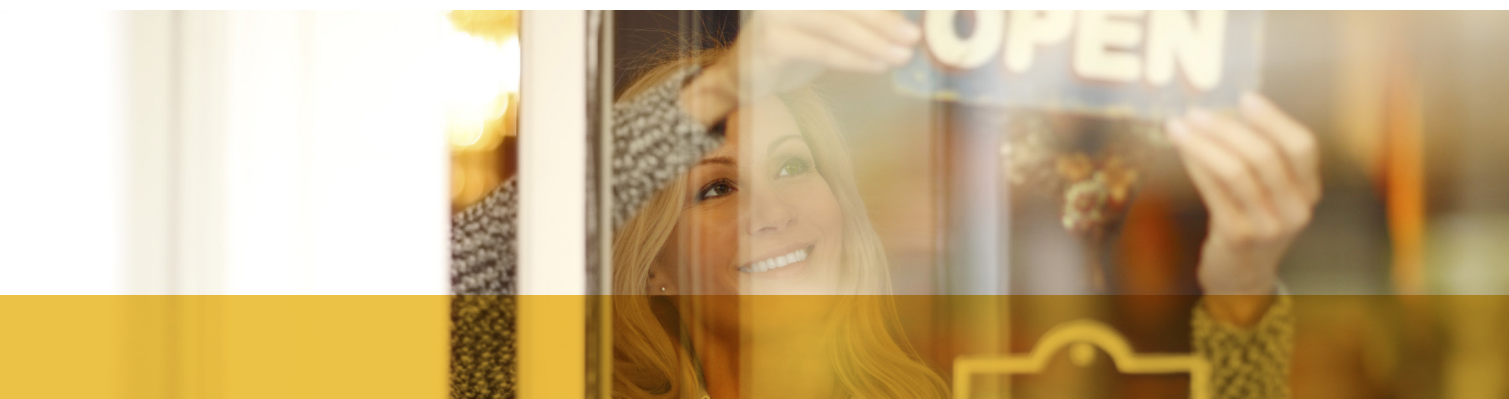


INTELLECTUAL PROPERTY (IP) SME SCOREBOARD 2016



JUNE 2016

INTELLECTUAL PROPERTY (IP) SME SCOREBOARD 2016

*Commissioned to GfK Belgium by the
European Union Intellectual Property Office (EUIPO)*



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Foreword

INTELLECTUAL PROPERTY (IP)
SME SCOREBOARD - 2016

Small and medium-sized enterprises (SMEs) are the life blood of our economy as they represent about 99% of businesses in the European Union. Any sound policy in favour of investment and growth based on intellectual property therefore requires detailed knowledge of how SMEs stand towards innovation and IP.

This is precisely what this study is all about. It is the first time such a large scale IP survey has been conducted, giving the opportunity for nearly 9,000 SMEs to speak up and have their voices heard. As a result, we now have a wealth of information showing the reality of the IP environment for innovative European SMEs and clear indications of areas for action.

A number of issues stand out. Internet domain names, confidentiality (or trade secrets) and trade marks are the top three protection measures that SMEs report as being important for a company.

However, a large proportion of SMEs lack knowledge and information on IPRs and their benefits. Among those using IPR, around one-third say procedures should be simplified and shortened and there needs to be better access to IPR databases.

SMEs still perceive complexity and high costs in both initial registration and subsequent court procedures in the case of IPR infringements. Well over half of them say legal action is too lengthy and expensive, and some are deterred from going to court by fear of having to reveal their trade secrets.

There is also evidence that some small companies (around 9%) feel they are the subject of “IP bullying”, where other firms threaten them unjustly with action over IP rights.

These findings are a true call for action on the part of EU policy makers and IP offices. The European Commission Single Market Strategy underlines as a priority to work on clear and SME-friendly intellectual property rules and to improve the SME environment to capitalise on their ideas. The IP SME Scoreboard results confirm a need for these policy objectives and give a more detailed picture of what needs to be done.

Looking at how best to improve information to SMEs, all existing networks will have to be taken advantage of. Among other institutions, national and regional IP offices could play an even more

prominent role in providing specialised information and other services to innovative SMEs so that these better value their intangible assets and choose adequate protection strategies.

This SME scoreboard is a first step in the direction of defining sound and knowledge based policies. The ball is now in the camp of EU institutions and the Commission in the first place. The EUIPO is ready to accompany and assist in the process if requested.

António Campinos,
Executive Director, EUIPO

Executive Summary

INTELLECTUAL PROPERTY (IP)
SME SCOREBOARD - 2016

In 2015 the EUIPO through the European Observatory on Infringements of Intellectual Property Rights, produced the Intellectual property rights and firm performance in Europe report, which indicated that 9 % of European small to medium-sized enterprises (SMEs) register IP Rights (IPRs). Subsequently, the Office commissioned an external contractor, GfK, to conduct a study called IP SME Scoreboard to provide more insights and evidence as to why SMEs do or do not register IPRs, what problems those who register encounter and how they think such problems could be solved in the most efficient manner.

The sampling approach used in the report had the aim of achieving a sufficient number of interviews with SMEs that have registered an IPR and those that have not, while ensuring a spread of interviews across companies of different sizes and sectors. A sample of SMEs was selected in the ORBIS (Bureau Van Dijk¹) database and matched with the EUIPO and PATSTAT² databases of companies having registered IPRs in order to identify companies with and without IPR use upfront. This method allowed the specific targeting across companies of different sizes and using different IPRs. This enabled the analysis to consider a larger sample of SMEs that have registered an IPR than is found in the general population of SMEs. The 8 970 completed interviews are spread across companies of different sizes and sectors as per the table below.

1 - The ORBIS database provides financial and other information on millions of European companies, collected from the filings and accounting reports made by the companies in the commercial registers of all EU Member States.

2 - The PATSTAT database is also known as the EPO Worldwide Patent Statistical Database. It contains information on more than 90 million applications of more than 80 countries.

SECTOR	COMPANY SIZE			TOTAL
	Micro (1-9 employees)	Small (10-49 employees)	Medium (50-249 employees)	
Manufacturing	276	794	481	1551
Construction	221	463	205	889
Transportation, accommodation, and food services	272	521	309	1102
Wholesale and retail trade	415	582	352	1349
Financial and insurance activities and real estate services and information and communication	297	523	249	1069
Other sectors	807	1549	654	3010
Total	2288	4432	2250	8970

The results of the study show that the majority of the SMEs consider themselves to be innovative. SMEs can protect their innovation both through formal IPR and alternative protection measures. It is not surprising that SMEs tend to choose the ways of protection that better suit their needs. As the report shows, in fact for many SMEs the most important protection measure is domain name registration, followed by trade marks.

However, in order to strike the most effective protection strategy for their IP assets companies need to have good level of knowledge regarding the ways of protecting their innovations, benefits deriving from it and processes involved. The survey shows that many SMEs do not have such knowledge to base their protection decision upon. Therefore the objective information about protection of IP assets should be delivered to this group of companies through various channels including non-traditional ones like accountants, as for many SMEs, especially micro, this is the only external counsel advising them on company related issues. Moreover, the Internet seems to be one of the most effective platforms to provide information about IPR.

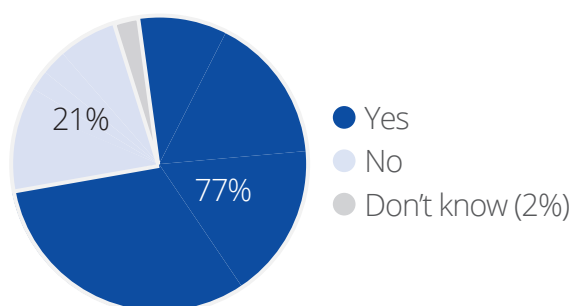
The study shows that a big majority of companies that chose IPR registration report positive effects like increased reputation or image of reliability, strengthening of long-term business prospects and increased turnover. Although there are many reasons why firms choose to protect their IP through formal IPR registration (e.g. reputational gains) protection against copying is the most important objective for SMEs. This is the legitimate concern as surprisingly almost one in three SMEs declared having suffered from infringement. This phenomenon affects many successful innovators of all sizes, but with medium-sized companies reporting having suffered from infringement the most. Therefore it is very important to simplify the protection procedures and make them more efficient and cost effective. For some, especially smaller companies, costly and complicated judicial procedures may be an important deterrent stopping them from actively defending their assets. That is why it is important to design instruments to help them in this task. Although there is anecdotal evidence that IPRs could be an instrument used by big companies to intimidate smaller counterparts by accusing them of infringement of their IPR, a relatively small fraction of SMEs declared having been accused of infringement.

Main findings

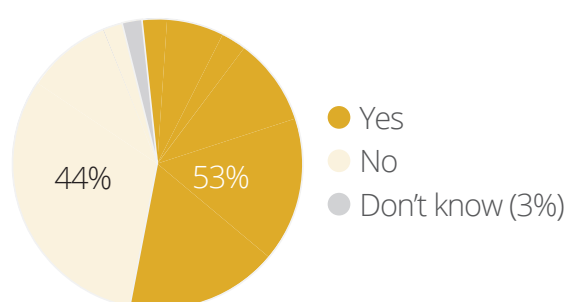
Innovation – perceptions and reality

The majority of SMEs (with and without registered IPRs) consider themselves innovative, however in reality the level of innovation (i.e. have innovated products, processes, etc.) in the last three years is highest amongst those who have registered IPRs. This is likely to be reflecting the point that more innovative SMEs are more likely to register an IPR to protect that innovation. Having introduced new or significantly improved products is the most common innovation for both SMEs with (69 %) or without IPRs (37 %). However, for SMEs without IPR processes (36 %) or organisational changes (36 %) are almost as likely as to have innovated products (37 %) in the previous three years.

Perception of innovation within
IPR users



Perception of innovation within
Non IPR users

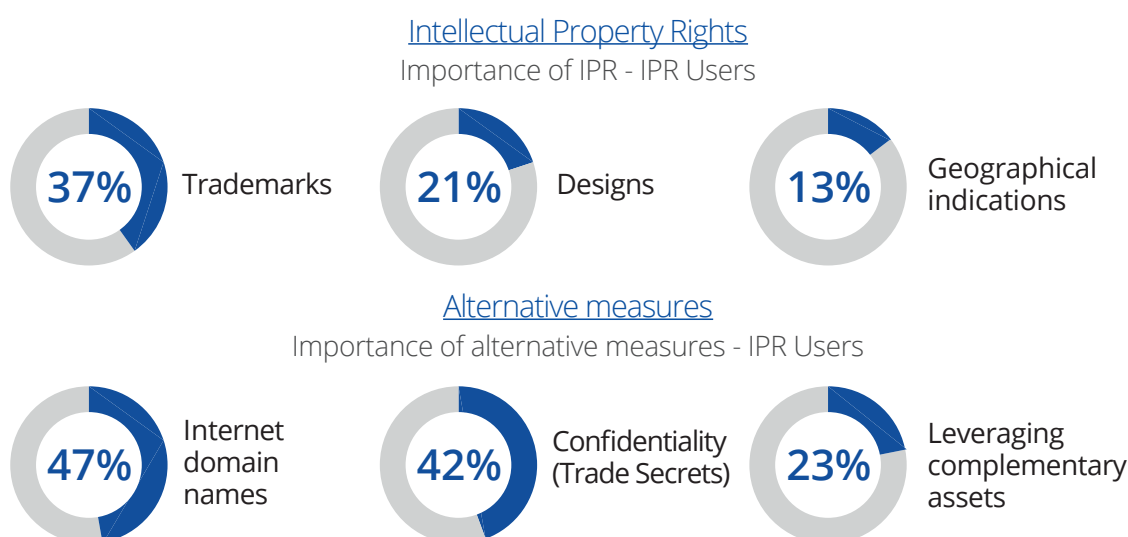


REALITY OF INNOVATION	COMPANY SIZE (with IPR)		
	Micro	Small	Medium
Yes	83%	89%	93%
No	17%	11%	7%

REALITY OF INNOVATION	COMPANY SIZE (no IPR)		
	Micro	Small	Medium
Yes	61%	71%	78%
No	39%	29%	22%

Importance of various protection measures

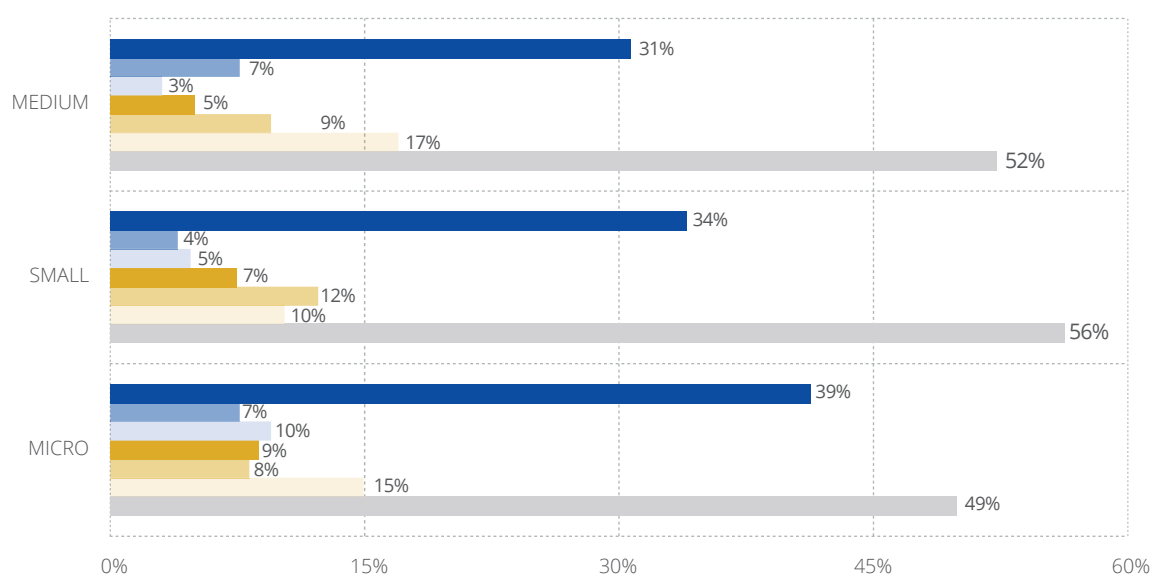
Internet domain names, confidentiality (trade secrets) and trade marks are the top three measures that SMEs report as being important for a company's ability to derive competitive advantage from their innovative activities. Internet domain name (s) is the single most important kind of protection measure for all SMEs regardless of size.



Reasons why SMEs do not take any measures to protect their innovation

Not seeing any benefit in protecting innovations, lack of knowledge on how to protect innovations and the cost of procedures are the top three reasons why SMEs do not protect their innovation.

An average of 35 % of SMEs do not take any measures to protect their innovations because they do not see any benefit of doing so. A further 13 % say they do not have enough knowledge on how to protect innovations, while 10 % say the procedures are too costly. Other answers range from the feeling that procedures are too long and burdensome (8 %) or that SMEs want to avoid any potential enforcement difficulties (7 %) or litigation (5 %).



- I don't see any benefits in protecting innovations
- Avoid the risk of potential litigation
- Avoid potential difficulties enforcing these
- Procedures are too long and burdensome
- Procedures are too costly
- I do not have enough knowledge
- Other

Familiarity with IPR among SMEs

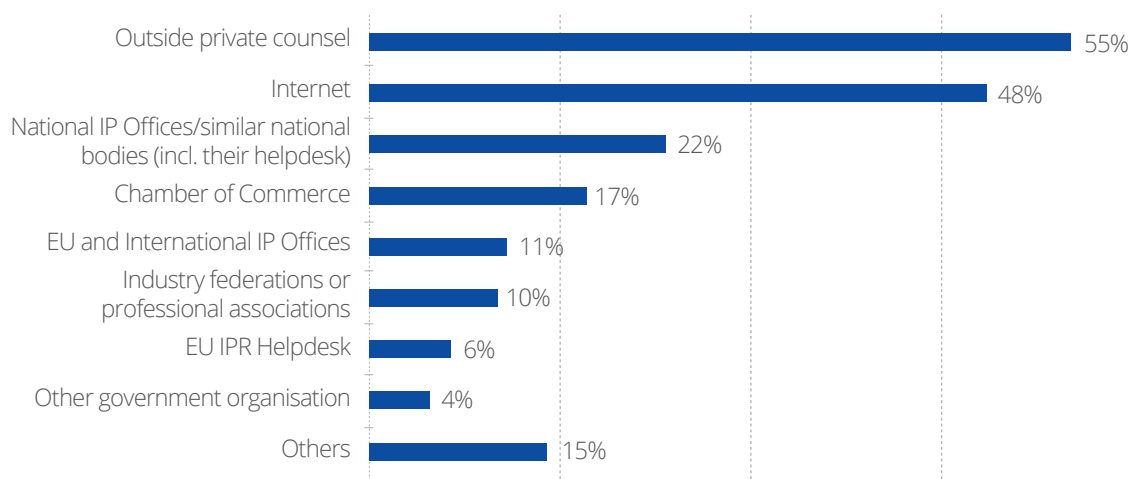
SMEs that have registered an IPR are more familiar with the term 'Intellectual Property Rights' (IPRs) and the bigger the SME is, the more familiar it is with the term. Medium-sized companies who have registered an IPR are on the top of the familiarity scale.

The sector analysis notes that mainly SMEs that do not register IPR in the transportation and construction sector show a low level of familiarity with the term. SMEs that register IPR and are active in the financial sector profess to be the most familiar with the term.

FAMILIARITY WITH IPR	COMPANY SIZE (with IPR)			FAMILIARITY WITH IPR	COMPANY SIZE (no IPR)		
	Micro	Small	Medium		Micro	Small	Medium
Low	26%	20%	18%	Low	49%	45%	41%
Medium	49%	52%	47%	Medium	38%	39%	41%
High	25%	28%	35%	High	13%	16%	18%

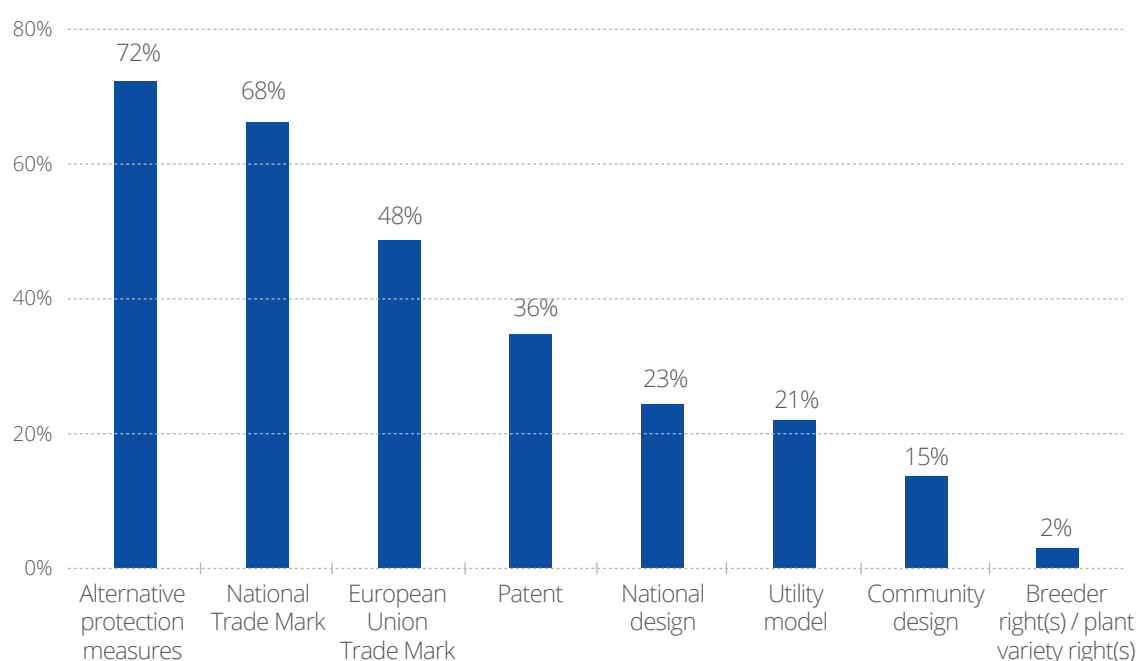
Source of information on IPR registration

Private counsel from outside the company, the Internet and National IP Offices are the sources most used to learn about the IPR registration process by those SMEs who registered rights.



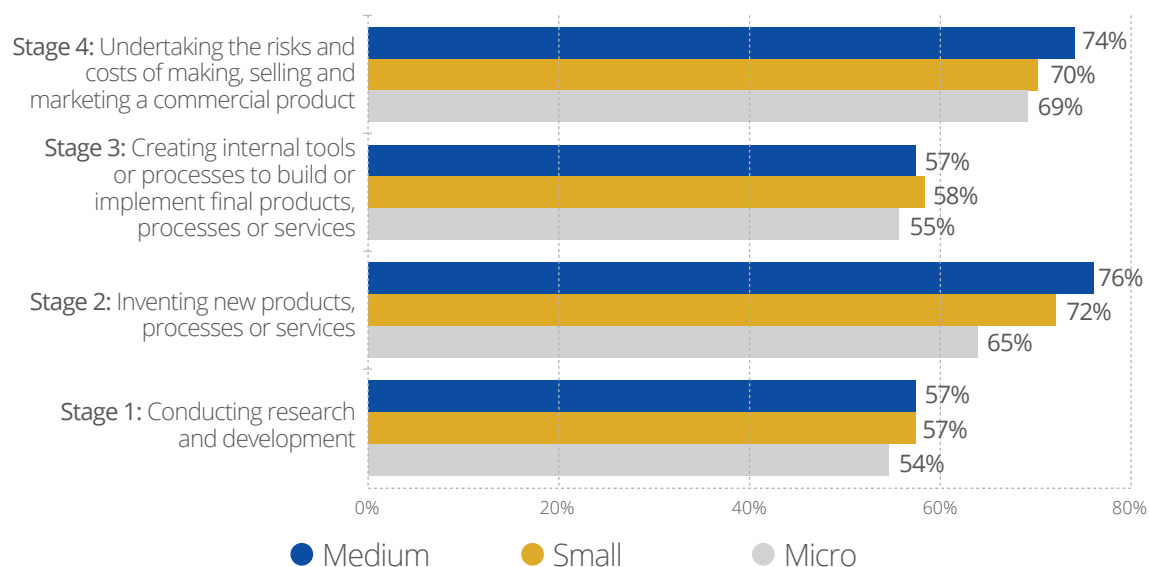
Usage of various Intellectual Property protection measures

SMEs that register IPRs use mostly alternative measures of protection followed by registration of national trade marks and European Union trade marks (EUTMs). The alternative protection measures mainly relate to domain name or trade secrets.



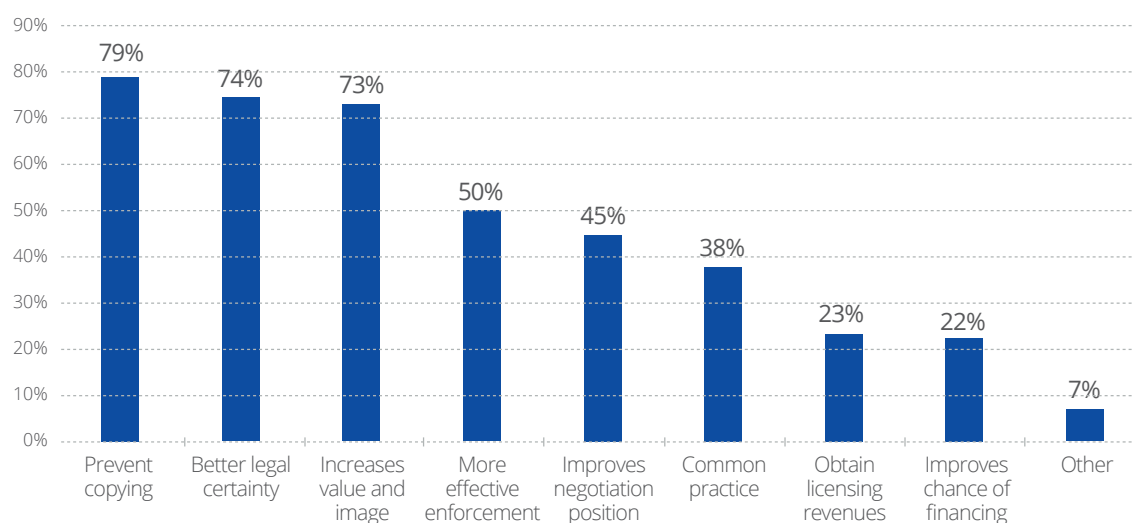
Stages in the innovative process where IPR registration is thought to be crucial for SMEs

Inventing and marketing/commercialising a product, processes or services are the two crucial phases where IPR registration is deemed important by SMEs that have registered IPRs. The innovation process can be generally characterised as having four stages, explained below, out of which stage 2 and 4 are considered to be the most relevant for registering IPR.



Reasons for registering IPR

Preventing others from copying their products or services, followed by better legal certainty and an increase in the value and image of the SME are the top three reasons why SMEs register IPRs.

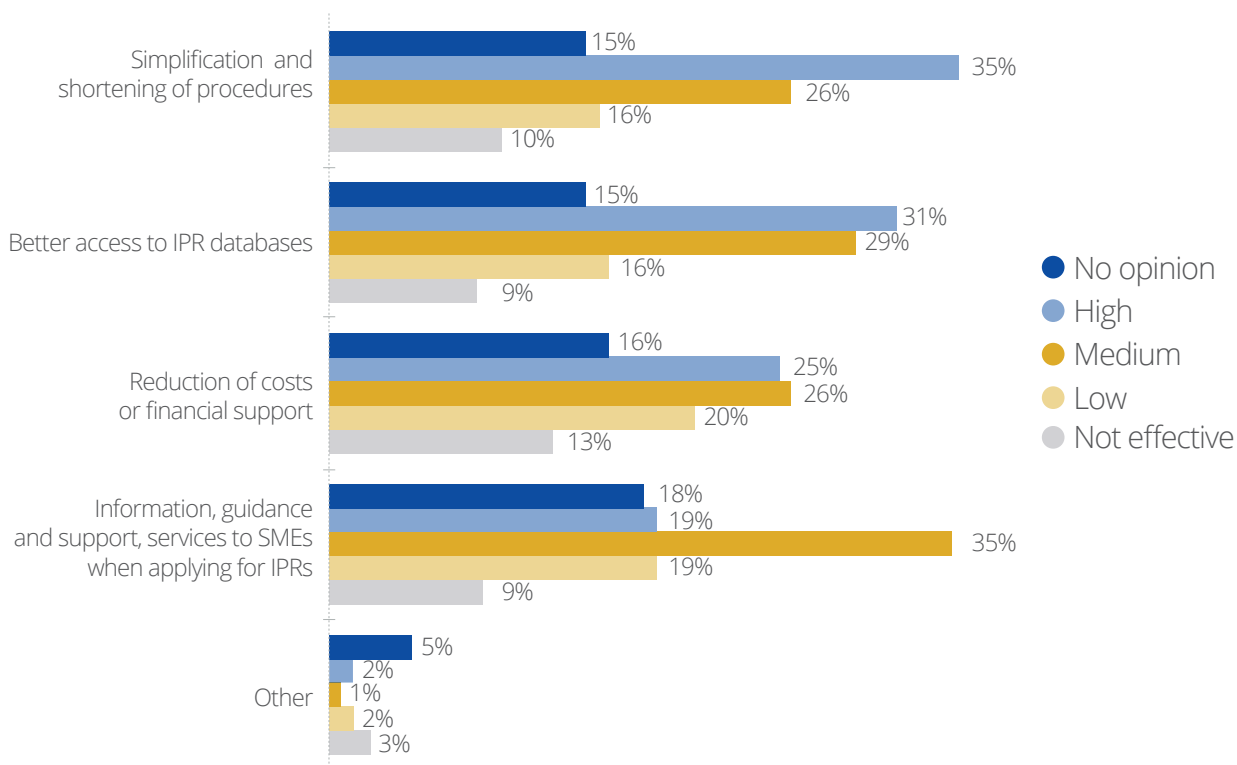


Assessment of the level and type of difficulty during the process of registration

Almost half of the SMEs interviewed did not experience any difficulties when registering IPRs; however when difficulties did occur, cost and length of procedure were the most common difficulties encountered. Alternative measures such as Internet domain registration are mostly described as ‘easy’ or ‘very easy’, with a greater proportion of micro SMEs finding it ‘very easy’.

