

Industrial property rights and economic development

Ankara, July 2, 2004

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2003 European Innovation Scoreboard

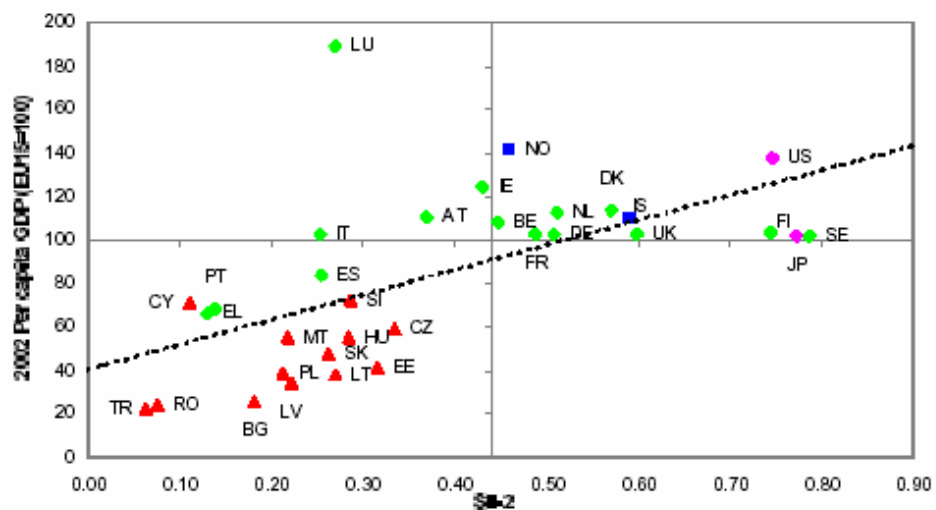
Summary innovation index:

Defined on the basis of 28 indicators monitoring the innovation capacity and trend of a State. Among those are the following:

- EPO high-tech patent applications per mil. pop.
- USPTO high-tech patent applications per mil. pop.
- EPO patent applications per mil. pop.
- USPTO patents granted per mil. pop.



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Summary innovation index vs. GDP per capita



How does the protection of patent rights promote economic development?

- ✚ Guarantees a return on R&D investment
- ✚ Provides firms with flexibility in their strategies
- ✚ Facilitates technology transfer
- ✚ Contributes to the diffusion of information
- ✚ Encourages exploitation of publicly funded research



How does the protection of patent rights promote economic development?

+ Guarantees a return on R&D investment

- ◆ Granting monopoly rights offers an incentive to invest in innovation.
- ◆ In particular when the required investment is large and the invention is simple to copy (for example in the case of biotechnology, pharmaceuticals, telecommunications).
- ◆ May granting of monopoly rights be a reason to use available resources for producing existing products rather than for innovating?
- ◆ Monopoly is granted for a limited period.
- ◆ In a competitive environment there is a need for continuous innovation.



How does the protection of patent rights promote economic development?

- ✚ Provides firms with flexibility in their strategies
 - ◆ Enterprises may use their patent portfolios in business transactions in various ways, such as
 - * Granting licenses
 - * Cross- licensing
 - * Joint ventures
 - * Attract venture capital

Revenues from licensing raised from \$15 bil. In 1990 to \$110 bil. in 2000 (www.wipo.org).



How does the protection of patent rights promote economic development?

✚ Contributes to the diffusion of information

- ◆ Patent disclosures guarantee the diffusion of technologies.
- ◆ A large proportion of existing technological knowledge is contained in patent databases
- ◆ Patent databases are structured and easily accessible

However, approximately 34% of large European companies and 15% of European SME's consider patent databases as an important source of information.

Patents - the Viagra of innovation policy? - prepared as part of the project "Innovation Policy in a Knowledge-Based Economy" commissioned by the European Commission



How does the protection of patent rights promote economic development?

Facilitates technology transfer

- ◆ The patentee may transfer his/her exclusive rights or grant licenses – exclusive or not.
- ◆ The patent provides legal certainty to parties involved in TT contract, with respect to the protected invention.
- ◆ Patent databases are sources of information for technology seekers



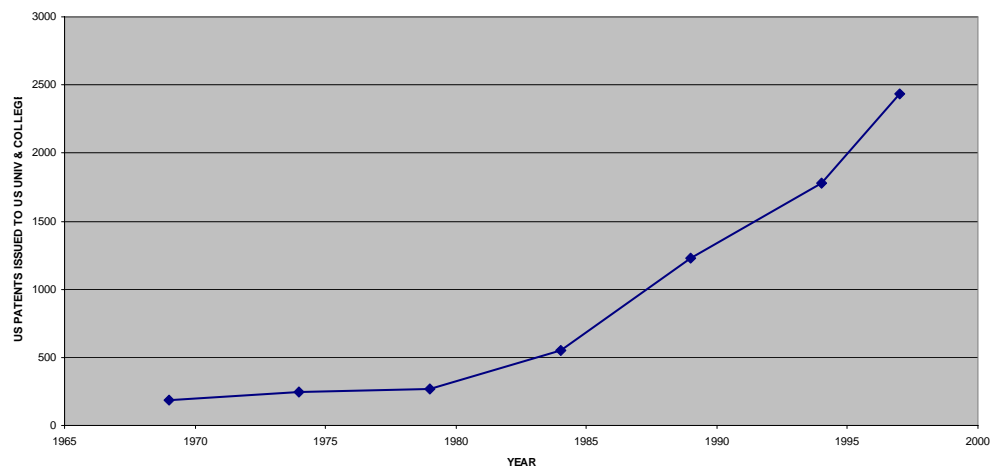
How does the protection of patent rights promote economic development?

