



European Patent Office

Patents in the Knowledge Economy : A European Perspective

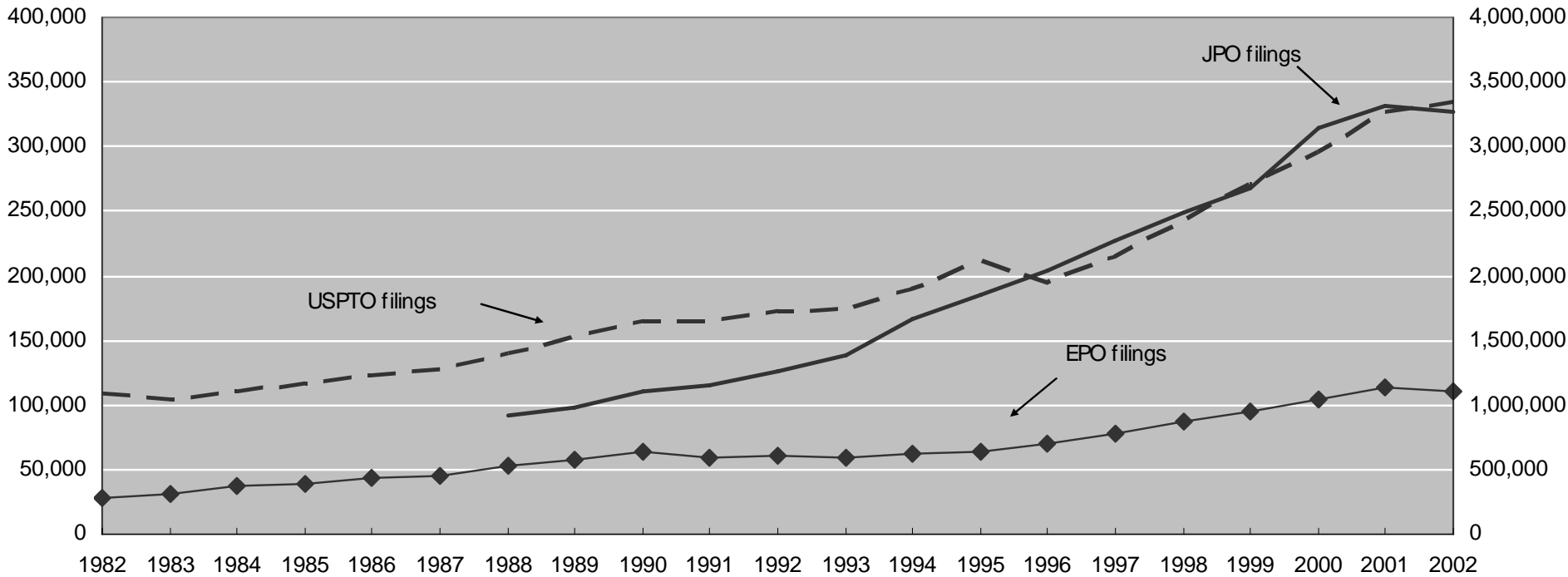
*Dominique Guellec
Chief economist - EPO*

