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# Work Package 5 (WP5)- “Cross-Border Patent Fund”

## PROJECT

# South-east European Co-operation of Innovation & Finance Agencies (SEE IFA Network)

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## TABLE OF CONTENTS

<b>01 Description</b>	<b>3</b>
<b>02 Activities</b>	<b>3</b>
<b>03 Outputs &amp; Results</b>	<b>5</b>

## 01 Description

The objective of WP5 was to elaborate on the feasibility of a cross-border patent fund for the SEE region. In many parts independent from the other work packages, WP5 started with a desktop research that delivered a basic overview of status-quo policies in the area of intellectual property rights, with emphasis on technology transfer and related investment funds in the participating countries. In addition, more than 90 interviews were conducted in 7 countries by means of a semi-standardised questionnaire. On that basis, the WP-Leader invited 3 IP-fund experts for a workshop in order to work out an appropriate SEE.IP fund concept, which was incorporated in the feasibility study. Consequently the fund concept was presented to public and private stakeholders in order to assess the availability of funding such a SEE.IP fund. As a final effort the partners collected pilot technologies in their countries in order to have them assessed by an external technology expert. The main aim was to simulate the application and selection process of a fictive fund finishing off with the question, whether a fund would invest in a technology (or not). All the results were condensed into final recommendations dedicated to European stakeholders in the knowledge transfer scene.

WP5 was organized straight-forward along the following activities:

- 5.1. demand analysis;
- 5.2. concept of the fund (feasibility study);
- 5.3. assessment of the financing possibilities;
- 5.4. pilot project selection;
- 5.5. recommendations.

## 02 Activities

### Activity 5.1 – Demand Analysis

Within activity 5.1 the project partners conducted an investigation in each participating country using the following methods:

#### *Desktop research*

The initial source of information was an extensive internet-based desktop research as well as research via databases (e.g. LexisNexis) for existing patent funds with the aim to create a comprehensive overview on available business models based on intellectual property rights.

#### *Monitoring of the relevant studies*

Appropriate literature was analysed mainly focusing on national studies of the partner countries under investigation and EU co-financed studies regarding intellectual property rights and technology transfer. However, the comparability of certain innovation indicators of the partner countries was limited due to the low availability of data on new member states, potential member states and neighbouring countries (e.g. Romania, Bulgaria, Croatia, Serbia and FYROM).

#### *IPR expert interviews*

Based on the results of the desktop research and the studies review, 90 semi-standardised interviews with experts in the field of intellectual property rights, technology transfer and patent funds were conducted in Austria, Bulgaria, Croatia, Greece, Hungary, Romania, Serbia, Slovenia and FYROM by the project partners between September 2009 and December 2009. The IPR experts participating in the survey stemmed from a variety of institutions, acting on the national or the regional levels, such as ministries, patent offices, chambers of commerce, universities, development agencies, technology institutes as well as venture capital companies. The questionnaire was designed to enquire into the demand and prerequisites for a cross-border patent fund in the countries under investigation.

The results of the survey were published (“Report on demand analysis”).

## **Activity 5.2 – Concept of the Fund (Feasibility Study)**

The above survey laid a basement for an expert workshop with the objective to draft a model of a cross-border patent fund corresponding to the demands of the SEE region. While drafting the fund model, the project team had to meet requirements and demands of different target groups and to take into consideration interests and motivations of various players. Three selected experts together with the lead partner represented different groups of interests in the field of technology transfer: a non-profit business support unit specialised on protection of IPR and technology transfer, a private business organisation trading with patents, a university technology transfer centre as well as a representative of the international policy making community.

After the workshop the research team developed the SEE.IP fund model based on the suggestions of the experts. The developed model was presented to the experts for final comments in order to streamline the process.

The findings of activities 5.1 and 5.2 were condensed into the report “SEE.IP fund – feasibility study”.

## **Activity 5.3 – Assessment of the Financing Possibilities**

The WP5 partners then held investment discussions with over twenty organisations from the SEE region which were identified as possible investors in the fund. These discussions provided very mixed feedback regarding interest and capability to invest. Five of these potential investors expressed moderate to strong initial interest, and are open to further discussions when more detailed information is available. Unfortunately, with the exception of the European Investment Fund (EIF), the other interested parties would be relatively small potential investors, with the largest being able to commit possibly €1M.

It was established that the EIF is a potential investor. However, the EIF would provide a maximum of 50% of the total investment funds - potentially matching the total amount of funds obtained from other investors.

The reflections of five potential investors were collected by the means of short “financial availability reports” which (upon request of the suppliers) cannot be published.

## **Activity 5.4 – Pilot Project Selection**

Although reflections from the financial assessments were poor, the WP5 participants decided to move on by simulating the acquisition, selection and assessment procedures of pilot projects. Consequently the partners sourced 23 pilot technologies in their respective regions which they deemed to be appropriate for such a fund. In the next step an external expert team – found by tender procedure - assessed 15 technologies according to certain criteria which are commonly used by investment decision makers.

As a result more than half of the pilot technologies were positively evaluated, thus proposing to incorporate them into the developing stages of a (fictive) fund.

This promising result is summarised in the report “Overview of the assessment of pilot projects”.

## **Activity 5.5 – Recommendations**

All the findings and experiences made in WP5 resulted into the “Recommendations” proposing further possible steps which are appropriate to bring the SEE.IP fund or similar instruments to real life. The recommendations were elaborated by the WP-leader and accorded with all involved partners.

## 03 Outputs & Results

### Qualitative and quantitative description of the outputs

#### Demand analysis

refer Annexure

- 5.1 REPORT ON DEMAND ANALYSIS

#### Feasibility study

refer Annexure

- 5.2 FEASIBILITY STUDY

as well as

- 90 interviews
- expert workshop

#### Fund availability assessment reports

- 5 REPORTS ON ASSESSMENT OF FUNDS AVAILABILITY (**confidential**)

#### Pilot project selection

refer Annexures

- 5.4.a REPORT ON ASSESSMENT OF PILOT PROJECTS
- 5.4.b OVERVIEW *Pilots received & chosen to be assessed*
- 5.4.b PILOT ASSESSMENT 1 (Project 01)
- 5.4.b PILOT ASSESSMENT 2 (Project 02)
- 5.4.b PILOT ASSESSMENT 3 (Project 03)
- 5.4.b PILOT ASSESSMENT 4 (Project 04)
- 5.4.b PILOT ASSESSMENT 5 (Project 06)
- 5.4.b PILOT ASSESSMENT 6 (Project 07)
- 5.4.b PILOT ASSESSMENT 7 (Project 08)
- 5.4.b PILOT ASSESSMENT 8 (Project 09)
- 5.4.b PILOT ASSESSMENT 9 (Project 10)
- 5.4.b PILOT ASSESSMENT 10 (Project 11)
- 5.4.b PILOT ASSESSMENT 11 (Project 17)
- 5.4.b PILOT ASSESSMENT 12 (Project 20)
- 5.4.b PILOT ASSESSMENT 13 (Project 21)
- 5.4.b PILOT ASSESSMENT 14 (Project 22)
- 5.4.b PILOT ASSESSMENT 15 (Project 23)

as well as

- 23 technology applications in total (of which 15 were assessed > 15 assessment tables)

#### Recommendations

refer Annexures

- 5.5 RECOMMENDATIONS REPORT