

## Unitary Patent and Unified Patent Court will boost trade and investment

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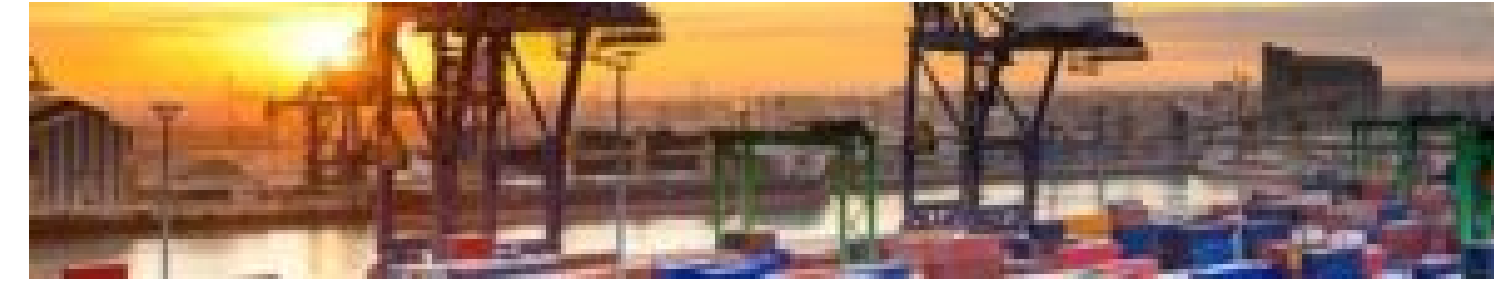
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The Unitary Patent and the Unified Patent Court are likely to boost trade and foreign direct investment (FDI) in the European Single Market for technology. This is one of the conclusions in an EPO report which was published on 14 November 2017.

The study 'Patents, trade and foreign direct investment in the European Union', carried out by researchers of the EPO, the London School of Economics and the University of Colorado Boulder, assesses the impact of the European patent system on the circulation of technologies through trade and foreign direct investment in the EU.

According to the report's conclusion, the 'results confirm that incoming trade and FDI flows in high-tech manufacturing industries are sensitive to the different levels of patent protection in EU countries. (...) Simulations suggest that an alignment of EU countries on the best existing standard of patent protection could generate a EUR 14.6 billion increase in annual high-IP trade inflows and a EUR 1.8 billion increase in annual FDI inflows in the EU. (...) Addressing the fragmentation of the European patent system represents a major challenge for the European Union in the perspective of its transition towards a knowledge and innovation-driven economy. The forthcoming implementation of the Unitary Patent and Unified Patent Court will be an important step forward in this direction.'



The researchers stress that 'the main contribution of the study is to produce empirical evidence of the sensitivity to patent protection of trade and FDI flows in different industries, and of the relative magnitude of the resulting gap in incoming trade and FDI in different EU countries'.

The full impact of the Unitary Patent system has not been investigated. 'It should also be noted that the study focuses on the functioning and limitations of the European patent system as it currently stands. It thereby provides relevant insights into the expected benefits of the Unitary Patent and the Unified Patent Court, but does not constitute a full impact assessment of these reforms. Indeed, the empirical part of the study focuses on a scenario of harmonisation of national patent laws, setting aside limitations relating to the cost of patent application and litigation in Europe. It therefore accounts for only part of the expected benefits of the reforms, as the Unitary Patent is also designed to mitigate these costs.'

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