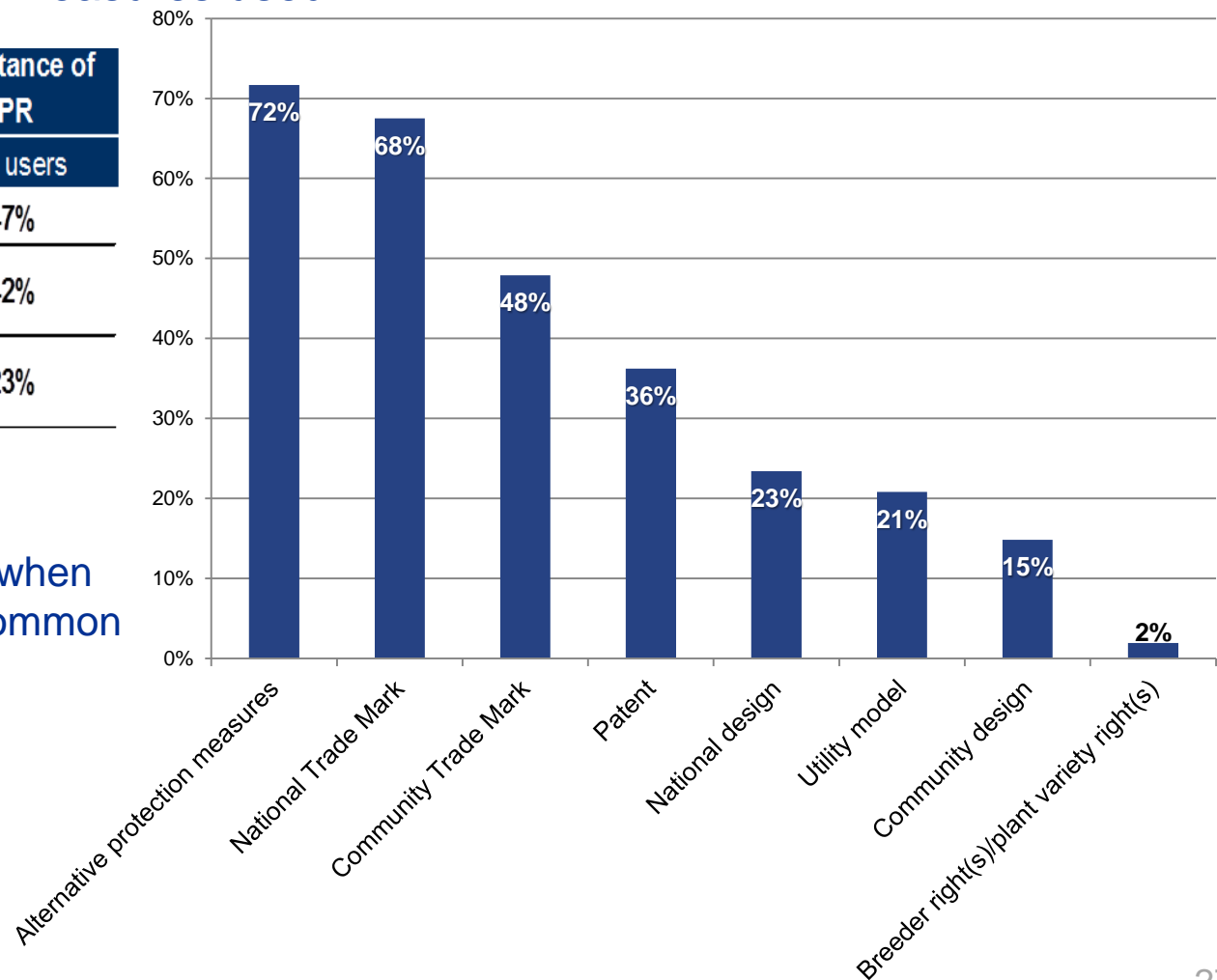
Usage of IPR

Types of IP protection measures used

Alternative Measures	Importance of IPR
	IPR users
Internet domain names	47%
Confidentiality (Trade Secrets)	42%
Leveraging complementary assets	23%

