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## **Study highlights economic benefits of owning intellectual property rights – especially for small businesses**

- **Joint EUIPO-EPO report shows that European firms which own IPRs have on average 20 % higher revenue per employee than firms that do not**
- **IPR-owning firms also pay high wages to their employees (19 % higher than firms that do not own IPR)**
- **While almost six out of ten large companies in Europe own IPRs, only 9 % of the region's SMEs hold a patent, registered design or trade mark**

**Alicante/Munich, 8 February 2021** – A new study released today by the European Union Intellectual Property Office (EUIPO) and the European Patent Office (EPO) shows that companies which own at least one patent, registered design or trade mark generate on average 20 % higher revenues per employee than companies which do not own any of those intellectual property rights (IPRs). Moreover, these IPR-owning companies were found to be paying 19 % higher wages on average than other companies.

The study, entitled *Intellectual property rights and firm performance in the EU*, confirms the strong, positive relationship between a company's ownership of different types of IPRs and its economic performance. In terms of individual IPRs, patent ownership, with 36 % higher revenue per employee and 53 % higher wages, shows the strongest link with a company's performance when compared with businesses that do not own any IPRs, followed by the ownership of registered designs (at 32 % higher revenue and 30 % higher wages) and trade marks (21 % higher revenue and 17 % higher wages).

The Executive Director of the EUIPO, **Christian Archambeau**, said:

“This study, a result of the co-operation between the EUIPO and the EPO, is yet another piece of evidence linking IP rights to economic performance. This is especially true for SMEs which form the basis of Europe's economy. In a critical context for the majority of European businesses, these results underline the importance of making it easier for small companies to protect their innovations and creativity with IP rights, one of the major goals of our Strategic Plan 2025.”

The President of the European Patent Office, **António Campinos**, said:

“The stronger your IPR portfolio, the better your business performs. And IPR-owning businesses don’t just generate more revenue, their employees earn more, too. These are important signals for our economy and society. The study further demonstrates that there is significant untapped potential for SMEs in Europe, as it shows that they stand to benefit the most from owning intellectual property. Added to this, businesses which make intensive use of IPRs helped pull us through the 2008 financial crisis, so I strongly believe innovation will help drive Europe's recovery from the impact of COVID-19.”

The new study provides a further indication of the importance of IPRs to the European economy. A joint EUIPO-EPO study of IPR-intensive industries, published in 2019, showed that such sectors generate a significant and increasing proportion of economic activity and employment in Europe. A previous study by the EPO and EUIPO, also published in 2019, found that SMEs which had patents, registered designs or trade marks were more likely than other firms to achieve high growth in turnover in subsequent years. Taken together, these studies offer compelling evidence of the positive relationship between IPRs and economic performance, both on the macroeconomic level and on the level of individual companies.

The study also isolated the effect of IPR ownership from other factors such as the size of a firm or the countries and sectors in which it operates. The results confirm the positive link between IPR ownership with economic performance, with revenue per employee 55 % higher for IPR owners than for non-owners. Furthermore, the analysis shows that this relationship is even more pronounced for SMEs – those that own IPRs have a 68 % higher revenue per employee than those that do not own IPRs at all. For large companies, this revenue premium is 18 %. Given that the study also identified that less than 9 % of SMEs in Europe own any of the three types of IPR, compared with almost six out of 10 large companies, it highlights the significant potential among smaller firms of further exploiting IPRs.

Moreover, SMEs that combine different IPRs enjoy even higher revenue per employee. Those small businesses that own both patents and trade marks generate 75 % more earnings, while those that have registered designs and trade marks have an estimated revenue premium of 84 %. SMEs that own a combination of patents, trade marks and registered designs generate almost double (98 %) the revenue per employee compared with companies that do not own any of the three IP rights.

Overall, the report further demonstrates that IPR-owning firms are more strongly represented in the sectors of information and communication (with 18 % of companies in that sector owning IPRs), manufacturing (14 %) and other service activities (14 %), as well as scientific and technical activities (13 %).

## FURTHER INFORMATION

Read the full EPO and EUIPO report on **[Intellectual property rights and firm performance in the EU](#)**.

## NOTE TO EDITORS

The report is part of a series of economic studies demonstrating the contribution of intellectual property rights (IPRs) to the EU economy, on the level of industries as well as individual companies.

The report is based on a statistical analysis of a sample of more than 127 000 companies from all 27 Member States of the EU and the United Kingdom, covering the period 2007-2019. It is a follow-up of a similar report published by EUIPO in 2015, which used data for only 12 Member States. The methodology has also been improved by a team of economists from the EUIPO and EPO. It covers patents, registered designs and trade marks, and any combination of the three. It also covers both European and national IPRs.

The findings of the study are consistent with earlier studies on the contribution of IPR-intensive industries to the EU economy (EPO/EUIPO, September 2019) and on the relationship between a company's IPR activity and the likelihood of achieving high growth in subsequent years (EPO/EUIPO, 2019).

## ABOUT THE EUIPO

The [European Union Intellectual Property Office](#) (EUIPO) is a decentralised agency of the EU, based in Alicante, Spain. It manages the registration of the European Union trade mark (EUTM) and the registered Community design (RCD), both of which provide intellectual property protection in all EU Member States. The EUIPO also carries out cooperation activities with the national and regional intellectual property offices of the EU.

The [European Observatory on Infringements of Intellectual Property Rights](#) was established in 2009 to support the protection and enforcement of intellectual property rights and to help combat the growing threat of intellectual property infringement in Europe. It was transferred to the EUIPO on 5 June 2012 by Regulation (EU) No 386/2012 of the European Parliament and of the Council.

## ABOUT THE EPO

With 6 600 staff, the European Patent Office (EPO) is one of the largest public service institutions in Europe. Headquartered in Munich with offices in Berlin, Brussels, The Hague and Vienna, the EPO was founded with the aim of strengthening co-operation on patents in Europe. Through the EPO's centralised patent granting procedure, inventors are able to obtain

high-quality patent protection in up to 44 countries, covering a market of some 700 million people. The EPO is also the world's leading authority in patent information and patent searching.

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