The most effective and desired ways to support SMEs in registering IPR

Simplification and shortening of procedures and better access to IPR databases are seen as the most effective support measures to help SMEs protect their Intellectual Property assets. Less important, but nevertheless generally considered moderately effective are reduction of costs or financial support (25 % high effectiveness), and information, guidance and support services to SMEs (19 %).



Reasons for not registering IPR

Belief that intellectual assets are not innovative enough, lack of knowledge about how to register IPRs and belief that there are no additional benefits stemming from IPR protection are three top reasons for refraining SMEs from IPR registration.

Reasons that SMEs refrain from registering IPRs are different depending on the size of an SME. Micro SMEs clearly state lack of knowledge as an important barrier compared to small SMEs where predominantly there is a belief that IPR does not bring any benefits. Whilst medium sized companies state that their intellectual assets are not innovative enough.

REASON FOR NEVER OR STOPPING REGISTERING	COMPANY SIZE		
	Micro	Small	Medium
Lack of knowledge	32%	26%	21%
Intellectual asset not innovative enough	27%	25%	30%
Did not meet requirements of IPR regulations	25%	21%	24%
IPR not available for my innovation steps	15%	16%	17%
Too costly and burdensome	19%	15%	15%
Procedure would delay introduction of product/ service on market	10%	8%	8%
No benefits	26%	27%	26%
Potential difficulties in enforcement	15%	15%	12%
Do not want to reveal crucial details and prefer Trade Secrets	21%	19%	21%
Other	25%	28%	27%

Conditions under which SMEs would consider registering IPRs

SMEs would register IPRs if they would be assured of receiving adequate protection, if it would be easier to take legal action and if the process would be easier to understand and access.

These results indicate that a combination of changes would be needed to encourage SMEs to register IPRs, as no single solution stands out. The same importance was given to improving the process (understanding, access, and cost) and to making it more reliable (adequate protection, ease of taking action). There are many different factors, which have to be taken into account notably the size, location, industry, turnover, strategy and so on of the given SME.

CONDITIONS FOR REGISTERING IN THE FUTURE	COMPANY SIZE		
	Micro	Small	Medium
Reduction of costs	27%	19%	21%
Easier to access	29%	25%	26%
Easier to understand	31%	28%	26%
Certitude of adequate protection	32%	29%	30%
Easier to take legal action	31%	28%	30%
Other	28%	31%	29%

Source of advice on issues related to the company

Lawyers (or other advisor) and accountants are the two most important sources of advice for company matters, however micro businesses with no IPRs are just as likely to consult accountants as they are their lawyers while large companies prefer lawyers.

SOURCES OF ADVICE	COMPANY SIZE (with IPR)		
	Micro	Small	Medium
Accountant	41%	32%	22%
Lawyer (or other advisor)	66%	77%	82%
Chamber of Commerce	24%	23%	19%
Industry Association	11%	16%	17%
IP Offices	16%	16%	21%
Other	18%	16%	15%

SOURCES OF ADVICE	COMPANY SIZE (no IPR)		
	Micro	Small	Medium
Accountant	59%	50%	40%
Lawyer (or other advisor)	59%	68%	79%
Chamber of Commerce	21%	26%	24%
Industry Association	16%	22%	25%
IP Offices	9%	9%	11%
Other	17%	18%	16%

Interest in receiving information on IP and preferred means of communication

Over one third of SMEs (those who register IPR and those who do not) would like to receive information about IP. The Internet is the preferred means of communication.

RECEIVE INFORMATION ABOUT IPR	COMPANY SIZE (with IPR)		
	Micro	Small	Medium
Yes	40%	39%	41%
No	60%	61%	59%

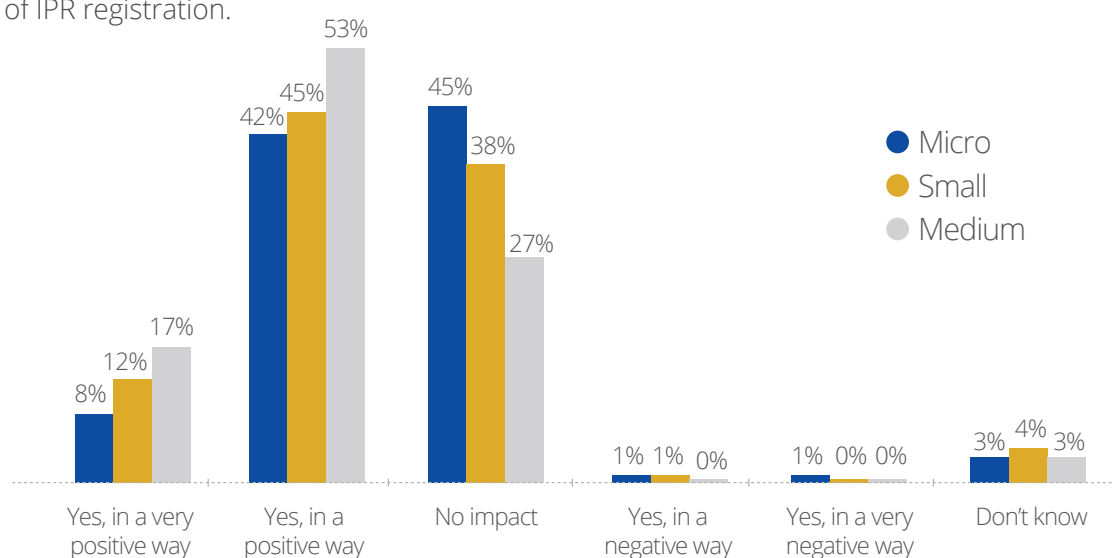
RECEIVE INFORMATION ABOUT IPR	COMPANY SIZE (no IPR)		
	Micro	Small	Medium
Yes	26%	26%	26%
No	74%	74%	74%

BEST SOURCES FOR ADVICE	COMPANY SIZE (with IPR)		
	Micro	Small	Medium
Internet / social media	79%	84%	78%
Local advisors	37%	35%	42%
Local media	19%	14%	9%
Local administration	26%	17%	18%
Local Chambers of Commerce	38%	39%	36%
Local Industry Association	28%	27%	27%
IP Office	41%	40%	45%
Others	6%	8%	8%

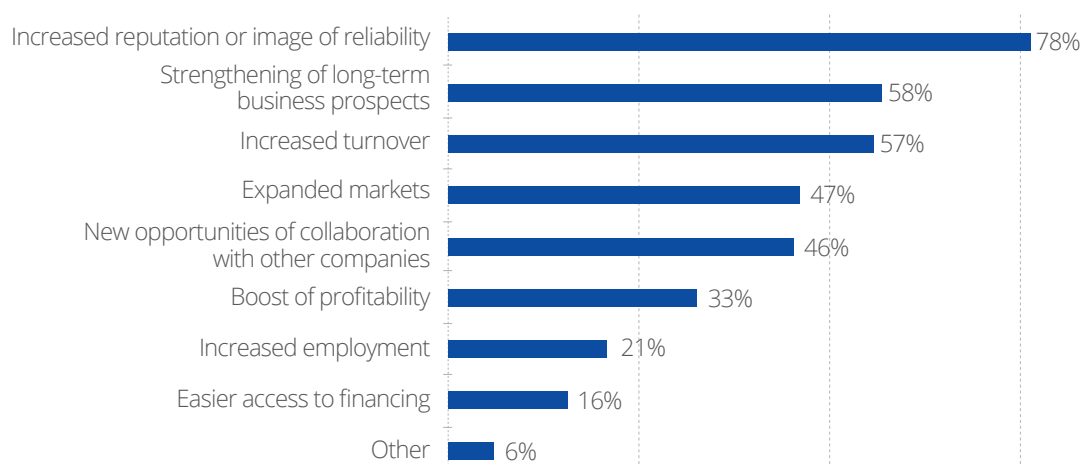
BEST SOURCES FOR ADVICE	COMPANY SIZE (no IPR)		
	Micro	Small	Medium
Internet / social media	83%	83%	83%
Local advisors	34%	30%	31%
Local media	15%	15%	13%
Local administration	24%	22%	16%
Local Chambers of Commerce	36%	39%	43%
Local Industry Association	24%	29%	28%
IP Office	37%	39%	44%
Others	3%	9%	5%

Impact of IPR registration

The majority of SMEs who registered an IPR believe that it had either a 'very positive' or 'positive' impact on their businesses. Increased reputation or image of reliability, strengthening of long-term business prospects and increased turnover were the top three positive outcomes of IPR registration.



Positive aspects of IPR registration reported by SMEs



IPR infringements

Almost one third of SMEs registering IPRs declare having suffered an infringement. This proportion increases with the size of the SME, with medium-sized SMEs being affected most (39 %) and micro SMEs suffering least from IPR infringement (24 %). The top three of IPRs infringed are trade marks, patents and designs.

SUFFERED FROM INFRINGEMENT OF IP	COMPANY SIZE		
	Micro	Small	Medium
Yes	24%	28%	39%
No	72%	68%	56%
Don't know	4%	4%	5%

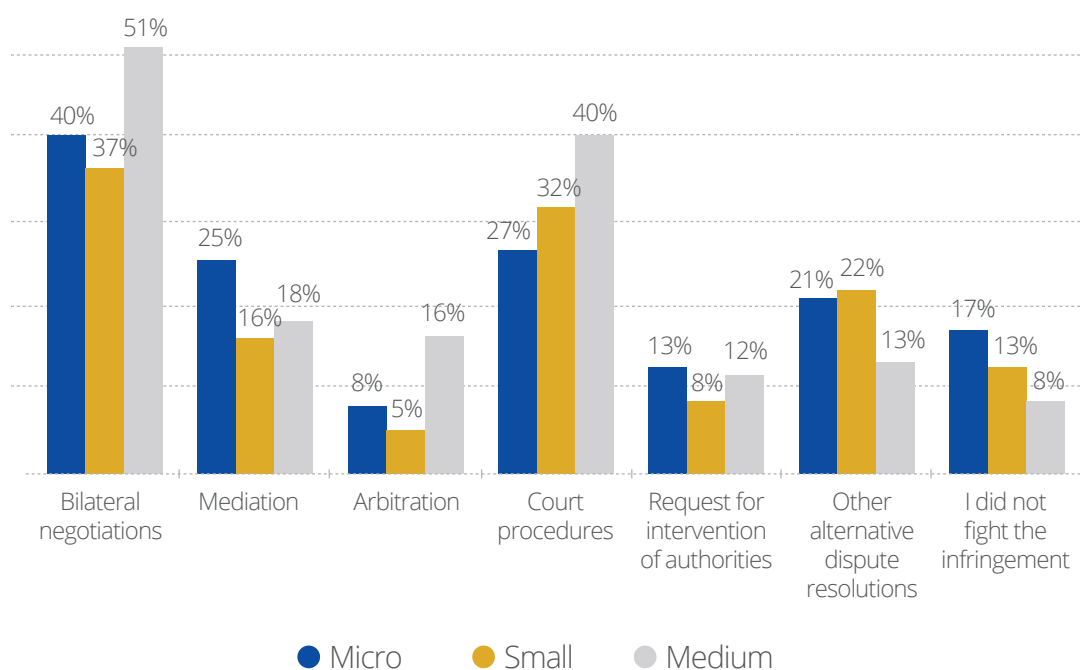
Impact of infringement on a company performance

Loss of turnover, damage to the reputation or a loss of competitive edge are the top consequences reported by SMEs of IPR infringement.

MOST FREQUENT NEGATIVE IMPACT OF INFRINGEMENT	COMPANY SIZE		
	Micro	Small	Medium
Loss of turnover	42%	38%	35%
Damage to reputation	38%	37%	34%
Release staff / stop hiring	9%	3%	2%
Loss of incentives to innovative and invest	13%	8%	6%
Loss of competitive edge	34%	29%	35%
Increase awareness of my products	19%	18%	18%
Other	36%	31%	30%

Most common means to solve IPR infringement conflicts

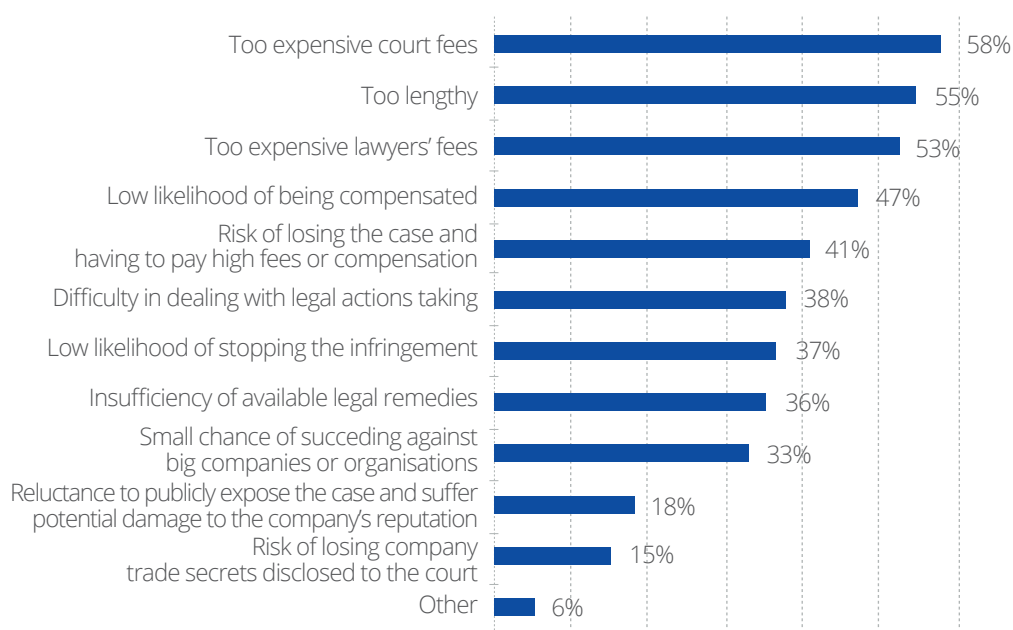
Bilateral negotiations followed by a court procedure are the most often mentioned ways of solving IPR infringement conflicts. SME size is strongly linked to the likelihood to fight IPR infringement and the method used. Compared to SMEs in general, micro SMEs are more likely not to fight the infringement (17 % compared to 12 % on average) and less likely to choose a court procedure (27 % compared with 35 %). Small SMEs are less likely to enter into bilateral negotiations (37 %) or arbitrations (5 %) and more likely to mention other dispute resolution methods. In contrast, medium SMEs are more likely to act with higher than average proportions of bilateral negotiations (51 %), court procedures (40 %) and arbitration (16 %) usage.



Reasons to refrain from court procedures as a mean to solve IPR infringement conflict

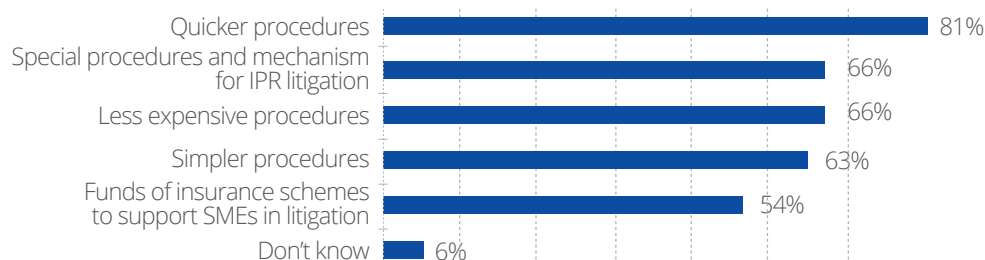
Although the likelihood to start a court procedure increases with the size of the SME, no significant differences appear in terms of barriers.

Costs and lengthy procedures are the key reasons why SMEs refrain from court procedures as a means to solve IPR infringement conflict



Issues that could be improved in the court procedures

Quicker, simpler and less expensive procedures together with special procedures and mechanisms for IPR litigation are the most important means mentioned by SMEs to improve court procedures. Micro SMEs in particular are in favour of special procedures and mechanisms for IPR litigation, with 83 % selecting this answer in comparison with 66 % for all SMEs that used court procedures to fight IPR infringement.



Incidence of SMEs suffering from unjust allegation of IPR infringement

A minority of SMEs declare having suffered unjust allegations of IPR infringement. Most allegations relate to trade marks, patents and designs.

Out of all SMEs surveyed, 9 % say they have suffered from such unjust allegations of infringing another company's IPR. When asked which type of IPR they experienced an 'unjust' infringement allegation, SMEs most often mention trade marks (37 %), patents (23 %) and designs (14 %). These are also the top three IPR types mentioned by SMEs who reported IPR infringements in general.

Interest in participating in an SME network

One third of SMEs declared willingness to participate in an SME network.

Out of all of the SMEs surveyed, 29 % said they would be interested in participating in a network that would bring together innovative and IP minded SMEs that would meet and discuss best practice and challenges faced with creating, using, enforcing or litigating IP rights. Some differences exist between those who register IPRs and those who do not, with 39 % of IP using SMEs reporting an interest in the network compared to 22 % amongst those with no IPR.

WILLING TO JOIN NETWORK	COMPANY SIZE (with IPR)			WILLING TO JOIN NETWORK	COMPANY SIZE (no IPR)		
	Micro	Small	Medium		Micro	Small	Medium
Yes	39%	37%	40%	Yes	21%	20%	24%
No	61%	63%	60%	No	79%	80%	76%

1. Introduction

INTELLECTUAL PROPERTY (IP)
 SME SCOREBOARD - 2016

Smart, sustainable and inclusive growth is one of the European Commission's priorities. The EU's flagship 'Innovation Union' is a Europe 2020 Initiative, which 'is the European Union strategy to create an innovation-friendly environment that makes it easier for great ideas to be turned into products and services that will bring our economy growth and jobs.³ Innovation as a way to enhance businesses' competitiveness is gaining importance, especially for EU enterprises.⁴ Intellectual Property (IP) is a tool that not only defines, but more importantly protects human innovations and creations⁵ and facilitates innovative businesses to create competitive advantage. Furthermore, via licensing, other companies can build on others' creations and ideas to develop or improve their products or services, while avoiding dispute and possibly expensive litigation⁶.

3 - http://ec.europa.eu/research/innovation-union/index_en.cfm

4 - http://ec.europa.eu/growth/industry/intellectual-property/index_en.htm

5 - <https://euiipo.europa.eu/ohimportal/en/intellectual-property>

6 - http://www.wipo.int/sme/en/ip_business/importance/relevant.htm

7 - http://www.wipo.int/sme/en/ip_business/ip_asset/sme_market_value.htm

Thus, the use of the IP system can provide many benefits, particularly helping Small and Medium-Sized Enterprises (SMEs) exploit their assets, as described by the World Intellectual Property Organization (WIPO)⁷:

- By generating income through licensing, sale or commercialisation of IPR-protected products or services.
- By enhancing value or worth of the SME as perceived by investors and financing institutions.
- By raising value of the SME through IPR assets in case of a sale, merger or acquisition.

The European citizens and intellectual property survey shows that EU citizens are indeed convinced of the advantages of IPRs: 96 % of them think IPRs are important because they support innovation and creativity by rewarding inventors, creators and artists⁸. Nevertheless, SMEs often do not maximise the gains from their assets; either by not registering or licencing IPRs, or by not enforcing their IPRs, especially in comparison to larger companies. According to a report of the EUIPO⁹ through the European Observatory on Infringements of Intellectual Property Rights, large companies are four times more likely to own registered IPRs than smaller companies - 40 % of larger firms have registered rights, compared with 9 % of SMEs. It also shows that companies that own registered IPRs have in general 29 % higher revenue per employee, about 6 times as many employees and pay wages that are up to 20 % higher than firms that do not own IPRs. Moreover the SMEs that own IPRs have 32 % higher revenue per employee (compared to the 29 % for all companies).

8 - https://euiipo.europa.eu/ohimportal/en/web/observatory/ip_perception

9 - <https://euiipo.europa.eu/ohimportal>

This survey was carried out on behalf of the European Union Intellectual Property Office (EUIPO), acting through the European Observatory on Infringements of Intellectual Property Rights in collaboration with the European Commission's Directorate General for Internal Market, Industry, Entrepreneurship and SME (DG Growth). The aim of the study is to capture the perception of Intellectual Property Rights (IPRs) amongst SMEs in terms of their knowledge and use of IPRs. The insights from this study will form the basis for a greater understanding of how to adapt the IP environment to the needs of SMEs. The survey provides these insights with a focus on differences between companies that have registered IPRs and those that have not. Furthermore, this study not only describes the behaviour of SMEs with respect to intellectual property, but also examines the reasons behind their behaviour.

In this report, the first sections cover the methodology and sampling. In the following four sections, the survey results are discussed. First, the SME's level of innovation is assessed. Related to the protection of the innovation, the behaviour of SMEs towards IPRs is examined in terms of awareness, timing, business strategy and effective support measures. In addition, the state of play in terms of licensing and SMEs' perceptions of the impact that registering IPR has on the company are discussed. The last chapter covers SMEs' respect of IPRs and enforcement of IPRs.

2. Methodology

INTELLECTUAL PROPERTY (IP)
 SME SCOREBOARD - 2016

2.1. Overview of the approach

The fieldwork took place in each of the 28 EU Member States, with a total of 8 970 interviews completed between June and September 2015. Interviews were completed using Computer-Assisted Telephone Interviewing (CATI), with an option for SMEs to complete the survey online on request. The CATI approach with an online option is particularly suitable for a business audience as it allows for optimal response rates among a target group that is typically hard-to-reach and has little time for surveys.

2.2. Sampling

The sampling approach aimed at achieving a sufficient number of interviews with SMEs that have registered an IPR and those that have not, while ensuring a spread of interviews across company size and sector. A sample of SMEs was selected in the ORBIS (Bureau Van Dijk¹⁰) database and matched with the EUIPO and PATSTAT¹¹ databases of companies having registered IPRs in order to identify companies with and without IPR use upfront. This method allowed the specific targeting of companies across company size and IPR use.

Given that there was an oversampling of companies that have registered IPRs (43 % in the sample compared to 9 % in the population) when the analysis discusses aggregate results this is not representative of the population of SMEs in Europe as such. Within the size groups of SME (i.e. micro, small, medium) the sample data was weighted on country level so that the proportions of SMEs according to size were proportionate to the number of SMEs of that size in each EU country. Given that characteristics of IP users and non-users in the general population are unknown, generally it is not possible to extrapolate findings to each of these populations. Nevertheless, the oversampling and weighting on the basis of the size of the SME permitted the analysis to obtain a sufficient sample of IPR users to draw representative conclusions for the different subsamples of micro, small and medium-sized companies within the groups of IPR users or non IPR users. Furthermore, the oversampling of IPR users ensures a sufficient sample for meaningful results and insights into the attitudes and behaviours of SMEs with IPRs.

10 - The ORBIS database provides financial and other information on millions of European companies, collected from the filings and accounting reports made by the companies in the commercial registers of all EU Member States.

11 - The PATSTAT database is also known as the EPO Worldwide Patent Statistical Database. It contains information on more than 90 million applications of more than 80 countries.

2.3. Questionnaire

12 - In the cases of Belgium, Luxembourg, Malta, and Slovakia the questionnaire was made available in two languages.

In each SME, the target respondent was the person 'responsible for legal matters and company policies within [the] organisation.' The introduction to the questionnaire includes a screening section that allowed interviewers to reach and recruit the most relevant respondent. The 17-minute long questionnaire can be found in Annex 8.3. The English master questionnaire was translated into the languages of each country¹² prior to fieldwork.

2.4. Set up and data collection

Supervisors and interviewers were briefed on the project and the questionnaire was scripted in all relevant languages. The quality was controlled with automated and manual checks prior to the pre-test. 10 % of all interviews were completed during the pre-test phase. All data was thoroughly checked and interviewers had the opportunity to provide feedback before the main phase of the fieldwork. The progress of the fieldwork was closely monitored by the project team throughout the data collection phase.

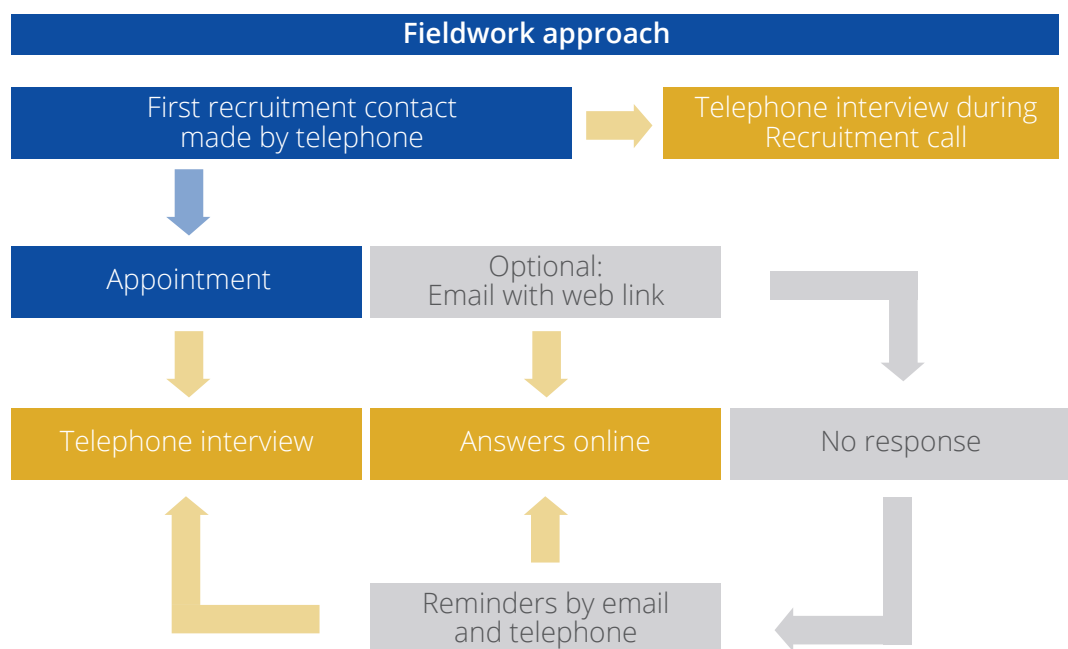
Interviews were conducted in two stages:

- Telephone recruitment: respondents were recruited over the phone and either took part in the survey straight away or were sent the survey questionnaire by email.

- Questionnaire completion: respondents who received the questionnaire by email either booked an appointment at a later date to complete the survey over the phone or completed the survey via an online link.

The interview flow is summarised in the figure below.

Figure 1 Fieldwork approach



2.5. Final sample characteristics

The 8 970 completed interviews are spread across company size and sector as per the table below.

[Table 1 Sample size by size and sector of SME](#)

SECTOR	COMPANY SIZE			TOTAL
	Micro (1-9 employees)	Small (10-49 employees)	Medium (50-249 employees)	
Manufacturing	276	794	481	1551
Construction	221	463	205	889
Transportation, accomodation, and food services	272	521	309	1102
Wholesale and retail trade	415	582	352	1349
Financial and insurance activities and real estate services and information and communication	297	523	249	1069
Other sectors	807	1549	654	3010
Total	2288	4432	2250	8970

In order to have a sufficient and comparable amount of companies per sector, it was chosen to group the sectors into six broader categories. This is shown in the table below:

Table 2 Grouping of sectors

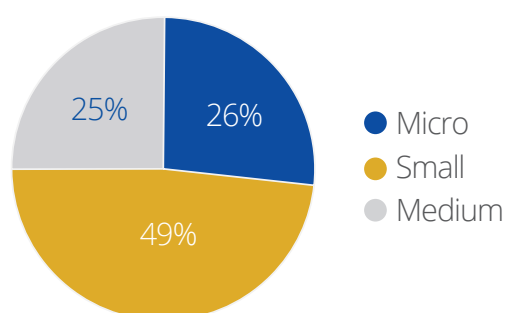
SECTOR	Grouping
Manufacturing	Manufacturing
Construction	Construction
Transportation and storage	Transportation, accommodation and food services
Accommodation and food service activities	
Wholesale and retail trade, repair of motor vehicles and motorcycles	Wholesale and retail trade
Financial and insurance activities	Financial and insurance activities and real estate activities and information and communication
Information and communication	
Real estate activities	Other sectors
Agriculture, forestry and fishing	
Mining and quarrying	
Electricity, gas, steam and air conditioning supply	
Water supply, sewerage, waste management and remediation activities	
Professional, scientific and technical activities	
Administrative and support service activities	
Public administration and defence, compulsory social security	
Education	
Human health and social work activities	
Arts, entertainment and recreation	
Other service activities	
Activities of households as employers, undifferentiated goods and service	
Activities of extraterritorial organisations and bodies	

For the purpose of convenience, throughout the report, the different sectors shall mainly be addressed in general as following:

- Manufacturing: Manufacturing
- Construction: Construction
- Transportation, accommodation and food services: Transportation
- Wholesale and retail trade: Wholesale
- Financial and insurance activities and real estate activities and information and communication: Financial activities
- Other services: Other services

Overall, 26 % of interviews were conducted with Micro companies (2 289 interviews), 49 % with Small companies (4 432 interviews) and 25 % with Medium companies (2 249 interviews).

