Intangible assets, innovation and value creation for public benefit in the era of digitalisation

A call for proposals within the Innovation Research programme.

1 Summary

The Government has instructed Vinnova and the Patent and Registration Office (PRV) to undertake initiatives to increase knowledge about the links between intangible assets and value creation. This includes improved understanding of the management of intangible assets by public actors, industry and the general public.

Vinnova invites research organisations (higher education institutions and research institutes) to apply for funding of research projects through this call for proposals. The application deadline is 15 September 2017 at 14.00.

Research funded through this call is to highlight the relationship between intangible assets, innovation and value creation for public benefit. In this context, new conditions resulting from the digitalisation of society will be analysed. This includes the changing role of intangible assets in generating customer value, barriers to competition and attractiveness as partners.

Understanding value creation from intangible assets and how it interacts with intellectual property law requires insight into complex legal concepts and contexts. The research should therefore take into account the importance of intellectual property law for these relationships and address relevant legal issues. The research projects may address questions about the importance of different forms of protection for intangible assets and how these change depending on digitisation, e.g. in data-driven innovations, 3D printing and so on.

Both PRV and Vinnova work for a more equal society and look favourably on applications where both men and women are active in the project (and that the project results contribute to increase equality).

PRV has contributed in the design of the call for proposals.

Current information about this call, the invitation to participate and a link to the application can be found at www.vinnova.se under ‘Sök finansiering’ (apply for funding).
2 Who may apply

The call welcomes applicants in projects with one or more parties. The applying party, who is also the coordinator, is to be a Swedish higher education institution or research institute. Foreign parties may be included in the research project.

3 Description of the call for proposals

3.1 Background and goals

Today, investments in intangible assets account for an increasing share of total investments in the economy. These investments are a decisive factor for continued economic growth and prosperity.

Awareness of the management of intangible assets has great value-creating potential. However, the study ‘Ökat värdeskapande ur immateriella tillgångar’ (SOU 2015:16) (Increased value creation from intangible assets) pointed to deficiencies in the management of intangible assets, both in terms of public awareness in society and business strategic management in parts of the economy. The study also pointed to the potential for increasing the use of patent information as a basis for controlling and conducting research and innovation efforts.

Based on this, the Government has tasked Vinnova and PRV with conducting initiatives for knowledge development to improve understanding and management of intangible assets belonging to public actors, industry and the general public.1

Vinnova and PRV commissioned a preliminary study2 to gain an overview of research on how the management of intangible assets contributes to prosperity in society. The preliminary study found that most previous research points to a positive link between intangible assets, innovation and economic growth, or improved productivity. However, most studies only use various forms of patent data as a measurement of intangible assets. Other intangible assets, such as trademarks and artistic works, are largely ignored because of lack of data. It is also rare that studies take into account the combination of different intangible assets and their effects on growth and prosperity. More research is needed that

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2 Immateriella tillgångar, innovationer och ekonomisk tillväxt/välstånd på makronivå (Intangible assets, innovations and economic growth/prosperity at the macro level), see Part 2 of the Vinnova report ‘Samband mellan immateriella tillgångar, innovationer och ekonomisk tillväxt – två kunskapsöversikter’, link: http://www2.vinnova.se/sv/Aktuellt--publicerat/Publikationer/Produkter/Samband-mellan-immateriella-tillganger-innovation-och-ekonomisk-tillvaxt/.
takes a holistic approach to all relevant intangible assets and relates them to value creation at the society level.

The preliminary study also found that few studies empirically relate strategies associated with intellectual property rights to economic prosperity. At the specific industry level, differences in the use of intellectual property rights have been studied. The choice between formal and non-formal protection of inventions and technologies seems to be largely dependent on the types of technologies, products and processes involved and how effective the protection is in practice. The same can be said for the choice between different types of intellectual property rights.

The design of intellectual property rights and other legislation is not only important for the way in which or where intangible assets are created. It also affects the strategies that companies use when it comes to managing their intangible assets. For example, one might assume that stronger corporate secrecy laws can both be complementary and substitute for patent applications. In the latter case, there are risks, at least theoretically, for less sharing of knowledge.

This call also focuses on the digitisation of companies and society as a whole and the changing conditions for value creation and prosperity that this entails. The Government’s new industrialisation strategy and digitisation strategy aim at making companies in Swedish industry into leaders in exploiting the potentials of digitisation. This places great demands on the ability of companies to adapt so they can be competitive in the digital transformation currently under way. Copyright protection could apply, in principle, to all types of digitised products – artistic and literary works as well as software. More research is needed about these relationships.

3.2 Purpose

This call aims to increase knowledge about the relationship between management of intangible assets, innovation and value creation in Sweden, with particular focus on the importance of digitisation. An important goal is for there to be discussion and decisions by policymakers that are more based on facts. This research will allow companies, other organisations, and professionals in the field of intellectual property to gain greater opportunities to manage intangible assets in an informed and strategic way.

3.3 Content and implementation

Compulsory elements of projects

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3 See http://www.regeringen.se/pressmeddelanden/2016/01/mikael-damberg-presenterar-regeringens-nyindustrialiseringsstrategi/.

