A number of events in the IP arena characterised this last year. First and foremost, the European Parliament rejected the Anti-Counterfeiting Trade Agreement (ACTA). This vote could be considered the result of a strong social cohesion in asking for clarity and transparency when dealing with IP rights, which indeed have direct impact on our everyday life. This also demonstrates the necessity for the system to have the rights of the owners balanced with those of the users.

Following the same line of thought, the Office for Harmonisation in the Internal Market (OHIM) has been entrusted with the European Observatory on Infringements of Intellectual Property Rights. This was conceived as a network of public and private sector experts and stakeholders, set up to promote discussion, research, training, communication, the creation of advanced IT support tools and the spread of best practice on IP matters. The intention is to ensure that the Observatory is recognised as a credible, transparent and inclusive body capable of providing independent and evidence-based contributions.

In Beijing, China, a treaty on the protection of audiovisual performances was reached on June, granting performers rights both for the offline and online exploitation of their performances. This treaty is the first to be approved since the adoption in 1996 of the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty.

A New Approach to SME support in Horizon 2020, introduced by DG Research and Innovation of the European Commission, will aim to put “small companies in the driving seat of European innovation projects” and should be favourable to their competitiveness and growth while tackling societal challenges.

Orphan works, such as photos, films, books or poems whose rights holders cannot be found, will be made available to the public across the EU thanks to a new directive enacted by the EU institutions, which should be implemented by Member States in the next two years. According to the Council of the European Union, the “new rules will facilitate the digitization of and lawful cross-border online access to orphan works contained in the collections of libraries, educational establishments, museums, archives, audio-visual heritage institutions and public service broadcasting organizations.”

Carrying on our work with the usual enthusiasm and hoping that 2013 will still be richer and remarkable in events, we wish you a Happy New Year!

Your editorial team
One single market with one single patent: the unitary patent

Catarina d’Araujo
European IPR Helpdesk

In December the Council and the European Parliament gave their final political confirmation on the “patent package” proposed by the European Commission, putting a final end in the discussions first initiated in the 70s. The “patent package” includes agreements on the creation of a European Patent with unitary effect (also called as Unitary Patent), the language system to be used and on the Unified Patent Court, the responsible court for the litigation procedures.

Once the Unitary Patent comes into force, inventors will have a new tool to protect their inventions in the European Union (EU), which will coexist with national patents and the European Patent. However, there are fundamental differences and many advantages in this new tool, seen as crucial to help European SMEs overcome barriers in innovation.

The present situation and its short comes

Today, a European SME, research institution or inventor can protect its inventions in Europe by filing a national application in the national Patent Offices of the countries where they are seeking protection\(^1\) or through the so-called European Patent. While national applications require filing patent applications in each of the countries where the inventor intends to have patent protection (for example, directly in Spain, Denmark or France), the European Patent is a more flexible tool to those inventors seeking protection in several European countries since it provides a single procedure for granting patents.

In fact, the European route allows inventors to file a unique application which results in a bundle of national patents valid in each of the different European countries selected. The countries that can be designated by applicants include the EU Member States and some other European countries, such as Switzerland. Even though making use of a single application is a clear advantage, the European route is generally regarded as complex and expensive\(^2\), particularly when compared with the US and China. According to a study of van Pottelsbergh and Mejer in 2008, while a European Patent can cost nearly 35,000 USD, in the US and in China the costs drop to around 5,000 USD\(^3\).

Indeed, European Patents require national validation, which means in most cases presenting to the national Patent Offices several translations of the patent, but also the enforcement at different national courts. According to a study of the European Commission the cost of patenting has a significant negative impact in the decision to patent, which may be one of the reasons behind the fact that on average European Patents are only validated in five Member States and not in all of them\(^4\).

