

2022 INTELLECTUAL PROPERTY SME SCOREBOARD EXECUTIVE SUMMARY



Executive Summary

Europe's small and medium-sized enterprises (SMEs) are an essential part of the European Union's economy. Crucially, SMEs are indispensable for driving innovation in the EU, as they develop new solutions to the key challenges that confront the EU, such as resource efficiency and climate change. Moreover, SMEs help spread these innovations, and the solutions they offer, throughout the EU at local, regional and international level. For SMEs in the EU to keep playing this role in the best circumstances, it is vital that SMEs are supported in the protection of their innovations. Studies show a positive correlation between IPR ownership and economic performance, which is particularly strong for SMEs. This puts protection of intellectual property central to the EU's and the EUIPO's strategies to support SMEs.

In 2016 and 2019 the European Union Intellectual Property Office (EUIPO) through the European Observatory on Infringements of Intellectual Property Rights conducted the first two IP SME Scoreboard studies in order to better understand how and why SMEs do, or do not, use IPRs. In 2022, the third wave of the SME Scoreboard was conducted. Data was collected among 8 372 SMEs in all 27 EU Member States, including 4 278 owners of registered IPRs and 4 094 SMEs that do not own registered IPRs. Interviewing for the survey took place between March and May 2022. The 2022 study is based on a shortened revised version of the survey questionnaire from 2019. The revision process included a consultation with the members of the EUIPO's SME Expert Group.

The 2022 Intellectual Property SME Scoreboard provides valuable data that could serve the implementation of the European Commission's SME strategy for a sustainable and digital Europe⁽¹⁾ and IP action plan⁽²⁾. The Scoreboard data is also key to improving the EUIPO's initiatives aimed at supporting European SMEs, including those under the SME programme, launched in cooperation with the European Commission and the national and regional IP offices in response to the impact on SMEs of the COVID-19 pandemic. The Scoreboard data will be considered by the EUIPO when designing new initiatives in support of SMEs.

⁽¹⁾ European Commission. Communication on an SME Strategy for a sustainable and digital Europe, March 2020.

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2020%3A103%3AFIN>.

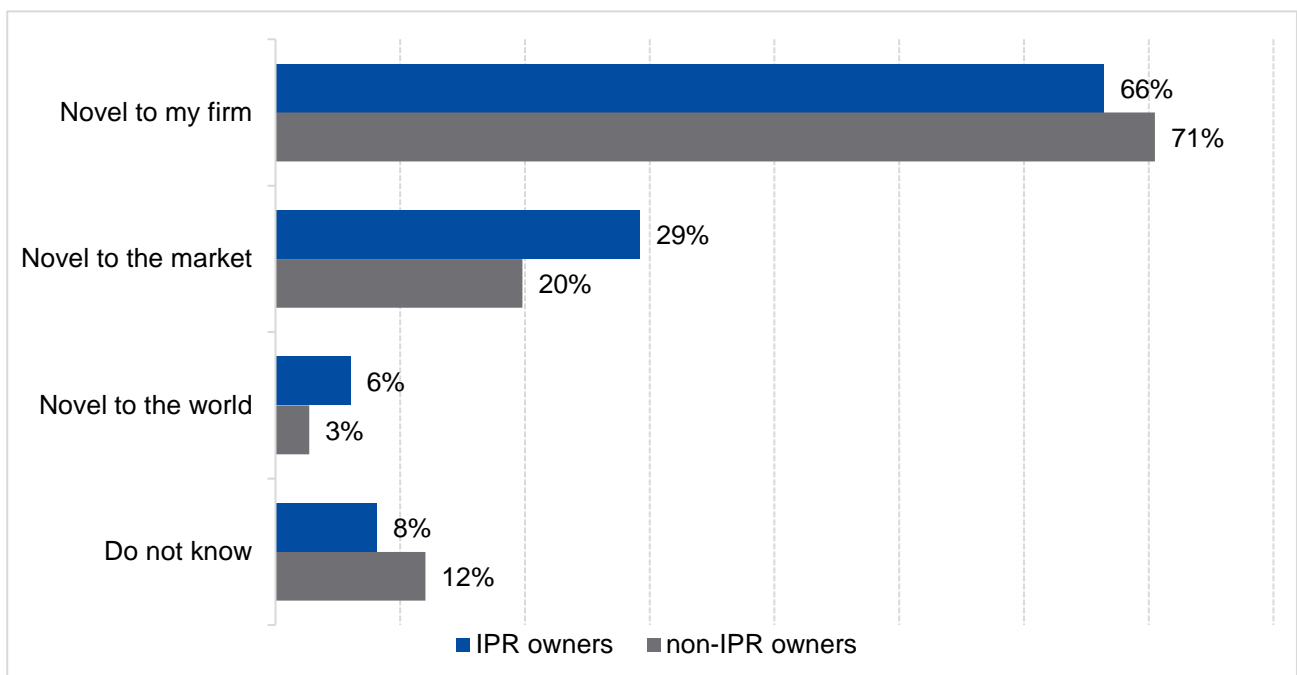
⁽²⁾ European Commission. Communication on an intellectual property action plan to support the EU's recovery and resilience, November 2020. <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52020DC0760>.