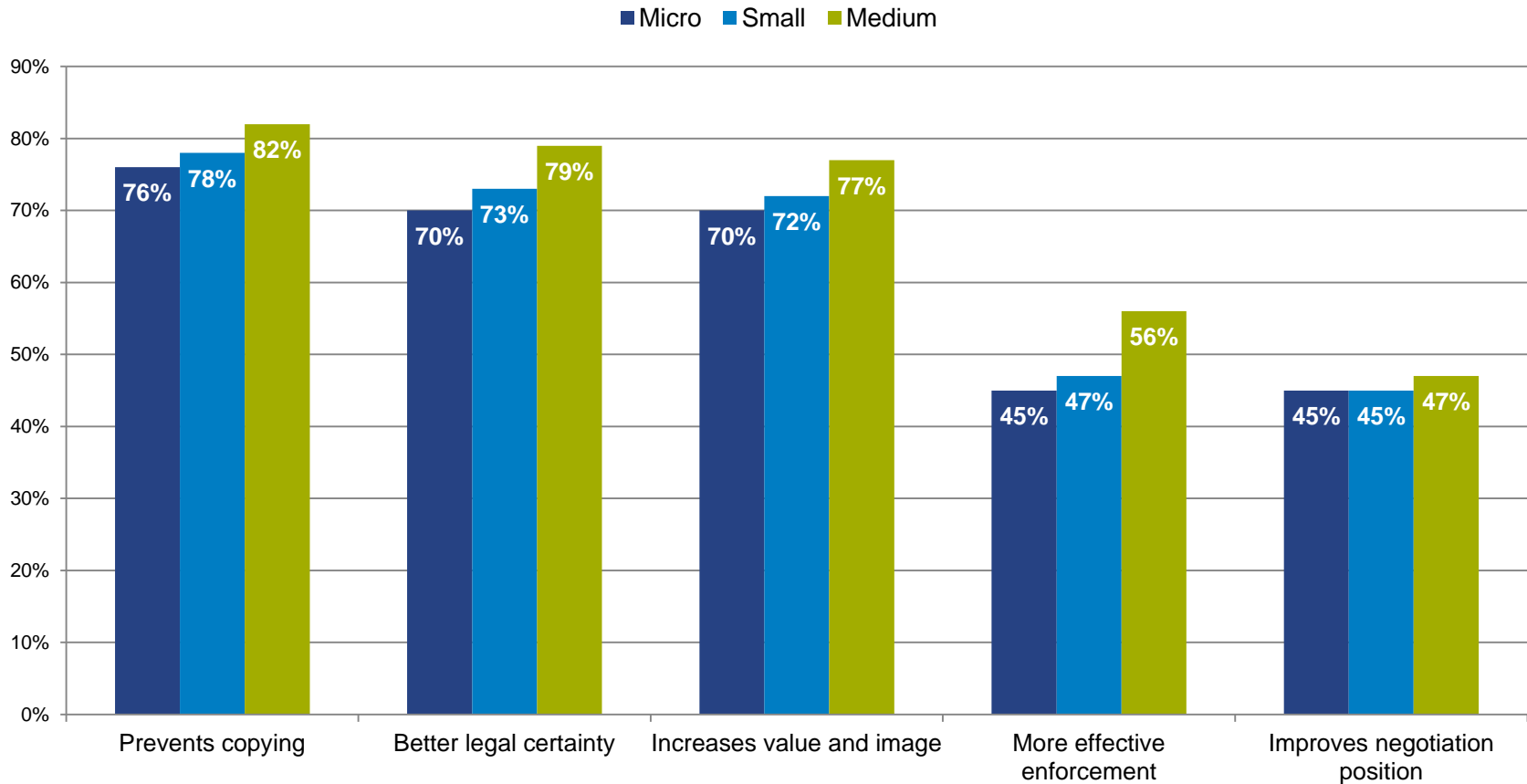
More than half (55%) experienced difficulties when registering IPR. Most common difficulties:

- Cost and length of procedure

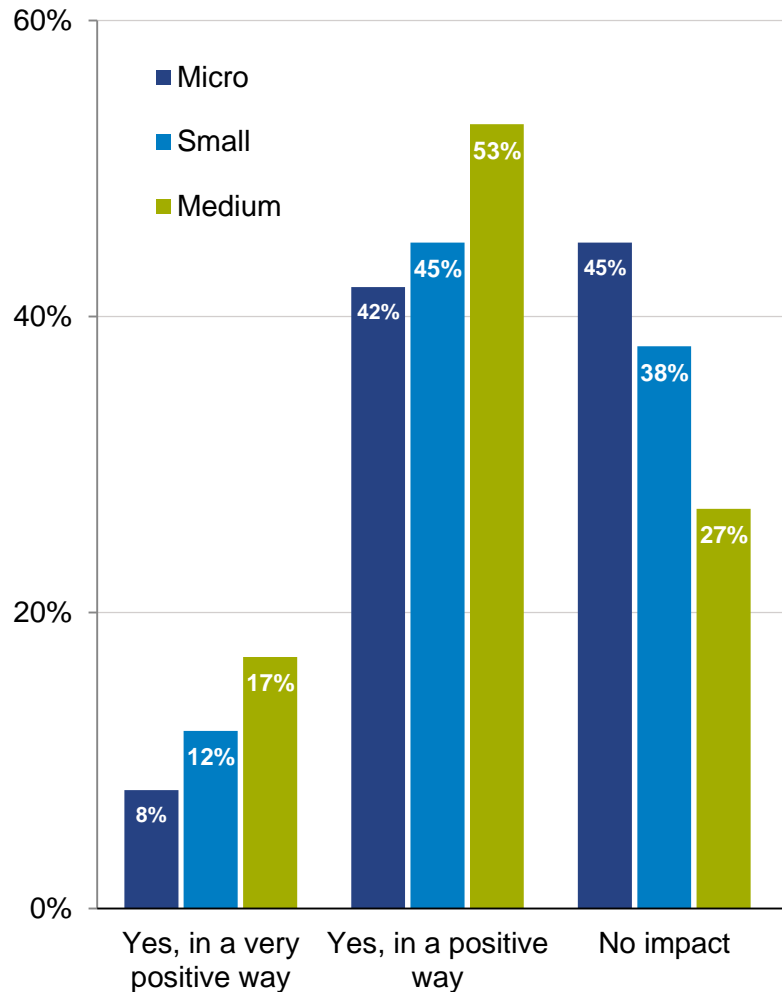


Usage of IPR

Reasons for registering an IPR – Top 5 reasons



Impact of registering intellectual property



Top 3 positive impacts

- 1) Increased reputation or image of reliability (78%)
- 2) Strengthening of long-term business prospects (58%)
- 3) Increased turnover (57%)



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EU IPO

Thank you

[IP rights intensive industries & economic performance in the EU](#) (Industry-level analysis report, October 2016)

[IP rights and firm performance in Europe: an economic analysis](#) (Firm-level analysis report, June 2015)

[IP SME Scoreboard](#) (June 2016)