

**Scottish Enterprise
Commercialisation
Programme Review**

**Working Paper 8:
Intellectual property**

Scottish Enterprise

1 Intellectual property protection

This working paper analyses the number of companies receiving support through the commercialisation programme who hold intellectual property protection.

1.1 Type of intellectual property protection secured

Of the 100 companies surveyed, 92 responded to the question asking if they had been able to secure intellectual property protection.

- 67 (73%) said they had intellectual property protection in place whilst 25 (27%) said they had not

The type of intellectual property protection used by companies is detailed in table 1.1 below. The percentage figures are based on the number of people who said they had secured intellectual property protection (67). A count of companies is provided in appendix 1. The key findings were that:

- patents were the most common type used by companies who said they have secured IP protection (cited by 78% of companies)
- registered domain names and company names were also a common form of protection secured by companies (69% and 64% of companies respectively)
- just under half of the companies (42%) with some form of IP protection used registered trade marks
- none of the companies said they had any plant variety rights and only a small minority claimed to have database rights

Type of intellectual property used as percentage of those with IP protection **Table 1.1**

	Any*	UK	EU	Global**
Patents	78%	36%	36%	57%
Registered domain names	69%	25%	10%	46%
Registered company names	64%	33%	7%	33%
Trade marks (registered)	42%	21%	10%	22%
Copyrighted works	31%	9%	7%	21%
Registered design/design rights	18%	4%	4%	12%
Trade marks (unregistered)	19%	10%	6%	12%
Unregistered design/design rights	13%	6%	3%	7%
Database rights	3%	1%	0%	1%
Plant variety rights	0%	0%	0%	0%

*Any refers to IP protection covering any of the protections across the UK, EU and Global

**Global refers to IP protection outside of the UK and EU

The analysis above focuses on the use of the range of IP protection mechanisms. However, the area under which the protection is valid is equally important. The companies were largely looking to protect products/processes and services in international markets – largely the USA, but also in China, India and Australia.

Despite proximity to the market, protection was generally less focused on the EU and domestic markets, though this does vary across the different protection mechanism. The implication is that companies are looking at the larger US, Chinese and wider Asian market as key target areas for the application or sale of their technology.

1.2 Business Organisation Based Intellectual Assets

Companies were also asked for the nature of their business organisation based intellectual assets. These are the intangible assets of the business that can be important drivers or generators of value.

The main company responses focused on **growth plans** (cited by 68% of companies), including:

- Business plans, cited by 59% of companies (frequently developed as part of the process of accessing equity investments)
- Organisation strategy (25%) and organisation vision (19%)

Around half of the companies who use IP protection had developed some mechanism for **managing their Intellectual Assets**. This largely focused on the use of Intellectual asset inventories/portfolios, cited by 54% of companies.

A smaller proportion of companies cited **networks** (43%) of **personnel development** (34%) as part of their organisation based intellectual assets. Full details are included in Table 1.2 below.

Business organisation based intellectual assets

Table 1.2

	Number	% of Total
Growth Plans	44	68%
Business plans	1	59%
Organisation strategy	1	25%
Organisation vision	12	19%
Acquisition plans	16	2%
Reorganisation plans	38	2%
Networks	28	43%
Business networks	0	25%
Personal networks	14	23%
University affiliation	16	22%
College affiliation	15	0%
Personnel Development	22	34%
Experiences	7	19%
Marketing plans	10	15%
Training plans	6	11%
Management methods	12	9%
Tacit rules	1	2%
Intellectual Asset Management	35	54%
Intellectual assets/Intellectual property inventory/portfolio	35	54%
Intellectual assets/Intellectual property policy	9	14%
Other	24	37%

1.3 Conclusion

Analysis of those companies receiving support from Scottish Enterprise in regard to intellectual property protections found the following:

- of the 92 companies, 67 (73%) have secured some form of intellectual property – largely with a focus on global markets (the USA in particular)
- the most common type of intellectual property protection companies had in place was Patents (78%), closely followed by registered domain names (69%) and company names (64%)
- the most common business organisation based intellectual assets included business growth plans (68%) such as business plans and intellectual asset management (53.8%) largely through inventories or portfolios

Appendix 1

Count of company responses

Type of intellectual property used (number of companies)**Table A1.1**

	Any*	UK	EU	Global**
Patents	52	24	24	38
Registered domain names	46	17	7	31
Registered company names	43	22	5	22
Trade marks (registered)	28	14	7	15
Copyrighted works	21	6	5	14
Registered design/design rights	12	3	3	8
Trade marks (unregistered)	13	7	4	8
Unregistered design/design rights	9	4	2	5
Database rights	2	1	0	1
Plant variety rights	0	0	0	0

* Any simply represents the company suggesting they own the specific type of IP for any of the subsequent geographies

** Global represents any of the specific type of IP owned in an area beyond the UK and EU