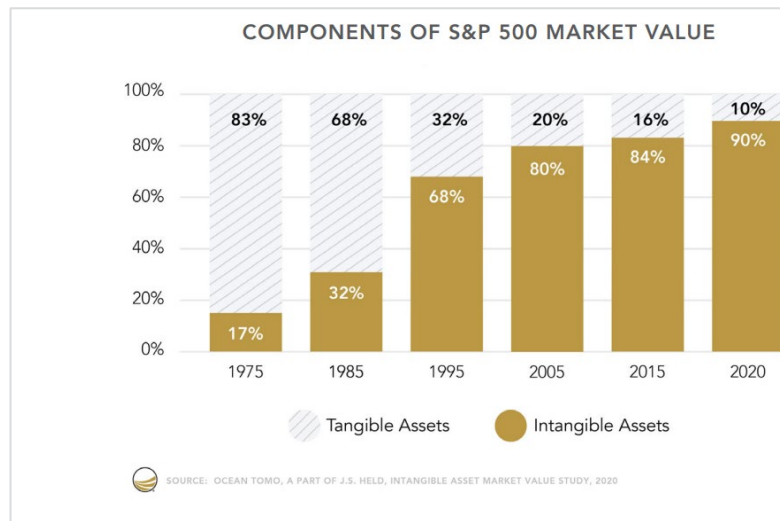


# IMPORTANCE OF IP FOR DEEP TECH BUSINESSES

ILJA RUDYK | SENIOR ECONOMIST, EPO | 11 JUNE 2025 | VERSION: 10 JUNE 2025

# THE MARKET VALUE OF INTANGIBLE ASSETS

For many enterprises intangible assets have become more valuable than their tangible assets, and are key to their success. They create a basis for enhancing the company's value.



Source: [Ocean Tomo intangible asset market value study 2022](#)

## COMPANIES WITH IP RIGHTS SHOW STRONGER PERFORMANCES

Firms that own IP rights  
enjoy a **41% premium in  
revenue** per employee

Revenue premium  
of firms with  
IP rights

Large firms

+ 16 %

SMEs

+ 44 %

SMEs that have filed  
**European IPRs are 26%  
more likely to grow** in  
the subsequent years

Odds of growth  
of SMEs with  
prior IP rights

Any IPR

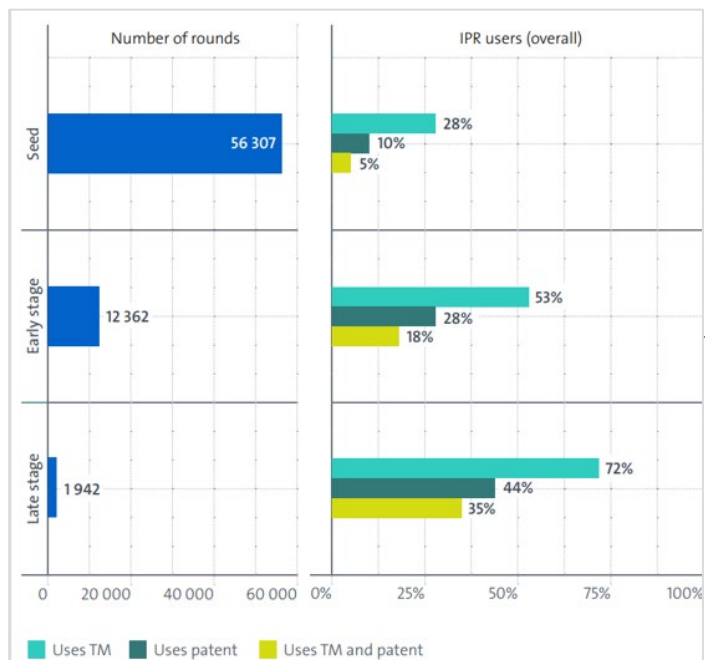
+ 21 %

European  
IPR

+ 26 %

Sources: EPO-EUIPO. Intellectual property rights and firm performance in the European Union, January 2025; EPO-EUIPO.  
High-growth firms and intellectual property rights, June 2019

