

THE INTELLECTUAL PROPERTY – A STRATEGIC ASSET IN THE COMPANY MANAGEMENT. CASE STUDY: FRANCE

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Abstract:

Specific statistical data interpretation of Intellectual Property offered by the specialized bodies and institutions can demonstrate the economic trends of the country. This paper is a study of the evolution of the trademarks registration on classes of products/services and of the flow of inventions in France, and will demonstrate which is the trend of economic development and the most active economic areas of the country.

Key words: *intellectual/industrial property, economic development, economic trend*

JEL classification: *A120, F140, M110*

INTRODUCTION

In a global and highly competitive environment, where the power is built on innovation and on protection of creations, intellectual property (IP) is an essential economic asset for companies and countries.

Every economic organisation must focus on creating and implementing an efficient management related to industrial property. Moreover, a rational policy of IP helps company in achieving its economic goals. Additionally, it contributes to protect and conquer markets, improve company's image, benefit from industrial property titles as long as company may assign or license them.

Unlike other services from intangible economy, the services offered in the intellectual property's domain may function as distinct quantifiable assets. This is mainly due to the existence of two important instruments. First of them is generally called "certificate" and it is granted in specific circumstances to trade names, trademarks, plant and livestock varieties, industrial designs and integrated circuit topographies. The second one is named "patent" and is granted in certain cases to inventions and utility models. These tools are documents which give to the holder an exclusive right to exploit them until it is proven otherwise.

In the following we intend to show the evolution of trademarks registration on classes of products/services and the flow of inventions in France. Our approach tries to demonstrate which is the trend of economic development and the most active economic areas of France.

THE IMPORTANCE OF INTELLECTUAL PROPERTY FOR COMPANIES

Intellectual property is the primary resource for value creation in almost all industries. Increasingly, it has come to hold a very important status in society and in our lives. Besides, it is considered to be the foundation of enterprises and even industries in general.

Intellectual property, very broadly, means the legal rights which result from intellectual activity in the industrial, scientific, literary and artistic fields. IP is defined

as creations of the mind which include: inventions, literary and artistic works, and symbols, names, images, and designs used in commerce.

The importance of IP is well analyzed by many authors and the conclusion is the same: IP is extremely important for the entire economy.

IP rights allow their owners to prohibit third parties from performing various acts. Idris (2003) describes IP as a “power tool for economic development and wealth creation that is not yet being used to optimal effect in all countries, particularly in the developing world”. Moreover, IP represents the commercial application of innovation and creativity to improving and enriching our lives – at both the practical and cultural levels. Additionally, due to increasing recognition of its economic value, IP is becoming a major element in corporate business management and it is generally agreed that knowledge and innovation have played an important role in recent economic growth.

IP represents a strategic instrument for the company. Spruson & Ferguson (2007) aim that in order to develop an IP strategy that works for organisation, there must be detected how those objectives can be achieved by organisation from the perspective of IP. It is important to know that IP may be used as a tool to:

- block competing products;
- generate income from commercialisation;
- deter potential infringers;
- defend an infringement action;
- attract investment;
- raise organisation’s profile;
- increase the sale price of organisation’s shares or business.

In a context of international competition, intellectual property is a strategic asset for companies to compete. IP allows a legal way to force competitors by limiting their freedom of manoeuvre, placing them in a situation of dependency, or, at extreme limit, excluding them from the market. This is why the dominant or the most aggressive countries are both active and IP concerned.

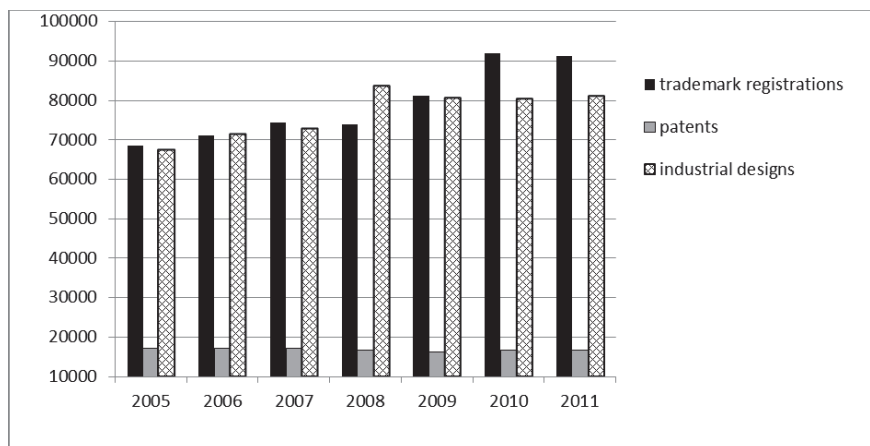
The evolution of the recordings of intellectual property assets in France

National Chamber of Industrial Property Attorneys of France expects the launch of an incisive plan regarding innovation and IP, in order to encourage companies to use this type of property, by:

- developing a culture of IP in companies to understand the general mechanism of IP, strategic character and economic impact;
- providing incentives and business support for companies to use increasingly intellectual property, including research tax credit;
- making France an attractive IP judicial space, with an IP centre of excellence in Paris, bringing together and strengthening the competencies of judges;
- developing a comprehensive service offering at global level and bringing together the professions like IP attorneys and lawyers.