The anticipated new tool: a European Patent with unitary effect

The Unitary Patent is a new tool that inventors will be able to use to uniformly protect their inventions in most countries of the European Union, where

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1. Information about all the National IP Offices in the EU can be found at Innovaccess, a European network of national IP offices: http://www.innovaccess.eu.
2. In the consultation on the Small Business Act for Europe, SMEs identified as one major obstacle the complexity of the patent system and the high fees to be paid.
3. These costs include procedural and translation costs, as well as renewal fees. See Lost Property: Bruno Van Pottelsbergh, “Lost property: the European patent system and why it doesn’t work”, Bruegel, 2009.
once granted this patent will have an equal effect. Italy and Spain are the only EU Members that have decided not to be on board and therefore the uniform effect will not include these two countries. Yet, these Member States have the chance to join the Unitary Patent in the future.

To avoid adding new complexities to the patent system, this new patent is based on the current European Patent and will coexist with it, as well as with national patents (see figure 1). In order to be granted with a Unitary Patent, inventors need to apply for a Unitary Patent as done today. This means that the procedure is the same, as are the patentability requirements (novelty, inventiveness and industrial applicability). The difference is that in the post-grant phase the inventor will be able to file with the European Patent Office (EPO) a request for unitary effect within one month of the date of publication of the patent grant in the European Patent Bulletin. No further national validations are required and therefore the European Commission anticipates savings of many thousands in terms of costs for inventors and in particular for SMEs, who can benefit from compensation schemes.

What people say about the unitary patent?

Luc Hendrickx, Enterprise Policy Director of UEAPME, 21 December 2012:

“The votes at Council and Parliament this week mark the end of a dysfunctional single market in which the same invention is subject to up to 27 different legal systems. The new unitary system will increase legal certainty and make patents more affordable, by reducing filing, translation and legal costs. This will act as a driver for innovation, fostering SMEs’ competitiveness and hopefully allowing Europe to catch up on R&D and innovation with its international competitors.” Source: www.ueapme.com

EUROCHAMBRES, 21 December 2012:

“Today’s agreement on the patent package is an encouraging sign that Member States are resisting the temptation to focus on domestic interests in these difficult economic times. We welcome this breakthrough that will significantly reduce administrative burdens and boost European innovation.” Source: www.eurochambres.be

IPscore – low-cost tool for patent evaluation

Johannes Schaaf
EPO, Manager Business use of patent information

IPscore is a unique evaluation tool of the European Patent Office (EPO) developed to provide a comprehensive evaluation of patents and technological development projects. It is a simple, user-friendly tool that can be used by all companies that have a portfolio of patents and development projects. IPscore provides a framework for evaluating and strategically managing patents and development projects and thereby integrating them into company management strategy.

What is in IPscore?

IPscore provides

• a basis for identifying the conditions that create value for the patent or development project. A strong evaluation profile with tried and tested assessment factors and new reports provides a comprehensive evaluation of the various conditions determining the value of a patent or development project.
• a basis for assessment and valuation of the patent or development project. A quantitative financial module works out a financial forecast and thereby determines the financial order of magnitude in the overall qualitative evaluation.

IPscore includes

• defined assessment factors which, on a user-friendly basis, translate professional specialist input into a common frame of reference.
• reports which illustrate different perspectives for the patents or development projects.
• a radar profile which sets up a picture of the future prospects and an overall interdisciplinary picture of the evaluation results.
• organized and separate risk and potential assessment factors related to technology and investment needs.
• a matrix model which makes it possible to compare relative strengths among evaluated patents or development projects.

In its structure, IPscore is generally applicable to all lines of business and if needed IPscore can be customized to company or industry specific needs by adapting the assessment factors.

Why should you use IPscore?

IP management with IPscore aims at utilizing all of the opportunities inherent in patents and patented technologies, which, combined with other company assets, gives the company an advantage in the global market. IPscore is a management tool which
How to use IPscore in practice?

Before IPscore is put to use in the organization it is important to be clear about what is to be evaluated and the purpose of doing so, and to perform the evaluation accordingly. The returns from the evaluation will then be relevant and useful results.

