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Knowledge Exchange Opportunities PROPOSAL

Document Status: With Council

ESRC Reference: ES/M006239/1

KE Opps Open Call

Organisation where the Grant would be held

Organisation	University of East Anglia	Research Organisation Reference:	R200195
Division or Department	Norwich Business School		

Project Title [up to 150 chars]

Assessing the Unitary Patent and the Unified Patent Court

Start Date and Duration

a. Proposed start date	01 January 2015	b. Duration of the grant (months)	12
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Applicants

Role	Name	Organisation	Division or Department	How many hours a week will the investigator work on the project?
Principal Investigator	Dr Georg von Graevenitz	University of East Anglia	Norwich Business School	■
Co-Investigator	Dr Chris Hanretty	University of East Anglia	Political, Social and International	■
Co-Investigator	Professor Daniel John Zizzo	University of East Anglia	Economics	■

Classification

International in nature?

Yes

The project will involve substantial contributions from the Max Planck Institute for Innovation and Competition in Munich, Germany and the Centre for European Economic Research (ZEW) in Mannheim, Germany.

Objectives

List the main objectives of the proposed project [up to 4000 chars]

The image displays a horizontal bar chart consisting of 30 rows of black bars. The bars are arranged in a way that suggests a distribution of data, with varying lengths across the rows. The bars are grouped into several clusters of varying sizes, with the longest bars appearing in the middle and end of the chart. The overall pattern shows a concentration of data points in the middle and end of the chart, with fewer and shorter bars in the beginning.

Summary

Describe the proposed project in simple terms in a way that could be publicised to a general audience [up to 4000 chars]

Suppose that you are a British firm deciding whether, and how, to patent a new technology across Europe. Similar firms, operating in sectors reliant on intellectual property rights, add 4.7 trillion Euros to the European economy annually (http://europa.eu/rapid/press-release_IP-13-889_en.htm). Research has also shown that obtaining a patent is associated with significant growth and productivity improvements on average (Balasubramanian and Sivadasan, 2011). Currently, you have only one option when it comes to patenting across Europe -- the misleadingly named European Patent. This is based on a single patent application, but only takes effect through a 'bundle' of national patents in different European countries. This means that you have to pay additional translation and validation fees in each country in which you need protection. Also, you can only defend your patent, or challenge other companies' patents, country by country.

Soon, you will have a new option: a European Union unitary patent (UP), overseen by a Unified Patent Court (UPC), parts of which will be located in London. Agreement on this unitary patent was only reached after late-night discussions between European Union heads of government, including David Cameron. The agreement has support from the UK's government because the potential economic benefits are large. The European Commission has estimated the cost savings alone at 193 million Euros per year; the knock-on effects due to higher rates of innovation and growth thanks to simpler patenting are potentially larger still.

These potential benefits are uncertain, not least because many decisions about the new patent system must still be taken. Decisions about patent fees, the rules followed by the UPC, and the quality of the judges deciding patent cases, will affect the attractiveness of the UP and UPC. The new patent system is also being grafted on to an existing European patent system, which may mean the system ends up being more, not less complicated. Current holders of European Patents will have to choose whether to enforce their patents in national courts, or in the UPC.

Our project therefore looks at the likely benefits of the UP and the UPC -- no easy task, given the complexity of the proposed system, the pre-existing European Patent system, and the patent systems in different European Union member states, and the possible changes in behaviour that result from a new institution. The project brings together researchers from the University of East Anglia with economists and managers at the Intellectual Property Office and specialists at the Max Planck Institute for Intellectual Property and Competition Law (MPI IC) and the Centre for European Economic Research (ZEW) to work on research into the existing European patent system.

We will work on three main areas: the Unitary Patent itself (demand for the patent compared to other alternatives, and opportunities for gaming the system); the Unified Patent Court (the quality of judges on the court, the incentives to litigate, and the volume of litigation); and the ties between small and medium enterprises and national patent offices (in particular, the routes to greater cost-effectiveness for SMEs interested in patenting).

The questions we ask are informed by our conversations with practitioners at a number of recent events, including a large workshop at the European Patent Office in Munich. Those conversations revealed that substantive knowledge gaps remain about how patenting costs and inefficiencies in existing patent litigation systems affect patent applicants. Many workshop participants expressed fear that large patent active firms would misuse the new patent system to obtain advantages over their rivals. Our project will show whether these fears are well-founded or not, and also establishes an invaluable baseline of patenting activity and patent litigation at the beginning of this new intellectual property regime.