- ✚ Encourages exploitation of publicly funded research
 - ◆ Universities and public research organizations have an incentive to exploit their inventions and to obtain closer links with industry.
 - ◆ Does the exploitation of inventions by Universities make them deviate from their traditional activities in education and scientific research?



Exploitation of publicly funded research performed in HEI's and PRO's

Bayh – Dole Act 1980

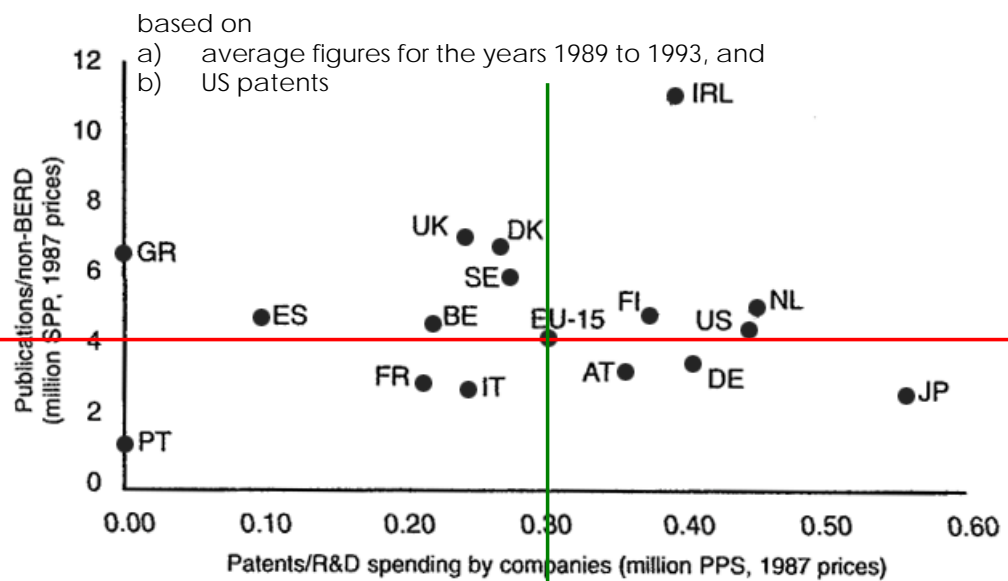


According to AUTM TT in FY 1999
contributed \$40bil to US economy and
supported 260.000 jobs



Exploitation of publicly funded research performed in HEI's and PRO's

Caracostas & Muldur, 1997: "Society The endless frontier"
The European Paradox





Exploitation of publicly funded research performed in HEI's and PRO's

Industrial Liaison Offices in Greek HEI's and RRO's

Mission of the offices: the exploitation of research results and the strengthening of ties with the industry.

Establishment of Liaison Offices to HEI's and PRO's (financial support of 100,000€/year for 3 years).

The Liaison offices were responsible for filing patent applications and for offering support to the applicants/patentees in TT negotiations.



Exploitation of publicly funded research performed in HEI's and PRO's

Industrial Liaison Offices in Greek HEI's and RRO's

There is a rise in patent applications and in particular in those filed by research centers.

It is not easy to find appropriately skilled people in order to hire them in the Liaison Offices.

There is a need for commitment of the University Administration to the exploitation of the research results.



Exploitation of publicly funded research performed in HEI's and PRO's

Creation of spin-off companies

The framework project aims to support academics and researchers in co-operation with their Institutions to establish spin-off companies for the exploitation of inventions conceived in HEI's or PRO's.

Two phase support from the European Fund for Regional Development and national funds.



Exploitation of publicly funded research performed in HEI's and PRO's

Creation of spin-off companies

First Phase

- ✚ Accomplishment of preparatory work for the establishment of the company and the attraction of venture capital.
- ✚ Ownership of Intellectual Property Rights must be clarified.
- ✚ Financial support of approximately 44.000€ for 6 months.



Exploitation of publicly funded research performed in HEI's and PRO's

Creation of spin-off companies

Second Phase

- Financial support to spin-off companies.
- The amount of the support may rise up to 1.000.000€ for a 3 year period provided that it does not exceed 50% of the eligible costs in total.



Exploitation of publicly funded research performed in HEI's and PRO's

Creation of spin-off companies

First Phase	189 projects - 7,7 M€
Second phase	8 spin-off – 6,7 M€ until now



Exploitation of publicly funded research performed in HEI's and PRO's

The role of the National Patent Office

- ✚ Carry out prior-art searches.
- ✚ Train post graduate students, researchers and academics to use patent data-bases.
- ✚ Present to the post-graduates, researchers and academics with the system of protection of patent rights.
- ✚ Promote awareness of Universities for IPR protection.

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