A tool for management and communication

IPscore is on the one hand a tool for professional specialists and on the other hand a tool which promotes a common frame of reference for future focus areas in the organization. Managers from different sections of the company should be involved in the integration of IPscore in the company. By way of example, someone from business management ought to be involved. Depending on the company’s organizational structure, this could be a director, a head of department such as a marketing manager, or somebody in a similar position. There also ought to be someone who is responsible for product development present, such as a technical director or the department head. Furthermore, the person responsible for the patent ought to be involved. This could be a head of department or the patent manager if there is one. It is very important that the first patent evaluations are made collectively by all of the abovementioned people, as a common frame of reference for several important areas is established between participants during the evaluation process. Examples of these areas are: elements in the long-term plans for product development, marketing and marketing conditions, clarifying and understanding problems concerning strategic issues of patent utilization, as well as joint decision-making on important or critical issues emerging during the evaluation. When working with IPscore has become an integral part of the culture within the company, it will typically be the person responsible for the patents who coordinates the IPscore evaluation.

After the patent has been evaluated and the results examined and analysed with help from the output reports, IPscore has a facility for creating a single, comprehensive report of all evaluation results, providing an overview of some of the essential benefits of the task performed. The report contains active areas for inserting assumptions, comments, conclusions and other additional information for further use. This manageable, user-friendly composition facilitates communication of results to interested parties in the company.

How to start?

After registration, IPscore can be downloaded for free from this EPO webpage (www.epo.org/ipscore). You will need MS Access 2003 to run IPscore on your PC. Target and define the business area to be evaluated. Set your sights on answering the assessment factors. Important comments and assumptions that crop up during the process can be stored in the database for later reference.

Experience shows that in most cases it will be difficult to answer all questions at once. However, after users have gone through the complete evaluation process, they will be aware about the information needed for the comprehensive evaluation with IPscore.

How to read the IPscore results?

It will take some experience to get familiar with the IPscore graphs and reports. The evaluations often carry messages to be “read between the lines”. Are there any hidden patterns in the results? Are there areas of unused potential? Are there risks that can be reduced? What decisions are necessary for achieving maximum returns? Determine the relevance of the assessment factors. When two or more patents have been evaluated, adjust assessment factors and financial assumptions to align with company-specific conditions. The company will then have its own tailor-made working model. IPscore is designed to comply with the specific requirements of companies, but in its structure is designed for all branches in general. Therefore changes and adjustments may be required in certain situations.

IPscore training courses

The EPO offers regular training courses on patent valuation with IPscore. Have a look at the EP0’s event calendar for upcoming courses. For specific questions, please contact patstat@epo.org.
“A good IP strategy will strengthen your competitive position and the financial viability of your product offerings.”

Kurt Kammerer, CEO regify S.A., on the importance of a solid IP strategy and how small business can benefit from monetising their intellectual assets.

What is your company’s core business?

regify S.A., headquartered in Luxembourg, is an international provider for trusted and binding communication and digital post, focusing on the secure exchange of documents and messages. The regify services (regimail, regibill, regipay) combine the qualities of registered mail with the time and cost savings and the simplicity of e-mail communication.

Which kind of intellectual property does the company own?

The regify inventions concern the communication processes and methods that have been patented since 2006, and to date regify owns a portfolio of three core patents that have been registered internationally. With products for the generic electronic letter (regimail), the delivery of electronic payslips (regipay) and legally compliant electronic invoices (regibill), regify has a broad portfolio of products with features that competitors cannot copy due to its patents. Also, prior to any new product launch, trade marks are being registered for the product names. Brand recognition pays off. Examples are regimail, regibill and regipay.

How did you leverage your patent portfolio?

The company has been able to leverage these intellectual property (IP) rights in order to innovate and capitalise on its competitive advantage. Initially, the company piloted both the technology and the business case in the highly competitive German market. In order to do so, regify secured investment from national business angels, willing to invest in companies with international expansion plans. In those first four years, regify optimised its technology and managed to win the first key customers.

Did your intangible asset help with business internationalisation?

I would say definitely. Ownership of IP turned out to be one of the main assets for investors to financially support the international expansion of the business. The first step the company took was to prepare a sound business plan which also explained how existing IP was managed and how new IP was developed. It turned out that investors were impressed by regify’s approach to IP, after having performed an in-depth IP due diligence. The latter showed that the already granted and newly registered patents were allowed on unique communication technologies without significant competitors in the market, which provide a promising foundation for a long-term investment with substantial economic return.

