

A study analyzes how to improve the European patent

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The European Union patent system is inefficient because it is more costly than other similar systems and it creates significant barriers to innovation diffusion within the continent. That is one of the conclusions of a study carried out by researchers at the Universidad Carlos III de Madrid (UC3M, Spain) which offers measures to improve this system.

"From the point of view of efficiency, establishing one sole format for a European patent in which English is the language used for the procedure seems obvious, even though the diffusion of the innovation is translated into other EU languages," the researchers asserted. This would simplify the current system, they explained, in which the [inventor](#) can decide whether to present a European patent in English or to request the patent in the government office of his/her country and in its official language. In addition, it would settle another issue: the difference in the conditions and the costs of the process between these countries and others.

The study, carried out by the UC3M Professors, Alvaro Escribano and Marco S. Giarratana, from the Department of Economics and the Department of [Business Administration](#), respectively, entitled "The UE [patent system](#): to be or not to be?", is supported by the Programa de Excelencia en Educación e Investigación del Banco de España (The Bank of Spain's Program of Excellence in Education and Research), the Spanish Ministry of Science and Innovation, and the Spanish Trademark and Patent Office (OEPM). In their analysis these researchers propose a series of properties that an efficient patent system should have with the aim of enhancing innovation, employment, trade competitiveness and

economic growth, which can be summarized by the following two: that the system transfers knowledge to all of the citizens and companies interested in innovation, so that all of them can benefit from it; and that the cost not be too high, so that companies seek patents and can then derive benefits from the innovation during a minimum number of years.

European disagreement

This report appears at the moment in which the [European Union](#) is changing its current system for patents. Towards the end of last year, the EU executive presented a proposal, which was later approved, to constitute a common system of patents, valid in countries that wish to adapt it and which would allow only three European languages to be used: English, French and German. The EU governments in favor took the route of "reinforced cooperation" which allows a measure to be put into action with the backing of a minimum number of countries (nine) when a majority consensus is not possible within a reasonable deadline.

The new European patent project was not accepted by Spain and Italy, who demanded that there be unanimity in order to put it into practice, arguing that it was prejudicial to the competitiveness of their countries' businesses. Finally, the European Parliament backed the agreement, but later it went to the European Court of Justice. Its ruling last March stated that the project was not adapted to EU law. With that, it backed the governments opposed to such a system and obliged the project to be reconsidered so as to create a EU patent system that lowers the cost and simplifies the protection of intellectual and industrial property in Europe.

"This proposal caused a significant reduction in wellbeing within the EU technology sector," according to Full Professor Álvaro Escribano. "It generated a difference in the competitiveness among the different countries, above all, in countries with other important languages, such as

Spanish," he added. In addition, this not only affected the international mobility of the researchers, but also created a high cost for small and medium size businesses who wish to seek patents, he further explained. .

The patents not only represent a system of protection for innovation, but they also are the most important means for knowledge diffusion of border technology. Knowledge diffusion is not only important to generate technology advances, but it is a fundamental element for the technology markets based on buying and selling patents (200,000 million dollars invoiced worldwide in 2005), strategic agreements between companies, and for efficient functioning of the labor market for inventors. It is clear, according to the authors of the study, that any impediment, such as different legal systems which overlap, could represent an important curb on growth in a country's economy because R & D results are one thing, but the economic value these results generate is another.

Having one sole European patent system is very useful because it reduces costs and makes the process more efficient, the researchers summed up. "What is not useful is for there to be one sole system of patents as well as other national and European systems because this greatly increases the cost of patenting," Professor Escribano pointed out. For this the researchers maintain that in the case of the European patent system, only one language for generalized use should be employed, in order to lower the costs of the process, which often increase considerably because of translation.

Provided by Carlos III University of Madrid

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