[Figure 2 Share of company size in the sample](#)



Interviews were spread across sectors, with more than 900 interviews conducted in each of six major sectors, as per the chart below.

[Figure 3 Share of industries in the sample](#)



A full breakdown of the sample characteristics by country is available in Annex 8.5.

2.6. Indicating significance

Throughout this report, differences between the groups of companies are highlighted. The groups of IPR users and IPR non-users are often compared. When the differences between them are statistically significant¹³ they are indicated in the tables and figures using boldface or an asterisk.

In some cases, differences by company size (micro, small, medium) are also analysed. In such cases, significance is illustrated using a letter scheme whereby each size group is marked with a letter (a for micro, b for small, c for medium) and statistically significant differences between the size groups are indicated using those letters. For example, the first line of table 28 in Section 4.1.7 shows that 32 % of micro companies, 26 % of small companies and 21 % of medium-sized companies give 'lack of knowledge' as the reason for not registering IPRs. The letters bc adjacent to the figure for micro companies indicate that the difference between their figure of 32 % and the figures of the other two groups is statistically significant. Conversely, the difference between the figures for small and medium-sized companies (26 % vs. 21 %) is not statistically significant.

13 - 'Statistically significant' means that an observed difference in the sample is a true reflection of the corresponding population with 95 % probability, so that the probability that the observed difference came about purely by chance is 5 %.

3. Assessment of innovation

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3.1. Perceptions of innovation amongst SMEs

When looking at the perception of innovation between SMEs that register IPRs and those that don't, nearly 80 % of the IPR users think their company is innovative which is different from those who have not registered an IPR. Slightly more than half (53 %) of the companies that do not register an IPR consider themselves as innovative.

Figure 4 Perception of innovation within IPR users

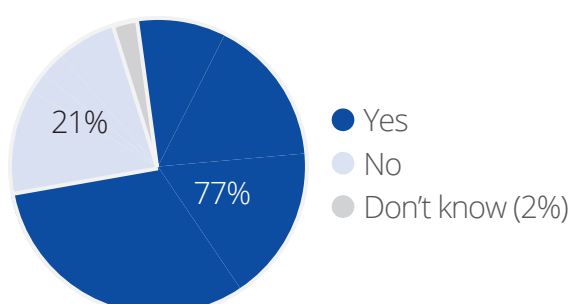
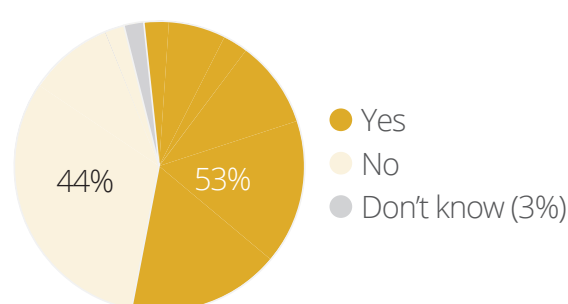


Figure 5 Perception of innovation within No IPR users



The differences indicate that SMEs that have registered an IPR are more likely to hold positive perceptions of innovation in their company. In order to understand what characteristics are associated with better or worse perceptions of innovation within the categories of SMEs who registered an IPR and those that did not, the analysis looks at company size and sector.

Concerning company size, the analysis concludes that amongst those who have registered an IPR, 80 % of medium-sized businesses say their company is innovative. The figure falls to 78 % of small businesses (those with 10-49 workers) and to 71 % of micro businesses (up to 9 workers). For those who have not registered an IPR, 59 % of medium-sized businesses say their company is innovative compared to 80 % amongst the same size companies that have registered an IPR. The figure falls to 55 % of small businesses and to less than half (45 %) of micro businesses.

As for sector analysis there is again a gap between those who registered an IPR (with higher perception of innovation) and those that did not – though the gap is smallest in the transportation sector.

These differences dependent upon company size and sector, and registration of an IPR are presented in the tables below.

14 - The columns are indicated with letters. The significant differences are highlighted using the column letters which highlight which figures are significantly different from one another. For example, amongst SMEs that have registered an IPR, small and medium sized companies different significantly in comparison to micro companies.

[Table 3 Perceptions of innovation amongst SMEs according to size and registering an IPR¹⁴](#)

PERCEPTION OF INNOVATION	COMPANY SIZE (with IPR)		
	Micro	Small	Medium
Yes	71%	78%	80%
No	27%	21%	19%
Don't know	2%	1%	1%

PERCEPTION OF INNOVATION	COMPANY SIZE (no IPR)		
	Micro	Small	Medium
Yes	45%	55%	59%
No	51%	43%	38%
Don't know	4%	2%	3%

[Table 4 Perceptions of innovation amongst SMEs according to sector and registering an IPR](#)

PERCEPTION OF INNOVATION	SECTOR (with IPR)					
	Manufacturing	Construction	Transportation	Wholesale	Financial activities	Other
Yes	85%	74%	65%	66%	79%	79%
No	14%	25%	33%	31%	20%	20%
Don't know	1%	1%	2%	3%	1%	1%

PERCEPTION OF INNOVATION	SECTOR (no IPR)					
	Manufacturing	Construction	Transportation	Wholesale	Financial activities	Other
Yes	61%	47%	49%	44%	62%	54%
No	36%	49%	48%	54%	35%	43%
Don't know	3%	4%	3%	2%	3%	3%

3.2. The reality of innovation

Whilst the above indicates the perception amongst SMEs of their level of innovation, it was deemed important to analyse how this matches the reality. SMEs were asked a number of questions in order to measure the actual level of innovation. These aspects covered whether there had been new or significantly improved changes in the previous three years for the following four aspects:

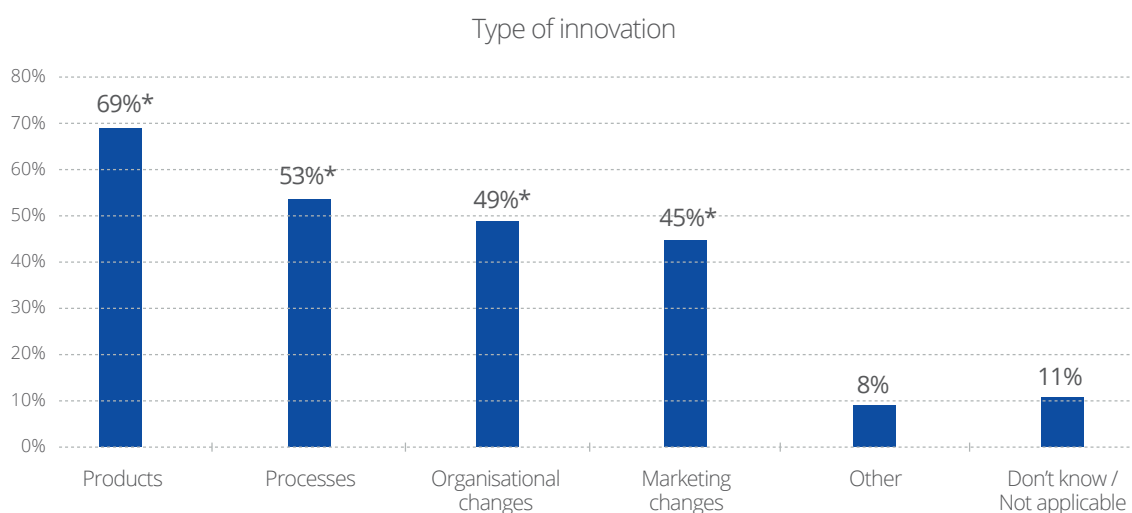
- Products
- Processes
- Organisational changes; and
- Marketing changes.

The analysis concluded that companies that register IPRs indicate having introduced new products (69 %), processes (53 %), organisational changes (49 %) and marketing changes (45 %) significantly more than companies that do not register IPRs. Moreover, the difference between introducing new products or processes is much higher, compared to introducing organisational changes.

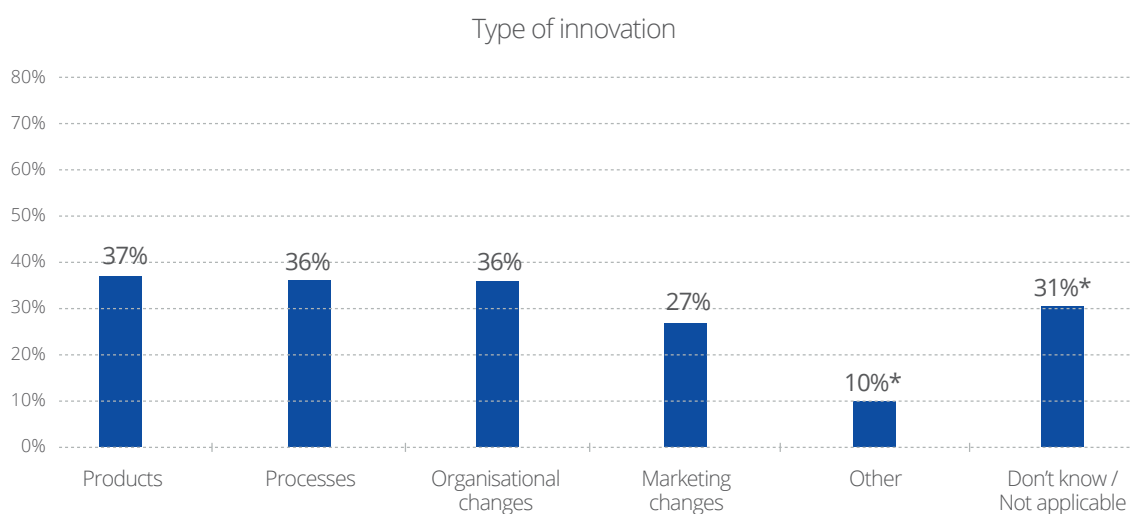
Also a significantly higher percentage of non IPR users indicate not knowing whether their company has introduced new or significantly improved changes over the last three years.

These differences are displayed in the following figures.

[Figure 6 Proportion of IPR users who have innovated in the previous three years](#)



[Figure 7 Proportion of No IPR users who have innovated in the previous three years](#)



As was the case for the perceptions of innovation, there are significant differences in the reality of innovation amongst those that registered an IPR and those that did not. The differences indicate that SMEs that have registered an IPR are more likely to not only hold positive perceptions of innovation in their company, but also are more innovative in reality – reflecting the fact that their innovativeness has likely led them to register an IPR.

This result can be further broken down into both the size and sector of the SME amongst both those with an IPR and those without.

The size of the SME

■ The likelihood of having introduced innovation increases with the size of the company, regardless of whether they have an IPR or not.

■ It is those SMEs that have registered an IPR that are also introducing innovations in their companies regardless of their size. That is, SMEs that are more innovative are also more likely to have registered an IPR. This is unsurprising given the likely scenario that SMEs that are innovative are using IPRs to protect that innovation. Table 5 highlights that the highest level of innovation amongst companies with no IPRs are amongst medium sized companies - 78 %, which is below the lowest level of innovation found for companies that have registered an IPR (83 % amongst micro companies)

The sector of the SME

It is the manufacturing industry which has the greatest perception of being innovative and the construction industry with the lowest perception amongst IPR users and non IPR users. Again there is a gap between those who registered an IPR (with higher levels of innovation) and those that did not. The smallest gap between IPR users and non IPR users in their levels of innovation is in the financial activities sector and the largest gap is found in the construction sector.

These differences are highlighted in the following tables.

[Table 5 Reality of innovation amongst SMEs according to size and registering an IPR¹⁵](#)

REALITY OF INNOVATION	COMPANY SIZE (with IPR)		
	Micro	Small	Medium
Yes	83%	89%	93%
No	17%	11%	7%

REALITY OF INNOVATION	COMPANY SIZE (no IPR)		
	Micro	Small	Medium
Yes	61%	71%	78%
No	39%	29%	22%

15 - The columns are indicated with letters. The significant differences are highlighted using the column letters which highlight which figures are significantly different from one another. For example, amongst SMEs that have registered an IPR, small and medium sized companies differ significantly in comparison to micro companies.

[Table 6 Reality of innovation amongst SMEs according to sector and registering an IPR](#)

REALITY OF INNOVATION	SECTOR (with IPR)					
	Manufacturing	Construction	Transportation	Wholesale	Financial activities	Other
Yes	93%	86%	90%	87%	89%	88%
No	7%	14%	10%	13%	11%	12%

REALITY OF INNOVATION	SECTOR (no IPR)					
	Manufacturing	Construction	Transportation	Wholesale	Financial activities	Other
Yes	74%	62%	69%	68%	73%	70%
No	26%	38%	31%	32%	27%	30%

3.3. Importance of various Intellectual protection measures

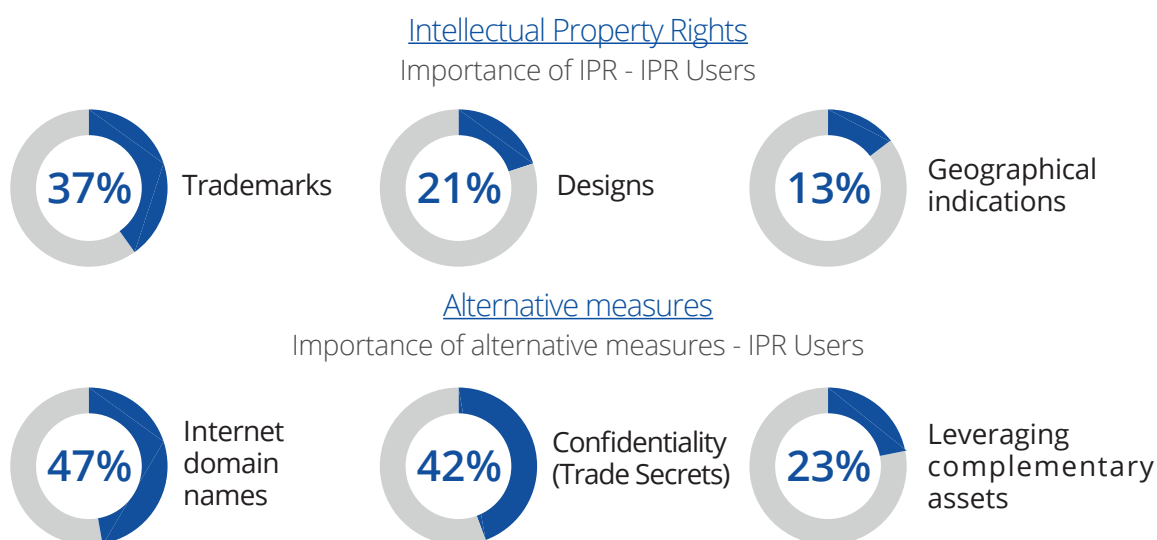
In this section SMEs were asked whether they use protection measures and if yes, which of them they perceive to be of importance for their company's ability to derive competitive advantage from their innovative activities. The results clearly indicate that there are some core measures deemed important amongst SMEs surveyed.

For the purpose of this report protection measures are divided into two main groups:

- **Intellectual Property Rights:** an Intellectual Property Right can be defined as a right given to a person or a company over their creations or innovations. It provides them the exclusive right over the use of this creation of innovation for a fixed period of time.
- **Alternative measures:** alternative measures such as registration of Internet domain names or confidentiality.

The analysis showed that the single most important kind of protection measure for SMEs, regardless of size, is most likely to be a company's internet domain name(s). The table below indicates the top three IPR measures and top three alternative measures that obtained the highest scores amongst SMEs (irrespective of their size) that register an IPR.

[Table 7 Top three most important IP protection measures](#)



Looking at the importance of measures amongst SMEs that have registered an IPR, the following tables highlight the differences depending upon the size of the SME. Each number is calculated based on the importance of each protection measure assessed by SMEs, ranging from 1 ('I do not use this at all' – no importance at all) to 4 ('High importance'). Therefore each 'score' provides insights on the importance of that specific protection measure and allows

comparison with other Intellectual Property Rights and alternative protection measures. The three measures generally assessed as most important are highlighted in blue. The analysis clearly highlights that the same Intellectual Property Rights and Alternative measures were chosen as being important regardless of company size.

MICRO

Intellectual Property Rights		Alternative measures	
2,85	Trademark	2,45	Confidentiality (Trade Secrets)
1,73	Patent	2,07	Complexity of product design
1,75	Copyright	2,20	Leveraging my complementary assets
2,01	Design	1,94	Database law
1,78	Geographical indication	2,13	Time to market
1,15	Breeder's right / PVR	3,07	Internet domain name(s)
1,13	Topography of semiconductor	1,43	Other
1,39	Utility model		

SMALL

Intellectual Property Rights		Alternative measures	
2,86	Trademark	2,74	Confidentiality (Trade Secrets)
1,87	Patent	2,16	Complexity of product design
1,90	Copyright	2,32	Leveraging my complementary assets
2,08	Design	2,16	Database law
1,74	Geographical indication	2,28	Time to market
1,14	Breeder's right / PVR	3,09	Internet domain name(s)
1,10	Topography of semiconductor	1,58	Other
1,44	Utility model		

MEDIUM

16 - Complementary assets refer to the firm's assets or capabilities necessary for successfully commercializing technologies, which include manufacturing capabilities, distribution channels, after-sales service, brands and complementary technologies (Teece, 1986).

Intellectual Property Rights		Alternative measures	
3,00	Trademark	2,96	Confidentiality (Trade Secrets)
2,02	Patent	2,34	Complexity of product design
1,97	Copyright	2,56	Leveraging my complementary assets
2,20	Design	2,23	Database law
1,85	Geographical indication	2,44	Time to market
1,17	Breeder's right / PVR	3,11	Internet domain name(s)
1,11	Topography of semiconductor	1,48	Other
1,51	Utility model		

The following tables give an overview of the assessment of the importance of IP protection measures on country level¹⁶, which show that there are quite some differences between Member States. These differences can be related to the fact that the legal conditions and business environment of Member States can condition SMEs to use a certain type of protection measure over another.

Table 8 IPR protection measures assessed as important

MEMBER STATE	Protection Measures that are assessed as important							
	Trademarks	Design	Geographical indication	Copyright	Patent	Utility model	Breeder's right / PVR	Topography of semiconductor
Austria	30%	27%	23%	23%	21%	9%	5%	3%
Belgium	32%	13%	6%	10%	13%	3%	-	-
Bulgaria	45%	32%	14%	12%	23%	6%	3%	2%
Croatia	59%	50%	26%	30%	22%	12%	2%	3%
Cyprus	67%	31%	15%	12%	11%	19%	7%	8%
Czech Republic	40%	22%	5%	21%	11%	12%	-	-

MEMBER STATE	Protection Measures that are assessed as important (continued)							
	Trademarks	Design	Geographical indication	Copyright	Patent	Utility model	Breeder's right/PVR	Topography of semiconductor
Denmark	27%	16%	9%	14%	13%	2%	4%	-
Estonia	63%	28%	12%	31%	9%	2%	-	3%
Finland	48%	6%	13%	17%	14%	1%	1%	2%
France	25%	8%	6%	5%	7%	0,4%	2%	0,4%
Germany	35%	28%	18%	25%	20%	13%	2%	1%
Greece	48%	16%	12%	14%	10%	14%	6%	7%
Hungary	38%	19%	8%	3%	10%	3%	1%	1%
Ireland	32%	22%	19%	23%	12%	-	-	-
Italy	25%	7%	10%	4%	10%	2%	1%	-
Latvia	48%	25%	20%	28%	25%	14%	2%	4%
Lithuania	62%	49%	19%	27%	16%	3%	-	-
Luxembourg	25%	4%	6%	4%	7%	-	-	-
Malta	43%	4%	15%	17%	13%	6%	4%	2%
Netherlands	52%	14%	11%	15%	13%	2%	4%	1%
Poland	37%	26%	5%	22%	19%	17%	1%	-
Portugal	49%	18%	19%	16%	15%	7%	3%	1%
Romania	61%	22%	8%	15%	17%	7%	-	-
Slovakia	50%	26%	10%	30%	20%	3%	3%	-
Slovenia	50%	23%	14%	10%	12%	13%	-	1%
Spain	50%	25%	17%	12%	17%	6%	1%	1%
Sweden	43%	28%	15%	17%	18%	2%	1%	3%
United Kingdom	35%	31%	15%	23%	21%	0,4%	1%	0,4%
EU total	38%	22%	14%	16%	16%	7%	2%	1%

Table 9 Alternative protection measures assessed as important

MEMBER STATE	Alternative protection measures that are assessed as important						
	Confidentiality	Complexity of product design	Leveraging complementary assets	Database law	Time to market	Internet domain names	Other
Austria	59%	25%	24%	15%	20%	48%	25%
Belgium	28%	24%	20%	16%	21%	44%	47%
Bulgaria	47%	33%	32%	39%	47%	57%	-
Croatia	62%	47%	45%	59%	57%	73%	-
Cyprus	33%	22%	38%	30%	53%	62%	-
Czech Republic	41%	26%	36%	13%	23%	55%	-
Denmark	37%	20%	13%	16%	18%	47%	100%
Estonia	57%	20%	17%	28%	29%	71%	9%
Finland	35%	29%	42%	16%	14%	46%	16%
France	19%	15%	14%	15%	12%	30%	4%
Germany	63%	29%	24%	27%	25%	51%	17%
Greece	33%	23%	24%	25%	49%	65%	64%
Hungary	33%	25%	21%	18%	24%	38%	29%
Ireland	33%	29%	7%	18%	23%	55%	-
Italy	11%	11%	16%	12%	16%	30%	7%
Latvia	58%	20%	19%	47%	31%	57%	-
Lithuania	73%	21%	57%	49%	71%	70%	16%
Luxembourg	30%	19%	11%	17%	16%	44%	-
Malta	37%	29%	17%	28%	28%	48%	47%
Netherlands	33%	25%	25%	4%	18%	52%	33%

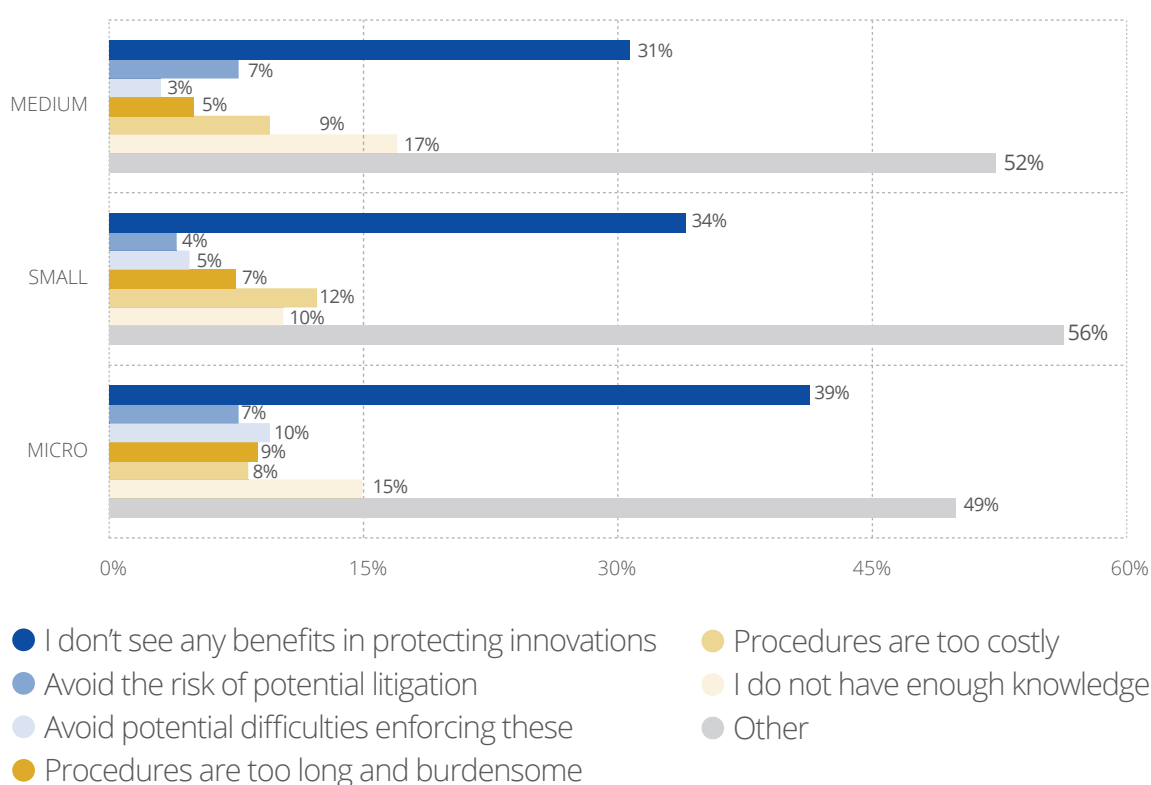
MEMBER STATE	Alternative protection measures that are assessed as important (continued)						
	Confidentiality	Complexity of product design	Leveraging complementary assets	Database law	Time to market	Internet domain names	Other
Poland	48%	18%	30%	25%	28%	47%	26%
Portugal	32%	22%	24%	15%	20%	61%	12%
Romania	50%	19%	9%	36%	11%	47%	-
Slovakia	65%	42%	27%	30%	40%	54%	40%
Slovenia	47%	51%	53%	19%	67%	58%	31%
Spain	45%	21%	30%	32%	29%	52%	5%
Sweden	28%	36%	29%	17%	32%	39%	11%
United Kingdom	43%	22%	16%	22%	26%	44%	17%
EU total	42%	29%	23%	22%	24%	47%	13%

3.4. Reasons why SMEs do not take any measures to protect their innovation

The analysis shows that the most common reason for refraining from taking any measures to protect innovations, put forward by 35 % of SMEs was the fact that the companies don't see any benefit of doing so. A further 13 % say they do not have enough knowledge on how to protect innovations, while 10 % say the procedures are too costly. Other answers range from the feeling that procedures are too long and burdensome (8 %) or that SMEs want to avoid any potential enforcement difficulties (7 %) or litigation (5 %).

Looking at companies' size, micro businesses in particular, point to the fact that they feel they have insufficient knowledge (15 %) and that the processes take too long (9 %) in order to put these measures in place. Medium-sized businesses also complain about lack of knowledge about IP protection (17 %). Samples are too small to make a meaningful country-by-country analysis.

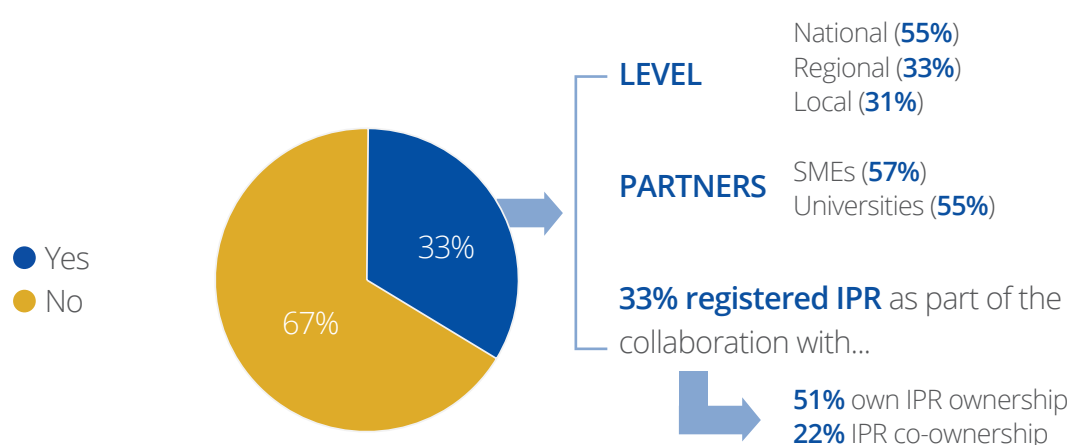
Figure 8 Reasons for not taking protective measures according to SME size



3.5. Collaboration between SMEs and other entities

The analysis shows that 33 % of SMEs declare working with other companies, research institutes or academia to develop innovations together. Medium-sized businesses are more likely to enter into collaboration, with 42 % of such companies taking part. Less than a quarter (23 %) of micro businesses chooses this route. Those who collaborate do it mostly at national level with other SMEs or universities and as a result of such collaboration one third register an IPR which in the majority of cases they are the owners of. Smaller businesses are more likely to collaborate at a local level, while larger businesses tend in general more towards national level collaborations.

