

The UK Patent Office

Intellectual Property and Small Businesses
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New ideas, new firms? Intellectual property and SMEs in the United Kingdom

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UK Patent Office



The UK Patent Office

New ideas, new firms?

UK Patent Office and IP system

SMEs in the economy

Working with small businesses:

- Patent Office
- UK Government

Working for small business



United Kingdom Patent Office

- Granting of patents by monarchs goes back to Middle Ages
- Copyright developed in early 1700s
- Patent Office established in 1852
- Included world's first Trade Marks Registry from 1876
- Now covers patents, trade marks, designs and copyright



Patent Office 2003

- Agency of UK Department of Trade and Industry
- Employs approx. 1000 staff
 - including 300 patent examiners
- Includes UK and European applications
- Annual income of £50 million* (USD80m)

*2002/03 forecast



Law, lawyers and agents

- Main UK Acts enacted or amended in past 25 years
- Impact of European Patent Convention, Patent Law Treaty and WIPO
- Also affected by European Union directives and regulations
- Dedicated Patents Court & Copyright Tribunal plus civil courts system
- Patent/TM Agents, IP specialist lawyers

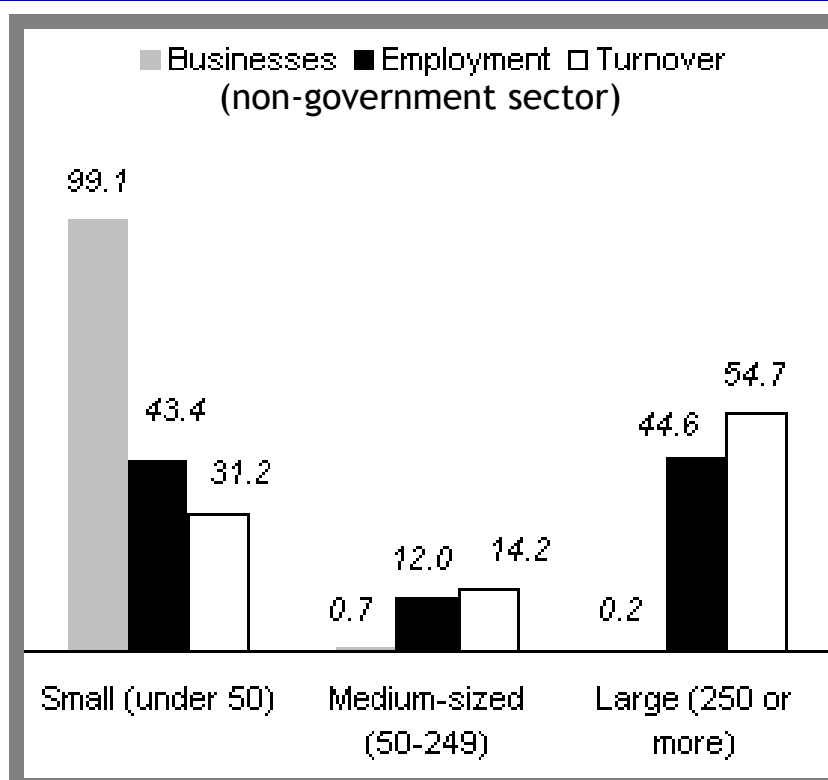


Small firms, big business

- SMEs key to UK economy
- 3.7 million active businesses in UK:
 - Only 35000 businesses employ more than 50 people
 - Only 7000 businesses employ more than 250 people
- SMEs employ 55% of workforce and produce 45% of economy outside government



Small businesses in the UK, 2001



Source: UK Small Business Service, 2002



Small firms, bigger economy?

- Easier to grow
 - Free to innovate
 - Fewer barriers to new ideas
- BUT...
- New companies often fail
 - Risky and expensive to expand
 - May protect rather than develop IP



Why work with SMEs?