World Bank Conference - Paris June 20, 2005

A global surge in patent numbers

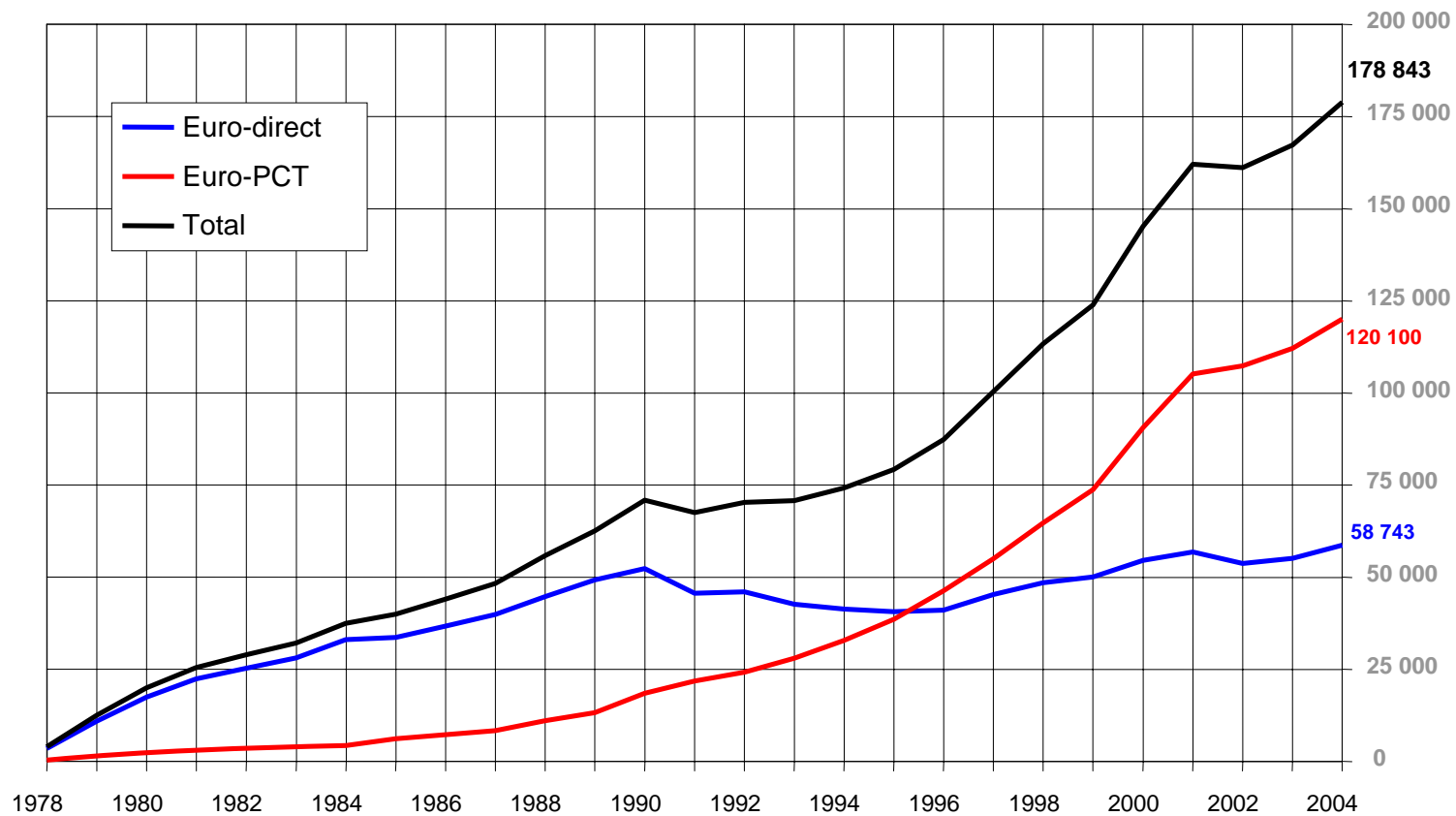
EPO and USPTO filings: Total number of applications

JPO filings: Total number of claims



A surge in patent numbers

Applications to EPO (2004: Provisional)