Figure 9 Collaboration and innovation amongst SMEs



However, the degree of collaboration varies within the EU. Forging collaborations with other companies, research institutes or academia in the pursuit of innovation is more often found among Finnish and Lithuanian companies (both 51 %), while this way of working is less reported in Romania (15 %), Malta (19 %), Italy (19 %) and Portugal (21 %).

There are various levels where collaboration can take place notably showing country specificities:

- Local and regional level: Italian SMEs prefer to cooperate mostly with local (58 %) and regional partners (50 %). Slovakian SMEs, on the other hand, are least likely to look for partners at local level (11 %). Similarly, SMEs in Bulgaria are the least likely to collaborate on the regional level (9 % of Bulgaria SMEs report collaborating at this level);
- National level: most collaboration between SMEs and other partners is at the national level (i.e. within the same EU country);
- EU level: SMEs in some of the smaller Member States such as Malta (52 %), Estonia (50 %), Cyprus (49 %), Ireland (44 %) and Slovakia (43 %) tend to work to a larger extent with organisations in other EU countries.
- Outside the EU: SMEs in the United Kingdom collaborate with entities in countries outside the EU to a greater extent than others (28 %).

Table 10 Level of collaboration of SMEs on Member State level

MEMBER STATE	Level of collaboration				
	Local	Regional	National (in one EU Member State)	Other EU countries	Non-EU countries
Austria	37%	42%	59%	32%	14%
Belgium	16%	29%	58%	33%	14%
Bulgaria	36%	9%	46%	27%	7%
Croatia	39%	32%	50%	23%	11%
Cyprus	37%	9%	48%	49%	15%
Czech Republic	21%	19%	70%	24%	8%
Denmark	25%	20%	65%	29%	11%
Estonia	50%	29%	38%	50%	17%
Finland	39%	34%	67%	30%	20%
France	30%	27%	56%	21%	10%
Germany	21%	36%	59%	21%	13%
Greece	26%	14%	66%	41%	18%
Hungary	34%	38%	34%	24%	2%
Ireland	51%	38%	65%	44%	19%
Italy	58%	50%	46%	16%	8%
Latvia	47%	17%	31%	27%	7%
Lithuania	34%	23%	39%	30%	9%
Luxembourg	17%	16%	54%	39%	16%
Malta	45%	17%	24%	52%	16%
Netherlands	25%	36%	52%	33%	14%
Poland	26%	27%	54%	15%	7%

MEMBER STATE	Level of collaboration (continued)				
	Local	Regional	National (in one EU Member State)	Other EU countries	Non-EU countries
Portugal	35%	31%	53%	27%	20%
Romania	37%	16%	62%	9%	3%
Slovakia	11%	31%	36%	43%	3%
Slovenia	24%	18%	57%	43%	9%
Spain	43%	44%	48%	17%	10%
Sweden	33%	22%	56%	27%	15%
United Kingdom	38%	32%	51%	37%	28%
EU total	31%	33%	55%	25%	13%

Types of partners

In general, most collaborations on innovations are with other SMEs and with academia (reported by 57 % and 55 % of SMEs respectively), though Danish companies in particular work equally with large companies, research institutes and government/public institutions. Micro businesses are more likely to collaborate with other SMEs (63 %), while small and medium-sized businesses have a tendency to favour collaborations with academia or research institutes (respectively 32 % and 44 %).

Outcomes of SME collaboration

One in three SMEs who collaborated, say that registered Intellectual Property Rights (such as patents, trade marks and designs) resulted from their collaborations. Austrian and Portuguese SMEs are the most likely to have found their collaborations fruitful in this regard, with 46 % and 43 % respectively saying their collaborations resulted in registered IPRs.

Table 11 Types of partners and outcome of collaboration

MEMBER STATE	Types of partners to collaborate with					IPR result of collaboration	
	Large companies	SMEs	Universities/ academia	Research institutes	Government/ public institutions	Yes	No
Austria	37%	60%	65%	38%	22%	46%	54%
Belgium	27%	48%	58%	35%	22%	29%	71%
Bulgaria	26%	64%	33%	18%	7%	29%	72%
Croatia	41%	67%	51%	26%	24%	25%	76%
Cyprus	50%	65%	40%	24%	19%	22%	78%
Czech Republic	27%	46%	63%	35%	22%	20%	80%
Denmark	42%	38%	52%	41%	42%	22%	78%
Estonia	33%	65%	48%	22%	32%	33%	67%
Finland	35%	59%	56%	34%	35%	37%	63%
France	30%	59%	47%	43%	31%	36%	64%
Germany	24%	59%	61%	36%	17%	39%	62%
Greece	48%	49%	53%	35%	21%	29%	71%
Hungary	30%	48%	48%	25%	7%	29%	72%
Ireland	35%	44%	65%	24%	50%	25%	75%
Italy	23%	62%	61%	40%	24%	21%	79%
Latvia	25%	63%	44%	26%	19%	23%	77%
Lithuania	31%	70%	34%	20%	22%	21%	79%
Luxembourg	26%	74%	23%	20%	22%	27%	73%
Malta	42%	49%	40%	7%	26%	39%	61%
Netherlands	34%	59%	48%	33%	26%	40%	60%

MEMBER STATE	Types of partners to collaborate with (continued)					IPR result of collaboration	
	Large companies	SMEs	Universities/ academia	Research institutes	Government/ public institutions	Yes	No
Poland	21%	45%	50%	33%	6%	30%	70%
Portugal	40%	58%	64%	37%	31%	43%	57%
Romania	28%	42%	44%	33%	13%	27%	73%
Slovakia	23%	64%	36%	15%	6%	25%	75%
Slovenia	31%	66%	44%	40%	28%	32%	68%
Spain	28%	51%	61%	44%	24%	26%	74%
Sweden	32%	57%	41%	23%	20%	27%	73%
United Kingdom	40%	65%	52%	25%	31%	37%	63%
EU total	29%	57%	55%	34%	22%	33%	67%

4. Usage of IPRs

INTELLECTUAL PROPERTY (IP)
SME SCOREBOARD - 2016



4.1. Behaviour towards Intellectual Property Rights

4.1.1. Familiarity of IPRs among SMEs

The degree of familiarity with the term 'Intellectual Property Rights (IPRs)' varies amongst SMEs in the sample. SMEs were asked to rate their familiarity with the term from 0 – not at all familiar, to 10 – very familiar. These familiarity ratings can be grouped into three categories of familiarity:

- Those with low familiarity (rating from 0-4) – 35 % of all SMEs
- Those with medium familiarity (rating 5-7) – 44 % of all SMEs
- Those with high familiarity (rather 8-10) – 21 % of all SMEs

Should the analysis only look at the aggregate level of familiarity, at first glance it appears that the degree of familiarity of the term IPR is not very high (i.e. 35 % of all SMEs have low familiarity). However, familiarity with the term is mostly likely to be related to whether SMEs have registered an IPR or not. Therefore, the analysis breaks down the degree of familiarity amongst both types of SMEs.

There is a big difference in familiarity of the term between SMEs that have registered an IPR on the one hand and those that have not on the other. As would be expected, SMEs that have registered an IPR are more familiar with the term (see Table 12). It is the lack of familiarity of this term amongst businesses with no registered IPRs that lowers the average.

There is also variability within these two groups of SMEs depending upon the size of the SME and the sector. In general, the bigger the SME the more familiar they are with the term IPR (amongst both those that have an IPR and those that do not).

Given that both the size and whether the SME has registered an IPR are both associated with a greater degree of familiarity with the term IPR, it is not surprising that medium-sized businesses that have registered IPRs have the greatest familiarity with the term Intellectual Property Rights (35 % of these companies gave a high familiarity score), with many small and micro businesses not far behind (respectively 28 % and 25 % having high familiarity amongst those who have registered an IPR).

Table 12 Familiarity with IPR on size level

FAMILIARITY WITH IPR	COMPANY SIZE (with IPR)			FAMILIARITY WITH IPR	COMPANY SIZE (no IPR)		
	Micro	Small	Medium		Micro	Small	Medium
Low	26%	20%	18%	Low	49%	45%	41%
Medium	49%	52%	47%	Medium	38%	39%	41%
High	25%	28%	35%	High	13%	16%	18%

Nevertheless, these figures indicate an overall lack of familiarity with the term IPR which is also reflected in the various sectors in which the SMEs work. The sector analysis notes that mainly SMEs that do not register IPRs in the transportation (52 %) and construction sector (54 %) show a low level of familiarity with the term. However, SMEs that register IPRs and are active in the financial sector profess to be the most familiar with the term (36 % ranking with high familiarity).

Table 13 Familiarity with IPR on sector level

FAMILIARITY WITH IPR	SECTOR (with IPR)					
	Manufacturing	Construction	Transportation	Wholesale	Financial activities	Other
Low	22%	21%	25%	23%	19%	18%
Medium	49%	61%	53%	54%	45%	48%
High	29%	18%	22%	23%	36%	34%

FAMILIARITY WITH IPR	SECTOR (no IPR)					
	Manufacturing	Construction	Transportation	Wholesale	Financial activities	Other
Low	41%	54%	52%	49%	33%	43%
Medium	42%	34%	37%	37%	45%	40%
High	17%	12%	11%	14%	22%	17%

On a country level, the same tendency can be observed: companies that do not register IPRs show a lower level of familiarity with the term (see Table 14).

[Table 14 Familiarity with IPRs on Member State level](#)

MEMBER STATE	Familiarity with IPRs - IPR users			Familiarity with IPRs - No IPR users		
	Low	Medium	High	Low	Medium	High
Austria	26%	48%	26%	48%	38%	14%
Belgium	14%	55%	31%	38%	47%	15%
Bulgaria	16%	53%	32%	35%	44%	21%
Croatia	20%	34%	46%	40%	39%	21%
Cyprus	32%	42%	26%	31%	42%	26%
Czech Republic	24%	40%	35%	58%	28%	14%
Denmark	40%	26%	34%	55%	20%	25%
Estonia	21%	46%	33%	43%	35%	23%
Finland	8%	44%	48%	55%	33%	13%
France	22%	48%	30%	43%	42%	16%
Germany	26%	48%	27%	55%	32%	13%
Greece	26%	44%	30%	55%	33%	12%
Hungary	28%	45%	27%	47%	41%	12%
Ireland	29%	42%	29%	42%	43%	15%
Italy	22%	57%	21%	53%	36%	11%
Latvia	21%	48%	31%	41%	50%	10%
Lithuania	13%	50%	37%	28%	51%	22%
Luxembourg	9%	50%	41%	37%	50%	13%
Malta	17%	61%	22%	34%	49%	17%
Netherlands	16%	46%	38%	44%	41%	15%

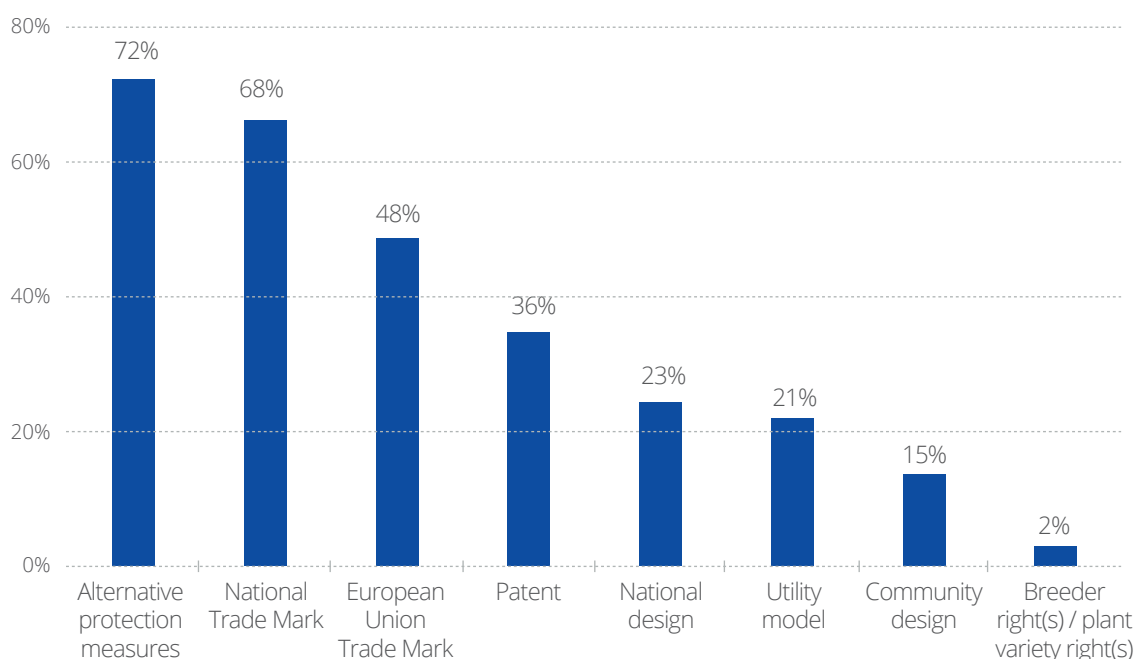
continued

MEMBER STATE	Familiarity with IPRs - IPR users			Familiarity with IPRs - No IPR users		
	Low	Medium	High	Low	Medium	High
Poland	24%	58%	18%	41%	46%	14%
Portugal	17%	60%	23%	33%	571%	10%
Romania	6%	40%	54%	23%	51%	26%
Slovakia	22%	39%	39%	40%	46%	14%
Slovenia	20%	55%	25%	22%	55%	23%
Spain	19%	61%	20%	36%	56%	8%
Sweden	18%	38%	44%	45%	35%	20%
United Kingdom	11%	43%	47%	40%	34%	25%
EU total	21%	50%	25%	45%	39%	16%

4.1.2. Usage of protection measures

This section outlines what types of protection measures SMEs in the sample are using. As shown in the table below, besides registering an IPR, 72 % of the surveyed SMEs also indicate that they use an alternative protection measure such as internet domain names or trade secrets.

Figure 10 Types of protection measures



When looking at what types of IPRs were registered on Member State level it stands out that trade marks, both EU and national, are most used overall when it comes to IPR protection measures. Overall alternative protection measures are used most but it should be noted that this can differ when looking at a Member State individually. As mentioned before, the situation in a given Member State could influence the decision to either register an IPR or refer to alternative protection measures.

Beyond the registration of an IPR, alternative measures such as the registration of Internet domain names are widely used, with only 28 % of SMEs in the sample having not put in place alternative protection measures. Larger SMEs have rather more experience in using alternative measures than their smaller counterparts.

On average, a quarter of SMEs (24 %) say they last applied for an IPR to be granted more than 5 years ago. Micro businesses and small companies are most likely to say that their last IPR registration was more than 5 years earlier, whereas medium-sized businesses are twice as likely as micro businesses to have applied for a registration in the previous 12 months.

[Table 15 Types of IPRs](#)

TYPE OF IPR	COMPANY SIZE		
	Micro	Small	Medium
Patent	34%	36%	41%
Utility model	18%	20%	25%
European Union Trade Mark	42%	48%	54%
National Trade Mark	66%	68%	72%
Community design	16%	13%	17%
National design	22%	23%	26%
Breeder right(s) / Plant variety rights	1%	2%	3%
Alternative protection measures	68%	73%	76%

Table 16 Types of IPRs on Member State level

MEMBER STATE	Types of IPR							
	Patent	Utility model	European Union Trade Mark	National Trade Mark	Community design	National design	Breeder's right / PVR	Alternative protection measures
Austria	46%	36%	53%	56%	12%	24%	6%	75%
Belgium	42%	11%	59%	50%	17%	8%	3%	81%
Bulgaria	25%	13%	66%	74%	26%	34%	0%	63%
Croatia	26%	2%	38%	50%	33%	31%	0%	70%
Cyprus	15%	13%	37%	58%	5%	14%	16%	83%
Czech Republic	21%	33%	53%	57%	11%	14%	0%	66%
Denmark	32%	11%	44%	58%	20%	23%	4%	81%
Estonia	28%	5%	34%	68%	10%	12%	2%	82%
Finland	64%	5%	74%	68%	20%	19%	2%	76%
France	39%	14%	48%	63%	22%	25%	2%	65%
Germany	43%	39%	43%	61%	11%	26%	1%	75%
Greece	21%	11%	34%	68%	8%	11%	3%	93%
Hungary	37%	19%	35%	49%	6%	7%	1%	53%
Ireland	30%	3%	42%	58%	12%	23%	0%	81%
Italy	40%	12%	54%	79%	12%	14%	3%	63%
Latvia	33%	12%	48%	52%	18%	12%	2%	80%
Lithuania	12%	3%	36%	56%	6%	18%	0%	68%
Luxembourg	26%	21%	73%	55%	22%	20%	5%	61%
Malta	35%	7%	64%	58%	20%	17%	4%	76%
Netherlands	38%	19%	37%	44%	8%	9%	6%	84%

MEMBER STATE	Types of IPR (continued)							
	Patent	Utility model	European Union Trade Mark	National Trade Mark	Community design	National design	Breeder's right / PVR	Alternative protection measures
Poland	37%	46%	46%	68%	17%	30%	1%	62%
Portugal	32%	14%	40%	91%	11%	29%	2%	75%
Romania	19%	8%	63%	88%	5%	3%	0%	42%
Slovakia	19%	19%	71%	55%	19%	12%	3%	42%
Slovenia	22%	15%	39%	52%	5%	6%	0%	92%
Spain	31%	13%	52%	84%	28%	46%	1%	80%
Sweden	44%	5%	45%	74%	12%	27%	2%	78%
United Kingdom	34%	5%	46%	71%	13%	17%	2%	74%
EU total	36%	21%	48%	68%	15%	23%	2%	72%

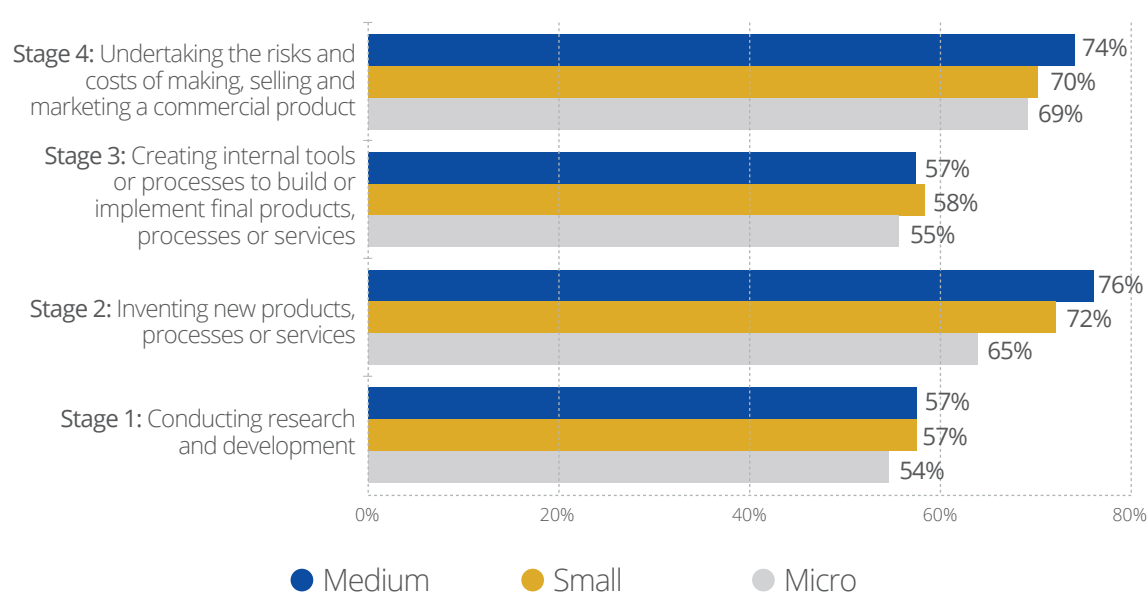
4.1.3. The importance of registering IPRs during the stages of the innovative process

The innovation process generally can be characterised as having four stages:

1. Conducting research and development.
2. Inventing new products, processes or services.
3. Creating internal tools or processes to build or implement final products, processes or services.
4. Undertaking the risks and costs of making, selling and marketing a commercial product.

The analysis shows that 72 % of SMEs moderately or strongly expressed that registering of IPRs is particularly important in stage 2. Almost as crucial is Stage 4, where 71 % of SMEs moderately or strongly express the importance of IPR registration. 57 % feel that IPR registration is moderately or strongly important at Stage 3 while the figure for Stage 1 is only slightly less at 56 %. Micro businesses deviate slightly from these trends, laying less importance upon inventing new products, processes and services (Stage 2). Based on these results it could be concluded that registering an IPR plays a vital role in Stages 2 and 4, according to SMEs who have registered an IPR.

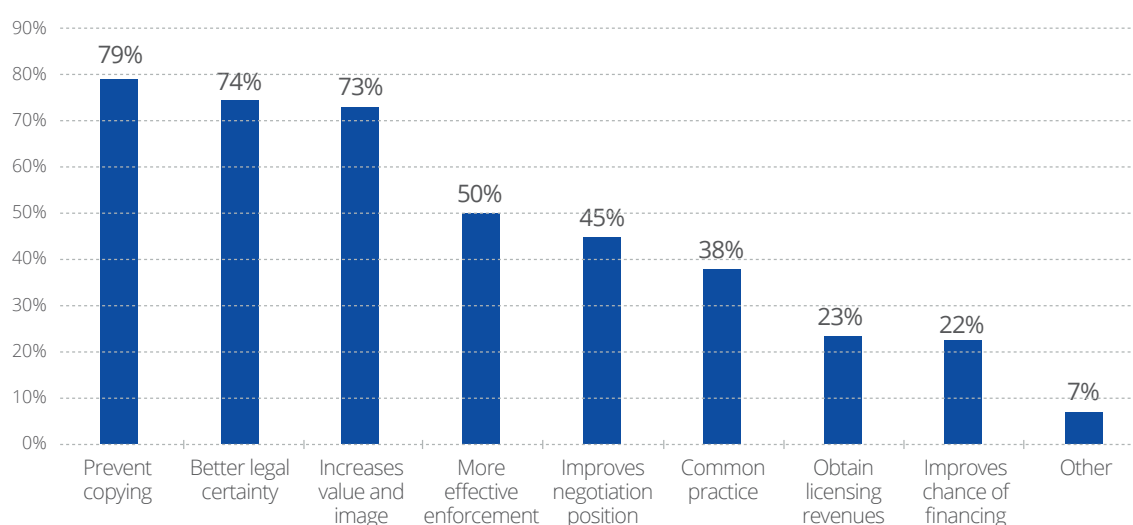
Figure 11 Four stages of the innovative process



4.1.4. Reasons for registering IPRs

There is a broad consensus amongst SMEs which registered an Intellectual Property Right as to the main reasons why they did so (as illustrated in the figure below). Primarily, 79 % of SMEs who have registered an IPR did so as they believe that it helps prevent others from copying their products or services. Similar proportions (74 %) did so as they say it guarantees better legal certainty or increases the value and image of the company (73 %).

Figure 12 Reasons for registering an IPR



There are some country differences in terms of the reasons to register an IPR. For instance, as many as 94 % of SMEs (who registered an IPR) in Ireland did so to prevent others from copying their products or services. While, only 61 % of Cypriot SMEs who registered an IPR expressed this view. Registering an IPR in order to guarantee better legal certainty of the extent of protection is a view expressed by 93 % of SMEs in Portugal, but just 41 % in Cyprus. More details are provided in the table below.

Table 17 Reasons for registering IPRs on Member State level

MEMBER STATE	Reasons to register IPR								
	Prevent copying	Better legal certainty	Increases value and image	More effective enforcement	Improves negotiation position	Common practice	Obtain licensing revenues	Improves chance of financing	Other
Austria	77%	76%	71%	59%	46%	38%	28%	21%	8%
Belgium	86%	72%	72%	46%	47%	46%	28%	30%	13%
Bulgaria	71%	63%	54%	31%	30%	25%	9%	15%	-
Croatia	71%	60%	31%	21%	23%	14%	21%	28%	-
Cyprus	61%	41%	61%	25%	36%	27%	17%	21%	1%

MEMBER STATE	Reasons to register IPR (continued)								
	Prevent copying	Better legal certainty	Increases value and image	More effective enforcement	Improves negotiation position	Common practice	Obtain licensing revenues	Improves chance of financing	Other
Czech Republic	77%	57%	44%	32%	25%	23%	8%	15%	4%
Denmark	80%	88%	71%	83%	45%	44%	22%	26%	5%
Estonia	80%	81%	76%	53%	45%	53%	40%	34%	7%
Finland	93%	85%	85%	48%	66%	41%	26%	42%	2%
France	76%	79%	77%	37%	46%	43%	26%	26%	1%
Germany	81%	73%	76%	56%	47%	38%	26%	14%	8%
Greece	63%	51%	56%	36%	31%	28%	18%	17%	1%
Hungary	75%	42%	57%	21%	39%	13%	36%	22%	10%
Ireland	94%	77%	77%	66%	36%	44%	30%	31%	-
Italy	82%	85%	84%	56%	62%	42%	26%	35%	3%
Latvia	74%	51%	51%	25%	43%	36%	9%	25%	3%
Lithuania	76%	59%	68%	52%	45%	54%	26%	21%	2%
Luxembourg	76%	82%	71%	41%	52%	44%	39%	28%	3%
Malta	71%	77%	69%	62%	36%	35%	17%	31%	6%
Netherlands	80%	68%	62%	46%	49%	38%	20%	19%	12%
Poland	85%	82%	89%	74%	49%	38%	24%	35%	1%
Portugal	84%	93%	94%	69%	63%	59%	30%	34%	5%
Romania	70%	62%	64%	20%	41%	20%	7%	9%	1%
Slovakia	73%	58%	65%	39%	27%	34%	9%	14%	6%
Slovenia	66%	45%	73%	50%	41%	25%	10%	21%	2%
Spain	79%	86%	82%	41%	44%	46%	19%	21%	5%
Sweden	81%	71%	61%	62%	40%	35%	17%	28%	3%
United Kingdom	75%	62%	57%	57%	33%	33%	25%	18%	21%
EU total	79%	74%	73%	60%	46%	38%	23%	22%	7%

In terms of differences related to the company size, micro companies are less likely to mention better legal certainty and increased value and image, while both micro and small SMEs mention a more effective enforcement less often than average.

In terms of the different sectors, the reasons given to register an IPR are in line with what SMEs say in general and for the majority of the reasons there are few differences between the sectors. However, there are some variations. For example, 82 % of SMEs in the manufacturing and wholesale sectors registered an IPR to help them prevent others from copying their products or services whereas only 70 % of SMEs in the construction industry gave this reason. These differences could be expected given the focus of manufacturing being on products in comparison to the construction industry who was most concerned with increasing the value and image of their company (73 % of SMEs in this sector gave this reason for registering an IPR).