The analysis of the evolution of the recordings of IP assets in a country, as shown in Figure 1 and in our case France, can show willingness of companies to invest in protecting these assets during difficult times. It also may prove the appetite/lack of enthusiasm of firms to protect their specific technical solutions on their own market or on third markets, during special economic times. Obviously, there is a difference between the records of industrial designs and trademarks, on the one hand, and patents, on the other hand.

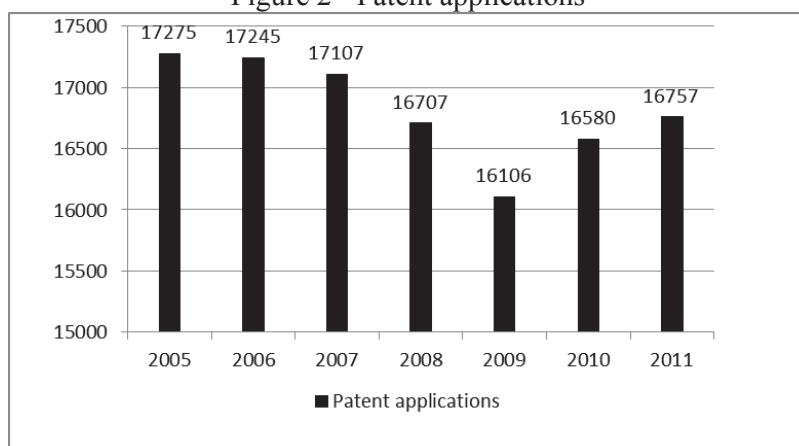
Figure 1 - Intellectual property assets registration in France



Source: www.inpi.fr Faits & Chiffres INPI 2011

With regard to patent applications filed, we can observe the impact of the global economic crisis during 2008 - 2009 in France, as shown in Figure 2. Beginning with 2010, the patent applications started to be easily on an upward trend. In 2012 France was on the 6th place in the world amongst the countries that filled the most patent applications [WIPO, 2013]

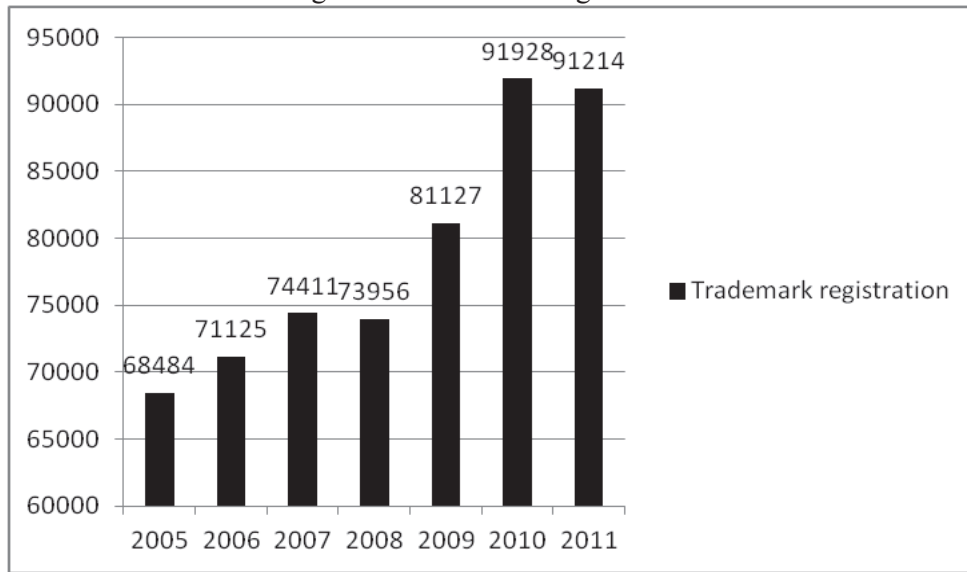
Figure 2 - Patent applications



Source: www.inpi.fr Faits & Chiffres INPI 2011

After a decreasing due to economic crisis of 2008, the trademark registration saw a return to growth in 2009 and after. This increase is mainly due to the facility offered by the national intellectual property office of France, especially to electronic deposits. This electronic submission boosted consumer behaviour in terms of registering trademarks. In 2011, in France were registered 91214 trademarks, representing a decrease of 0.8% as against 2010, but if we report these numbers to previous years, there is not a considerable decrease. In 2012, France was on the 3rd place amongst those countries which filled trademark using Madrid applications [WIPO, 2013]