How did your investors evaluate your business?

Indeed, regify impressed its investors with its ground-breaking technology and the competitive advantages that arise from its IP assets and IP management strategy. All this has proved to be a main decision criterion for regify investors since the company’s core business is in the software industry and its value is mainly driven by the creation of superior technology that wins in the marketplace.

What really made up regify investors’ mind was the long-term sustainability of the business based on the regify patent portfolio and its well thought-out business plan. More precisely, in its first national commercialisation phase, although a high-risk investment, business angels relied on the value of regify IP assets and its business strategy. At the internationalisation phase, investors also valued the quality and experience of its IP management and its market strategy. The investment resulted in a 22 % participation of three investors.

Our investors would not have committed the required resources for our international roll out if regify did not have patents in place. Copying an innovation is fairly easy for most of the technologies. Therefore, it is imperative in the technology sector to acquire intellectual property rights.

Which suggestion would you give to our readers?

IP rights have provided regify with a solid foundation for its business success. Its patent portfolio proved to be a perfect means to exploit innovation in the market place and establish business partnerships. regify’s case shows that even a small company with little money can succeed in a competitive market environment and win against bigger competitors if such a company can leverage its business value using patent rights. Moreover, thanks to the 20-year protection term of patents and their efficient management, investors are attracted by the perspective of long-term economic benefits deriving from a business that is IP-protected.

Building a substantial business in high-technology sectors requires patents. So, if you do not have them yet, we recommend innovating and acquiring IP rights over the created intangible. A good IP strategy will help you compensate for the financial limitations that small companies typically have and will strengthen your competitive position and the financial viability of your product offerings.

1 To have an overview of when, why and how to conduct IP due diligence, read the fact sheet IP Due Diligence: assessing value and risks of intangibles, available online at the IPR Helpdesk library.
Utility Models: A useful alternative to patents for small businesses.

Roberto d’Erme
European IPR Helpdesk

The need to access technical information is a constant in the daily activity of small- and medium-sized enterprises (SMEs) conducting research and development (R&D) for innovative products, in their own business or in the context of EU collaborative projects.

In both situations, SMEs use and exchange a great deal of information enabling them to create less technically complex devices and/or modify and adapt already existing technologies. The generated results are nevertheless to be effectively protected, so as not to lose their innovative edge. To this end, companies instinctively aim at patenting their inventions, convinced that having a patent granted automatically brings market competitiveness. More often than not, they are not aware that there exists an interesting IP tool akin to patents, called “utility models” 1.

In the EU there is no Community Utility Model, nor harmonisation of Member States laws2, but there is a different usage in 17 EU countries, namely Austria, Bulgaria, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Poland, Portugal, Slovakia, and Spain 3.

Concept

A utility model is an exclusive right granted mainly for mechanical inventions4, which allows the right holder to prevent others from commercially exploiting its invention, without its authorisation, for a limited period of time5. This tool, commonly considered as a lesser form of intellectual property (IP), is conceived for protecting inventions with less technical advance that those entitled for full patent protection. More specifically, a utility model right has particular convenience when applied to mechanical devices, equipment, instruments and other general tools and particularly suited to SMEs that often make only “minor” improvements to, and adaptations of, existing products.

As with patents, for an invention to be protected by utility models it must be new (novelty), involve an inventive step (inventiveness) and be relevant to the industry sector (industrial application). Nevertheless these last two requirements are less stringent than for patents6 or absent altogether7. Moreover, protection is generally granted without prior examination of novelty and inventiveness, although such a procedure is normally required in case of right enforcement8.

Benefits

What is then the economic importance of the utility models’ protection for SMEs and independent inventors?

To begin with, utility models can fairly alleviate the financial burden that small businesses would bear when seeking patent protection. Indeed, the absence of examination and professional consulting9 dramatically lowers the registration costs, reducing them up to 50% compared to patents. Lower costs would also mean the possibility to have protection on a large number of products, whose commercial success is not easily determinable. This is particularly important for SMEs that often do not have the capability to forecast new products’ risks before commercialisation.