[Table 18 Reasons to register IPRs by size and sector](#)

REASONS TO REGISTER IPR	Company size (with IPR)			Sector (with IPR)					
	Micro (a)	Small (b)	Medium (c)	Manufacturing (a)	Construction (b)	Transportation (c)	Wholesale (d)	Financial activities (e)	Other (f)
Better legal certainty	70%	73%	79% ^{ab}	73%	72%	73%	77%	76%	73%
Prevents copying	76%	78%	82% ^{ab}	82% ^{be}	70%	79% ^e	82% ^{be}	74%	79% ^e
Increases value and image	70%	72%	77% ^{ab}	77% ^e	73%	76% ^e	74% ^e	67%	72%
More effective enforcement	45%	47%	56% ^{ab}	49% ^b	40%	56% ^{be}	54%	47%	50% ^b
Improves negotiation position	45%	45%	47%	48% ^e	43%	43%	49% ^e	39%	46% ^e
Common practice	35%	37%	42% ^{ab}	38%	37%	34%	44% ^{ce}	35%	39%

continued

REASONS TO REGISTER IPR	Company size (with IPR)			Sector (with IPR)					
	Micro (a)	Small (b)	Medium (c)	Manufacturing (a)	Construction (b)	Transportation (c)	Wholesale (d)	Financial activities (e)	Other (f)
Obtain licensing revenues	22%	24%	22%	22%	15%	22%	18%	24% ^b	27% ^{abd}
Improves chance of financing	25%	23%	20%	22%	16%	20%	21%	21%	25% ^b
Other	5%	7%	7%	5%	5%	8%	5%	9% ^{ad}	8% ^a

4.1.5. IPRs in SMEs business strategy

In this section both SMEs that have registered an IPR and those that have not, were asked to indicate whether they include IPRs in their business strategy or plan. The results show that 30 % of all SMEs in the sample include IPRs in their business strategies, although this is most common in Greece and Cyprus where almost half of SMEs include it in their plans.

As might be expected, the incidence of including IPRs in a business strategy or plan is higher amongst SMEs that have registered an IPR. However it is not the case that the majority of SMEs that have registered an IPR also include IPRs in their business strategy – on average half of all SMEs that have registered an IPR include IPRs in their business strategy. On the contrary, amongst SMEs that have not registered an IPR, only 15 % on average include IPRs in their business strategy.

The size of the SME also plays a role in whether IPRs are included in the business strategy of the SME with medium sized companies most likely to include IPRs in their business strategy (amongst those who registered an IPR and those who did not).

There are some sector differences with SMEs in the manufacturing industry who have registered an IPR the most likely to say they include IPRs in their business strategy (53 %) whereas only 10 % of SMEs in the construction industries that have not registered an IPR do so.

Table 19 IPRs included in business strategy on size level

INCLUDE IPR IN BUSINESS STRATEGY	COMPANY SIZE (with IPR)		
	Micro	Small	Medium
Yes	44%	49%	54%
No	56%	51%	46%

INCLUDE IPR IN BUSINESS STRATEGY	COMPANY SIZE (no IPR)		
	Micro	Small	Medium
Yes	14%	14%	17%
No	86%	86%	83%

Table 20 IPRs included in business strategy on sector level

INCLUDE IPR IN BUSINESS STRATEGY	SECTOR (with IPR)					
	Manufacturing	Construction	Transportation	Wholesale	Financial activities	Other
Yes	53%	38%	41%	47%	44%	55%
No	47%	62%	59%	53%	56%	45%

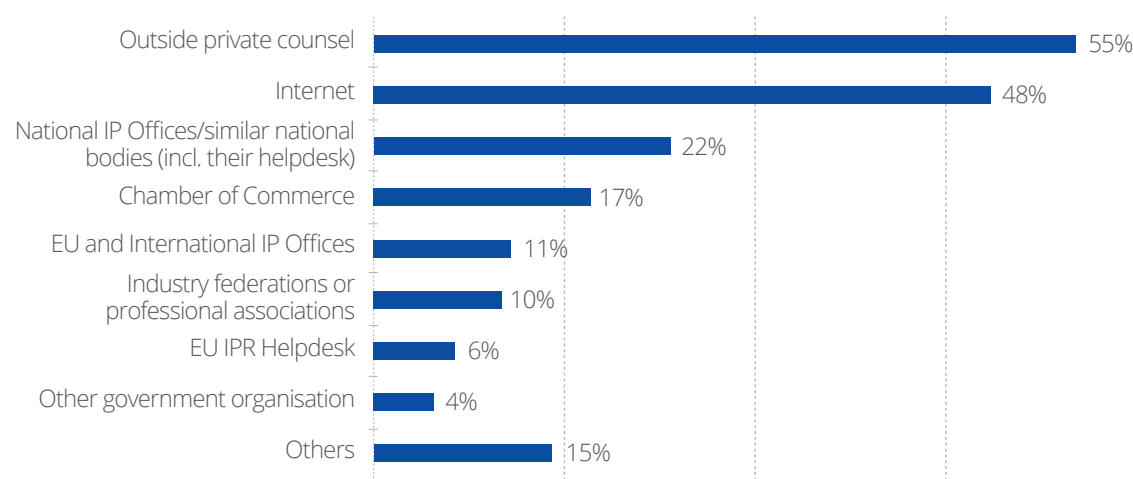
INCLUDE IPR IN BUSINESS STRATEGY	SECTOR (no IPR)					
	Manufacturing	Construction	Transportation	Wholesale	Financial activities	Other
Yes	15%	10%	12%	12%	23%	17%
No	85%	90%	88%	88%	77%	83%

4.1.6. Source of information on IPR registration

Accurate information is crucial for successful registration of IPRs. As already indicated, there is a considerable share of SMEs that are not very familiar with the term IPR (35 % of SMEs gave a low familiarity score). Therefore, this analysis also looked at what sources of information were utilised by those who registered an IPR.

A variety of information sources are available to SMEs, such as the Chamber of Commerce, EU IPR helpdesk, national IP offices, EU and International IP offices. However, the results indicate that outside private counsel (55 %) and the internet (48 %) are the sources most used by SMEs who have registered an IPR to know more about the registration process.

[Figure 13 Information sources](#)



[Table 21 Sources for information on registration of IPRs on Member State level](#)

MEMBER STATE	Sources of information								
	Internet	Outside private counsel	Chamber of commerce	EU IPR Helpdesk	National IP offices/ similar national bodies	EU and International IP Offices	Industry federations or professional associations	Other government organisation	Other
Austria	60%	59%	27%	4%	26%	17%	11%	4%	17%
Belgium	31%	57%	10%	9%	32%	11%	8%	4%	12%
Bulgaria	35%	59%	7%	5%	27%	10%	1%	1%	-
Croatia	35%	39%	15%	7%	39%	10%	-	2%	2%
Cyprus	29%	50%	29%	6%	15%	5%	8%	8%	10%

MEMBER STATE	Sources of information (continued)								
	Internet	Outside private counsel	Chamber of commerce	EU IPR Helpdesk	National IP offices similar national bodies	EU and International IP Offices	Industry federations or professional associations	Other government organisation	Other
Czech Republic	40%	57%	6%	1%	16%	4%	4%	2%	15%
Denmark	52%	60%	8%	3%	26%	11%	24%	14%	11%
Estonia	65%	35%	13%	3%	43%	13%	11%	17%	20%
Finland	75%	62%	16%	9%	48%	21%	12%	13%	12%
France	46%	56%	19%	6%	32%	11%	6%	5%	18%
Germany	52%	54%	13%	5%	11%	8%	12%	5%	19%
Greece	52%	54%	34%	11%	18%	9%	7%	6%	5%
Hungary	44%	49%	9%	7%	20%	5%	3%	2%	14%
Ireland	63%	53%	7%	-	29%	10%	24%	17%	13%
Italy	44%	73%	44%	7%	14%	14%	17%	2%	4%
Latvia	47%	33%	14%	8%	25%	7%	8%	1%	18%
Lithuania	44%	36%	4%	1%	27%	3%	2%	4%	15%
Luxembourg	43%	66%	24%	8%	29%	17%	12%	5%	9%
Malta	28%	46%	12%	-	6%	5%	6%	13%	25%
Netherlands	46%	43%	22%	6%	29%	17%	7%	4%	14%
Poland	59%	57%	7%	3%	32%	15%	7%	3%	17%
Portugal	64%	46%	12%	23%	57%	17%	14%	3%	10%
Romania	53%	35%	16%	3%	13%	17%	5%	-	3%
Slovakia	38%	48%	1%	-	7%	2%	-	-	20%
Slovenia	47%	40%	12%	6%	22%	3%	3%	1%	12%
Spain	41%	56%	11%	5%	32%	10%	8%	3%	15%
Sweden	39%	51%	6%	3%	25%	12%	8%	4%	16%
United Kingdom	54%	49%	9%	5%	18%	11%	13%	6%	22%
EU total	48%	55%	17%	6%	22%	11%	10%	4%	15%

Assessment of a type and a level of difficulty during the IPR registration process

The majority of SMEs that have gone through the process of registering their IPR find the process of registration reasonably easy. Almost half of companies (45 %) say they did not experience any difficulties when registering IPR. SMEs mention national trade marks, European Union trade marks and alternative measures (e.g. internet domain name) as the easiest to be registered. Any difficulty encountered is mostly ascribed to costs (29 %) or the length of time taken (20 %), while some companies, particularly in Portugal, Ireland and Italy felt they did not have enough knowledge or know where to go.

With regards to the industries, there is a big difference between Transportation and Construction (70 % and 44 % respectively). The experience of different sized SMEs is essentially comparable in terms of ease of registration, with no significant differences between the experiences of SMEs of various sizes. The registration of alternative measures such as internet domain(s) is however seen as very easy by a greater proportion of micro SMEs with IPR use.

[Table 22 Difficulties experienced when registering an IPR on size level](#)

DIFFICULTIES EXPERIENCED WHEN REGISTERING AN IPR	COMPANY SIZE		
	Micro (a)	Small (b)	Medium (c)
Lack of knowledge	15%	15%	13%
Lack of guidance	14% ^a	11%	9%
Time-consuming procedure	18%	19%	23% ^{ab}
Costly procedure	29%	28%	30%
Difficult procedure	16%	17%	20%
Invalidity of application	8%	9%	16% ^{ab}
Refusal from IP office	5%	4%	6%
Insufficient innovation	4%	3%	6% ^b
Other	9%	9%	10%
No difficulties	44%	47% ^{ac}	43%

Table 23 Difficulties experienced when registering an IPR on Member State level

MEMBER STATE	Difficulties experienced when registering an IPR									
	Lack of knowledge	Lack of guidance	Time consuming procedure	Costly procedure	Difficult procedure	Invalidity of application	Refusal from IP office	Insufficient innovation	Other	No difficulties
Austria	13%	15%	29%	36%	31%	18%	9%	3%	10%	39%
Belgium	10%	4%	16%	22%	19%	9%	7%	6%	13%	50%
Bulgaria	3%	-	31%	21%	18%	6%	3%	3%	5%	36%
Croatia	14%	16%	5%	9%	11%	5%	-	5%	9%	59%
Cyprus	17%	15%	32%	9%	7%	-	-	2%	2%	8%
Czech Republic	3%	2%	14%	10%	11%	1%	1%	-	24%	49%
Denmark	14%	10%	14%	36%	17%	11%	3%	4%	12%	42%
Estonia	19%	13%	19%	25%	8%	6%	8%	5%	20%	46%
Finland	12%	13%	41%	56%	22%	20%	4%	9%	8%	25%
France	13%	11%	15%	31%	25%	11%	7%	4%	11%	43%
Germany	10%	6%	22%	32%	22%	13%	6%	5%	11%	43%
Greece	5%	10%	22%	17%	11%	5%	2%	-	9%	51%
Hungary	19%	7%	28%	22%	14%	1%	5%	4%	11%	45%
Ireland	23%	23%	17%	26%	16%	6%	-	3%	3%	46%
Italy	21%	21%	22%	37%	20%	9%	5%	6%	3%	41%
Latvia	14%	4%	17%	9%	15%	1%	10%	3%	14%	44%
Lithuania	10%	9%	20%	11%	8%	7%	4%	2%	3%	67%
Luxembourg	16%	11%	18%	27%	22%	11%	17%	3%	13%	31%
Malta	13%	12%	11%	8%	5%	6%	-	-	15%	58%
Netherlands	20%	12%	16%	28%	14%	10%	4%	4%	8%	52%
Poland	18%	21%	26%	27%	18%	6%	2%	4%	5%	45%

MEMBER STATE	Difficulties experienced when registering an IPR (continued)									
	Lack of knowledge	Lack of guidance	Time consuming procedure	Costly procedure	Difficult procedure	Invalidity of application	Refusal from IP office	Insufficient innovation	Other	No difficulties
Portugal	28%	28%	24%	37%	14%	16%	12%	3%	11%	30%
Romania	11%	12%	19%	18%	12%	-	1%	1%	8%	53%
Slovakia	7%	5%	9%	15%	14%	8%	1%	4%	22%	42%
Slovenia	17%	8%	23%	16%	15%	5%	1%	-	16%	44%
Spain	20%	12%	17%	25%	16%	14%	4%	3%	7%	48%
Sweden	12%	7%	16%	28%	17%	10%	14%	3%	14%	40%
United Kingdom	13%	8%	15%	25%	13%	15%	2%	6%	13%	47%
EU total	14%	11%	20%	29%	18%	11%	5%	4%	10%	45%

Table 24 Perception of difficulty of registration procedure on Member State level (1)

MEMBER STATE	Perception of difficulty of registration procedure											
	Patent			Utility model			European Union Trade Mark			National Trade Mark		
	Easy	Difficult	No opinion	Easy	Difficult	No opinion	Easy	Difficult	No opinion	Easy	Difficult	No opinion
Austria	44%	45%	11%	74%	13%	13%	71%	23%	6%	74%	17%	9%
Belgium	58%	31%	11%	81%	8%	11%	86%	7%	7%	92%	4%	4%
Bulgaria	61%	27%	12%	54%	23%	23%	67%	29%	5%	63%	27%	10%
Croatia	32%	50%	18%	100%	-	-	80%	20%	-	86%	14%	-
Cyprus	57%	25%	18%	61%	19%	19%	62%	17%	21%	79%	14%	7%
Czech Republic	46%	47%	8%	60%	35%	5%	63%	21%	16%	83%	10%	8%
Denmark	33%	61%	6%	50%	33%	17%	74%	13%	13%	82%	2%	16%
Estonia	70%	19%	11%	100%	-	-	83%	8%	9%	77%	18%	4%
Finland	49%	36%	15%	75%	7%	18%	69%	13%	18%	74%	9%	18%
France	53%	36%	12%	65%	21%	14%	74%	14%	12%	81%	10%	9%

MEMBER STATE	Perception of difficulty of registration procedure (continued)											
	Patent			Utility model			European Union Trade Mark			National Trade Mark		
	Easy	Difficult	No opinion	Easy	Difficult	No opinion	Easy	Difficult	No opinion	Easy	Difficult	No opinion
Germany	50%	43%	7%	72%	16%	12%	76%	12%	12%	81%	12%	8%
Greece	54%	33%	13%	38%	19%	44%	71%	14%	15%	63%	17%	21%
Hungary	42%	51%	7%	61%	26%	12%	58%	24%	17%	67%	25%	9%
Ireland	64%	27%	9%	100%	-	-	94%	-	7%	83%	17%	-
Italy	75%	19%	6%	83%	12%	6%	86%	8%	6%	91%	5%	4%
Latvia	63%	21%	16%	37%	50%	13%	63%	15%	22%	80%	8%	13%
Lithuania	83%	17%	-	69%	31%	-	79%	14%	7%	79%	14%	7%
Luxembourg	45%	43%	12%	100%	-	-	80%	20%	-	86%	14%	-
Malta	82%	12%	6%	67%	-	33%	74%	16%	10%	80%	9%	12%
Netherlands	68%	26%	6%	80%	10%	10%	83%	15%	2%	91%	6%	3%
Poland	57%	35%	9%	70%	25%	5%	73%	11%	17%	80%	16%	4%
Portugal	67%	20%	13%	63%	27%	11%	82%	8%	11%	85%	6%	9%
Romania	59%	10%	31%	69%	15%	17%	78%	14%	8%	75%	17%	8%
Slovakia	46%	54%	-	54%	40%	6%	56%	31%	13%	68%	24%	9%
Slovenia	41%	48%	11%	91%	-	9%	78%	7%	15%	70%	12%	19%
Spain	68%	26%	6%	58%	29%	14%	76%	13%	11%	83%	10%	8%
Sweden	63%	20%	18%	55%	22%	22%	74%	9%	18%	70%	12%	8%
United Kingdom	52%	29%	19%	35%	19%	46%	69%	13%	18%	76%	8%	16%
EU total	57%	33%	10%	69%	19%	12%	76%	13%	11%	81%	11%	9%

Table 25 Perception of difficulty of registration procedure on Member State level (2)

MEMBER STATE	Perception of difficulty of registration procedure											
	Community Design			National Design			Breeder's Right(s) / PVR			Alternative measures		
	Easy	Difficult	No opinion	Easy	Difficult	No opinion	Easy	Difficult	No opinion	Easy	Difficult	No opinion
Austria	73%	14%	13%	55%	21%	25%	33%	35%	32%	78%	6%	16%
Belgium	69%	19%	12%	75%	25%	-	66%	34%	-	88%	1%	11%

MEMBER STATE	Perception of difficulty of registration procedure (continued)											
	Community Design			National Design			Breeders Right(s) / PVR			Alternative measures		
	Easy	Difficult	No opinion	Easy	Difficult	No opinion	Easy	Difficult	No opinion	Easy	Difficult	No opinion
Bulgaria	74%	20%	6%	69%	27%	5%	-	-	-	82%	8%	10%
Croatia	86%	14%	-	72%	28%	-	-	-	-	79%	2%	19%
Cyprus	40%	40%	20%	78%	15%	7%	47%	20%	34%	85%	4%	12%
Czech Republic	47%	53%	-	53%	23%	25%	-	-	-	69%	2%	29%
Denmark	62%	28%	9%	69%	8%	22%	100%	-	-	78%	2%	20%
Estonia	77%	23%	-	50%	38%	13%	100%	-	-	84%	8%	7%
Finland	54%	20%	25%	73%	16%	11%	50%	-	50%	74%	2%	24%
France	71%	12%	17%	84%	4%	12%	62%	-	38%	68%	4%	28%
Germany	71%	6%	23%	76%	15%	9%	25%	50%	25%	82%	5%	13%
Greece	70%	17%	13%	52%	28%	20%	-	81%	19%	85%	5%	10%
Hungary	65%	35%	-	62%	17%	21%	100%	-	-	73%	5%	22%
Ireland	100%	-	-	47%	24%	29%	-	-	-	91%	3%	6%
Italy	77%	19%	6%	86%	8%	6%	57%	28%	15%	86%	3%	11%
Latvia	66%	26%	9%	87%	13%	-	100%	-	-	80%	6%	14%
Lithuania	88%	13%	-	91%	5%	4%	-	-	-	78%	4%	18%
Luxembourg	85%	15%	-	83%	-	17%	-	100%	-	91%	2%	7%
Malta	73%	16%	11%	69%	18%	13%	40%	-	60%	85%	10%	5%
Netherlands	84%	16%	-	82%	18%	-	80%	10%	10%	92%	2%	6%
Poland	64%	13%	23%	81%	17%	2%	-	100%	-	76%	3%	21%
Portugal	66%	29%	4%	79%	8%	13%	57%	22%	21%	84%	3%	10%
Romania	59%	25%	25%	61%	-	39%	-	-	-	82%	6%	12%
Slovakia	52%	30%	18%	45%	36%	19%	67%	-	33%	58%	11%	31%
Slovenia	80%	20%	-	23%	37%	41%	-	-	-	79%	3%	18%
Spain	69%	17%	14%	80%	12%	8%	48%	19%	33%	79%	5%	16%
Sweden	81%	-	20%	70%	13%	18%	70%	31%	-	79%	5%	16%
United Kingdom	59%	21%	21%	65%	8%	27%	73%	-	27%	73%	3%	25%
EU total	69%	16%	15%	76%	13%	11%	52%	26%	22%	79%	4%	17%

4.1.7. The most effective and desired ways to support SMEs in IPR registration

SMEs that had registered an IPR were asked about their experiences and effectiveness of various measures of support that they use or would like to use if they were available. The results show that there were some measures which were seen as being more effective than others. Simplification and shortening of procedures (35 % of high effectiveness) and better access to IPR databases (31 %) are seen as the most effective support measures. Less important, but nevertheless generally considered moderately effective are reduction of costs or financial support (25 % high effectiveness), and information, guidance and support services to SMEs (19 %).

Figure 14 Effectiveness of support measures

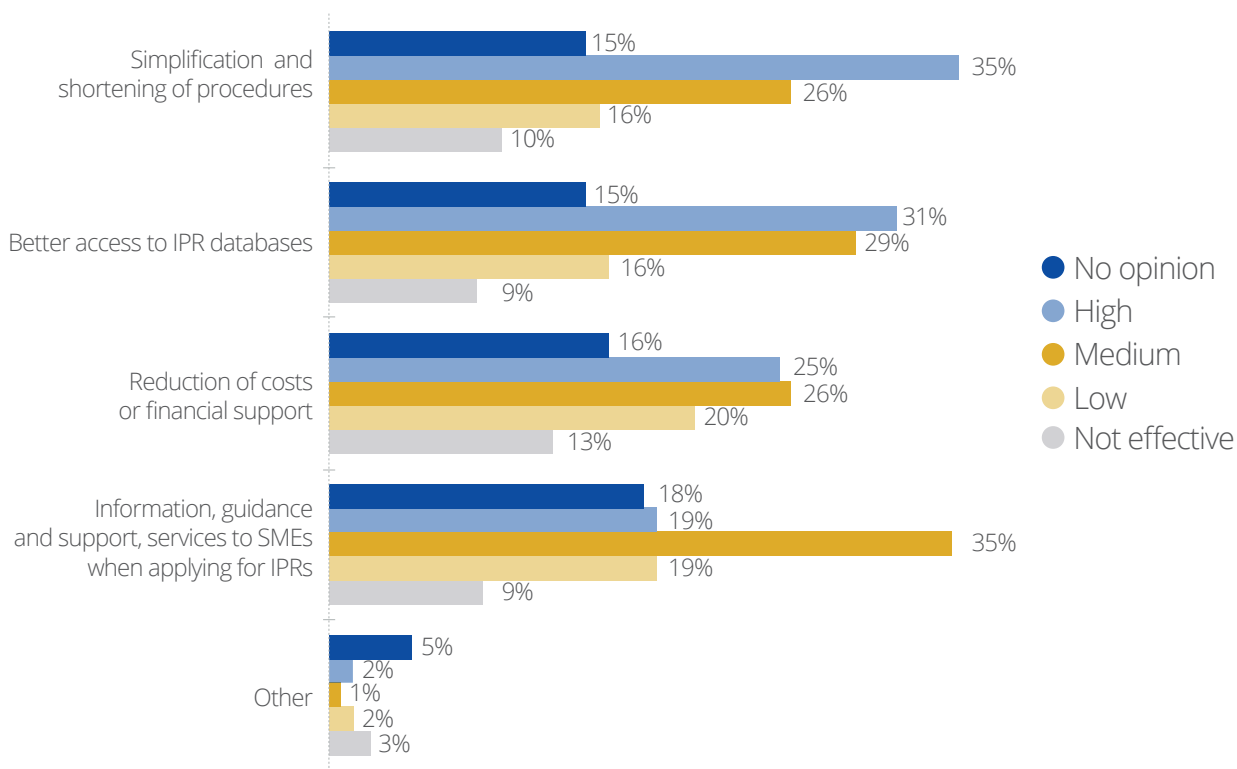


Table 26 Effectiveness of support measures on size level

EFFECTIVENESS SUPPORT MEASURES		Company size		
		Micro (a)	Small (b)	Medium (c)
Simplification and shortening of procedures	Low	16%	14%	17%
	Medium	27%	26%	24%
	High	30%	36% ^a	37% ^a
Better access to IPR database	Low	14%	17%	16%
	Medium	30%	30%	28%
	High	31%	30%	33%
Reduction of costs or financial support	Low	18%	19%	23% ^{ab}
	Medium	25%	26%	25%
	High	25%	27%	23%
Information, guidance and support services	Low	18%	18%	21%
	Medium	35%	36%	34%
	High	21%	20%	18%

Table 27 Effectiveness of support measures on sector level

EFFECTIVENESS SUPPORT MEASURES		Sector					
		Manufacturing (a)	Construction (b)	Transportation (c)	Wholesale (d)	Financial activities (e)	Other (f)
Simplification and shortening of procedures	Low	14%	18%	14%	15%	16%	16%
	Medium	25%	31%	24%	27%	21%	26%
	High	38% ^{bd}	28%	37%	31%	38% ^{bd}	34%
Better access to IPR database	Low	17%	17%	17%	15%	17%	16%
	Medium	31%	30%	28%	27%	27%	30%
	High	29%	29%	36%	32%	31%	32%
Reduction of costs or financial support	Low	19%	20%	22%	20%	23%	20%
	Medium	26%	26%	27%	25%	22%	27%
	High	29% ^f	23%	25%	25%	25%	23%
Information, guidance and support services	Low	20%	19%	20%	19%	18%	18%
	Medium	34%	40%	35%	35%	32%	35%
	High	17%	15%	25% ^{ab}	19%	21%	20%

Reasons for not registering

As previously mentioned, it is a minority of SMEs that register their IPRs in the European Union. The aim of this survey was to look at those SMEs that have registered an IPR in relation to those that have not. The above sections have outlined the types of IPRs that are registered, reasons why those SMEs registered their IPRs and support measures that they found or would find effective. However, given that the majority of SMEs do not register their IPRs it is also important to understand what reasons are behind that decision. The survey asked SMEs to indicate the reasons why they never registered or stopped registering an IPR. The results show that amongst the SMEs that never registered or stopped registering an IPR, the five main reasons given are:

- I think my intellectual asset was not innovative enough (27 %),
- I do not have enough knowledge about registered IPRs (27 %),
- I think there are no additional benefits stemming from formal IPR protection (26 %),
- I did not believe that my intellectual property met the requirements of the IPR regulations (23 %), and
- I prefer not to reveal the crucial details regarding my intellectual asset and use trade secrets protection (20 %).

This shows that a perceived lack of relevance is as important as insufficient knowledge of IPRs. However, barriers are also dependent upon the size of the SME. For instance significantly more micro SMEs lack sufficient knowledge about IPRs than medium sized SMEs (32 % v. 21 %). Medium-sized SMEs are significantly more likely to think their asset was not sufficiently innovative. In contrast, micro SMEs with no IPR use are more likely to mention an insufficient knowledge of IPRs, not believing that their IPRs met the requirements or finding the process too costly and burdensome. Differentiated approaches depending on the company size and sector are needed to address barriers to IPRs.

Table 28 Reasons for not registering an IPR on size level

REASON FOR NEVER OR STOPPING REGISTERING	COMPANY SIZE		
	Micro (a)	Small (b)	Medium (c)
Lack of knowledge	32% ^{bc}	26%	21%
Intellectual asset not innovative enough	27%	25%	30% ^a
Did not meet requirements of IPR regulations	25%	21%	24%
IPR not available for my innovation steps	15%	16%	17%
Too costly and burdensome	19% ^c	15%	15%
Procedure would delay introduction of product/ service on market	10%	8%	8%
No benefits	26%	27%	26%
Potential difficulties in enforcement	15%	15%	12%
Do not want to reveal crucial details and prefer Trade Secrets	21%	19%	21%
Other	25%	28%	27%

There are some variations on a country level which are provided in the table below.

