Table Ronde Franco-Allemande sur les Actifs Immatériels

EU financial market for IPR

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Project: „Creating a financial market for IPR“

EC project(2011) – focused on patents

What do we know about patents that are traded in Europe and worldwide?

How should Europe respond to the current IP market developments?

IPR market framework

Equity-based vehicles
Debt-based vehicles

- Investor in secondary market
- Investor in primary market
- Debt-based vehicle (e.g., IPR securitisation product)
- Patent seller / licensor
- Patent buyer / licensee
- IPR asset intermediary

IPR Financial Market

IPR Asset Market

IPR Market

Special purpose vehicle (SPV)

One (or more) originating companies

Cash flow generated granted to

Fixed payment

Patent packed securities

Return paid to

Investors
Public-private vehicle structure
Commoditisation vehicle structure
General Recommendation

To reduce the flow of innovations out from the EU, to reduce fragmentation of the IPR Market, and to increase liquidity and transparency on the IPR Market, the EC should create a **single IPR Asset Market** in Europe.
Recommendations for IPR Asset Market (1/2)

To increase the confidence of actors regarding the IPR Asset Market, the EC should ensure a common, high patent quality and its enforceability across Europe.

To increase SMEs’ participation in the IPR Asset Market, the EC should foster the IPR awareness and literacy of European SME and research institutions.

To facilitate IP transactions and increase actors’ certainty regarding patent valuation methods, the EC should foster the dissemination of information on existing patent valuation methods among the actors.
To facilitate IP transactions on the IPR Asset Market, the EC should promote licensing as a preferred mode of IP transactions on the IPR Asset Market.

To facilitate IP circulation in the IPR Asset Market, the EC should continue to foster the professional level of technology transfer structures in the EU.

To support the expansion of European companies to non-EU IPR Markets, the EC should foster the global harmonisation of IPR systems and foster efficient IPR enforcement outside the EU.
The **IP Industry Base** from Fraunhofer MOEZ aims to provide comprehensive and up-to-date profiles of IP practitioners worldwide. The IPIB introduces a classification of IP services.
Recommendations for IPR Financial Market

The EC should **not** establish or support the IPR Financial Market before the underlying IPR Asset Market in Europe has not been substantially improved and the rules of this underlying market are clear to the actors.

To globally observe and analyse new attempts to trade IPR, the EC should launch a **network of excellence** comprising of:

- Financial community experienced in IPR trading
- IPR service providers
- Patent offices
- SMEs and large companies within different industries
- Research institutions representing different research fields and
- Researchers focussing on IPR, innovation and financial markets.
Summary
Your take home message

1. Establishing a single European IPR asset market is mandatory. Various capacity building instruments has to be combined with a supporting IPR infrastructure.

2. A single European IPR Financial market should be fostered not before a well functioning asset market is established.

3. A European network of excellence should work to propose policy actions regarding the establishment of a single IPR Financial Market.
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