Innovation and business development

60 % of SMEs report that they have introduced an innovation in their company in the past 3 years. 70 % of those innovations were described as novel to the SME itself, while 21 % of innovations were novel to the market, and 3 % novel to the world. The introduction of innovations is more common among registered IPR owners (77 %) compared to non-owners (57 %).

Registered IPR owners that had introduced an innovation are more likely to report that their firm had been the first to implement an improvement **in their market** compared to non-IPR owners (29 % and 20 %, respectively), or **in the world** (6 % and 3 %, respectively). In contrast, registered IPR owners are less likely than non-IPR owners to report that the innovation had already been implemented by other firms, and is **novel only to their firm** (66 % and 71 %, respectively).

Figure 0.1 Novelty of innovations (by IPR ownership)



Base: SMEs that introduced any innovations (n IPR owners = 3 374, non-IPR owners = 2 402).

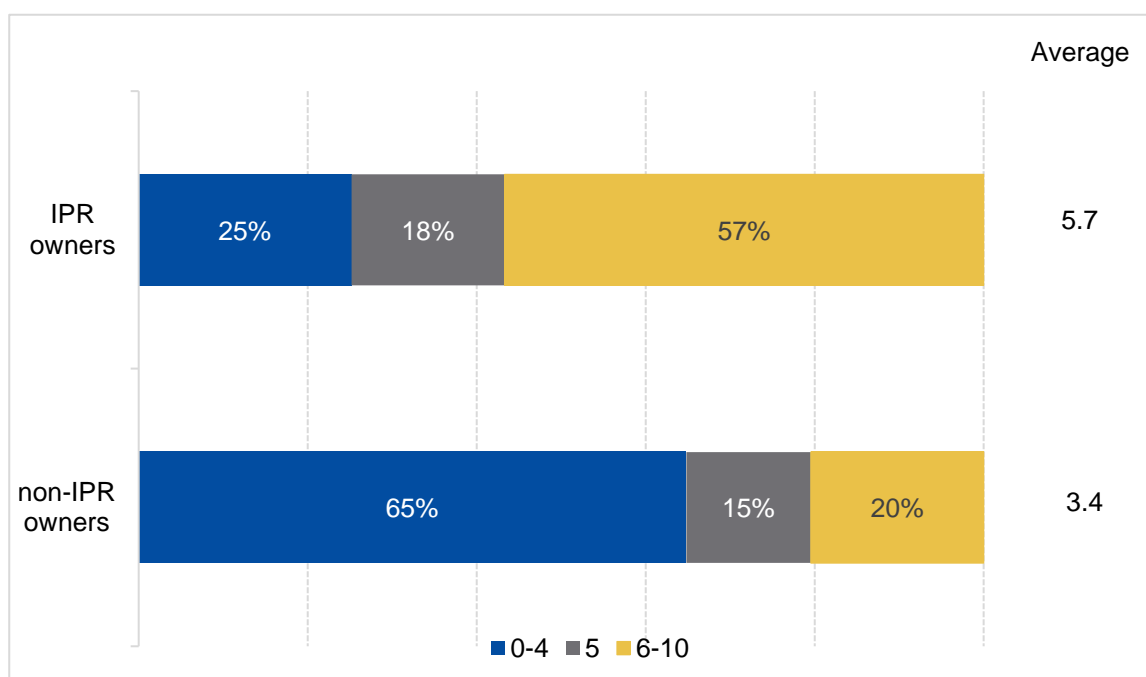
Question: Q3. To the best of your knowledge, how novel were the improvements you introduced?