By the same token, as conditions for obtaining a utility model are extremely flexible10, this would entail an IP protection tool biased towards small entities. More specifically, the fact that utility models require a lesser degree of inventiveness than patents makes it easier for SMEs and lone inventors.

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1 This type of protection can be provided under different names in different countries, e.g. Belgium (Brevet de courte durée/Octrooi van korte duur), Netherlands (Zesjarig octrooi) and Ireland offer short-term patents, while France offers a utility certificate (certificat d’utilité). Sometimes they are also referred to as “petty patents”.

2 There has been an attempt made by the European Commission with a proposal for a Directive (COM(97) 691 final) approximating national laws for the protection of utility models (withdrawn in 2006). In 2001 the European Commission also launched a consultation on the impact of a Community utility model which resulted in a negative feedback from the interested parties. The underlying reason was that having a common system for utility models would have negative repercussions particularly for SMEs and inventors. Further information is available at http://ec.europa.eu/internal_market/indprop/model/index_en.htm.

3 Given the patchwork of national rules regulating utility models in the EU, it is recommended checking with national IP offices with regard to the protection requirements and procedures specific to the country.

4 Utility models are granted for products and processes, although some countries do not allow the protection of methods.

5 In the EU the duration of this type of IP right varies from country to country and is between 6 and 10 years.

6 With the exception of Belgium, Netherlands and France where utility models have to fulfill the same patentability criteria.

7 This is the case for example of Polish utility models.

8 Poland is again an exception as examination of protection requirements is carried out both before registration and for infringement actions.

9 IP consulting can be considered necessary for patents, while for utility models it can be optional.

10 In Spain for example, to assess novelty only the national state of the art is taken into account, compared to patents where it is worldwide.
to have only minor technological improvements protected by a proprietary right, with a consequent monopoly over competitors.

In addition to that, since these conditions can be easily met, this would allow applicants to have a quicker protection, as it normally takes on average 6 months to grant a utility model, compared to the much longer process needed to deliver patents. The promptness of the registration process is very important to avoid copies and imitations of products that are rapidly put on the market. This would strengthen the SMEs’ competitiveness, as they often aim at making their products available on the market as soon as possible, to recover their investments.

This IP tool efficiency can be used for another purpose. The quick registration in fact makes it possible to have a product protected while a patent examination is carried out – i.e. simultaneous application. This “temporary” protection can prove to be very useful for testing the marketability of a product, as in the time-lapse between the protection of the utility model and that of the patent, a company can easily commercialise its product and see if it is worth a patent protection. If yes, the company can proceed with the patent application and switch to it once granted. If not, then the patent application can be withdrawn and the product will still be protected under utility models. It is interesting to note that it is always possible to convert a utility model application into a patent application and, in some jurisdictions, vice versa.

The specific economic advantage of this IP right basically depends on the business case. SMEs may have different reasons behind their needs of saving, ranging from reduction of costs, time and administrative burden. What is anyhow common to small businesses is their limit on financial and human resources that frequently makes them innovate at a lower technical advancement. Mostly, SMEs and independent inventors come up with minor technical inventions involving only a minor inventive step. Sometimes these inventions consist of technical improvements that have impact only in a delimited technological sector. All of these industries should thus evaluate the economic and commercial advantages of having their innovations protected by utility models.

11 This feature has been criticised as creating legal uncertainty because of the lack of examination. This would result in a higher likelihood of infringement given the absence of substantive examination prior to registration. It is therefore strongly recommended to carry out searches and monitoring before investing in product improvements.

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**EPO Innovation Contest**

As part of the European Patent Convention’s 40th anniversary celebrations, the European Patent Office has launched an Innovation Contest for students in the European Patent Organisation’s member states.