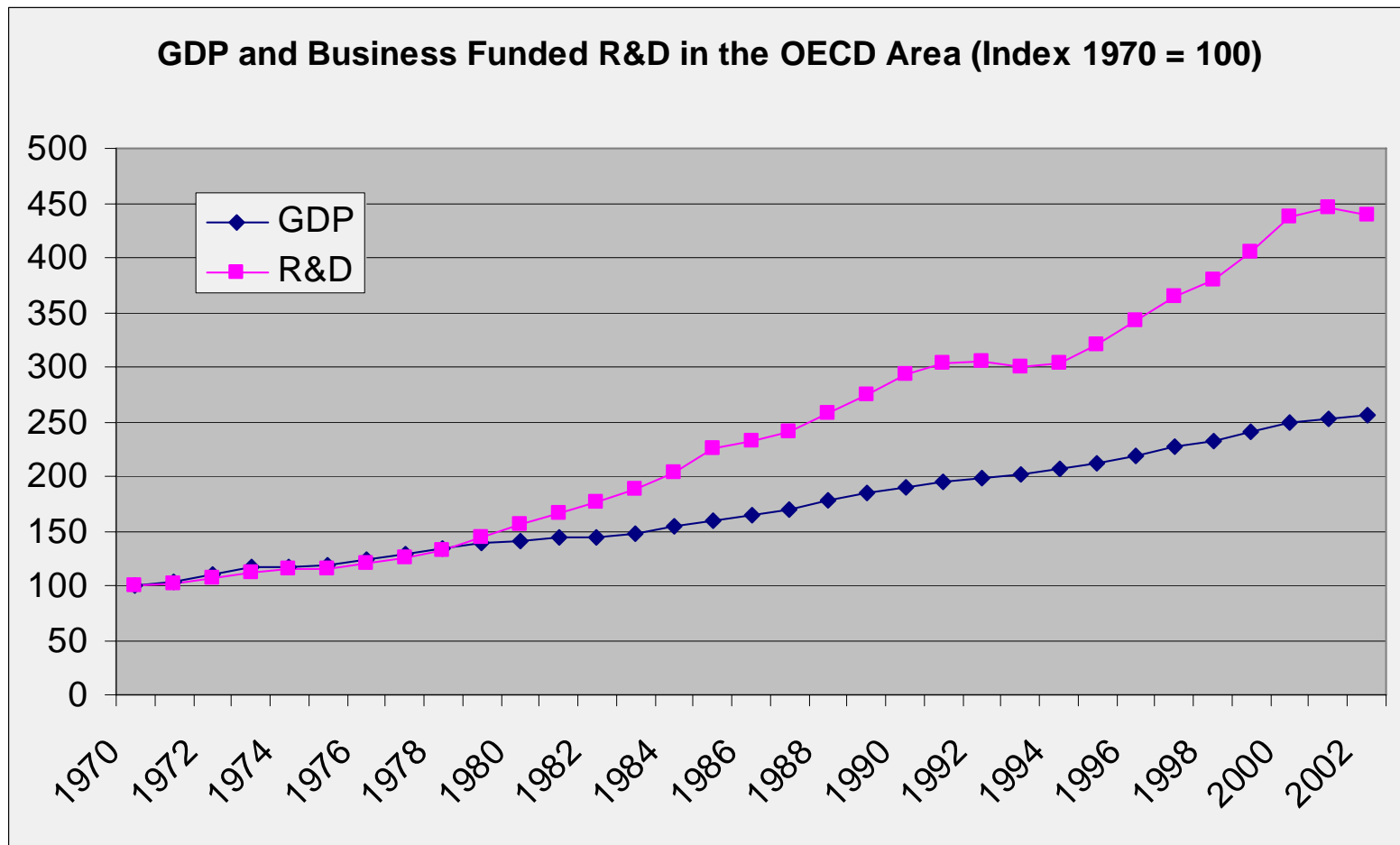
The surge in patent numbers

- Patent filings have doubled in OECD over the past decade.
- In addition, extremely high value of certain patents: significant impact of patent cases on the stock market value of companies => Rambus / Infineon, 100 million USD drop overnight