The source that SMEs most commonly use to find information relevant for the development of their business is **business and trade facilitators** (used by 73% of SMEs), followed by public authorities or bodies (65 %) ⁽³⁾.

Use of IP protection measures

On a scale from 0 to 10, **75 % of IPR-owning SMEs rate their familiarity with IPRs as being five or higher** – compared to 35 % of SMEs that do not own IPRs.

Figure 0.2 Familiarity with intellectual property rights (by IPR ownership)



Base: All SMEs (n IPR owners = 4 278, n non-IPR owners=4 094).

Question: Q1. How familiar are you with Intellectual Property Rights (IPRs)? (0-10 scale)

10 % of SMEs report that they own registered IPRs. This is consistent with the data from the 2021 IPRs and firm performance in the EU Firm-level analysis report ⁽⁴⁾. A **national trade mark** is the most commonly owned registered IPR type, owned by 6 % of SMEs. This is followed by **EU trade marks**

⁽³⁾ Usage of a source of information includes all responses which imply the respondent used this source, even if they did not find it useful at all.

⁽⁴⁾ European Union Intellectual Property Office and European Patent Office. Firm-level analysis report on Intellectual property rights and firm performance in the European Union. February 2021. https://euipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/observatory/documents/reports/IPContributionStudy/IPR_firm_performance_in_EU/2021_IP_Rights_and_firm_performance_in_the_EU_en.pdf.

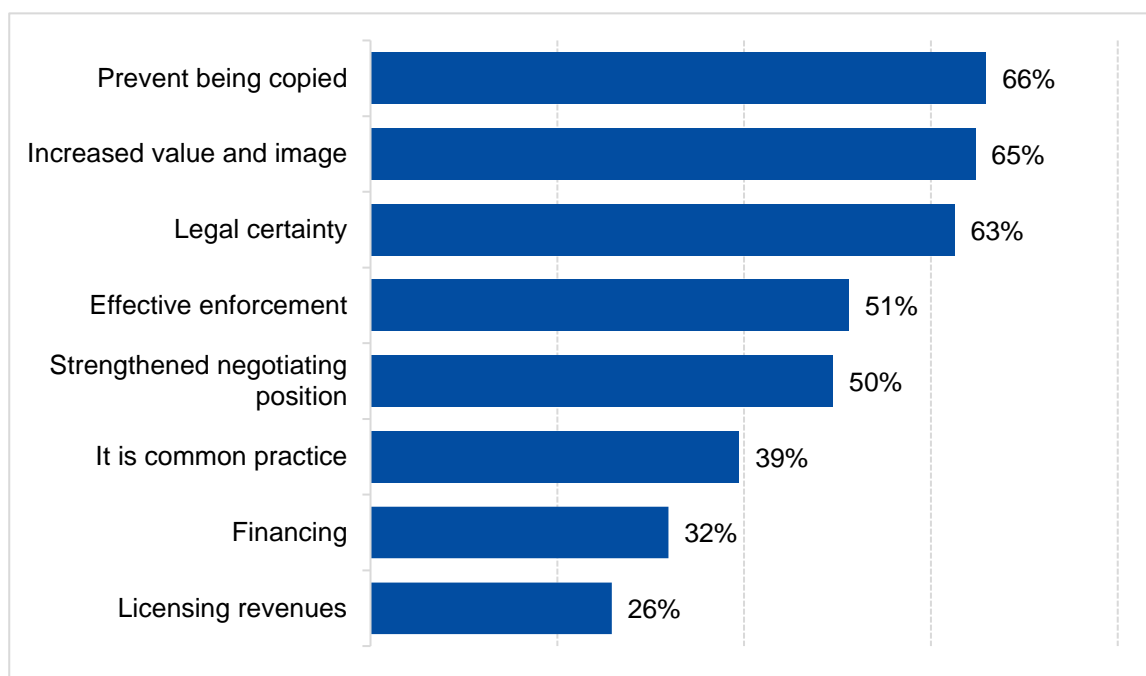
and **patents** (4 % for both). The most commonly used other (non-registered) IP protection measures are ‘other alternative measures’ (which includes domain names). 39 % of SMEs report owning these, which makes this group the most frequently owned IP protection measure of any kind. It is followed by **trade secrets** (19 %), **unregistered design rights** (16 %) and **database rights** (13 %).