The contest is open to students of all disciplines who are at least 18 years old, enrolled at a university, college or equivalent academic institution. Contestants will be asked to define a research project of potential interest for future R&D. Their project paper should include:

- a description of a technical problem currently faced in one of the following five fields:
  - A. Sustainable food production
  - B. Eco-friendly energy production and storage
  - C. Waste management, recycling and urban mining
  - D. Smart transport and traffic management systems
  - E. Smart house technology
- a presentation of the current state of the art in the problem area
- a general account of the market potential for the suggested solution to the chosen technical problem

An international jury will select the winners, who will be invited to attend an award ceremony in Munich on 17 October 2013. The winner in each of the five categories will be awarded a prize of EUR 5,000.

For more detailed information, please visit: [http://www.epo.org/learning-events/40epc/competition.html](http://www.epo.org/learning-events/40epc/competition.html)
Do you suffer from aichmophobia?

Injection via needle or syringe is the classiest way to inject medicine into one's body. But some of us are really afraid of shots. This fear is called “aichmophobia”.

Some scientists have found a solution to this phobia by inventing a new way to administer drugs, replacing the needle with an injector sending drug into your skin via a high-pressed stream.

Try finding patents covering needleless syringe by searching Espacenet.

A film depicting such an invention can be seen here.
Never forget to take your medicine.

Some innovative companies have developed drugs containing an electronic device that sends a signal when coming into contact with stomach acid. This signal is registered and indicates the drug ingestion. Such a system allows the monitoring of a treatment or can trigger reminders to take your medication. Try finding patents covering such an invention using Espacenet.

**SOLUTION OF PREVIOUS QUIZ**

**Step one:** To find similar patents, identify the most pertinent aspects of the invention — common technical features that may be found in related patents — and for each aspect, define a comprehensive set of synonyms. To perform the search, this set of synonyms can be combined as keywords in the patent database.

In this case, the following concepts – groups of synonyms covering the different aspects of the invention – can be defined:

- **Medic**, **drug**
- **Signal**
- **Stomach, acid, gastric**
- **Send**
- **Mobile phone, smart phone, mobile device**
- **Intak**, **ingest**

A combination resulting in relevant results is not so easy to find. The following one yields some interesting results: *(intak* or **ingest**)*)

**US2010052900 (A1) –** System to monitor the ingestion of medicines

Those results can be considered as a good indication that this field has been heavily patented. To have a more focused search, it is best to continue the search using classification symbols assigned to those relevant documents.

Classification symbols that could be assigned to our invention based on their definition include:

- **A61B5/4833** — Assessment of subject’s compliance to treatment
- **A61J2200/30** — Compliance analysis for taking medication
- **G06F19/3462** — Computer-assisted distribution of medication from dispensers, i.e. making sure that medication is correctly delivered to patients

Combining the first symbol with *(signal* or **emit**)*) results in this list of documents in which one can find additional relevant records like the one below:

**WO2006127355 (A2) —** Oral drug compliance monitoring using radio frequency identification tags

At this stage, the search cannot be considered as comprehensive. As we were not able to find an exact classification match with our inventive concept, the search must be pursued using a combination of well chosen keywords and classification symbols.

You will also have noticed that a new type of classification symbols was used. It corresponds to the classification system adopted by the EPO and the USPTO, the so-called Cooperative Classification System that will from now on be used by both the USPTO and the EPO to classify their search collection. More information on this development can be found here.
Should you have any ideas, comments or suggestions related to topics you would like us to cover in future Bulletin issues, please get in touch with us on LinkedIn: www.linkedin.com/groups/European-IPR-Helpdesk-3834260

The Bulletin is published three-monthly by the European IPR Helpdesk and it is distributed free of charge.

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Utility Model is an exclusive right granted mainly for mechanical inventions, which allows the right holder to prevent others from commercially exploiting its invention, without its authorisation, for a limited period of time.

ACTA is an international agreement aimed at combating the proliferation of counterfeit and pirated goods and a more efficient enforcement at international level. Further information can be found in the European Commission website.

IP due diligence refers to the exercise of gathering as much information as possible on the value and the risks of a company’s intangible assets, with a view to acquiring IP, raising capital and seeking financial assistance (e.g. bank loans). Although IP due diligence is a precondition for any capital investment, it can be helpful for enforcing IP rights and reducing the IP-related costs as well.

For comments, suggestions of articles or further information, please contact

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