- Economic benefits
- Creating IP literate community through education and awareness raising
- Supporting innovation in small business - not leaving it to large companies
- Supporting competitive businesses



Starting point

- Competitive fee structure -
so no discounts for SMEs
- Range of advice available inside and
outside Patent Office
- Financial support available from range
of bodies - government and private
- Central to government policy to
encourage SMEs



Support from the Patent Office

- Private applicants units (for patents and trade marks)
 - help for those who don't employ agents
- Straightforward forms and leaflets
 - 'Plain English' awards
- Detailed web guides
 - simple explanation of IPRs to specific guidance



Search and Advisory Service

- Allows small firms, and others, to check on patentability of innovations
- Range from searches on patentability to full searches on possible infringement
- Results in 10 days or less
- Similar searches available for trade marks



Keeping services affordable

- Search service helps to avoid unnecessary applications and cost
 - £500-800 (USD800-1300) for a patentability search
 - £1000-2500 (USD1600-4000) for an infringement search
 - £80 (USD130) for TM search



Manageable fees

- Patents
 - Free to file application
 - £200 (USD320) for examination, search and registration for four years
 - Annual renewal on sliding scale
 - Less than £1000 (USD1600) for ten years' protection
- Trade Marks:
 - £200 (USD320) for examination, search and registration for 10 years
 - £200 for 10 year's renewal



Not just fee costs...

- Cost of agents typically over £10,000 (USD16000) for patents
- Awareness of system
- Difficulty enforcing rights
- Difficulty exploiting rights



Beyond the Patent Office

- Range of government and non-government support for small firms
- Based on principle of partnership with business
- Aims to bring support mechanisms as close to business as possible - local and regional bases



Small Business Service

- Agency of the UK Department of Trade and Industry
- Make UK 'best place in the world to set up and run a business'
- Range of grant and loan funds for small firms, plus access to advice
- Advocate for small businesses across government



Support for Innovation

- Long-running award scheme - SMART (Small Firms Merit Award for Science and Technology)
- Provides grants to help small businesses to make better use of technology and to develop technologically innovative products and processes
- Grants of up to £150,000 (USD240,000) for development projects



Regional Development Agencies

- Long established (1970s) in Wales and Scotland, newly established (1999) in regions of England
- Supporting enterprise and innovation
- Creating enterprise hubs
- Close links with higher education
- Also providing services through local Business Links (England) and other providers



Working for small businesses

- Aim is to 'think small' - consider small business needs in all policies
- 'Better Regulation' to reduce burden on small firms
- Identify key partners in planning and implementing policies
- BUT - remember that small businesses not all the same or have same needs



Enforcing IP rights

- Small business often less able to defend own IP - costs, complexity
- Patent Office offers Tribunals as quick way of resolving cases - make these as simple as possible
- Working on improvements to enforcement to avoid court costs and delays



Amending the laws

- Range of consultation with business (large and small) on proposals
- Aim to introduce changes to Patents Act to modernise and improve system
- Examples include compulsory infringement hearings if requested and considering re-examination



Building awareness

- Raising awareness of IP system: to businesses who do and don't use it
- Joint seminars with tax officials
- Advice and publications for business advisors
- Involvement in business support initiatives
- Range of marketing tools



Partnership

- Small business/government relationship not always simple
- Need to choose key partners for discussion/consultation
- Regular contact with private sector, public sector and local organisations
- Devolved nature of UK government (Wales, Scotland, Northern Ireland)



Keeping up with changes

- Keeping IP in spotlight
 - in government
 - in business community
- Workshops with business
- Joining wider government activities
- Supporting and working with networks
- Web and printed briefings and updates

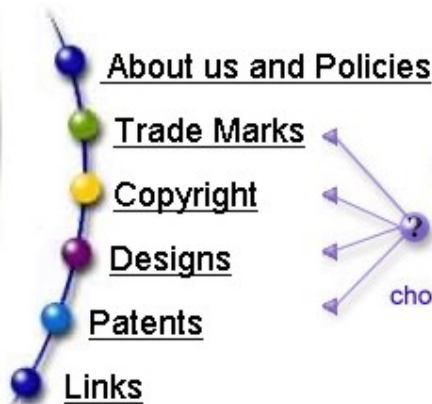


Summary

- UK has long recognised importance of SMEs to economy
- Patent Office has range of services aimed at helping small business use IP
- Not just money: also about awareness and effectiveness
- Working with range of partners to help small business
- Partnership is key

The UK Patent Office

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