

GOWERS REVIEW OF INTELLECTUAL PROPERTY – ELECTRONICS LEADERSHIP COUNCIL’S INTERIM RESPONSE TO THE “CALL FOR EVIDENCE”

Background

The DTI set up an Innovation and Growth Team (IGT) in 2003 to look at the electronics sector in the UK and make recommendations about its future. The resulting report “Electronics 2015 – Making a Visible Difference” was published in December 2004 (<http://www.dti.gov.uk/industries/electronics/downloads.html>). The IGT process involved extensive consultation with industry, which highlighted concerns about IP and, in particular the cost and complexity of European patents. The IGT report made two particular recommendations relating to the issue of IP. These were:

- **DTI should commission a study, working with the Patent Office and the European Commission, on measures to reduce the cost of EU patents.** The supporting argument reads *“IGT interviewees commonly expressed concern about the cost and complexity of securing IP protection. The high cost is anti-competitive and not SME-friendly. A number of companies thought there should be an initiative to drive down the costs, particularly of EU patents”*.
- **The electronics industry should work closer with universities to develop best practice in exploitation of their IP.** The supporting argument reads *“There was significant criticism about the way universities handle IP-related issues. This was seen as a significant barrier to exploiting university research. Universities were often felt to be too protective, inconsistent and unrealistic about the value of their IP.”*

The evidence in support of both recommendations is largely anecdotal, and it is recognised that more evidence-gathering work needs to be done by both the Electronics Leadership Council (ELC) and the UK Electronics Alliance (UKEA). Whilst both recognise that the Lambert Review has gone some way to address the issues raised by the second recommendation, there is still a perception that more may need to be done.

Issues/observations re IP generally

At a meeting on 27 March 2006 between ELC members, the chair of the UK Electronics Alliance, DTI officials and Steve Rowan from the Gowers review team, the following issues were highlighted as of particular concern to the electronics sector (not in any order of importance):

- EU Patents:
 - Cost and complexity – can UK exert more pressure to enable full ratification of the London Agreement?
 - Backlog of applications
 - General lack of awareness amongst UK SMEs of EU IP issues and regulations – particularly in respect of university collaborations

- China – massive market and opportunity for UK electronics companies but risky where this involves IP.
- US –
 - Non-adoption of the “first to file” system – can UK exert any pressure?
 - Number of patents issued causing a) perceived “protectionism”, and b) huge backlog – if/when is “double examination” likely to be introduced?
- UK:
 - Quality of searches – especially around “emerging technologies”
 - Long term costs in respect of renewal charges
 - Cost of insurance

Next steps

The ELC and UK Electronics Alliance will call for more recent and concrete evidence from UK-based electronics companies (particularly SMEs) and other interested parties across the UK electronics sector. That evidence will not be ready in time to submit to the Gowers Review team by the 21st April deadline, but will be submitted to the review team as soon as possible, with an invitation to discuss the issues raised in more depth with representatives of the electronics industry.

Carol Rice
DTI/EITSU
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