45 % of SMEs that own registered IPRs tried to **achieve financial gain** by using their intellectual assets, either directly, through sale or licensing, or indirectly, through for instance using their registered IPR portfolio for business development. More than a third of SMEs (36 %) that own registered IPRs have **successfully** achieved financial gain by means of their registered IPRs, compared to 11 % that have tried this but were not successful.

IPR registration

The main **reasons for SMEs to register IPRs** are that they help prevent others from copying their solutions, products or services (66 %), followed by an increased value and image for their company (65 %), and a guarantee for better legal certainty (63 %). SMEs that have registered their IPRs have done so most frequently with the **national IP office of a single EU Member State** (47 % of SMEs with registered IPRs have done this), or with the **national IP offices of multiple Member States** (31 %). 15 % of SMEs with registered IPRs have registered their IPRs with the EUIPO.

Figure 0.3 Reasons to register IPRs (overall)



Base: SMEs that have registered IPR (n = 4278).

Question: Q8. Why did your company register IPRs?

Just over half (54 %) of SMEs that registered IPRs report that they faced difficulties when doing so. SMEs most frequently referred to **the cost of the registration**, which was perceived as high. This is consistent with the 2016 data, which also found around half of SMEs said they had encountered difficulties. Both **high IP office fees** as well as **high IP agent fees** are reported by 20 % of SMEs with registered IPRs as a difficulty they experienced. The third most mentioned difficulty was that the **registration took too long** (19 %).

93 % of SMEs that have registered IPRs saw a positive impact of that registration. Most commonly, SMEs with registered IPRs reported that registration improved the reputation or image of the company (mentioned by 60 %), that it provided them with a better IP protection (58 %), and that it gave better long-term business prospects (48 %).

Finally, looking at SMEs that did *not* register IPRs, the most frequently stated reason is that they did not see additional benefits from doing so: 35 % of SMEs gave this as a reason not to register IPRs. Other reasons were reported considerably less frequently: the three other most frequently mentioned reasons were that they thought that their intellectual asset was not innovative enough for IPR registration (20 %), that they had insufficient knowledge (19 %), or that the registration requirements were not met (19 %).

IPR infringement

Most SMEs (85 %) that owned registered IPRs have relied on specific measures to identify potential infringements of their IPRs. This is, however, not always done via dedicated monitoring of the market. They mostly rely on non-systematic input such as **customer feedback** (used by 41 % of SMEs with registered IPRs), or **incidental information** that reaches them (40 %). Systematic monitoring is less common: 26 % of those SMEs use outsourced IP infringement services, and 17 % have dedicated in-house staff for systematic monitoring.

15 % of owners of registered IPRs have experienced IPR infringements with the IPRs they own. IPR infringement occurred most commonly with trade marks: 14 % of SMEs with registered IPRs reported an infringement with this IPR type. Almost 9 out of 10 (89 %) of them have taken measures to enforce their IPRs, mostly via direct negotiations (43 %).

The most frequently mentioned impact of an IPR infringement is that it made the SME that experienced the infringement **become more aware of the need for IPR protection** (reported by 46 % of SMEs that experienced an infringement). The other most mentioned impacts were the **loss of turnover** (36 %) and damage to the company's reputation (31 %).

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