

Commission adopts Action Plan on Intellectual Property to strengthen EU's economic resilience and recovery

Brussels, 25 November 2020

Today, the Commission published a new Action Pan on Intellectual Property to help companies, especially small and medium-sized companies (SMEs), to make the most of their inventions and creations and ensure they can benefit our economy and society.

Intellectual property (IP) is a key driver for economic growth as it helps companies to valorise their intangible assets. The Action Plan aims at enabling the European creative and innovative industry to remain a global leader and at speeding up Europe's green and digital transitions. In particular, the Action Plan sets out key steps to improve the protection of IP; to boost the uptake of IP by SMEs; to facilitate the sharing of IP to increase the technological uptake in the industry; to fight counterfeiting and improve the enforcement of IP rights; and to promote a global level playing field. The coronavirus crisis has also highlighted certain dependencies on critical innovation and technologies so the Action Plan addresses these challenges while making sure that critical IP can be made available in time of crisis.

Intangible assets such as brands, designs, patents and data are increasingly important in today's knowledge economy. IP-intensive industries account for 45% of all GDP and 93% of all EU exports, while the added value of IP is growing across most European industrial ecosystems. Globally, IP filings are on the rise, as intangible assets play an increasing role in the global race for technological leadership. The Action Plan builds on the strengths of the European IP framework to ensure that it supports our economic recovery and resilience in key economic areas.

Commissioner for the Internal Market Thierry **Breton** said: "Europe is home to some of the world's leading innovations, but companies are still not fully able to protect their inventions and capitalise on their intellectual property. Today, we are proposing to overhaul our intellectual property system to strengthen Europe's ability to develop next generation technologies, reflect advances in data and AI; allow companies to quickly pool their knowledge in times of crisis, and support Europe's path towards economic recovery and the green transition."

Today's Action Plan announces measures in five key areas:

• Improving the protection of IP

The Action Plan proposes to upgrade a series of existing IP tools and make them fit for the digital age, including improving the **supplementary protection certificates** (SPC) for patented medicinal and plant protection products and modernising **EU design protection**. It aims at strengthening the protection of **agricultural geographical indications (GIs)** while considering the feasibility of a GI protection system for non-agricultural products at EU level. The Commission also launches an industry dialogue to address the **impact of new technologies** (such as AI and block chain) on the IP system. To ensure that companies have access to fast, effective and affordable protection tools and reduce the persisting fragmentation and complexity in the current system, the Action Plan calls Member States for a rapid rollout of the **unitary patent system** to create a one-stop-shop for patent protection and enforcement across the EU.

• Boost the uptake of IP by small and medium-sized companies (SMEs)

European innovators and creators, in particular SMEs, are often not aware of the benefits of integrating IP in their business strategy. For instance, only 9% of SMEs file for IP protection. To help smaller companies capitalise on their intangible assets, the Commission proposes measures to improve **information and advice**. It will help coronavirus-affected SMEs better manage and leverage their IP portfolios via a new **financial assistance** scheme with € 20 million provided from EUIPO funds for the first year. The Commission will also make IP advice and help available to all participants of EU funded research and innovation programmes and work with all stakeholders to improve the valorisation of IPR across the R&I community. It also acts to make it easier to use **IP as a lever for access to finance.**

• Facilitate the sharing of IP

The Action Plan aims to protect intangibles but also seeks to improve **access to critical intangibles** on which our economy and society hinges. Recognising the important role the IP system can play in tackling health emergencies, such as the ongoing coronavirus pandemic, the Commission proposes measures to facilitate the **sharing of critical IP in times of crisis**, whilst ensuring return on investment. The Commission will also work on an improved **copyright infrastructure**, take action to better **mobilise IP-protected data**. It will also propose ways to improve transparency and predictability in the **licensing of standard-essential patents (SEPs)** as these are key element for the digital transformation of Europe's industry, such as the roll out of connected cars and other IoT products.

• Fight counterfeiting and improve enforcement of IP rights

The import of counterfeited and pirated goods amounts to 6.8% of EU GDP. The Commission will improve an effective and balanced enforcement of IP rights. For instance, as a complement to the upcoming Digital Services Act package, it will establish **an EU anti-counterfeiting toolbox** to promote and facilitate effective cooperation between IP right holders, intermediaries (such as online market places) and law enforcement authorities, mainstream best practice and the use of adequate tools and new technologies.

• Promote a global level playing field

While IP rights-intensive industries account for 93% of EU goods exports, our businesses still face great challenges when operating in third countries. To address these challenges, the Commission aims to **strengthen the EU's position as a global standard-setter in IP.** It will also **step up the EU response to unfair practices** committed by third country players, such as industrial espionage or attempts to misappropriate IP in the context of R&D cooperation.

Background

The <u>New EU Industrial Strategy</u> adopted on 10 March this year acknowledged the need for the EU Intellectual Property policy to help uphold and strengthen Europe's tech sovereignty and promote global level playing field and announced the adoption of the Action Plan. On 10 November, <u>the Council of Ministers invited</u> the Commission to present proposals for future EU IP policy.

Intangible assets such as R&D, inventions, artistic and cultural creations, brands, software, knowhow, business processes and data are the cornerstones of today's knowledge economy. Over the last two decades, the volume of annual investments in 'intellectual property assets' increased by 87% in the EU, while the volume of tangible (non-residential) investments increased by only 30%. Investments in intangibles were also significantly less affected by the previous economic crisis (starting in 2008).

Industries that make intensive use of IP play an essential role in the EU economy and offer good and sustainable jobs to the society. IPR-intensive industries currently account for almost 45% of Europe's GDP and directly contribute to the creation of almost 30% of all jobs. Many of Europe's ecosystems cannot thrive without effective IP protection and effective tools to trade intangible assets.

More Information

Question and Answers

Factsheet on the Action Plan on Intellectual Property

<u>Action Plan on Intellectual Property</u> "Making the most of the EU's innovative potential – An intellectual property action plan to support the EU's recovery and resilience"

Evaluation report on Supplementary Protection Certificates legislation

Landscape study of potentially essential patents disclosed to ETSI

Evaluation report on the Observatory on Infringements of Intellectual Property

Pilot Study for essentiality assessments of Standard Essential Patents (SEPs)

Study on trends and developments in Artificial Intelligence (AI)

Study report on the feasibility and analysis of "Impact Licensing Initiative" for technology access during a health crisis

Inception impact assessments on designs legislation

Inception impact assessment on Geographical Indication Protection for non-agricultural products

Press contacts:

Sonya GOSPODINOVA (+32 2 296 69 53) Federica MICCOLI (+32 2 295 83 00)

General public inquiries: Europe Direct by phone 00 800 67 89 10 11 or by email