[Table 29 Reasons for not registering an IPR on Member State level](#)

MEMBER STATE	Reasons for not registering IPR									
	Lack of knowledge	Intellectual asset not innovative enough	Did not meet requirements of IPR regulations	IPR not available for my innovation steps	Too costly and burdensome	Procedure would delay introduction to the market	No benefits in IPR protection	Potential difficulties in enforcement	Not revealing crucial details and prefer Trade Secrets	Other
Austria	29%	26%	35%	28%	31%	14%	40%	25%	40%	17%
Belgium	26%	23%	13%	20%	19%	11%	21%	15%	19%	36%
Bulgaria	10%	20%	4%	4%	6%	2%	8%	2%	8%	32%
Croatia	16%	32%	18%	2%	14%	2%	1%	2%	4%	18%
Cyprus	34%	27%	5%	11%	7%	5%	11%	2%	9%	31%
Czech Republic	20%	11%	12%	8%	4%	4%	24%	2%	12%	28%
Denmark	42%	48%	14%	20%	14%	10%	48%	20%	19%	10%
Estonia	33%	35%	28%	26%	31%	20%	30%	22%	26%	35%
Finland	21%	20%	12%	3%	6%	5%	19%	6%	6%	38%
France	25%	33%	20%	11%	12%	7%	22%	14%	19%	29%
Germany	20%	18%	25%	23%	20%	8%	34%	14%	23%	25%
Greece	21%	25%	10%	19%	15%	4%	25%	8%	5%	21%
Hungary	8%	13%	3%	6%	6%	1%	23%	3%	10%	40%
Ireland	46%	27%	26%	18%	12%	8%	22%	14%	7%	23%
Italy	45%	31%	41%	20%	22%	16%	37%	23%	35%	15%
Latvia	21%	23%	10%	7%	9%	4%	9%	5%	8%	43%
Lithuania	35%	30%	33%	26%	20%	13%	15%	20%	31%	18%
Luxembourg	27%	28%	24%	15%	13%	5%	28%	13%	14%	34%

MEMBER STATE	Reasons for not registering IPR (continued)									
	Lack of knowledge	Intellectual asset not innovative enough	Did not meet requirements of IPR regulations	IPR not available for my innovation steps	Too costly and burdensome	Procedure would delay introduction to the market	No benefits in IPR protection	Potential difficulties in enforcement	Not revealing crucial details and prefer Trade Secrets	Other
Malta	26%	18%	19%	11%	4%	4%	16%	5%	5%	41%
Netherlands	32%	39%	18%	18%	16%	9%	22%	14%	15%	35%
Poland	23%	47%	27%	26%	21%	14%	21%	21%	40%	15%
Portugal	29%	47%	30%	22%	29%	23%	39%	31%	36%	16%
Romania	18%	10%	2%	1%	9%	6%	10%	2%	8%	49%
Slovakia	17%	12%	11%	7%	6%	3%	14%	3%	15%	37%
Slovenia	12%	16%	17%	5%	12%	8%	23%	9%	9%	44%
Spain	34%	31%	22%	10%	14%	6%	22%	10%	12%	26%
Sweden	10%	13%	10%	5%	7%	4%	6%	6%	7%	56%
United Kingdom	25%	23%	21%	13%	11%	7%	26%	12%	8%	35%
EU total	25%	23%	21%	13%	11%	7%	26%	14%	8%	35%

Conditions under which SMEs would consider registering an IPR

When asked under what conditions companies would consider registering an IPR, the main factors mentioned are:

- if I could be sure of adequate protection (30 %),
- if it would be easier to take legal action against infringers and get appropriate compensation and other remedies (30 %),
- if the process could be easier to understand (28 %),
- if the registration would be easier to access (26 %), and
- if it would be cheaper to register or renew an IPR (22 %).

Table 30 below indicates size variations.

[Table 30 Conditions for registering and IPRs in the future on size level](#)

CONDITIONS FOR REGISTERING IN THE FUTURE	COMPANY SIZE		
	Micro (a)	Small (b)	Medium (c)
Reduction of costs	27% ^{bc}	19%	21%
Easier to access	29% ^b	25%	26%
Easier to understand	31% ^c	28%	26%
Certitude of adequate protection	32% ^b	29%	30%
Easier to take legal action	31%	28%	30%
Other	28%	31%	29%

These results indicate that a combination of changes would be needed to encourage SMEs to register IPRs, as no solution stands out. The same importance was given to improving the process (understanding, access, and cost) and to making it more reliable (adequate protection, ease of taking action). There are many different factors, which have to be taken into account notably the size, location, industry, turnover, strategy and so on of the given SME. Importantly, micro businesses are significantly more likely than small or medium sized companies to look for a reduction in costs, better access, ease of understanding or a guarantee of adequate protection.

4.1.8. Sources of advice on issues related to the company

SMEs were asked about whom they turn to for advice on issues related to their company. In general, most SMEs say they would call upon a lawyer or other advisor as a source of advice on company matters, followed by an accountant, though accountants are preferred ahead of lawyers in Ireland, Sweden, Romania, Croatia and the Netherlands. Micro businesses with no IPRs are more likely to consult their accountant in comparison to micro businesses with IPR (59% compared to 41%) – who are more likely to consult their lawyer in comparison to micro businesses with no IPR

(66% compared to 59%). Lawyers are, however, the overwhelming choice of larger companies, (82 % of medium-sized companies with IPRs for instance). The Chamber of Commerce, Industry Associations and IP Offices are considered secondary sources.

[Table 31 Sources of advice on company related issues on Member State level](#)

SOURCES OF ADVICE	COMPANY SIZE (with IPR)		
	Micro	Small	Medium
Accountant	41%	32%	22%
Lawyer (or other advisor)	66%	77%	82%
Chamber of Commerce	24%	23%	19%
Industry Association	11%	16%	17%
IP Offices	16%	16%	21%
Other	18%	16%	15%

SOURCES OF ADVICE	COMPANY SIZE (no IPR)		
	Micro	Small	Medium
Accountant	59%	50%	40%
Lawyer (or other advisor)	59%	68%	79%
Chamber of Commerce	21%	26%	24%
Industry Association	16%	22%	25%
IP Offices	9%	9%	11%
Other	17%	18%	16%

Preferences differ on the country level which is indicated in the table below.

[Table 32 Preferred sources of advice on company issues on Member State level](#)

MEMBER STATE	Sources of advice					
	Accountant	Lawyer (or other advisor)	Chamber of Commerce	Industry Association	IP Offices	Other
Austria	22%	82%	45%	16%	16%	18%
Belgium	39%	54%	12%	14%	17%	15%
Bulgaria	59%	73%	9%	8%	9%	10%
Croatia	59%	56%	27%	11%	11%	21%
Cyprus	65%	80%	18%	7%	6%	7%
Czech Republic	14%	75%	7%	3%	16%	12%
Denmark	63%	68%	5%	32%	4%	15%
Estonia	45%	65%	19%	17%	19%	28%
Finland	43%	60%	19%	19%	27%	14%
France	61%	65%	24%	22%	8%	17%
Germany	14%	83%	30%	14%	9%	18%
Greece	73%	81%	19%	7%	7%	6%
Hungary	59%	72%	12%	8%	4%	27%
Ireland	71%	67%	13%	33%	5%	17%
Italy	49%	76%	53%	36%	28%	8%
Latvia	47%	62%	6%	16%	6%	22%
Lithuania	41%	51%	7%	9%	9%	24%
Luxembourg	47%	69%	25%	15%	7%	17%
Malta	38%	73%	16%	12%	9%	18%
Netherlands	57%	41%	18%	28%	19%	14%

MEMBER STATE	Sources of advice (continued)					
	Accountant	Lawyer (or other advisor)	Chamber of Commerce	Industry Association	IP Offices	Other
Poland	31%	77%	6%	10%	15%	8%
Portugal	61%	76%	12%	23%	16%	26%
Romania	67%	66%	21%	11%	3%	12%
Slovakia	44%	54%	5%	4%	5%	36%
Slovenia	69%	70%	11%	12%	11%	23%
Spain	30%	70%	11%	12%	11%	23%
Sweden	58%	44%	6%	22%	7%	18%
United Kingdom	57%	65%	12%	23%	12%	22%
EU total	42%	71%	23%	19%	13%	17%

Interest in receiving information on IP and preferred means of communication

Over one third of SMEs who register IPRs and those that do not would like to receive information about IP. Amongst those who would like to be more informed about IPRs, the Internet is generally considered to be the source of information for both companies who have registered IPRs and those who don't. Companies that register IPRs express a significantly bigger wish to receive information about IPRs across all company sizes. Looking at the preferred sources for advice, very few significant differences can be observed between companies registering IPRs and those who don't.

[Table 33 Willingness to be informed and preferred sources for information about IPRs on size level](#)

RECEIVE INFORMATION ABOUT IPR	COMPANY SIZE (with IPR)		
	Micro	Small	Medium
Yes	40%	39%	41%
No	60%	61%	59%

RECEIVE INFORMATION ABOUT IPR	COMPANY SIZE (no IPR)		
	Micro	Small	Medium
Yes	26%	26%	26%
No	74%	74%	74%

BEST SOURCES FOR ADVICE	COMPANY SIZE (with IPR)		
	Micro	Small	Medium
Internet / social media	79%	84%	78%
Local advisors	37%	35%	42%
Local media	19%	14%	9%
Local administration	26%	17%	18%
Local Chambers of Commerce	38%	39%	36%
Local Industry Association	28%	27%	27%
IP Office	41%	40%	45%
Others	6%	8%	8%

BEST SOURCES FOR ADVICE	COMPANY SIZE (no IPR)		
	Micro	Small	Medium
Internet / social media	83%	83%	83%
Local advisors	34%	30%	31%
Local media	15%	15%	13%
Local administration	24%	22%	16%
Local Chambers of Commerce	36%	39%	43%
Local Industry Association	24%	29%	28%
IP Office	37%	39%	44%
Others	3%	9%	5%

Member States variations are indicated in the table below.

[Table 34 Willingness to be informed and preferred sources for information about IPRs on Member State level](#)

MEMBER STATE	Received information about IP		Best sources for advice							
	Yes	No	Internet / social media	Local advisors	Local media	Local administration	Local Chambers of Commerce	Local Industry of Association	IP Office	Other
Austria	34%	66%	77%	42%	9%	9%	43%	17%	25%	6%
Belgium	29%	71%	59%	41%	10%	16%	39%	28%	47%	15%
Bulgaria	58%	42%	68%	17%	5%	10%	16%	11%	36%	2%
Croatia	54%	46%	67%	18%	7%	11%	18%	7%	38%	4%
Cyprus	72%	28%	85%	16%	10%	11%	21%	9%	21%	5%
Czech Republic	33%	67%	85%	7%	5%	1%	16%	4%	14%	9%
Denmark	17%	83%	84%	61%	15%	24%	28%	52%	54%	3%
Estonia	42%	58%	89%	40%	46%	27%	43%	34%	52%	7%
Finland	32%	68%	74%	54%	5%	26%	44%	22%	70%	8%
France	25%	75%	76%	42%	17%	28%	53%	30%	59%	7%
Germany	27%	73%	75%	34%	3%	6%	34%	21%	22%	10%
Greece	68%	32%	91%	18%	4%	9%	20%	9%	13%	-
Hungary	34%	66%	93%	18%	8%	10%	27%	8%	12%	6%
Ireland	41%	59%	88%	35%	15%	26%	34%	39%	45%	8%
Italy	27%	73%	93%	48%	28%	41%	72%	52%	58%	3%
Latvia	48%	52%	65%	28%	14%	12%	19%	23%	24%	20%
Lithuania	60%	40%	90%	27%	17%	16%	21%	20%	33%	3%
Luxembourg	35%	65%	59%	34%	10%	23%	50%	21%	32%	10%

MEMBER STATE	Received information about IP		Best sources for advice (continued)							
	Yes	No	Internet / social media	Local advisors	Local media	Local administration	Local Chambers of Commerce	Local Industry of Association	IP Office	Other
Malta	48%	52%	67%	24%	18%	12%	25%	14%	34%	6%
Netherlands	16%	84%	82%	27%	6%	6%	46%	29%	49%	3%
Poland	35%	65%	77%	49%	15%	24%	26%	29%	62%	3%
Portugal	54%	46%	90%	50%	48%	49%	59%	67%	78%	9%
Romania	55%	45%	94%	7%	5%	3%	14%	2%	2%	3%
Slovakia	32%	68%	82%	15%	2%	1%	4%	1%	22%	6%
Slovenia	35%	65%	96%	4%	6%	4%	11%	6%	10%	2%
Spain	42%	58%	85%	36%	19%	39%	50%	33%	54%	4%
Sweden	15%	85%	60%	40%	6%	12%	20%	25%	30%	6%
United Kingdom	24%	76%	82%	42%	15%	15%	31%	31%	45%	21%
EU total	32%	68%	82%	35%	14%	20%	38%	27%	41%	7%

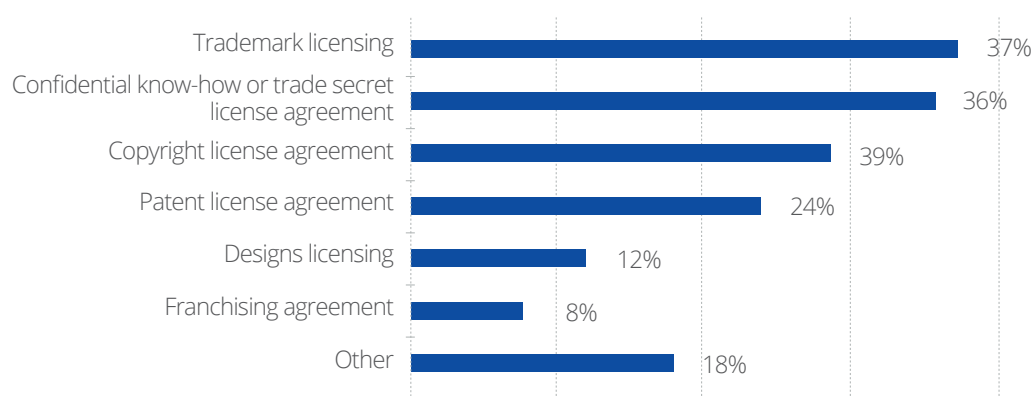
4.2. Licensing

Only 19 % of all SMEs in this sample have ever signed a licensing agreement including IPRs. The larger the SME the more likely it is to have been involved in such licensing agreements, with much higher proportions having experience with licensing amongst SMEs who use IPRs – 37 % of medium-sized companies with IPRs. The financial activities sector is most accustomed to such agreements with 28 % having used them, contrasting with only 11 % of companies in the transportation sector.

The role of the company in most such agreements has been as Licensee (license-in, 46 %) rather than Licensor (license-out, 25 %). Most agreements involve trade mark licensing (37 %), particularly in Portugal and Italy where the figures rise to 69 % and 61 % respectively. This is followed by confidential know-how or trade secret licensing agreements (36 %), copyright license

agreements (39 %) and patent license agreements (24 %). The wholesale industry values trade mark licensing the most among other industries (62 %), while only 29 % of the construction companies are involved in trade mark licensing agreements. Financial activities sector is mostly involved in copyright license agreements (41 %), whereas only 19 % of the wholesale companies enter into those agreements.

Figure 15 Types of licensing agreement



Therefore a minority of SMEs signs licensing agreements that include IPRs and they tend to do so as the Licensee rather than the Licensor. The following explores those SMEs that did sign these types of agreements in order to look at who they enter into agreements with, when they do so and why.

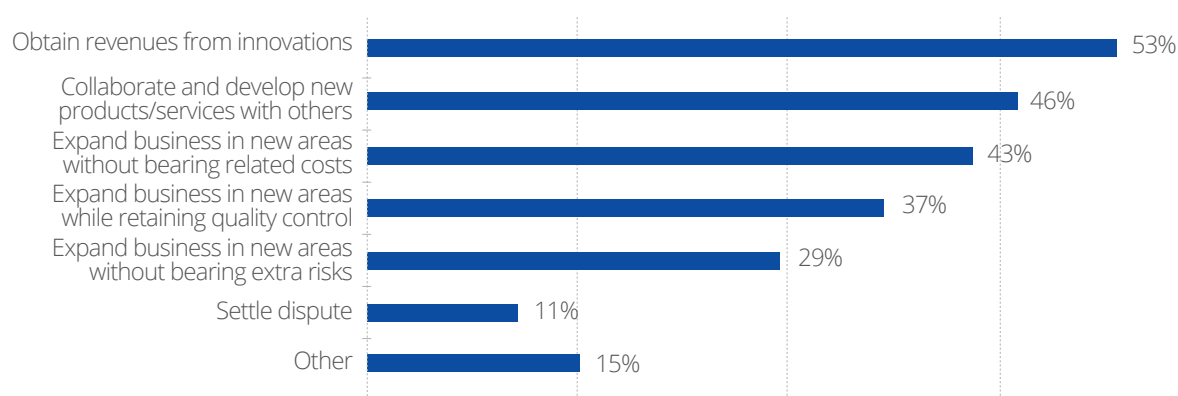
Out of all the companies surveyed, 36 % have entered into license agreements with companies or other organisations from another EU country, with the figure rising to 67 % in Slovenia. Small and medium SMEs with IPRs use are more likely to have entered in such an agreement. In the Manufacturing sector 39 % of the companies have entered into license agreements with companies or other organisations from another EU country, while only 17 % of the construction sector companies have done so.

In terms of timing, 42 % of companies entered into such agreements within the past year with medium-sized companies with IPR use and SMEs in Slovenia, Estonia, the United Kingdom and

Croatia being the most active during this period. Medium SMEs with no IPR use are also more likely than average to have entered a license agreement for the last time at the creation of the company. For wholesale sector, 44 % of the companies entered in such agreements in the last 5 years, while only 30 % of the companies in the financial activities sector did so.

Of those companies who licensed out an IPR, 53 % say it was to obtain revenues, while for 46 % of companies the motive was to collaborate and develop new products and services with others. The first aspect is crucial for financial activities sector, where 61 % of the companies are concerned with revenues, while only 36 % of the wholesale sector companies are. The last aspect is more important for medium-sized businesses with IPR use (52 %). Again, among all the sectors, financial activities, values this factor the most (51 %), and on contrary only 36 % of the transportation companies are concerned with collaborating and developing new products and services with others. A total of 43 % of companies say they licensed out an IPR in order to expand their business into new sectors and geographical zones while saving costs. For 37 % the motive was to expand into new areas and markets while retaining quality control and 29 % say it was to expand their business without bearing extra risk. This factor is especially important in the wholesale and retail trade. Revenue is particularly important in Denmark, Lithuania and Finland, while Hungarian companies are more concerned about exploiting new sectors and geographical zones, though this finding should be treated with caution since the sample surveyed is relatively small in this category.

Figure 16 Reasons for licensing-out and IPRs



Among those companies who licensed in an IPR the motive for 46 % was to gain advantage compared to competitors (a motive particularly important in Portugal and in the wholesale and retail trade sector) while 41 % said it was in order to get their services and products more quickly to market. 40 % said the motive was to collaborate and develop new products and services and 34 % wanted to tap into expertise they could not otherwise access.

Motives behind the license-in agreement differ depending on the company size. Small SMEs with IPR use are particularly interested in gaining a competitive advantage or getting more quickly to the market. Micro and small SMEs who do not use IPRs originating from their own company are more likely to have entered a license-in agreement in order to fulfil a customer condition, while small SMEs also mention more often implementing a standard. Medium SMEs are more likely to say a license-in IPRs was a way to settle a dispute over their potential infringement of IPRs.

5. Impact of registering Intellectual Property Rights

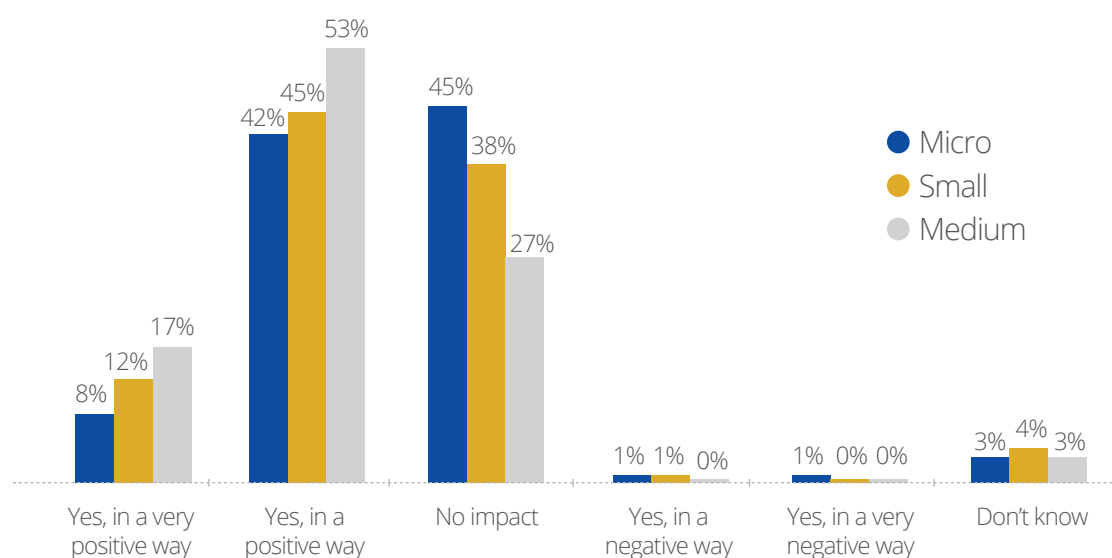
INTELLECTUAL PROPERTY (IP)
SME SCOREBOARD - 2016

Amongst those SMEs that have registered an IPR, the results of the study have so far shed light on their perceptions and behaviours in relation to IPR and innovation. These findings have been highlighted in comparison to SMEs that have not registered an IPR. This section focusses on those SMEs that have registered at least one IPR to uncover the impact and outcomes of having done so.

Amongst those that have registered an IPR, the majority (60 %) believe that it had either a very positive or positive impact on their business (13 % of SMEs think IPR protection had a very positive impact on their business, with a further 47 % mentioning a positive impact). It is very rare that an SME thinks it had a negative or very negative impact (less than 1 % of SMEs mention a (very) negative impact).

Micro and small SMEs are more likely than average to say IPRs had no impact on their business (45 % and 38 % respectively), while medium SMEs are more likely to report a positive impact (53 %).

[Figure 17 Impact of registering IPRs according to SME size](#)



Country variations are shown in the table below.

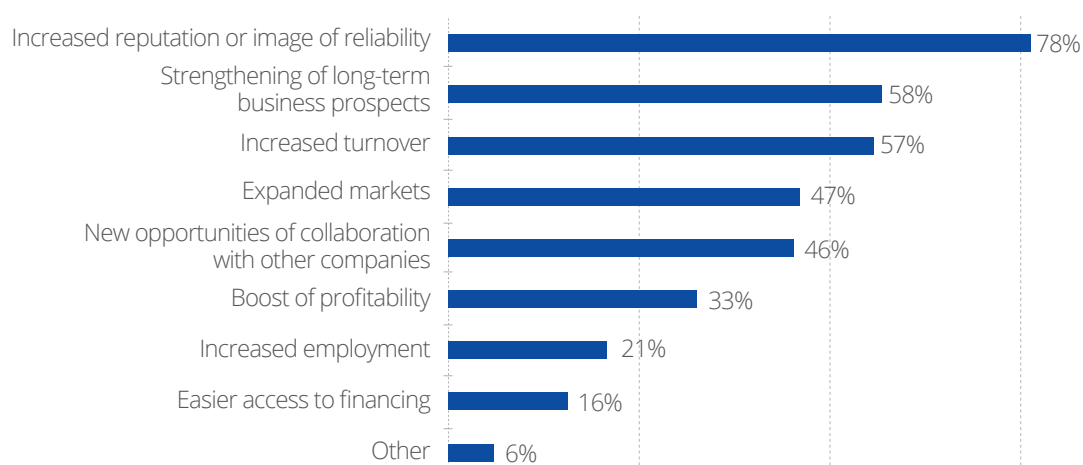
[Table 35 Impact of IPR protection on Member State level](#)

MEMBER STATE	Impact of IP protection					
	Very positive	Positive	No impact	Negative	Very negative	Don't know
Austria	10%	52%	32%	2%	-	4%
Belgium	10%	49%	38%	1%	-	2%
Bulgaria	25%	55%	16%	-	-	4%
Croatia	38%	44%	21%	-	-	2%
Cyprus	17%	62%	16%	-	-	5%
Czech Republic	19%	46%	31%	3%	-	1%
Denmark	14%	49%	33%	-	-	4%
Estonia	10%	62%	21%	2%	-	5%
Finland	18%	50%	26%	2%	-	4%
France	10%	46%	41%	1%	1%	1%
Germany	12%	51%	33%	0%	0%	4%
Greece	15%	52%	28%	1%	1%	3%
Hungary	13%	40%	37%	-	-	10%
Ireland	3%	73%	24%	-	-	-
Italy	12%	42%	45%	-	-	1%
Latvia	13%	48%	38%	1%	-	1%
Lithuania	8%	43%	43%	-	-	6%
Luxembourg	7%	36%	54%	-	-	3%
Malta	5%	44%	51%	-	-	-

MEMBER STATE	Impact of IP protection (continued)					
	Very positive	Positive	No impact	Negative	Very negative	Don't know
Netherlands	12%	43%	39%	-	-	6%
Poland	8%	53%	35%	-	1%	3%
Portugal	11%	45%	42%	-	-	2%
Romania	26%	58%	10%	-	1%	5%
Slovakia	13%	58%	24%	3%	-	2%
Slovenia	13%	50%	36%	-	-	1%
Spain	9%	35%	51%	1%	0%	4%
Sweden	20%	56%	20%	1%	-	3%
United Kingdom	15%	50%	29%	-	1%	5%
EU total	13%	47%	36%	0,5%	0,5%	3%

Positive aspects of IPR registration reported by the SMEs are presented below (Figure 18).

[Figure 18 Positive impacts of IPR registration](#)



The results indicate that the positive impact of IPRs on businesses can be direct (increased turnover, profitability or employment) but is more often indirect (increased reputation, prospects or opportunities). Micro businesses are less likely to mention positive impacts in terms of increases in employment or turnover, or expanded markets. The analysis shows some sector differences too. Increased reputation is mentioned by 89 % of companies in the transportation sector, while the financial activities sector is less likely to say IPRs led to an increased turnover or expanded markets (51 % and 38 % respectively).

6. Infringement and enforcement of Intellectual Property Rights

INTELLECTUAL PROPERTY (IP)
SME SCOREBOARD - 2016

IPRs provide companies a competitive advantage only if they are properly enforced. This section looks into the SMEs' experiences with IPR infringement and enforcement of these rights.

6.1. Incidence and impact of IPR infringements (SMEs who suffered from IPR infringement)

Among the SMEs that have registered at least one IPR, almost one in three (31 %) mentions having suffered from IPR infringement. This proportion increases with the size of the SME, with medium-sized SMEs being affected most (39 %) and micro SMEs suffering least from IPR infringement (24 %). In terms of industries, the manufacturing industry in particular noted a high incidence of IPR infringement (38 %). Detailed figures by size and country are indicated in the tables below.

[Table 36 IPR infringement on size level](#)

SUFFERED FROM INFRINGEMENT OF IP	COMPANY SIZE		
	Micro (a)	Small (b)	Medium (c)
Yes	24%	28%	39% ^{ab}
No	72% ^c	68% ^c	56%
Don't know	4%	4%	5%

[Table 37 IPR infringement on Member State level](#)

MEMBER STATE	SUFFERED FROM INFRINGEMENT OF IP		
	Yes	No	Don't know
Austria	38%	57%	5%
Belgium	35%	63%	2%
Bulgaria	45%	52%	3%
Croatia	20%	73%	7%
Cyprus	19%	77%	4%

MEMBER STATE	SUFFERED FROM INFRINGEMENT OF IP (continued)		
	Yes	No	Don't know
Czech Republic	34%	64%	2%
Denmark	36%	64%	-
Estonia	20%	69%	11%
Finland	44%	45%	11%
France	30%	68%	2%
Germany	40%	54%	6%
Greece	31%	61%	8%
Hungary	24%	48%	28%
Ireland	36%	64%	-
Italy	20%	79%	1%
Latvia	30%	67%	3%
Lithuania	20%	77%	3%
Luxembourg	46%	54%	-
Malta	9%	87%	4%
Netherlands	26%	73%	1%
Poland	31%	65%	4%
Portugal	16%	82%	2%
Romania	35%	64%	1%
Slovakia	29%	57%	14%
Slovenia	29%	64%	7%
Spain	23%	73%	4%
Sweden	43%	51%	6%
United Kingdom	33%	63%	4%
EU total	31%	65%	4%

When asked what 5 types of IPRs are most often infringed, SMEs indicated these:

- Trade marks (55 %)
- Patents (24 %)
- Designs (15 %)
- Copyright (14 %)
- Utility models (12 %).

On the other hand, incidence of IPR infringement is rather limited for:

- Non-registered trade marks (5 %);
- Non-registered designs (5 %);
- Trade secrets (5 %);
- Breeder/plant variety rights (1 %); and
- Geographical indication (1 %).

Looking at company size, medium enterprises are more likely than SMEs of other sizes to report an IPR infringement related to a trade mark (60 % compared with 55 % overall). In terms of type of industry infringement is an issue for the transportation sector in particular (85 % compared with 55 % overall).

The impact of IPR infringement was mostly negative, with around a third of SMEs who suffered IPR infringement reporting a loss of turnover (37 %), damage to their reputation (36 %), or a loss of their competitive edge (32 %). However, 18 % of SMEs suffering IPR infringement report an increased awareness of their product or activity.