## SHARE OF STARTUPS WITH IPR AT DIFFERENT STAGES OF FINANCING



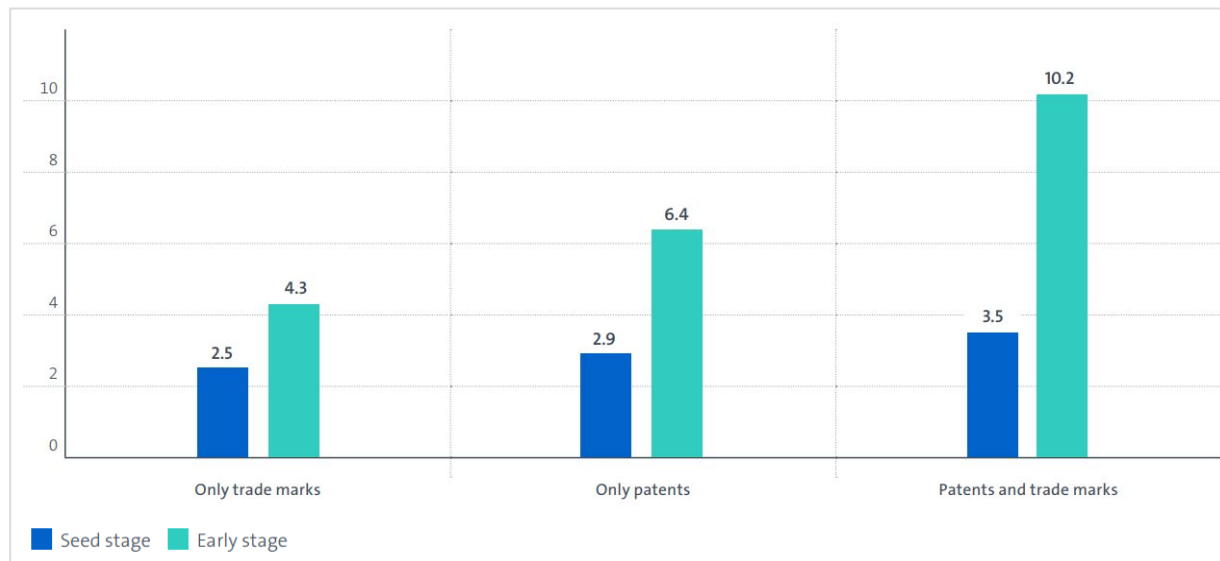
■ On average, **29%** of European startups have applied for registered IP rights.

■ Startups increasingly make use of IP rights as they **grow**.

Source: EPO-EUIPO, 2023, *Patents, trade marks and startup finance* & *Funding and exit performance of European startups*

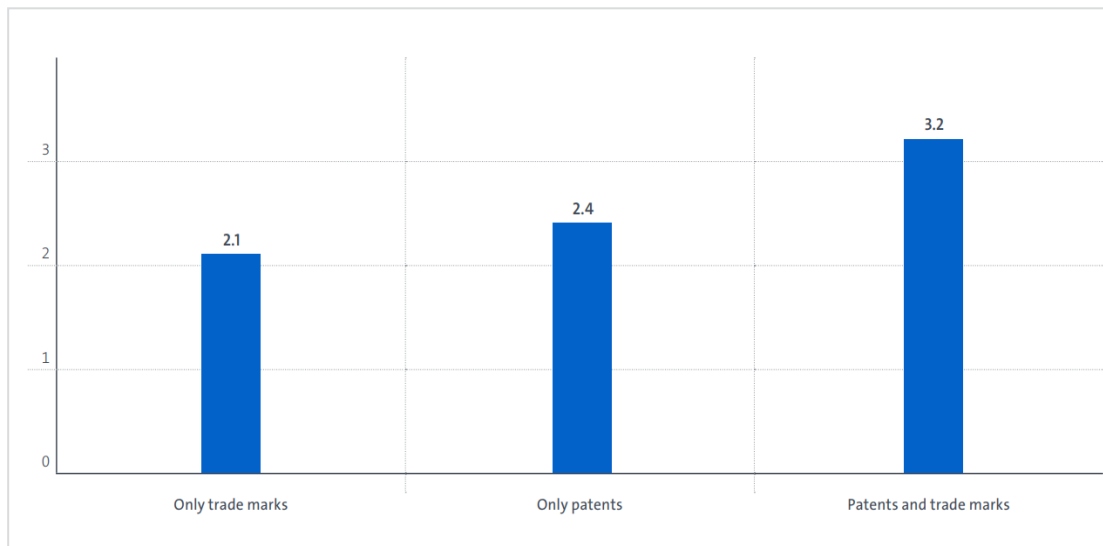
## HIGHER LIKELIHOOD OF SUBSEQUENT VC FUNDING