Staff Duties

Summarise the roles and responsibilities of each post for which funding is sought [up to 2000 characters]

The UEA project team will comprise Dr. Georg von Graevenitz (PI), Professor Daniel Zizzo (Co-I), Dr. Chris Hanretty (Co-I)

[Redacted text block]

Impact Summary

Impact Summary (please refer to the help for guidance on what to consider when completing this section) [up to 4000 chars]

In December 2012 the European Parliament and the Council of the European Union adopted two regulations (Regulations (EU) No 1257/2012 and (EU) No 1260/2012) establishing a Unitary Patent (UP) for the EU. In February of 2013 representatives of 25 EU member states signed an Agreement on a Unified Patent Court (UPC). This agreement will enter into force once it is ratified by 13 member states including France, Germany and the UK. These measures represent the most ambitious reform of the European patent regime for at least a generation, affecting innovators, firms, consumers, national courts and national patent offices. The reform has the potential to reinvigorate innovation and growth in the EU. The reform should lower the costs and complexity of patenting in Europe to achieve these aims. The effectiveness of the new patent regime will depend on key parameters such as the costs of renewing a UP, the salaries of the UPC's judges and the procedural rules of the UPC. Research into how users are likely to react to levels of these parameters currently proposed will be highly relevant to the process of completing the reforms.

The proposed project consists of three work packages. These will focus on: i) the UP, ii) the UPC and iii) the role of national patent offices and their interactions with SMEs. Results from research we propose will deliver answers to questions about the way in which the currently on-going reform of the European patent regime is likely to affect i) patent applicants, ii) firms litigating patents and iii) national patent offices and SMEs throughout Europe. These answers will help policy makers and national and EU civil servants in implementing and overseeing this patent reform.

The most direct impact of the project will be on the Intellectual Property Office of the UK (IPO) as a partner in this project. We have planned three internal knowledge exchange workshops at IPO to transfer methods, information about data and results to the economists working at IPO. IPO are tasked with the evaluation of the European patent reform for the UK government, once the reform has been fully implemented. Much of the work to be undertaken in this project is relevant to laying the academic and practical foundations for this future task. Results from the evaluation will feed back into the process of governance for the new patent regime.

Both the IPO and the Max Planck Institute for Innovation and Competition (MPI IC) have strong reputations for policy relevant research and advisory work. Both organisations have connections to the Economic and Scientific Advisory Board (ESAB) of the European Patent Office (EPO), which regularly provides a forum for users of the European patent system to discuss pressing policy questions. Results from our work will be communicated to this forum quickly. In addition, we will directly interact with policy makers and representatives of the EPO and the UPC through presentations at the workshop planned for the end of the project and at conferences such as the annual European Policy for Intellectual Property (EPIP) conference. We will contribute to specialised blogs such as IPKat and VoxEU that are widely read by policy makers, patent

attorneys and judges.

Finally, the project aims to benefit patenting firms in Europe. This has two dimensions. First, research on strategic behaviour within the European patent system is designed to identify patenting behaviour that may reduce the efficiency of the new patent regime and ways to mitigate such behaviour. Second, it is highly likely that in future national patent offices like IPO will focus on interactions with SMEs. Due to SME's lack of resources such interactions are currently inefficient. The project will deliver new methods to improve the effectiveness of the IPO's interactions with SMEs. This work has potential to be replicated at other national patent offices. In these ways the project will also support European industry.

Ethical Information

Has consideration been given to any ethical matters raised by this proposal ?

Yes

Please explain what, if any, ethical issues you believe are relevant to the proposed project, and which ethical approvals have been obtained, or will be sought if the project is funded? If you believe that an ethics review is not necessary, please explain your view (available: 4000 characters)

[REDACTED]

[REDACTED]

[REDACTED]

Summary of Resources Required for Project

Financial resources

Summary fund heading	Fund heading	Full economic Cost	ESRC contribution	% ESRC contribution
Directly Incurred	Staff			
	Travel & Subsistence			
	Other Costs			
	Sub-total			
Directly Allocated	Investigators			
	Estates Costs			
	Other Directly Allocated			
	Sub-total			
Indirect Costs	Indirect Costs			
Exceptions	Other Costs			
	Sub-total			
	Total			

Summary of staff effort requested

	Months
Investigator	
Researcher	
Technician	
Other	
Visiting Researcher	
Student	
Total	

Other Support

Details of support sought or received from any other source for this or other research in the same field.
Other support is not relevant to this application.

Previous Proposals

Enter the ESRC reference numbers of any support sought or received from ESRC in the past five years.