Only small proportions mention the loss of incentives to innovate and invest (8 %) or having to release staff or stop hiring (4 %), although micro SMEs are more affected by these negative consequences, with respectively 13 % and 9 % micro SMEs mentioning them.

The tables below indicate differences by size and country.

[Table 38 Negative impact of IPR infringement on size level](#)

MOST FREQUENT NEGATIVE IMPACT OF INFRINGEMENT	COMPANY SIZE		
	Micro	Small	Medium
Loss of turnover	42%	38%	35%
Damage to reputation	38%	37%	34%
Release staff / stop hiring	9%	3%	2%
Loss of incentives to innovative and invest	13%	8%	6%
Loss of competitive edge	34%	29%	35%
Increase awareness of my products	19%	18%	18%
Other	36%	31%	30%

[Table 39 Negative impact of IPR infringement on Member State level](#)

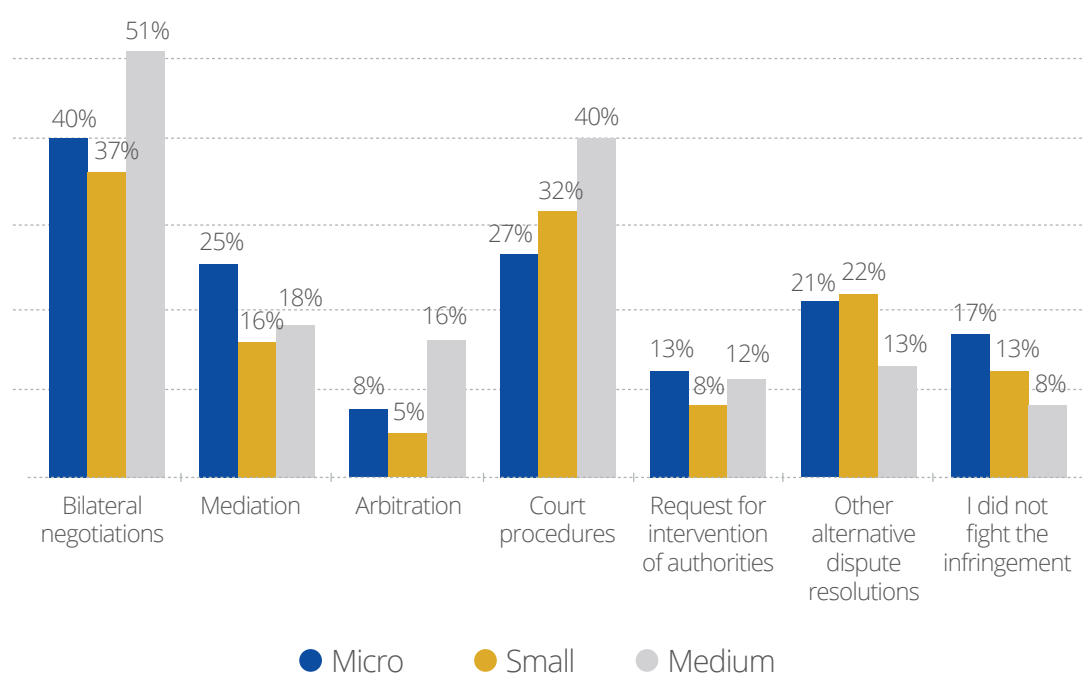
MEMBER STATE	Most frequent negative impact of infringement						
	Loss of turnover	Damage to reputation	Release staff / stop hiring	Loss of incentives to innovate and invest	Loss of competitive edge	Increased awareness of my products	Other
Austria	27%	28%	2%	9%	50%	17%	39%
Belgium	25%	32%	4%	10%	31%	12%	55%
Bulgaria	30%	66%	3%	3%	37%	21%	17%
Croatia	57%	12%	-	20%	31%	-	10%
Cyprus	37%	46%	-	6%	28%	23%	11%
Czech Republic	39%	42%	3%	-	9%	14%	40%
Denmark	49%	25%	11%	11%	26%	44%	37%

MEMBER STATE	Most frequent negative impact of infringement (continued)						
	Loss of turnover	Damage to reputation	Release staff / stop hiring	Loss of incentives to innovate and invest	Loss of competitive edge	Increased awareness of my products	Other
Estonia	60%	31%	-	13%	36%	58%	25%
Finland	50%	38%	7%	13%	48%	41%	12%
France	45%	42%	9%	12%	28%	26%	33%
Germany	34%	23%	1%	6%	32%	8%	37%
Greece	27%	36%	6%	9%	33%	14%	28%
Hungary	52%	11%	-	-	27%	19%	31%
Ireland	32%	60%	8%	8%	24%	20%	28%
Italy	49%	54%	8%	11%	48%	42%	12%
Latvia	30%	36%	-	-	25%	-	45%
Lithuania	35%	54%	-	11%	34%	8%	16%
Luxembourg	52%	44%	7%	19%	29%	15%	12%
Malta	24%	24%	24%	24%	-	-	76%
Netherlands	12%	27%	-	3%	26%	14%	60%
Poland	32%	57%	2%	10%	21%	24%	13%
Portugal	33%	38%	3%	-	30%	33%	35%
Romania	43%	49%	2%	4%	20%	8%	18%
Slovakia	54%	50%	21%	29%	38%	21%	30%
Slovenia	58%	34%	-	12%	25%	13%	42%
Spain	40%	56%	8%	10%	42%	24%	20%
Sweden	24%	19%	-	9%	30%	29%	47%
United Kingdom	42%	28%	5%	10%	28%	13%	38%
EU total	37%	36%	4%	8%	32%	18%	32%

6.2. Most common means to solve IPR infringement conflicts

SMEs that experienced IPR infringement were asked which procedure they most frequently used to fight it. Only 12 % report not fighting the infringement at all. Bilateral negotiations (43 %) and court procedures (35 %) are the most often mentioned ways of fighting IPR infringement. Smaller proportions mention mediation (18 %), arbitration (10 %), and a request for the intervention of authorities (11 %) or another measure (18 %).

Figure 19 Means to solve IPR infringement on size level



SME size is strongly linked to the likelihood to fight IPR infringement and the method used. Compared to SMEs in general, micro enterprises are more likely to say they did not fight the infringement (17 % compared to 12 % on average) and less likely to choose a court procedure

(27 % compared with 35 %). Compared with micro and medium-sized SMEs, small enterprises are less likely to enter into bilateral negotiations (37 %) or arbitrations (5 %) and more likely to mention other dispute resolution methods. In contrast, medium enterprises are more likely to act, with higher than average proportions of bilateral negotiations (51 %), court procedures (40 %) and arbitration (16 %) usage.

Looking at country differences in how IPR infringement is fought, court procedures are used more frequently in Portugal (51 %) and Italy (54 %), and less often in Estonia (6 %), Slovenia (13 %) and Ireland (16 %). SMEs who suffered IPR infringement in Slovenia (34 %) and Malta (26 %) are more likely to say they did not fight the infringement, while SMEs in Romania and Latvia (both 4 %) are less likely to select this answer.

More details are given in the table below.

[Table 40 Procedures to fight IPR infringement on Member State level](#)

MEMBER STATE	Procedures to fight infringement						
	Court procedures	Request for intervention of authorities	Bilateral negotiations	Mediation	Arbitration	Other	Did not fight infringement
Austria	39%	8%	36%	12%	11%	16%	13%
Belgium	39%	4%	46%	26%	9%	12%	7%
Bulgaria	21%	10%	56%	10%	8%	10%	9%
Croatia	32%	12%	22%	21%	12%	35%	10%
Cyprus	46%	9%	28%	-	9%	11%	11%
Czech Republic	37%	33%	32%	3%	12%	26%	10%
Denmark	35%	25%	44%	25%	3%	49%	5%
Estonia	6%	-	66%	35%	-	39%	6%
Finland	23%	14%	68%	23%	7%	11%	14%

MEMBER STATE	Procedures to fight infringement (continued)						
	Court procedures	Request for intervention of authorities	Bilateral negotiations	Mediation	Arbitration	Other	Did not fight infringement
France	31%	9%	50%	24%	10%	22%	12%
Germany	35%	5%	43%	6%	10%	17%	12%
Greece	44%	12%	39%	14%	2%	9%	9%
Hungary	22%	-	43%	11%	18%	27%	12%
Ireland	16%	-	48%	12%	-	16%	8%
Italy	54%	25%	43%	46%	9%	13%	10%
Latvia	27%	16%	75%	20%	11%	14%	4%
Lithuania	21%	5%	62%	21%	15%	11%	12%
Luxembourg	37%	15%	26%	49%	15%	7%	-
Malta	26%	24%	24%	24%	24%	24%	26%
Netherlands	30%	6%	35%	28%	15%	18%	14%
Poland	28%	10%	46%	13%	10%	8%	18%
Portugal	51%	14%	36%	17%	6%	20%	10%
Romania	49%	19%	42%	25%	4%	10%	4%
Slovakia	33%	16%	49%	4%	8%	38%	-
Slovenia	13%	20%	16%	5%	-	16%	34%
Spain	39%	9%	53%	38%	14%	13%	10%
Sweden	16%	11%	31%	15%	5%	29%	16%
United Kingdom	22%	9%	32%	15%	11%	30%	17%
EU total	35%	11%	43%	18%	10%	18%	12%

Reasons to refrain from court procedures as a mean to solve IPR infringement conflicts

In order to identify the main barriers to starting a court procedure in case of IPR infringement, those who have previously used court procedures to fight IPR infringement were asked about what could be the reasons for refraining from the procedure in particular cases in the future. Most answers relate to the duration and cost of the procedure: too expensive court fees (58%), too lengthy court procedures (55%), and too expensive lawyers' fees (53%). Another 38 % mention the difficulty in dealing with legal actions (court procedures) taking place in a different EU country.

Figure 20 Reasons to refrain from court procedures



For some SMEs that have suffered from IPR infringement, the fear of a negative outcome is also a barrier:

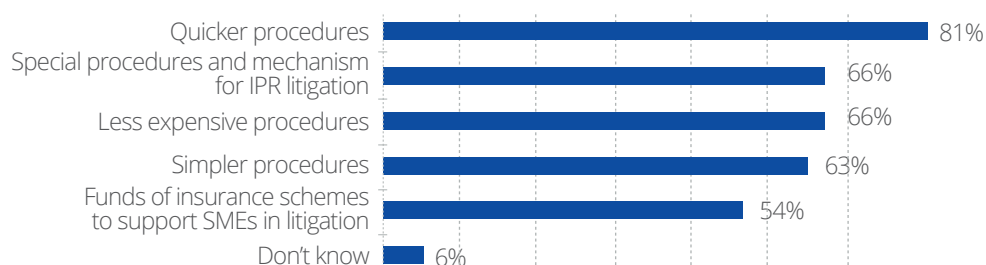
- Risk of losing the case and having to pay high fees or compensation (41 %),
- Reluctance to publicly expose the case and suffer potential damage to the company's reputation (18 %), and
- Risk of losing trade secrets disclosed to the court (15 %).

Although the likelihood to start a court procedure increases with the size of the SME, no significant differences appear in terms of barriers. This seems to indicate that the barriers are the same for all SMEs but more strongly affect the likelihood of smaller companies to initiate court procedures.

Areas of improvement in the court procedures

When asked which aspects of court procedures could be improved, large proportions of SMEs who experienced IPR infringement and subsequently started a court procedure mention quicker (81 %), less expensive (66 %) or simpler (63 %) procedures. Two in three (66 %) support the idea of special procedures and mechanisms for IPR litigation by SMEs with reduced formalities and costs, while around half (54 %) agree that there should be funds or insurance schemes available to support SMEs in litigation.

[Figure 21 Areas of improvement in the court procedures](#)

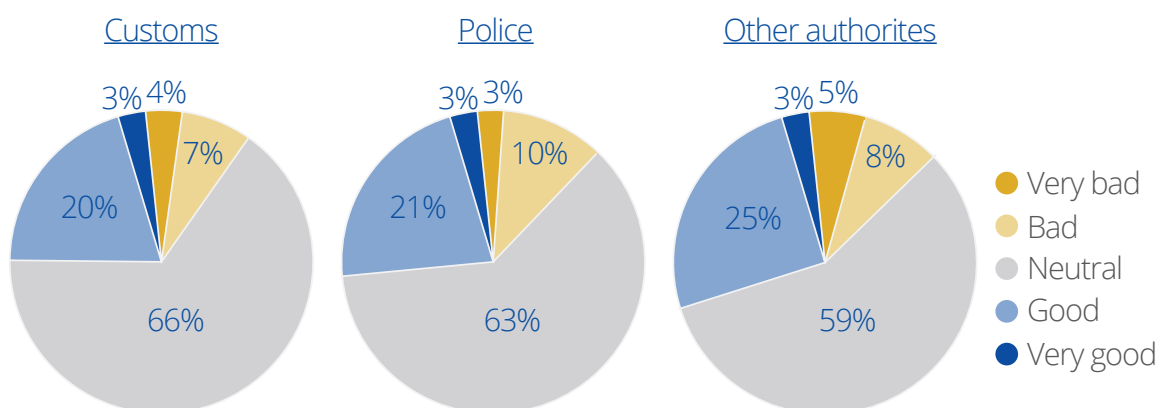


Micro SMEs in particular are in favour of the special procedures and mechanisms, with 83 % selecting this answer in comparison with 66 % for all SMEs that used court procedures to fight IPR infringement.

Experience with enforcement authorities

SMEs who mentioned requesting the intervention of authorities to deal with IPR infringement were asked about their experience with three types of authorities: customs, the police and other enforcement authorities such as trading standards. Perceptions are similar for the three types of authorities with large majorities reporting 'neutral' experiences (60-66 %). Around one in five of these SMEs had a positive experience (23 % for customs, 24 % for the police and 27 % for other authorities) while 12 to 14 % report a negative experience.

[Figure 22 Experience with authorities](#)

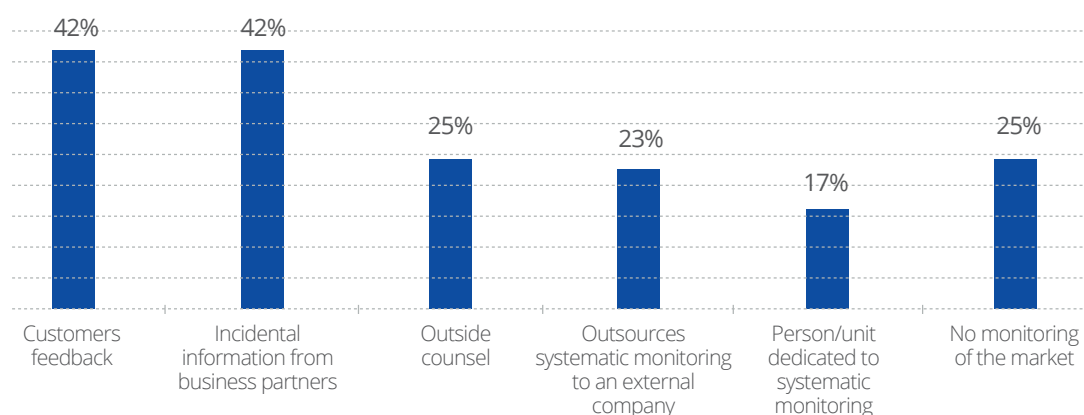


Perceptions are fairly similar across SME sizes, although small enterprises are more likely to report a 'good' experience with the police (36 %) and medium enterprises less likely to do so (10 %), compared with an overall figure of 21 %.

6.3. IPR infringement monitoring and prevention

Regardless of whether SMEs have suffered from IPR infringement or not, those with at least one registered IPR were asked how they monitor the market for possible infringement of their IPR. Only a minority of companies have a structured approach, with 23 % saying they outsource systematic monitoring to a dedicated company and 17 % saying they have a person/unit dedicated to this systematic monitoring. Importantly, a quarter of SMEs with registered IPR (25 %) say they do not actively monitor the market. The figure below shows the frequency of the different methods used to monitor the market for IPR infringement.

[Figure 23 IPR infringement monitoring](#)



The smaller the SME, the less likely it is to monitor the market for IPR infringement: 31 % of micro enterprises, 27 % of small enterprises and 18 % of medium enterprises with IPR registered indicated they do not monitor for infringement of their IPR. Micro enterprises are less likely to have a dedicated person/unit or to outsource the task, while medium enterprises are more likely to use these monitoring methods. In terms of sector, 31 % of the construction companies do not monitor market, while this is the case for 20 % of SMEs in the manufacturing industry. In contrast, customers' feedback as a way to monitor IPR infringement is most often used in SMEs in the manufacturing (49 %), while only 36 % of the financial activities companies use this method.

Table 41 Ways of monitoring the market for IPR infringement on size level

IP INFRINGEMENT MONITORING	COMPANY SIZE		
	Micro (a)	Small (b)	Medium (c)
Customers feedback	42%	40%	45% ^b
Incidental information from business partners	43%	39%	44% ^b
Outside counsel	22%	25%	26%
Outsources systematic monitoring to an external company	15%	22%	29% ^{ab}
Person/unit dedicated to systematic monitoring	13%	16%	20% ^{ab}
No monitoring	31% ^c	27%	18%

SMEs in Ireland (49 %), Slovenia (42 %), Lithuania (38 %) and Portugal (38 %) are most likely to say they do not monitor the market, while SMEs in Romania (8 %) and Bulgaria (9 %) are least likely to say so.

For more details on country specificities see the table below.

Table 42 Ways of monitoring the market for IPR infringement on Member State level

MEMBER STATE	IPR infringement monitoring					
	Customers feedback	Incidental information from business partners	Outside counsel	Outsources systematic monitoring to an external company	Person/unit dedicated to systematic monitoring	No monitoring
Austria	53%	50%	24%	17%	16%	20%
Belgium	40%	41%	28%	36%	8%	26%
Bulgaria	46%	21%	19%	22%	20%	9%
Croatia	19%	29%	17%	5%	34%	21%
Cyprus	38%	36%	27%	6%	29%	21%

MEMBER STATE	IPR infringement monitoring (continued)					
	Customers feedback	Incidental information from business partners	Outside counsel	Outsources systematic monitoring to an external company	Person/unit dedicated to systematic monitoring	No monitoring
Czech Republic	23%	30%	11%	18%	23%	17%
Denmark	56%	53%	39%	30%	21%	29%
Estonia	53%	53%	18%	9%	24%	16%
Finland	54%	50%	33%	35%	12%	22%
France	44%	52%	17%	16%	12%	26%
Germany	34%	33%	15%	21%	19%	23%
Greece	38%	32%	23%	7%	22%	20%
Hungary	36%	31%	16%	11%	17%	21%
Ireland	47%	54%	24%	7%	10%	49%
Italy	55%	50%	36%	24%	21%	30%
Latvia	30%	41%	11%	-	20%	30%
Lithuania	27%	35%	10%	3%	12%	38%
Luxembourg	26%	37%	18%	33%	27%	16%
Malta	33%	34%	11%	11%	18%	29%
Netherlands	34%	40%	20%	28%	18%	26%
Poland	61%	57%	21%	12%	24%	17%
Portugal	70%	66%	57%	18%	15%	38%
Romania	35%	39%	22%	22%	21%	8%
Slovakia	42%	43%	13%	14%	17%	24%
Slovenia	50%	46%	8%	10%	9%	42%
Spain	37%	34%	37%	46%	9%	28%
Sweden	38%	32%	38%	33%	17%	19%
United Kingdom	41%	46%	24%	17%	10%	28%
EU total	42%	42%	25%	023%	17%	25%

Measures undertaken to avoid infringing IPR of others

When asked about measures taken to ensure the company is not infringing IPR of others, 28 % of all surveyed SMEs indicated that they don't take any measures. This could be linked to a lack of familiarity with IPR, given around a third of all respondents reported a low familiarity with the concept. The most common methods to avoid infringing other companies' IPR are Internet searches (38 %) and seeking external legal counselling (37 %), while 23 % of all SMEs mention researching IPR databases and 22 % consulting their company's legal department.

Micro (41 %) and small (38 %) enterprises that do not use IPR are more likely than average not to take any measures. Medium enterprises which do not use IPR are more likely to consult the legal department of their company (29 % compared with 22 % on average). SMEs that use IPR are overall more likely to take measures to avoid infringing others' IPR. Micro enterprises tend to use Internet or IPR database searches. Small enterprises are more likely to use these two methods as well as to consult external legal counselling, while medium SMEs are more likely to use all available methods. These differences are most probably linked to the resources available to companies of different sizes, with larger enterprises having more access to an internal legal department or more budget for an external legal counsellor.

6.4. Incidence of SMEs suffering from unjust allegations of IPR infringement

Companies that try to protect their own IPRs may in some instances wrongly accuse other companies of IPR infringements. Of all SMEs surveyed, 9 % say they have suffered from such unjust allegations of infringing another company's IPRs.

SMEs that do not use IPRs are much less likely to report 'unjust' infringement allegations. The likelihood to report such allegations increases with the size of the SME among companies who use IPRs, with 13 % of small SMEs who use IPRs and 23 % of medium SMEs who use IPRs reporting 'unjust' allegations. In terms of sectors, 15 % of the manufacturing companies suffered from unjust allegations of infringing another company's IPRs, while this is only true for 4 % of the transportation companies.

SMEs in Germany (18 %), Austria (17 %) and the Czech Republic (13 %) are more likely to report 'unjust' allegations, while SMEs in Lithuania, Cyprus and Romania (all 2 %) are less likely to do so.

When asked for which type of IPR they experienced an 'unjust' infringement allegation, SMEs most often mention trade marks (37 %), patents (23 %) and designs (14 %). These are also the top three IPR types mentioned by SMEs who reported IPR infringements in general.

Micro SMEs who do not use IPRs are less likely to mention allegations linked to a patent (2 %). Small SMEs who do not use IPRs are less likely to mention allegations linked to a trade mark (19 %) but more likely to mention non-registered designs (12 %) or trade secrets (5 %).

Most SMEs who reported an 'unjust' infringement allegation say the IPR owner was another SME (47 % of cases), although a large proportion (38 %) mentions a large company. 11 % mention a physical person as the IPR owner.

A total of 40 % of SMEs say the case was settled through bilateral negotiations. This proportion is similar to the one obtained when asking SMEs how they fought IPR infringements they suffered. The reported proportion of court procedures is however lower in the case of 'unjust' allegations, with only 21 % of SMEs selecting this dispute resolution procedure.

Medium SMEs with IPR use are more likely to mention bilateral negotiations (46 %), while micro SMEs with IPR use and small SMEs without IPR use are more likely to have used alternative dispute resolution methods. SMEs in the financial and transportation sectors tend to use bilateral negotiations the most (45 % and 43 % respectively).

7. Interest in participating in an SME network

INTELLECTUAL PROPERTY (IP)
SME SCOREBOARD - 2016

Almost a third of all surveyed SMEs (29 %) would be interested in a network of innovative and IP-minded SMEs defined as a forum to meet and discuss best practice and challenges faced with creating, using and enforcing or litigating IP rights. This proportion is stable across SME size but is much higher among companies who use IPRs, with 39 % of IP-using SMEs reporting an interest in the network compared to 22 % amongst those with no IPRs. Amongst the different sectors, companies active in manufacturing and other sectors (both 40 %) express a significantly higher willingness to join a network.

Table 43 Willingness to join network on size level

WILLING TO JOIN NETWORK	COMPANY SIZE (with IPR)			WILLING TO JOIN NETWORK	COMPANY SIZE (no IPR)		
	Micro	Small	Medium		Micro	Small	Medium
Yes	39%	37%	40%	Yes	21%	20%	24%
No	61%	63%	60%	No	79%	80%	76%

Table 44 Willingness to join network on sector level

WILLING TO JOIN NETWORK	SECTOR (with IPR)					
	Manufacturing	Construction	Transportation	Wholesale	Financial activities	Other
Yes	40%	38%	35%	38%	36%	40%
No	60%	62%	65%	62%	64%	60%

WILLING TO JOIN NETWORK	SECTOR (no IPR)					
	Manufacturing	Construction	Transportation	Wholesale	Financial activities	Other
Yes	27%	19%	21%	18%	24%	20%
No	73%	81%	79%	82%	76%	80%

8. Annexes

INTELLECTUAL PROPERTY (IP)
 SME SCOREBOARD - 2016

8.1. Sampling Stratification

Random sampling was considered but rejected as this approach would have required data on the full universe of SMEs in the EU, which was not available, and would have made it very difficult to get a representative and sufficient sample of micro companies using IPRs.

The final sampling approach relies on a stratified sample of SMEs instead. The first approach was based on stratification on company size, sector and IPR use. The sector stratum was removed from the sampling plan at a later stage as it appeared not to be compatible with achieving the target number of interviews in the IPR use stratum. Indeed, completing 50 % of interviews with companies who use IPRs was made difficult by the lower incidence rate of IPR use in some sectors and the small size of the available sample in some countries.

The final sample targets are stratified on company size and IPR use within each country. IPR use was measured by question S00 (Has your company registered any Intellectual Property Rights (such as patents, trade marks or designs?)). The company size was assessed via two questions on staff numbers (S02. What is the approximate total number of staff employed at your organisation at the end of 2014?) and turnover (S03. What was the approximate size of your total annual turnover (total sales minus rebates and taxes) in 2014?).

8.1.1. Sampling targets

The sampling plan groups EU Member States in four categories depending on their size, number of SMEs and available sample. Four target sample sizes were implemented.



This approach ensured realistic targets were set for small countries while reflecting the actual geographic dispersion of SMEs in the EU.

Within each sampling group, targets were set by company size (25 % micro, 50 % small and 25 % medium) and IPR use (50 % yes and 50 % no) as per the tables below.

[Sampling group 1: Germany, Italy, Spain, UK & France](#)

SECTOR	Micro	Small	Medium	Total
Manufacturing	28	56	28	112
Construction	28	56	28	112
Transportation, accommodation and food services	28	56	28	112
Wholesale and retail trade	34	68	34	136
Financial and insurance activities	28	56	28	112
Other services	34	68	34	136
Total	180	360	180	720
Quota IP/NON IP	90	180	90	

[Sampling group 2: Austria, The Netherlands, Poland, Portugal & Sweden](#)

SECTOR	Micro	Small	Medium	Total
Manufacturing	14	28	14	56
Construction	14	28	14	56
Transportation, accommodation and food services	14	28	14	56
Wholesale and retail trade	18	36	18	72
Financial and insurance activities	14	28	14	56
Other services	18	36	18	72
Total	92	184	92	368
Quota IP/NON IP	46	92	46	

[Sampling group 3: Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, Greece, Hungary, Ireland, Lithuania, Latvia, Romania, Slovenia & Slovakia.](#)

SECTOR	Micro	Small	Medium	Total
Manufacturing	8	16	8	32
Construction	8	16	8	32
Transportation, accommodation and food services	8	16	8	32
Wholesale and retail trade	10	20	10	40
Financial and insurance activities	8	16	8	32
Other services	10	20	10	40
Total	52	104	52	208
Quota IP/NON IP	26	52	26	

[Sampling group 4: Cyprus, Luxemburg and Malta](#)

SECTOR	Micro	Small	Medium	Total
Manufacturing	4	10	4	18
Construction	4	10	4	18
Transportation, accommodation and food services	4	10	4	18
Wholesale and retail trade	8	16	8	32
Financial and insurance activities	4	10	4	18
Other services	8	16	8	32
Total	32	72	32	136
Quota IP/NON IP	16	36	16	

8.2. Data processing

Following the end of the fieldwork, both automated and manual quality controls were implemented on the final data.

Given the stratified sampling approach implemented during the fieldwork, weighting the data back to the universe profile was a necessary step to ensure the representativeness of the results. Sub-groups which were over-sampled (for instance small companies) were weighted down on Member State level to obtain proportions in line with the universe data available on EU SMEs. Annex 9.3 presents the target proportions used to weight the data, based on universe data from Eurostat.¹⁷

¹⁷ - Annual enterprise statistics by size class for special aggregates of activities (NACE Rev. 2) [sbs_sc_sca_r2]
– Please note some data points had to be estimated for Cyprus, France, Ireland, Italy, and Hungary.

8.3. Questionnaire

INTRODUCTION

Interviewer instruction:

Good morning/afternoon, my name is ... from GfK. We are conducting a survey on behalf of the European Union Intellectual Property Office, which protects intellectual property in the European Union. This survey is conducted to understand the driving factors about the use of Intellectual Property Rights amongst small and medium sized companies.

