

Why Patents Matter in the Digital Economy

Key Requirements for the DSM:

- The DSM requires -> **Interoperability** -> which requires **Standards** -> which requires **Investment** in development of standards -> which requires **Ability** in achieve ROI

Use of Patents:

- Patents are effectively the ‘**currency**’ of the **Digital Economy** technology base
- **Success** of the system **depends on the patent quality** that needs to be maintained and where possible further improved
- The filing of patents is **driven by early disclosure, technology sharing, ROI**
- Patent system has shown **huge flexibility** (exclusivity, licensing, access to capital, knowledge transfer, reasonable access to technology etc)

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Use of Patents (continued):

- Patents provide a level of **certainty for investment** by creating the opportunity to seek a return for successful technology solutions and options for exit
- Patents **cannot prevent free-riding** once the idea is published and available to the public (unless patent rights are respected)
- SME and StartUps **need patent protection for their technology** in order to compete against and/or have bargaining power vs large competitors and/or licensees
- The **possibility for a patent holder to enforce its patent/s in a timely manner** is critical for the right to have meaning and the technology to have value



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