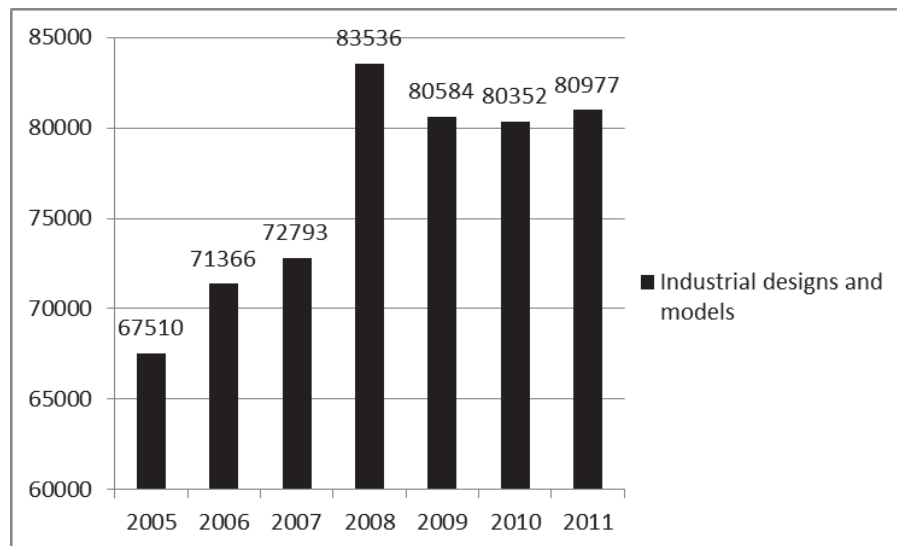
Figure 3 - Trademark registrations



Source: www.inpi.fr Faits & Chiffres INPI 2011

Since October 1994 France has adopted a new form for depositing industrial designs and models. The new form, a simplified one, allows depositors to renew frequently their creations (especially for those in fashion). Those simplified deposits contain an increased number of designs (37 per submission in 2011). Using this option, the depositor has 30 months to complete his submission and to choose those designs and models which aims to further protect them. This procedure has primarily resulted in a flow of submitted industrial designs and models. Therefore, the numbers of submissions have greatly decreased [INPI, 2011]

Figure 4 - Industrial designs and models



Source: www.inpi.fr Faits & Chiffres INPI 2011

Analyzing the graphic, in 2009 we can observe a growth of deposits using simplified procedure. This growth led to an increased number of protected industrial designs and models. In the following years the number of protected industrial designs

and models remained the same. In 2012, France was on the 3rd place in the world concerning industrial designs and models applications.[WIPO, 2013]

The evolution of the trademarks registration on classes of products/services

Trademarks are distinctive signs, used to differentiate between identical or similar goods and services offered by different producers or services providers. There are 45 classes of goods and services (Nice classification), and the indications of goods or services appearing in the class headings, are general indications relating to the fields to which in principle, the goods or services belong. The most requested classes of goods and services (as shown in Table no. 1) in France in 2011 (excluding renewals), were:

Table no. 1 – The most requested class of goods and services

Class	Meaning	Designations
35	Advertising/publicity; business management; business administration; marketing research; office functions	32.306
41	Education; providing of training entertainment; sporting and cultural activities	30.306
42	Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software	18.355
38	Telecommunications	16.729
16	Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks	16.126

Source: www.inpi.fr Observatoire de la Propriete Intellectuelle – Chifress Cles 2011 – Marques – Octobre 2012

The least requested classes of goods and services (as shown in Table no. 1) in France in 2011 (excluding renewals), were:

Table no. 2 – The least requested class of goods and services

Class	Meaning	Designations
13	Firearms; Munition and projectiles; Explosives; Fireworks	257
23	Yarns and threads, for textile use	314
15	Musical instruments	529
34	Tobacco; Smokers' articles; Matches	625
22	Ropes, string, nets, tents, awnings, tarpaulins, sails, sacks and bags (not included in other classes); Padding and stuffing materials (except of rubber or plastics); Raw fibrous textile materials	921

Source: www.inpi.fr Observatoire de la Propriete Intellectuelle – Chifress Cles 2011 – Marques – Octobre 2012

The Nice Classification, groups products in 1 to 34 classes and services in 35 to 45. In those tables we can see that business interest is directed towards services, and less by products. Top records are 4 classes of services and one of product, and down the casement, all classes, are manufacturing classes.

CONCLUSIONS

The interpretation of statistical data specific to intellectual property - as intangible asset - offered by specialized bodies and institutions demonstrates the economic development of a country, the trend of economy, the immediate influences of national factors or - most of all - international factors.

A careful examination of all specific risk factors can reduce the pure and speculative risk subjected to any business properly integrated in economic activity.

For France, the study regarding evolution of the trademarks registration on classes of products/services and the flow of inventions in France demonstrates the positive trend of economic development, which contradicts the country's economic situation.

Also, this study can demonstrate:

1. The heavy industrial sector of France economy could behave an inertia due to the artificial support of wages level and, as a result, of the employees interest with creative capacity.
2. The most active economical fields in France, are, by significance: trade, publicity, divertissement, sporting and cultural activities, industrial research – especially IT, IT production and telecommunication and also editorial activities and printing offices.
3. There is a clear orientation to import and not manufacturing of weapons, yarn, tobacco and rubber

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