We would like to talk to the person responsible for legal matters and company policies within your organisation; if this is not you, could you please put me in contact with that person?

1. The respondent is this person [start interview]
2. The respondent is not this person [obtain information about new respondent]

Would you please give me the telephone number of that person?

Name: _____

Direct telephone number (including city code): _____

The interview will last about 15 minutes. For all questions, please provide your best estimate if you do not know the exact answer.

I would also like to remind you that this questionnaire is anonymous and your answers will be kept confidential, treated in full compliance with the privacy laws and will not be disclosed to third parties.

SCREENER

S00 [S]

Has your company registered any Intellectual Property Rights such as patents, trade marks or designs?

1. Yes
2. No

Base: all respondents with answer 'Yes' for S00 (S00=1)

S001 [S]

Do you have any involvement in the Intellectual Property policy within the company?

1. Yes
2. No

S01 [S]

Can you confirm that you will be answering this questionnaire on behalf of [COMPANY NAME]?

1. Yes, for the company/company part mentioned by GfK
2. No, for a smaller company/company part, please specify [O]
3. No, for a bigger company/company part, please specify [O]
4. Other (please specify) [O]

S02 [Q]

What is the approximate total number of staff employed at your organisation at the end of 2014?

Interviewer instruction: *Each employee is counted as one person, regardless of whether they are working full-time or part-time. Seasonal workers having a temporary contract of at most six months and persons hired temporarily from work agencies should not be included, but please include apprentices.*

1. 1 (one man business)
2. 2–9

3. 10–49
4. 50–249
5. 249+
6. Don't know

S03 [S]

What was the approximate size of your total annual turnover (total sales minus rebates and taxes) in 2014?

1. Up to EUR 500 000 [LOCAL CURRENCY]
2. More than EUR 500 000 [LOCAL CURRENCY] and up to EUR 2 million [LOCAL CURRENCY]
3. More than EUR 2 million [LOCAL CURRENCY] and up to EUR 10 million [LOCAL CURRENCY]
4. More than EUR 10 million [LOCAL CURRENCY] and up to EUR 50 million [LOCAL CURRENCY]
5. More than EUR 50 million [LOCAL CURRENCY]
6. Do not know/will not answer

S05 [S]

Which sector fits the main area(s) of your business best?

1. Agriculture, forestry and fishing
2. Mining and quarrying
3. Manufacturing
4. Electricity, gas, steam and air conditioning supply
5. Water supply, sewerage, waste management and remediation activities
6. Construction
7. Wholesale and retail trade, repair of motor vehicles and motorcycles
8. Transportation and storage
9. Accommodation and food service activities
10. Information and communication
11. Financial and insurance activities
12. Real estate activities
13. Professional, scientific and technical activities
14. Administrative and support service activities
15. Public administration and defence, compulsory social security

16. Education
17. Human health and social work activities
18. Arts, entertainment and recreation
19. Other service activities
20. Activities of households as employers, undifferentiated goods and service
21. Activities of extraterritorial organisations and bodies

QS05 [S]

Which geographic market generates the majority of your turnover?

1. Local
2. Regional
3. National (in one EU Member State)
4. Other EU countries
5. Non-EU countries

MAIN QUESTIONNAIRE

1. Assessment of SME's innovation

Base: all respondents

Q1.1.[S]

Is your company innovative?

1. Yes
2. No
3. Don't know

Base: all respondents

Q1.2.[M]

In the last 3 years, did your enterprise introduce new or significantly improved...

Interviewer instruction: please indicate all options that apply, do not read out option 6 'Don't know/'

Not applicable'

1. Products
2. Processes
3. Organisational changes

4. Marketing changes
5. Other
6. Don't know/Not applicable[S]

Base: all respondents

Q1.3.[SGRID]

What measures did you take and what is their importance for your company's ability to derive competitive advantage from your innovation activities?

Interviewer instruction: please select one response for each measure (both Intellectual Property Rights and Alternative measures for protection) going from 'I do not use it at all to 'High'.

Measures in row:

Intellectual Property Rights

1. Trade mark
2. Patent
3. Copyright
4. Design
5. Geographical indication
6. Breeders' right/Plant variety right
7. Topography of semiconductor
8. Utility model

Alternative measures for protection

1. Confidentiality (trade secrets)
2. Complexity of product design
3. Leveraging my complementary assets (production, implementation or marketing capabilities I have)
4. Database law
5. Time to market
6. Internet domain name(s)
7. Other [O]
8. My company does not takes any measures to protect its' innovation outputs [S]

Answers in column:

1. I do not use it at all
2. Low
3. Medium
4. High

Base: respondents who do not take any measure to protect their innovation (Q1.3.=16)

Q1.4.[M]

Why don't you take any measures to protect your innovation?

1. I do not have enough knowledge on how to protect innovations
2. The procedures are too costly
3. The procedures are too long and burdensome
4. I want to avoid any potential difficulties enforcing these measures
5. I want to avoid any risk of potential litigation.
6. I don't see any benefits in protecting innovations
7. Other (please specify) [O]

Base: all respondents

Q1.5.[S]

Are you collaborating with other entities, such as companies, research institutes, academia etc. to develop an innovation together?

1. Yes
2. No

Base: respondents who collaborate with other entities (Q1.5.=1)

Q1.6.[M]

On which level are you collaborating with other entities to develop an innovation together?

Interviewer instruction: please indicate all that apply

1. Local
2. Regional
3. National (in one EU Member State)
4. Other EU countries
5. Non-EU countries

Base: respondents who collaborate with other entities (Q1.5.=1)

Q1.7.[M]

Are they...

Interviewer instruction: please indicate all that apply

1. Large companies
2. SMEs

3. Universities, academia
4. Research Institutes
5. Government/public institutions
6. Other [O]

Base: respondents who collaborate with other entities (Q1.5.=1)

Q1.8.[S]

Are registered Intellectual Property Rights such as patents, trade marks and designs a result of this collaboration?

1. Yes
2. No

Base: respondents who registered an IPR as result of a collaboration (Q1.8.=1)

Q1.9.[M]

Who is the owner of the Intellectual Property Right(s)?

1. My company
2. Partner
3. Both (in co-ownership)
4. Either 1, 2 or 3 depending on the case

2. Usage of IPRs

Base: all respondents

Q2.1.[SGRID]

How familiar are you with the term Intellectual Property Rights (IPRs)?

Interviewer instruction: please indicate how familiar you are with the term Intellectual Property Rights on a scale from 0-10 where 0 means not at all familiar (don't know what IP is), 10 means very familiar (formulated an IP strategy) and 5 is the midpoint.

1. 0 - Not at all familiar
2. 1
3. 2
4. 3

- 5. 4
- 6. 5
- 7. 6
- 8. 7
- 9. 8
- 10. 9
- 11. 10 - Very familiar
- 99. Don't know

Base: respondents who register IP (S00=1)

Q2.2.[SGRID]

You previously indicated that your company has registered IPRs. Could you please indicate which type of IPR and how many of each you registered?

Type IPR in row:

- 1. Registered a patent
- 2. Registered a utility model
- 3. Registered a European Union trade mark
- 4. Registered a national trade mark
- 5. Registered a community design
- 6. Registered a national design
- 7. Registered a breeder right(s)/plant variety right(s)
- 8. Other alternative measures for protection like internet domain name(s)
- 9. Never registered an IPR (no column answers for this option)

Answers in column:

- 1. None
- 2. 1
- 3. 2-5
- 4. 6-10
- 5. 10+

Base: respondents who have at least registered 1 IPR (Q2.2=1-8)

Q2.3.[S]

When did your company most recently apply for the registration/granting of an IPR?

1. When the company was started
2. Within the past year
3. Within the last 5 years
4. More than 5 years ago

Base: respondents who have at least registered 1 IPR (Q2.2=1-8)

Q2.4.[SGRID]

How important is it to have registered Intellectual Property (IP) in each of the following stages of the innovative process?

Interviewer instruction: please select one answer for each stage going from 'Not at all' to 'Strong'. Please do not read out option 5 'No opinion'.

Stages of innovative process in row:

1. Conducting research and development
2. Inventing new products, processes or services
3. Creating internal tools or processes to build or implement final products, processes or services
4. Undertaking the risks and costs of making, selling and marketing a commercial product

Answers in column:

1. Not at all
2. Weak
3. Moderate
4. Strong
5. No opinion

Base: respondents who have at least registered 1 IPR (Q2.2=1-8)

Q2.5.[M]

Why did your company register IP?

Interviewer instruction: please indicate all reasons why you registered IP

1. It guarantees better legal certainty of extent of protection
2. It helps me prevent others from copying my products or services

3. It increases the chances of effective enforcement
4. It improves chances of financing
5. This is the common practice among the firms I deal with
6. It improves my negotiating position with other companies and institutions
7. It increases the value and the image of my company
8. To obtain licensing revenues
9. Other (please specify) [O]

Base: all respondents

Q2.6.[S]

Does your company include IP in its business strategy/business plan?

Interviewer instruction: *examples of including IP in your business strategy or business plan could be systematically aiming at obtaining patents, systematically registering trade marks for your products and their packaging or using IP licensing as an integral part of your strategy.*

1. Yes
2. No

Base: respondents who have at least registered 1 IPR (Q2.2=1-8)

Q2.7.[M]

Where did you search for information to register IP?

Interviewer instruction: *please indicate all that apply*

1. Internet
2. Outside private counsel
3. Chamber of Commerce
4. EU IPR Helpdesk
5. National IP offices/similar national bodies (including their helpdesk)
6. EU and international IP offices (World Intellectual Property Organization, European Patent Office, European Union Intellectual Property Office)
7. Industry federations or professional associations
8. Other government organisation
9. Others (please specify) [O]

Base: respondents who have at least registered 1 IPR (Q2.2=1-8)

Q2.8.[M]

Where did your company register its IP?

Interviewer instruction: *please indicate all that apply*

1. National IP office of the EU Member State where my company has its principal seat
2. Other National IP offices of one EU Member State
3. National IP offices of more than one EU Member State
4. European Patent Office
5. Through the World Intellectual Property Organization (WIPO)
6. European Union Intellectual Property Office
7. Other channels [O]

Base: respondents who have at least registered 1 IPR (Q2.2=1-8)

Q2.9.[SGRID]

How difficult was it for your company to register an IPR?

Interviewer instruction: *please select one response for each type of IPR you registered, going from very easy to very difficult. Please do not read out option 5 'No opinion'.*

Type of IPR in row:

1. Patent
2. Utility Model
3. European Union trade mark
4. National trade mark
5. Community design
6. National design
7. Breeders right(s)/plant variety right(s)
8. Other alternative measure for protection such as internet domain(s)

Answers in column:

1. Very easy
2. Easy
3. Difficult
4. Very difficult
5. No opinion

Base: respondents who have at least registered 1 IPR (Q2.2=1-8)

Q2.10.[M]

What kind of difficulties did you experience when registering an IPR?

Interviewer instruction: *please indicate all difficulties you experienced when registering an IPR.*

1. Not enough knowledge/ I didn't know where to go
2. Not enough guidance
3. It took too long to have my Intellectual Property Right registered
4. Costly procedure
5. Difficult procedure
6. Invalidity of the application (conflict with an earlier right of a competitor)
7. Upfront refusal to register from IP office (or equivalent instance)
8. Absence of sufficient innovation (of a patent)
9. Others (please specify) [O]
10. I did not experience any difficulties [S]

Base: respondents who have at least registered 1 IPR (Q2.2=1-8)

Q2.11.[SGRID]

How do you rate the effectiveness of different measures of support that you use or that you would like to use if available?

Interviewer instruction: *please select one response for each measure, going from 'Not effective' to 'High'. Please do not read out option 5 'No opinion'.*

Measures of support in row:

1. Information, guidance and support services to SMEs when applying for IPRs
2. Reduction of costs or financial support
3. Simplification and shortening of procedures
4. Better access to IPR databases
5. Other (please specify) [O]

Answers in column:

1. Not effective
2. Low
3. Medium
4. High
5. No opinion

3. Why have you not registered/stopped registering an IPR?

Base: respondents who have not registered IP (Q2.2.=9 OR Q2.2=1 (none) on 1,2,3,4,5,6,7AND8)
Q3.1.[M]

Why have you never registered or stopped registering an intellectual property right?

Interviewer instruction: please indicate all reasons why you never registered or stopped registering an IPR.

1. I do not have enough knowledge about registered IPRs.
2. I didn't think that my intellectual asset was innovative enough.
3. I did not believe that my intellectual property met the requirements of the IPR regulations.
4. IPRs were not usually available for my innovation steps or Intellectual Property rights or their scope were too narrow for my needs.
5. I prefer not to reveal the crucial details regarding my intellectual asset and use the trade secrets protection.
6. It was too costly and burdensome.
7. Procedures involved in IPR registration would have overly delayed the introduction of my product/service in the market.
8. I think that there are no additional benefits stemming from formal IPR protection.
9. Potential difficulties in enforcement of IPRs/the potential cost of litigation.
10. Other (please specify) [O].
11. Don't know (do not read out).

Base: respondents who have not registered IP (Q2.2.=9 OR Q2.2=1 (none) on 1,2,3,4,5,6,7AND8)
Q3.2. [M]

Under what conditions would you in the future consider registering an IPR?

1. If it were cheaper to register or renew an IPR
2. In case the registration would be easier to access
3. If it were easier to understand the process
4. If I could be sure of having adequate protection for my IPR
5. If it were easier to take legal action against infringers and get appropriate compensation and other remedies
6. Other (please specify) [O]
7. Don't know (do not read out)

Base: all respondents

Q3.3.[M]

Who would normally advise you on issues related to your company?

Interviewer instruction: *please indicate all options that apply*

1. Accountant
2. Lawyer (or other advisors)
3. Chamber of Commerce
4. Industry association
5. IP Offices
6. Other (please specify) [O]

Base: all respondents

Q3.4.[S]

Would you like to know more and receive information about IP?

1. Yes
2. No

Base: respondents who like to be informed about IP (Q3.4.=1)

Q3.5.[M]

How do you feel you could best get information about IP? Through...

Interviewer instruction: *please indicate all options that apply*

1. Internet/Social media
2. Local advisors
3. Local media
4. Local administration
5. Local Chambers of Commerce
6. Local Industry Associations
7. IP offices
8. Other (please specify) [O]

4. Licensing

Base: all respondents

Q4.1.[S]

Have you/your company ever signed a license agreement including IPRs?

1. Yes
2. No

Base: respondents who licensed an IPR (Q4.1.=1)

Q4.2.[S]

What was your company's role in the agreement?

1. Licensor (license-out)
2. Licensee (license-in)
3. Both licensed-out and licensed-in different IPRs.

Base: respondents who licensed an IPR (Q4.1.=1)

Q4.3.[M]

What kind of licensing agreement did your company either use or sign?

Interviewer instruction: please indicate all types of licensing agreement that you used

1. Patent license agreement
2. Confidential know-how or trade secret license agreement
3. Trade mark licensing
4. Franchising agreement
5. Copyright license agreement (except software licenses for final products e.g. for an office 6. software)
6. Designs licensing
7. Other (please specify) [O]

Base: respondents who licensed an IPR (Q4.1.=1)

Q4.4.[S]

Have you entered in license agreements with companies or other entities from another EU country?

1. Yes
2. No
3. Don't know

Base: respondents who licensed an IPR (Q4.1.=1)

Q4.5.[S]

When did your company enter in a license agreement for the last time?

1. At the creation of the company
2. Within the past year.
3. In the last 5 years.
4. More than 5 years ago.

Base: respondents who licensed-out IP (Q4.2.=1 OR 3)

Q4.6.[M]

Why has your company licensed-out an IPR?

Interviewer instruction: *please indicate all reasons why you have licensed-out an intellectual property.*

1. To obtain revenues from my innovations (licences)
2. To expand my business in new areas (new sector or new geographical zone) without having to bear the related costs
3. To expand my business in new areas without having to bear extra risks
4. To expand my business in new areas and markets while retaining quality control
5. To collaborate and develop new products and services with others
6. It was a way to settle dispute over infringement of my IPR
7. Other (please specify) [O]

Base: respondents who licensed-in IP (Q4.2.=2 OR 3)

Q4.7.[M]

Why has your company licensed-in an IPR?

Interviewer instruction: *Please indicate all reasons why you have licensed-in an intellectual property*

1. To reduce research and development costs
2. To get my services and products more quickly to the market
3. To gain advantage compared to competitors
4. To tap into expertise that I cannot access otherwise
5. To collaborate and develop new products and services
6. It was a way to settle dispute over my potential infringement of other party's IPR

7. To fulfil a condition by a new or existing customer
8. To implement a standard
9. Other (please specify) [O]

5. The impact of registering and licensing an intellectual property?

Base: respondents who have at least registered 1 IPR (Q2.2=1-8)

Q5.1.[S]

Do you think that having IP protection has had an impact on your company's business?

1. Yes, in a very positive way
2. Yes, in a positive way
3. No impact
4. Yes, in a negative way
5. Yes, in very negative way
6. Don't know

Base: respondents who have experienced a positive impact (Q5.1.=1 OR 2)

Q5.2.[M]

What was the positive impact?

Interviewer instruction: please indicate all forms of positive impact you have experienced.

1. Increased employment
2. Increased turnover
3. Increased reputation or image of reliability
4. Expanded markets
5. Easier access to financing
6. Boost of profitability
7. New opportunities of collaboration with other companies
8. Strengthening of long-term business prospects
9. Other (please specify) [O]

Base: respondents who have experienced a negative impact (Q5.1.=4 OR 5)

Q5.3.[M]

What was the negative impact?

Interviewer instruction: please indicate all forms of negative impact you have experienced.

1. Spent too much time and/or money on registration process
2. Registration did not prevent infringement of intellectual property
3. Managing and monitoring my IP portfolio is additional administrative burden and increases my costs
4. I was dragged into legal disputes and litigation which were either expensive, time consuming or did not pay off
5. Delayed market entry of new product (loss of potential revenue)
6. Other (please specify) [O]

6. Infringement and enforcement of intellectual property

Base: respondents who have at least registered 1 IPR (Q2.2=1-8)

Q6.1.[M]

How does your company monitor the market for possible infringement of its IP?

Interviewer instruction: please indicate all forms of positive impact you have experienced.

1. I have a person/unit dedicated to systematic monitoring of usage of my intellectual property
2. I outsource systematic monitoring to a dedicated external company
3. I rely on the incidental information I receive from my business partners
4. Customers' feedback
5. I rely on outside counsel
6. I do not monitor the market
7. Other (please specify) [O]

Base: respondents who have at least registered 1 IPR (Q2.2=1-8)

Q6.2.[S]

Has your company ever suffered from infringement of your IP?

1. Yes
2. No
3. Don't know

Base: respondents who have suffered from infringement (Q6.2.=1)

Q6.3.[M]

What kind of IP was infringed?

Interviewer instruction: *please indicate all types of IPRs that were infringed.*

1. Patent
2. Utility model
3. Trade mark
4. Non-registered trade mark
5. Design
6. Non-registered design
7. Copyright
8. Breeders right(s)/plant variety right(s)
9. Trade secret
10. Geographical indication
11. Other (please specify) [O]

Base: respondents who have suffered from infringement (Q6.2.=1)

Q6.4.[M]

How did infringement affect your company's business?

Interviewer instruction: *please indicate all options that apply.*

1. I had to release staff or stopped hiring as much
2. Loss of turnover
3. Loss of incentives to innovate and invest
4. Loss of competitive edge
5. Damage to my reputation (brand/company image)
6. Increased awareness of my products or activity
7. Other (please specify) [O]

Base: respondents who have suffered from infringement (Q6.2.=1)

Q6.5.[M]

What procedure was used most frequently to fight infringements your company suffered?

Interviewer instruction: *please indicate all procedures you used to fight the most recent infringement.*

1. Bilateral negotiations
2. Mediation
3. Arbitration
4. Court procedures
5. Request for intervention of authorities (like customs or police authorities)
6. Other alternative dispute resolutions (please specify) [O]
7. I did not fight the infringement [S]

Base: respondents who used court procedures to fight infringement (Q6.5.=4)

Q6.6.[M]

What would be the reasons for refraining from court procedures?

Interviewer instruction: *please indicate all reasons why you would refrain from court procedures.*

1. Too lengthy
2. Too expensive court fees
3. Too expensive lawyers' fees
4. Low likelihood of being compensated (get damages)
5. Low likelihood of stopping infringing goods
6. Difficulty in dealing with legal actions taking place in a different EU country
7. The available legal remedies are not sufficient (for example to stop infringement or obtain adequate compensation for damages)
8. Risk of losing the case and having to pay high fees and compensation
9. Reluctance to publicly expose the case, because of potential damage to our reputation.
10. Risk of losing company trade secrets, as there is little reassurance that confidential information disclosed to the court would not be exposed
11. We would have little chance of succeeding against big companies or organisations
12. Other (please specify) [O]
13. None [S]

Base: respondents who used court procedures to fight infringement (Q6.5.=4)

Q6.7.[M]

What could be improved in the court procedures?

Interviewer instruction: please indicate all answer options that apply.

1. Procedures should be simpler
2. Procedures should be quicker
3. Procedures should be less expensive
4. There should be special procedures and mechanisms for IP litigation by SMEs with reduced formalities and costs
5. There should be funds or insurance schemes available to support SMEs in litigation
6. Don't know [S]

Base: respondents who have used intervention of authorities to fight infringement (Q6.5.=5)

Q6.8.[SGRID]

In terms of IPR enforcement, what was your experience with the following authorities?

Interviewer instruction: please select one answer for each authority going from 'Very bad' to 'Very good'.

Authorities in row:

1. Customs
2. Police
3. Other authorities ex. trading standards

Answers in column:

1. Very bad
2. Bad
3. Neutral
4. Good
5. Very good

Base: respondents who had a bad experience with authorities (Q6.8.=1 OR 2)

Q6.9. [O]

Why was your experience negative?

Base: all respondents

Q6.10. [O]

What do you think are the main threats for your IP (registered or non-registered) in the coming year?

Interviewer instruction: *please name three threats.*

Base: all respondents

Q6.11A[M]

What measures do you take to insure that you don't infringe IP of others?

Interviewer instruction: *please indicate all answer options that apply.*

1. Consult legal department of your company
2. Consult external legal counseling
3. Research patent or trade mark/designs databases
4. Research on the internet (general and specialised websites)
5. Other (please specify) [O]
6. I do not take any measures to avoid infringing IP of others [S]

Base: all respondents

Q6.11.[S]

Have you ever suffered from unjust allegations of infringing another company's IP?

1. Yes
2. No

Base: respondents who suffered from allegations of infringing third party IPRs (Q6.11.=1)

Q6.12. [M]

For which IP did you suffer from unjust allegations of infringing another company's IP?

Interviewer instruction: *please indicate all types of IPRs*

1. Patent
2. Utility model
3. Trade mark
4. Non-registered trade mark
5. Design

6. Non-registered design
7. Copyright
8. Breeders right(s)/plant variety right(s)
9. Internet domain
10. Trade secret
11. Geographical indication
12. Other (please specify) [O]

Base: respondents who suffered from allegations of infringing third party IPRs (Q6.11.=1)
Q6.13.[M]

Who was the owner of the IP that you were accused of infringing?

1. Large company
2. SME
3. University
4. Public institution
5. Physical person
6. Other (please specify) [O]

Base: respondents who suffering from allegations of infringing third party IPRs (Q6.11.=1)
Q6.14.[M]

How was the case settled?

Interviewer instruction: please indicate all answer options that apply.

1. Bilateral negotiations
2. Mediation
3. Arbitration
4. Court procedures
5. Other alternative dispute resolutions (please specify) [O]

Base: all respondents
Q7 [S]

The EUIPO is considering setting-up an network assembling innovative and IP minded SMEs
Would you be interested in joining other SMEs and start-ups, in such a network, and be

invited to participate at events and platforms where best practices and challenges faced with creating, using, enforcing or litigating IP rights would be discussed?

1. Yes
2. No

8.4. Weights

The target proportions used to weight the data, based on universe data from Eurostat.¹⁸

18 - Annual enterprise statistics by size class for special aggregates of activities (NACE Rev. 2) [sbs_sc_sca_r2] – Please note some data points had to be estimated for Cyprus, France, Hungary, Ireland, Italy.

MEMBER STATE	Total	Micro	Small	Medium
Belgium	2,5%	2,6%	2,0%	1,9%
Bulgaria	1,4%	1,4%	1,6%	1,9%
Czech Republic	4,5%	4,7%	2,4%	3,0%
Denmark	1,0%	0,9%	1,4%	1,5%
Germany	9,8%	8,7%	23,6%	24,8%
Estonia	0,3%	0,3%	0,4%	0,4%
Ireland	0,7%	0,6%	1,0%	0,7%
Greece	3,3%	3,4%	1,5%	1,1%
Spain	10,7%	10,9%	8,4%	6,6%
France	12,9%	13,2%	9,6%	9,1%
Croatia	0,7%	0,7%	0,7%	0,8%
Italy	17,1%	17,5%	13,1%	8,5%
Cyprus	0,2%	0,2%	0,2%	0,2%
Latvia	0,4%	0,4%	0,5%	0,6%
Lithuania	0,6%	0,6%	0,8%	1,0%
Luxembourg	0,1%	0,1%	0,2%	0,3%

continued

MEMBER STATE	Total	Micro	Small	Medium
Hungary	2,4%	2,4%	1,8%	2,2%
Malta	0,1%	0,1%	0,1%	0,1%
Netherlands	3,9%	3,9%	3,1%	3,8%
Austria	1,4%	1,3%	2,5%	2,3%
Poland	6,8%	7,0%	4,1%	6,7%
Portugal	3,5%	3,6%	2,4%	2,2%
Romania	1,9%	1,8%	3,2%	3,6%
Slovenia	0,5%	0,5%	0,4%	0,5%
Slovakia	1,8%	1,9%	0,8%	1,0%
Finland	1,0%	1,0%	1,1%	1,2%
Sweden	3,0%	3,0%	2,2%	2,3%
United Kingdom	7,6%	7,3%	11,5%	11,7%
EU total	100%	100%	100%	100%

8.5. Sample characteristics

A full breakdown of the sample characteristics in terms of SME size by country is available below.

MEMBER STATE	SME size		
	Micro	Small	Medium
Austria	92	175	93
Belgium	54	107	52
Bulgaria	60	109	52
Cyprus	38	73	26
Czech Republic	52	105	51
Denmark	50	91	52
Estonia	52	104	52
Finland	52	104	52
France	180	359	181
Germany	180	360	180
Greece	53	106	53
Hungary	52	104	52
Ireland	52	104	54
Italy	194	365	188
Latvia	52	104	52
Lithuania	53	104	52
Luxembourg	33	73	31
Malta	35	73	33
Netherlands	92	184	95
Poland	92	184	92
Portugal	93	185	91

MEMBER STATE	SME size (continued)		
	Micro	Small	Medium
Romania	52	105	52
Slovakia	52	103	53
Slovenia	53	103	52
Spain	179	362	181
Sweden	94	187	93
United Kingdom	196	295	182
Croatia	52	104	52
EU total	2289	4432	2249

The table below presents a breakdown of interviews by detailed sector. A majority of interviews were conducted in the manufacturing, wholesale and retail trade, other services and construction sectors.

SECTOR	COUNT	PERCENTAGE
Manufacturing	1551	17%
Other service activities	1469	16%
Wholesale and retail trade, repair of motor vehicles and motorcycles	1349	15%
Construction	889	10%
Information and communication	588	7%
Accommodation and food service activities	564	6%
Transportation and storage	539	6%
Professional, scientific and technical activities	355	4%
Financial and insurance activities	274	3%
Human health and social work activities	274	3%

SECTOR (continued)	COUNT	PERCENTAGE
Agriculture, forestry and fishing	235	3%
Administrative and support service activities	208	2%
Real estate activities	206	2%
Arts, entertainment and recreation	151	2%
Electricity, gas, steam and air conditioning supply	106	1%
Education	79	1%
Water supply, sewerage, waste management and remediation activities	55	1%
Mining and quarrying	30	<1%
Public administration and defence, compulsory social security	23	<1%
Activities of households as employers, undifferentiated goods and service	21	<1%
Activities of extraterritorial organisations and bodies	3	<1%
Total	8970	100%

Avenida de Europa, 4,
E-03008 - Alicante
Spain

www.euipo.europa.eu



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