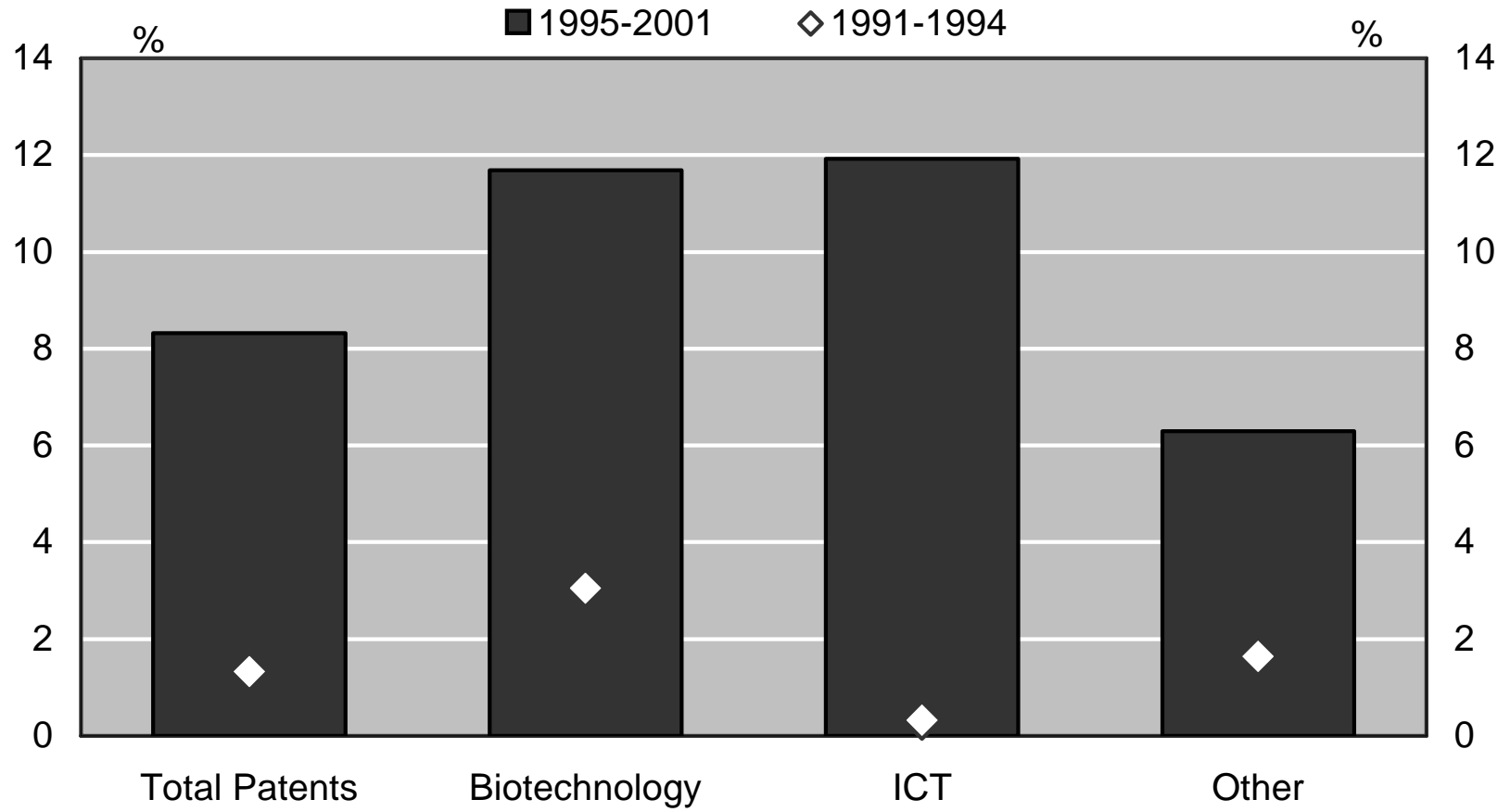
Why this surge in patent numbers?

- Increased innovation - emergence of new technology areas (software, biotech);
=> More inventions to protect
- Strengthened economic role of patents
=> More need to protect inventions

The surge in innovation



Average annual growth rates of EPO applications – New technology fields



Changes in innovation systems enhance the role of patents

- Innovation is less centred on the isolated firm: More co-operation in R&D between firms, subcontracting etc.
- > Patents are a cement to a more densely connected economy

- Increased importance of start-ups, with no other asset than their technology.
- > Patents protect newcomers.

- Markets are more competitive.

New roles for patents

- Markets for technology -> licences, cross-licenses, bargaining chips
- Assets for raising capital
 - > Collateral
 - > Signal of quality
 - > Securitisation

The patent system has evolved

- Becoming more harmonised world-wide (TRIPs)
- Expanded subject matter (genetic material, computer implemented inventions)
- Stricter enforcement
- More flexible procedures

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The system has become more friendly to patentees

Adapting the patent system to a broader range of missions

“The mission of the EPO - the patent granting authority for Europe - is to support innovation, competitiveness and economic growth for the benefit of the citizens of Europe.”

(EPO Mission statement)

=> Need bodies such as the World Bank or the OECD to take interest in the matter so as to make it better fitted to its broader role.