

Europe lags behind in securing funding from intellectual property, new EUIPO report finds

- Europe is strong in innovation and ideas, but the underuse of intellectual property (IP) as a basis for financing widens the gap with other global economies
- Financial and market constraints push many innovative firms to relocate outside the EU
- Stronger IP portfolios and new finance methodologies integrating IP valuation, among EUIPO's proposals to foster a more competitive Europe

The European Union Intellectual Property Office (EUIPO) today published the foundational report ['IP-Backed Finance in Europe: State of Play and Perspectives. Towards a Functional European IP Finance Market'](#) which comprehensively addresses the underuse of intellectual property rights in securing funding for innovative firms in Europe.

The report highlights the untapped potential of using intellectual property as a strategic asset to improve the competitiveness of EU businesses and narrow the innovation gap with global competitors. It also identifies priorities and potential measures to develop a more effective IP-backed finance market in Europe and enable European firms to stay, scale up and grow within the EU.

The report underscores that while the EU excels in research, entrepreneurial talent and generating innovative ideas, it lags behind in commercialising them at the same pace as its global competitors. In particular, intellectual property rights such as trade marks, patents, copyright and designs, have become central to the value of innovative firms, but remain largely underused as a source of financing.

Today, the bulk of the value of innovative companies are intangible assets, including IP. Nonetheless, companies often face difficulties in using their intellectual property portfolio to access finance, largely due to the fragmentation of capital markets, constraints within the Single Market, and structural barriers that hinder the use of IP as collateral.

IP-intensive sectors in Europe generate approximately **48% of the EU's GDP** and around **31% of employment**. However, only 13% of firms owning IP rights have tried to obtain financing through their IP assets, and a large majority have never conducted a professional valuation. This reflects limited awareness among companies on how to capitalise on their IP rights, but also the fact that investors and banks often lack the necessary knowledge to evaluate such assets.

"Trade marks and other IP rights are not an end in themselves. They connect ideas and markets, helping companies bring innovation to those markets. Given that intellectual property assets now account for a growing share of corporate value, it is imperative to ensure an appropriate financial environment for the business sector, particularly for innovative SMEs, start-ups and scale-ups, so that they can bring their ideas and IP assets to market. Too many promising companies are leaving Europe, not because of a lack of talent or valuable ideas, but because our financial system does not fully recognise the value of intangible assets when

it comes to securing the financing they need to grow”, stated the Executive Director of the EUIPO, João Negro.

Nathalie Berger, Director for Competitiveness Coordination at the European Commission’s Directorate-General for Internal Market, Industry, Entrepreneurship and SME, added: *“Europe boasts world-class universities, leading researchers and a strong scientific base, yet it remains too slow in turning innovation into market success. As a result, many high-potential innovative firms in Europe with valuable intellectual property leave in search of better growth opportunities. Policy momentum is now building: initiatives such as the Competitiveness Compass, the post-Draghi agenda and the future European Competitiveness Fund all call for mechanisms to unlock capital for technology-driven companies. Europe must ensure its financial system better recognises the latent potential in intellectual property assets and intellectual property-backed finance can play a decisive role in this endeavour”.*

Current economic trends and financing opportunities

In recent years, Europe has faced weak productivity growth and a widening economic gap with the United States, with the EU-US per capita GDP gap increasing from 17% in 2002 to 30% in 2023. While the EU is strong at research and innovation, too often these ideas are slow to reach businesses and the market. According to the 2024 Draghi report on the future of European competitiveness, between 2008 and 2021, close to 30% of EU-founded ‘unicorns’ (start-ups valued at over USD 1 billion) relocated their headquarters abroad.

According to the report’s estimates, IP-backed finance could mobilise between **€30 and €120 billion** in new financing every year. Over a ten-year period, this translates into between **€150 and €580 billion** in additional financing, with a potential cumulative impact on EU GDP of between **€70 billion and €750 billion** (equivalent to between **0.4% and 4.2% of EU GDP**).

Addressing the IP-backed finance cycle requires coordinated action across five priority areas: make IP visible, assign credible value to IP, leverage IP value for lending, build the evidence base, and reinforce coordination among the various actors. Together, these actions will support growth, mobilise private capital and strengthen Europe’s innovation sovereignty.

The report proposes a range of possible measures to improve access to bank financing, strengthen IP valuation and expand financing options beyond traditional bank credit, including public support and risk capital. In particular:

- businesses should develop a strong IP portfolio and enhance their IP management and business planning capabilities before seeking financing.
- IP valuation needs to be reinforced so that intellectual property can be assessed more accurately and with greater confidence by financial institutions.
- the entire IP financing journey should be taken into account, in order to build a more coherent, effective and scalable financing ecosystem.

The report is also in line with the **Savings and investments union**, an EU initiative designed to enhance the financial system’s capability, leading to more long-term private capital for businesses and innovation across Europe. Without adequate mechanisms for disclosure, valuation and risk-sharing, this opportunity will not be fully exploited, and not enough capital will flow to Europe’s knowledge-intensive firms.

NOTE TO EDITORS

With this report, the first of its kind analysing IP-backed finance in Europe, the EUIPO aims to contribute to the debate initiated by the 2024 Letta and Draghi reports. It also takes the first step towards identifying potential measures to help Europe's most innovative firms access the financial resources they need to grow, specifically through intellectual property assets. Progress in promoting wider use of intellectual property to access finance requires a coordinated effort of many institutions at national, European and global levels and this report lays the foundations for a structured discussion with all relevant stakeholders.

[Web page with links to full report, infographics, Q&A and country fiches](#)

ABOUT THE EUIPO

The [European Union Intellectual Property Office \(EUIPO\)](#) is one of the largest decentralised agencies of the European Union, based in Alicante (Spain) since its foundation in 1994. The EUIPO manages the registration of EU trade marks, designs, and craft and industrial geographical indications, all of which are intellectual property rights that cover the 27 EU Member States. The EUIPO also carries out cooperation activities at EU and international level to ensure a level playing field in the world of IP, and hosts the [European Observatory on Infringements of Intellectual Property Rights](#). In 2025, the EUIPO was ranked as the [most innovative IP office in the world](#).

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