

EUIPO | EPO

5 reasons why companies should invest in Intellectual Property



Intellectual Property has become a **strategic asset for companies**. Patents, trademarks, industrial designs and other Intellectual Property rights not only protect a company's innovation and identity, but also provide key **competitive advantages** for the same.

1. COMPANIES WITH IP RIGHTS, IN GENERAL, EARN MORE REVENUE



According to the study 'Intellectual Property Rights and Business Performance in the European Union' by the European Union Intellectual Property Office (EUIPO) and the European Patent Office (EPO), companies owning IP rights are more profitable.

The results of this study, which analyzes the impact of the ownership of patents, trademarks and registered designs on more than 119,000 companies (including 11,001 Spanish companies) in the 27 EU Member States between 2013 and 2022, conclude that the **revenue per employee** for companies with Intellectual Property Rights (hereinafter IPR) **is 41% higher than those that do not have these rights.** This increase is even more pronounced in **SMEs**, where **revenue per employee is 44% higher** compared to those without IPRs, while in **large companies it is 16% higher**).

In addition, SMEs that own both patents, trademarks and/or designs perform 51% better in terms of revenue per employee.

Another of the main results of the study is that less than 10% of the SMEs studied have registered IPRs (patents, trademarks or designs), while in the case of large companies the percentage is almost 50%. In terms of patents alone, only 1.1% of SMEs have a protected industrial creation, while the figure for large companies is 12.3%.

2. PROTECTING INNOVATION AND CREATIVITY



Companies invest large amounts of time and resources in developing innovative products, processes and designs.

Intellectual Property rights ensure that these innovations are not copied by third parties by granting an exclusive right to exploit them for a certain period of time. In addition, protecting innovation fosters a more dynamic and secure business environment.

This protection encourages the creation of new technological solutions, improved products and more efficient processes, which benefits both businesses and consumers.

On the other hand, the **protection of creativity** is also key in sectors such as design and fashion. The registration of industrial designs allows companies to differentiate their products and consolidate their visual identity in the market. This not only avoids imitations, but also reinforces the **perception of quality and exclusivity** of products in the eyes of consumers.

In addition, Intellectual Property **favors strategic collaboration** between companies and academic institutions. Many innovations arise from cooperation agreements in which companies can safely share knowledge and technology.

3. COMPETITIVE ADVANTAGE IN THE MARKET



Registering a trademark or patenting an invention allows you to **differentiate yourself from the competition**. A well-protected trademark gives identity and value to the company's products and services, generating consumer confidence and improving market positioning.

In addition, a trademark is a **key asset in branding and marketing strategies**. Consumers associate protected marks with **quality**, **authenticity and prestige**, which strengthens the relationship with customers and builds customer loyalty.

On the other hand, by preventing competitors from using similar marks, the company protects its unique presence in the market, **reducing the risk of confusion among consumers**, which translates into a larger market share and a better perception of the trademark in the industry.

4. INCREASING THE VALUE OF THE COMPANY



Today, the value of a company is not only measured by its physical assets or annual turnover, but also by its **protected assets**. Well-known trademarks, innovative patents and exclusive designs can represent a considerable percentage of a company's total value. Companies such as Apple, Nike or Coca-Cola have built much of their value around their IPRs.

Investors and analysts view these assets as **indicators of stability and growth potential.** A company with a strong IPR portfolio is more likely to attract capital, as it has protected competitive advantages and long-term monetization opportunities.

Companies with well-managed IPRs convey an image of **professionalism**, **strength and confidence**. This not only influences investors, but also customers and suppliers who usually prefer to work with established companies whose assets are solidly protected.

Ultimately, a patented invention or an industry-recognized trademark guarantees exclusivity and consumer preference, which strengthens business stability and growth.

5. FACILITATES EXPANSION AND INTERNATIONALIZATION



Many companies seek to expand beyond their local markets to reach new consumers.

Having registered IPRs facilitates this expansion and protects the company from possible legal conflicts with international competitors.

In highly competitive markets, lack of legal protection can result in copying or counterfeiting that can affect the reputation and profitability of the business.

In addition, many governments and international organizations offer **incentives and support programs** to companies with protected IP assets. These may include preferential access to trade fairs, financing programs or, for example, tax incentives.

A company with well-managed IPRs has greater opportunities to establish **agreements with other countries.**

Do you want to protect and enhance the value of your company's assets?

At UNGRIA we have been **advising** and protecting our clients' intangible assets for over 130 years.

Our team of experts will guide you through every step of the process so that you can operate safely, avoid legal risks and maximize the value of your intangible assets. Don't let third parties appropriate your innovations or expose your trademark to potential conflicts.

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