Staff

Directly Incurred Posts

			EFFORT ON PROJECT							
Role	Name /Post Identifier	Start Date	Period on Project (months)	% of Full Time	Scale	Increment Date	Basic Starting Salary	London Allowance (£)	Super-annuation and NI (£)	Total cost on grant (£)

Applicants

Role	Name	Post will outlast project (Y/N)	Contracted working week as a % of full time work	Total number of hours to be charged to the grant over the duration of the grant	Average number of hours per week charged to the grant	Rate of Salary pool/banding	Cost estimate
Principal Investigator	Dr Georg von Graevenitz						
Co-Investigator	Dr Chris Hanretty						
Co-Investigator	Professor Daniel John Zizzo						

Other Directly Incurred Costs

Description	Total £
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Other Directly Allocated Costs

Description	Total £
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Project Partners: details of partners in the project and their contributions to the research. These contributions are in addition to resources identified above.

1	Name of partner organisation	Division or Department	Name of contact		
UK Intellectual Property Office		UNLISTED	[REDACTED]		
Direct contribution to project			Indirect contribution to project		
	Description	Value £		Description	Value £

2	Name of partner organisation	Division or Department	Name of contact		
Max Planck Institute for Innovation and		Munich Center for Innovation and	<div></div>		
Direct contribution to project			Indirect contribution to project		
	Description	Value £		Description	Value £

3	Name of partner organisation	Division or Department	Name of contact		
Centre for European Economic Research		ZEW - Industrial Economics and Int. Man.	[REDACTED]		
Direct contribution to project			Indirect contribution to project		
	Description	Value £		Description	Value £

Total Contribution from all Project partners

Data Collection

If the project involves data collection or acquisition, please indicate how existing datasets have been reviewed and state why currently available datasets are inadequate for this proposed project. If you do not state to the contrary, it will be assumed that you (as principal applicant) are willing for your contact details to be shared with the affiliated data support service (UK Data Service) working with the Research Councils.	
Will the project proposed in this application produce new datasets?	
Will this data be:	
Please give a brief description of the datasets.	
It is a requirement to offer data for archiving. Please include a statement on data sharing. If you believe that further data sharing is not possible, please present your argument here justifying your case.	
Who are likely to be the users (academic or non-academic) of the dataset(s)?	
Please outline costs of preparing and documenting the data for archiving to the standards required by the affiliated data support service (UK Data Service) working with the Research Councils.	

Classification of Proposal

(a) User Involvement

The nature of any user engagement should be indicated

Design	
Execution	
Dissemination	
Training	
Not applicable	

Proposal Classifications

Research Area:

Research Areas are the subject areas in which the programme of study may fall and you should select at least one of these. Once you have selected the relevant Research Area(s), please ensure that you set one as primary. To add or remove Research Areas use the relevant link below. To set a primary area, click in the corresponding checkbox and then the Set Primary Area button that will appear.

Please select one or more Research Areas

Subject	Topic	Keyword
Economics	Behavioural and experimental economics	Economic decision making
Economics	Behavioural and experimental economics	
Economics	Industrial Organisation (R&D) [Primary]	
Economics	Industrial Organisation (R&D) [Primary]	Government regulation
Economics	Industrial Organisation (R&D) [Primary]	Research and development
Economics	Industrial Organisation (R&D) [Primary]	Technical change and innovation
Management and business studies	Innovation	
Political science and international studies	European/EU Studies	
Political science and international studies	European/EU Studies	Common Market
Political science and international studies	European/EU Studies	European Integration
Political science and international studies	European/EU Studies	European Union
Political science and international studies	International Law	

Qualifier:

Qualifiers are terms that further describe the area of study and cover aspects such as approach and geographical focus. Please ensure you complete this section if relevant.

To add or remove Qualifiers use the links below.

Type	Name
Approach	Experimental
Approach	Exploitation of existing datasets
Approach	Knowledge exchange
Approach	Large new datasets
Approach	Modelling
Approach	Quantitative
Approach	Technique/Method Development
Collaboration location region	Western Europe
Geographic Area	Western Europe
Project Engagement by Sector	Academic Users
Project Engagement by Sector	Business Sector

Project Engagement by Sector	Central and Local Government
Project Engagement by Sector	Professional/Statutory Bodies
Public Engagement Methodology	Social networking
Public Engagement Methodology	Training for researchers
Public Engagement Methodology	Website dominated activity
Public Engagement Methodology	Workshop
Time Period	Contemporary

Free-text Keywords:

Free-text keywords may be used to describe the programme of study in more detail. To add a keyword, you first need to search existing Research Areas by entering the keyword in the Search box and selecting the Filter button.

If the keyword is adequately reflected by one of the terms displayed below, click in the corresponding checkbox then select Save. If no potential matches are displayed, or none of those displayed are suitable, select the Add New button followed by the Save button to add it as a descriptor.

To add or remove those previously added use the links below.