**Increase** in odds of funding for startups with prior IPR applications.



Source: EPO-EUIPO, 2023, [Patents, trade marks and startup finance](#) & [Funding and exit performance of European startups](#)

## HIGHER LIKELIHOOD OF SUCCESSFUL EXIT FOR INVESTORS



**Increase** in odds of exit for startups with prior **patent** or **trademark** applications

## REASONS TO PATENT

### MARKET ACCESS



01

02



### NEGOTIATING

### FUNDING



03

04

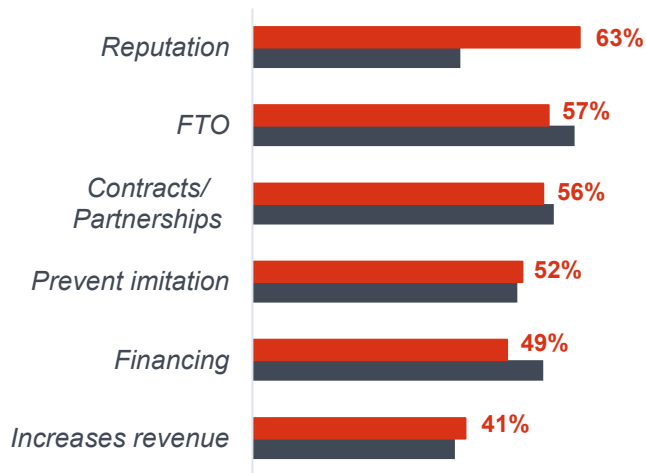


### STRATEGIC VALUE

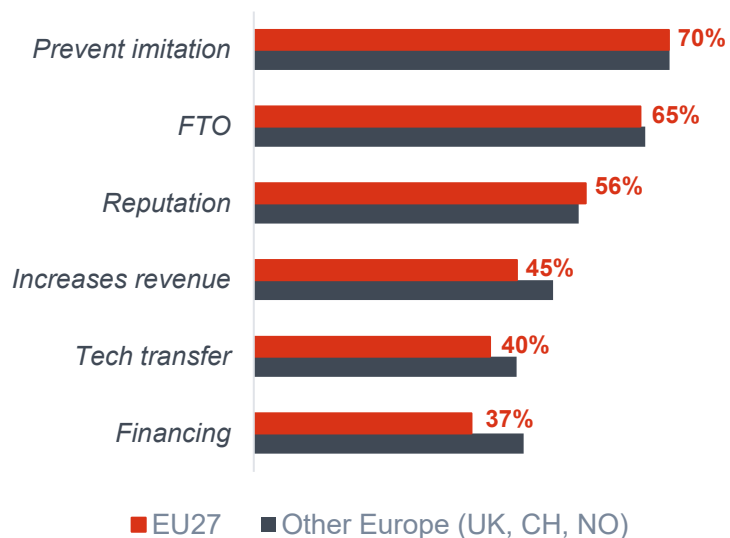
See <https://www.4ipcouncil.com/smes-corner/4-reasons-patent>

# HOLISTIC APPROACH FOR PATENT USE BY SMES AND STARTUPS

## 4th Industrial Revolution Technologies (4IR)



## CleanTech



Source: EIB-EPO 2024, Financing and commercialisation of cleantech innovation and EPO 2022, Deep tech innovation in smart connected technologies

## THE BUSINESS PERSPECTIVE OF IP – A DICTIONARY

IP term	Explanation	Business term
<b>IP Prosecution</b>	Strategic investments providing cost advantages and pricing premiums.	<b>Asset Investment</b>
<b>Exclusion/ Injunction</b>	Grants the right to exclude others, commanding premium prices and higher profit margins.	<b>Market Power</b>
<b>Licensing Revenue</b>	Generates revenue and imposes costs on competitors, creating a sustainable cost advantage.	<b>Cash Flow &amp; Sustainable Cost Advantage</b>
<b>Licensing Expense</b>	Part of the product's cost structure, affecting profitability.	<b>Cost of Goods Sold (COGS)</b>
<b>IP Infringement</b>	Use strategically during negotiations to shape relationships and benefit from competitors' strengths.	<b>Partnership Opportunity or Negotiating Leverage</b>

Source: IAM Magazine 2009, Putting the IAM function at the heart of corporate strategy

## TO SUM IT ALL UP

- Patents and IP rights are assets, and not “mere” protection mechanisms
- They create value!

**THANK YOU!**

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