

The economic benefits of the Unitary Patent for Romania

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Economic benefits of patents

- **Patents generate important economic benefits**
 - Incentives to innovate
 - Information (through disclosure)
 - Broader and more efficient exploitation of inventions: investment, trade, licensing
- **Patents are costly IP rights**
 - Cost of application, renewal, disclosure
- **Patents are territorial rights**
 - Benefits are bounded by territorial limitations

Why the Unitary Patent?

- **The European Patent System (1973), a step forward**
 - Centralised, high quality examination of European patents
- **But:**
 - High cumulative cost of translations, validations and renewal
 - Incomplete validations = lost opportunities!
 - Cost and uncertainty of parallel litigation
- **The Unitary Patent: bridging the gap**
 - No more validation and translation costs
 - Unitary effect, with unique scale of renewal fees (Top 4)
 - Centralised litigation at the UPC, with highly qualified judges

Patent-intensive industries in the EU

Economic indicator	Contribution of patent-intensive industries	
	%	Value
EU employment	16.1%	22,4 million
- <i>direct</i>	10.3%	
- <i>indirect</i>	5.8%	
EU GDP	13.9%	1.7 trillion Euro
EU wage premium	+ 64%	831 Euro/week
EU trade		
- % total EU imports	68.6%	1.05 trillion Euro
- % total EU exports	70.6%	0.96 trillion Euro

The Unitary Patent in the single European market

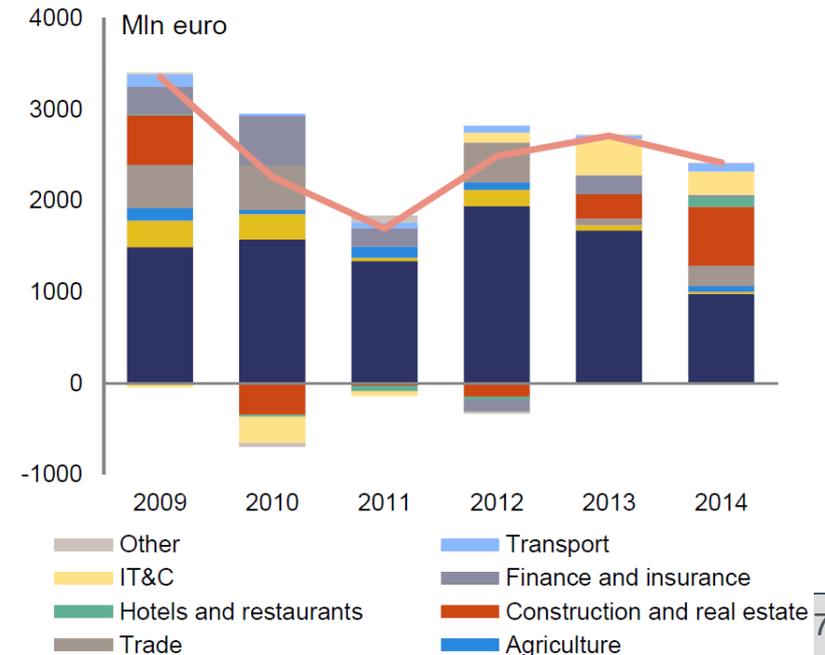
- **Lower cost, more effective patent protection in traditional EU export markets**
 - e.g. Germany and Italy for Romania
- **More business opportunities within the single market**
 - Export and import of patent-intensive products
 - Foreign direct investment in patent-intensive industries
 - R&D collaboration
 - Licensing
- **Stronger incentives for innovation**
- **Better access to IP services and finance at the European scale**

The Unitary Patent and innovation in Romania

- **Romania labelled a “modest innovator” EU country, but with significant comparative advantages**
 - High rate of scientific education (secondary and doctoral degrees)
 - Good integration in the EU research framework (funding and partnerships)
- **The UP can usefully complement the National Strategy for Research and Innovation:**
 - Support to R&D in the private sector
 - Enhanced integration in EU research area
 - Local employment of Romanian scientists
 - Smart specialisation

Impact on trade and foreign direct investment (FDI)

- EU single market is key to Romanian industry**
 - EU accounted for 70.4% of Romanian exports in 2013 (24.3% of GDP)
 - Inward FDI stock: 45% of GDP and mainly in the industry
 - Foreign companies account for 50% of jobs in patent-intensive industries
- The UP will support the development of patent-intensive industries**
 - Patent protection is a key factor of technology transfers through trade and FDI
 - Technology transfers induce economic growth and jobs through enhanced quality and productivity
 - Benefits large foreign companies, but also their local suppliers and distributors



Patents and trade of technology goods in the EU

Share of trade & share of patent grants
in patent-intensive (PI) sectors



Conclusion: why sooner is better

- **Main benefits of the Unitary Patent**
 - Unitary protection, lower cost, less uncertainty
 - More business opportunities in the EU single market
 - Support to innovation in the private sector
 - Technology transfers and capacity building through trade and FDI in patent-intensive industries
- **Insider countries will benefit more**
 - No extra cost, complexity and uncertainty of domestic protection
 - Cost advantage to exploit inventions in Europe
 - Domestic patent services with better UP expertise
 - Competitive advantage to attract foreign technology and investments



Thank you for your attention