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Increased value of intangible assets

Fenix Legal KB explain why Sweden is the second most innovative economy worldwide



PLUS

Why standard setting organizations need to promote clarity: Roya Ghafele, OxFirst, provides lucidity on the disputed matter of the IEEE's updated patent policy

- The application of schematic diagrams
- Grace period laws
- Software related invention in China
- Product-by-process in Russia
- Determination of non-obviousness in India
- Patent abandonment



Maria Zamkova

Increased value of intangible assets – the road to knowledge on how you make it!

With the news that Sweden is now the second in the world for the most innovative economies, Maria Zamkova from Fenix Legal KB investigates why this is the case in relation to patent activity and creativity.

Sweden has climbed to No. 2 of the world's most innovative economies, according to the US based financial software, data, and media company Bloomberg L.P.'s "2017 Bloomberg Innovation Index", published on January 17, 2017.

South Korea is still the number 1, followed by Sweden, Germany, Switzerland, Finland, Singapore, Japan, Denmark, USA, and Israel. Norway is ranked at No.14.

The Innovation Index takes into consideration a number of factors, including research and development (R&D) intensity, manufacturing value-added (MVA), productivity, high-tech density, tertiary efficiency, researcher concentration, and patent activity.

From a Swedish and Scandinavian point of view, it is, of course, nice to see that both Sweden, Finland, Denmark and Norway are all highly ranked.

However, although Sweden is the second most innovative economies in the world, the patent activity is only ranked as No 6 on the list, after South Korea, USA, Japan, Switzerland, and Finland.

The Swedish government, in co-operation with the Swedish Patent and Registration Office (PRV), and IP organizations in Sweden are however planning to increase the patent activity as well.

Mr. Mikael Damberg, Minister for Enterprise and Innovation, Mr. Morgan Johansson, Minister for Justice and Migration, and Ms. Susanne Ås Sivborg, Director

General of PRV together wrote a debate article, published in the Swedish newspaper Svenska Dagbladet on January 3, 2017, on the theme "We are investing in education initiative on intangible assets".

They noted that:

- a) 30 percent of the jobs in Sweden and 40 percent of Sweden's total economic value is created in IP-intensive businesses that rely on intellectual property rights;
- b) companies that make use of intellectual property have better yields, higher wages, and personnel with higher skills compared with companies that do not take care of their intangible assets, and
- c) Sweden is the third best on patent applications in Europe.

"Creativity and innovation flourish in Sweden, in all sectors, both in the traditional engineering industry as well as in the creative industries, and increasingly in the public sector. Every tenth person in the world plays Swedish games and we are known for the Swedish pop wonder. A number of Swedish inventions – such as the wrench, the zipper, the pacemaker, Losec, Spotify, Skype and BabyBjorn – have been groundbreaking in their respective fields and are now regarded as world standard".

The two ministers who are responsible for taking the right political decisions to support IP protection in Sweden also notes that there is a need to further assist growth and profitability based on intellectual property.

The Swedish government is, therefore, investing SEK 80 million (approx. EUR 8,4 million) for the years 2016-2019 to increase the awareness of intellectual property in Sweden. The Swedish Patent and Registration Office is, of course, one active part of this project, working on extending their information and knowledge dissemination efforts targeted at small and medium-sized enterprises, government agencies in the innovation system, government funding agencies and universities.

Fenix Legal has also actively participated in PRV's forum

Résumé

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“for increased value of intangible assets”, that was held on January 27, 2016, where the intellectual property industry, PRV, and the Minister for Enterprise and Innovation met to discuss how we all could co-operate to inform all groups from students (via inventors and business managers), to members of the Swedish parliament about the importance of intellectual property development and protection in order to create new jobs, as well as safe and environmentally friendly goods for export outside Sweden.

The next step is the “Intellectual Property Day 2017”, on April 26, 2017, where PRV will focus on the export of smart innovation: to manage the company’s assets on an international market requires intellectual luggage. There will be participants from Swedish companies that plan to export their services and goods, together with entrepreneurs, decision makers (as PRV), and legal experts (such as Fenix Legal) meeting together to talk about practical tips for creating successful business. All these activities initiated by the Swedish government and the Swedish Patent and Registration Office are very welcomed.

However, there are still a number of outstanding issues that have to be solved, such as:

Swedish SME’s are still asking the government to create a system for a cost efficient insurance solution when it comes to patent infringement disputes. This is needed in order to give SME’s the possibility to defend their IP rights in court actions.

Another effective way to solve intellectual property disputes, and especially patent disputes, is to start with mediation. Unfortunately, there is still no general practice in Sweden on this topic. As we noted in a recent case, some lawyers quickly start and end a mediation phase – even if this phase is accepted by the contracted parties – in order to proceed with the case to the court or arbitration phase. The parties involved thereby also lose the possibilities to make a more business based solution of the dispute.

There is also still an increasing amount of false communication from companies claiming that they are representing official authorities such as The European Patent and Trademark Office, The Official Patent Registry, or similar non-existing offices, often with a logo or sign that is confusingly similar to the real PRV, EPO or EUIPO, informing of the need to pay an increasing sum for the client to have their rights registered.

Anti-scam is a topic that needs to be solved by co-operation between local and regional patent offices, together with duly registered and experienced IP attorneys.

A fourth issue is to educate and inform members of the parliament about the general importance of intellectual property, independently of the issue: environmental protection, healthcare, job creation, safe Internet, education and efficient transport routes are all based on intellectual property making it possible for the industry to expand in a safe way. A good start is the fact that IP is acknowledged and supported at the ministry level.

That said, the European Patent Office (EPO) notes in their news released on March 7, 2017 that Sweden – counted on the number of patent applications per capita – is ranked third in Europe, after Switzerland and the Netherlands. Moreover, 25% of the Swedish patent applications were in the area of digital communication, followed by transportation and health technology. EPO approved 2,661 patent applications from Swedish companies 2016, which is close to a 40% increase compared to 2015.

Hopefully, the SEK 80 million will be used in the best way to further increase the knowledge and possibilities for Swedish inventors and companies to use and protect intellectual property.

As said by PRV in their invitation to the 2017 Intellectual Property day: “For successful trade with other countries is the knowledge of intangible assets a prerequisite”.