

# Impact of patents and innovation on economic development and growth

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## **Economic role of patents**

## Support investment in innovation

by conferring inventors with exclusive right to commercially exploit their inventions



Promote the diffusion of knowledge

by making the detailed description of the invention available to everyone

### Valid for max. 20 years

18 months after filing

### Importance of IPR-intensive industries for EU economy

#### Contribution to EU employment



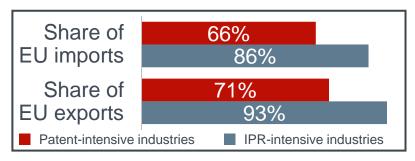
#### Share of EU GDP



#### Wage premium

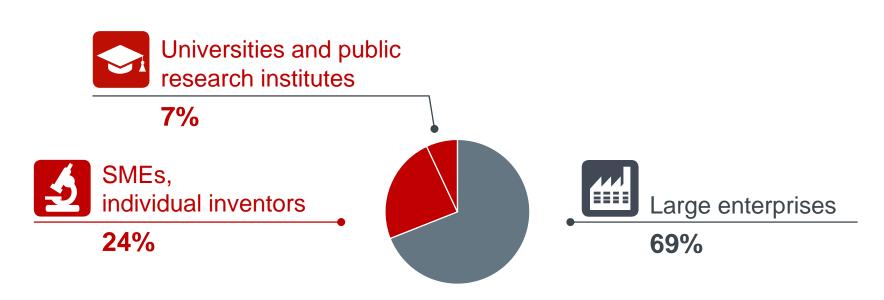


#### Contribution to EU external trade



Source: IPR-intensive industries and economic performance in the European Union – Joint Report 2016 from the EPO and EUPIO – Data 2011-2013. Note: IPR: IP rights: trade marks, patents, designs, copyrights, geographical indications and plant variety rights.

## SMEs and universities are important actors for innovation in Europe



The evaluation is based on a representative sample of patent applications treated by the EPO in 2017.

It refers to the European Commission definition of SMEs (2003/361/EC). Data available in government and commercial databases as well as on company internet sites are analysed to allocate the applicant to one of the four categories. Depending on the company policy, the cross-ownership criteria can be difficult to evaluate. To ensure that the results remain statistically significant, no analysis per country or industrial sector is provided.

**The European Patent System** 

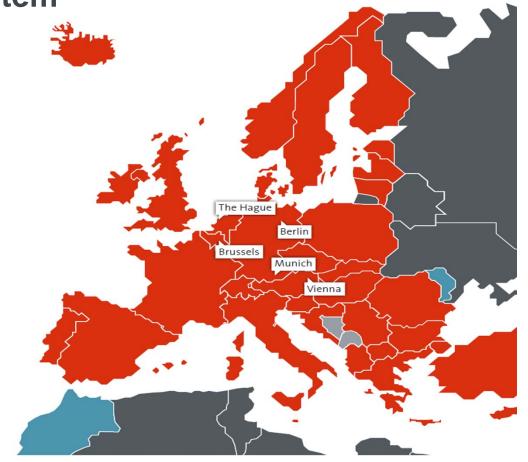
38 European member states

**Including all EU member states** 

About 700 million inhabitants 19% of the world's GDP

2 European extension states

4 Validation states



#### **IPR-intensive industries in Romania**

#### Direct contribution to employment



#### Share of GDP



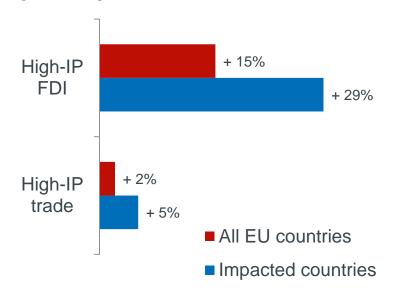
- Romanian IPR-intensive industries generate high value added per employee
- 36,7% of jobs in these industries are created by foreign companies
- Leading role of the car industry, and emerging ecosystem in the IT sector

Source: IPR-intensive industries and economic performance in the European Union – Joint Report 2016 from the EPO and EUPIO – Data 2011-2013. Note: IPR: IP rights: trade marks, patents, designs, copyrights, geographical indications and plant variety rights.

## The Unitary Patent and the EU market for technology

- Under the current system, complexity may still hinder cross-border flows of goods and investment.
- Further harmonization of patent protection would foster trade and FDI in technologyintensive industries.

#### Impact of patent harmonization in the EU



Source: Patents, trade and foreign direct investment in the European Union Report 2017 from the EPO.



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## Thank you for your attention!

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