4 See http://www.regeringen.se/49adea/contentassets/5429e024be6847fc907b786ab954228f/digitaliseringsstrategin_slutlig_170518-2.pdf.
Overarching focus
In the light of the existing needs illustrated in the above sections on the call’s background, goals and purpose, research financed within the call shall address the following overarching issues:

- What is the connection between the ability of companies and other organisations to utilise intangible assets for innovation, economic growth and the creation of welfare?
- What impact do the political and legal frameworks have, especially on the design and application of intellectual property rights, innovation processes and value creation?
- How are the strategy choices of market participants in managing intangible assets affected by the new conditions created by digitisation? This includes control of and access to technical platforms and valuable data.

The focus for the call is value creation at the society level. The results of the research projects should primarily be able to be used by policymakers, but also companies and other actors that generate, hold or protect intangible assets. It is therefore important to conduct the research with a broad understanding of the management of intangible assets and intellectual property rights with a perspective on the entire innovation system. Consideration should be given to existing research results and studies and data from other actors, e.g. the EU and OECD.

The concept of intangible assets is given a broad interpretation so that it covers not only registered rights but all intangible assets that may have an economic or societal value.

Method/focus
Different approaches and analysis methods are encouraged. The link between the empirical and theoretical is important. We especially encourage empirically-based research projects. The focus is on the practical use of the results. The applicant should describe this using the formulation ‘If the research study is successful, the results should be able to be used for (...)’.

Aspects that confer higher rating when assessing applications

A holistic perspective to assets and strategies
The focus is shifted from the individual asset or right to the importance of all relevant assets, rights and strategies. What will be the consequences when actors can use several different intellectual property rights or other protection options? Is there a risk that the actors can achieve too strong a position on the market? Effects on competition, consumer prices, product range and growth are of interest. Will it be more profitable for companies to make costly R&D investments if multiple intellectual property rights can be used? Could this lead to more and better
products with greater value creation as a result? In this context, the importance of the use of patent information as a strategic tool can be studied.

**International support and comparative aspects**

Comparative studies and concrete consideration for foreign conditions will be viewed favourably. One way to achieve this is to clearly involve foreign researchers or researchers in Sweden who are studying foreign or international conditions.

**Interdisciplinary**

Scientific breakthroughs often occur at the intersections of different academic disciplines. Therefore, projects aimed at involving combinations of academic disciplines for increased understanding will be judged favourably. In particular, focusing on identifying and answering relevant legal questions will be viewed positively when assessing project applications. In this context, the use of jurisprudential and other legal expertise and accounting expertise will be important.

**Type of actors studied**

The research should take into account the conditions for both small and large companies and of both new and established companies.

### 3.4 Expected results and impact goals

Funded research is expected to contribute to:

- Improved knowledge, both empirical and theoretical, about different links between intangible assets, innovation and prosperity.
- Discussions and decision making based more on fact for policymakers, companies and other owners of intangible assets, financiers, researchers and professionals within the field of intangible assets.
- Improved conditions for collaboration between academia, businesses, financiers and policymakers in the field through new or expanded networks between these.
- Increased awareness among the relevant actors in Sweden about the importance of strategic management of intangible assets.

### 4 Prerequisites for financing

#### 4.1 Budget and duration of projects

The budget for the call is approximately SEK 6 million.

We plan to grant funding to no more than three projects through the call, where each project is estimated to have a budget of SEK 1–4 million, including any indirect costs. The projects are expected to be ongoing in 2018 and 2019, with a possible start at the end of 2017. Grants can be awarded for up to 100 per cent of
eligible costs.\textsuperscript{5} The results of the projects will be reported to Vinnova no later than 29 November 2019 or the date specified by Vinnova in the grant decision.

4.2 State aid rules

Grants awarded by Vinnova to companies and other organisations that conduct economic activities are restricted by the rules governing state aid. Such grants are given based on Vinnova’s Regulation on State Aid for Research and Development and Innovation (SFS 2015:208), or based on the European Commission Regulation (EU) No. 1407/2013 on \textit{de minimis} aid. These rules mean in most cases that the company or organisation only receives a grant for a certain percentage of its eligible costs or for a limited amount.

5 Timetable

The following dates apply for this call.

\textbf{Opening date: 20 June 2017}  
\textbf{Application due date: 15 September 2017 at 14.00}  
\textbf{Date of decision: approx. 26 October 2017}  
\textbf{Earliest date for project commencement: 9 November 2017.}

Please note that changes may be made. For the latest information, please visit the call for proposal’s website at \url{www.vinnova.se}.

6 Requirements

Eligibility for assessment by Vinnova in accordance with the criteria stipulated in 7.2 depends on applications meeting the following requirements:

Project applications must meet the following requirements:

- The application is to be filled in and take the form and content specified in the Applications section below.
- The application is to include a description of the gender distribution in the project.

Applying organisations must meet the following requirements:

- The grant recipient that submits an application to Vinnova (coordinator) is to be a Swedish higher education institution or research institute. Other parties

\textsuperscript{5} See ‘Guide till Vinnovas villkor om stöderättigande kostnader’ (in Swedish only), \url{http://www.vinnova.se/sv/Ansoka-och-rapportera/Villkor-och-kostnader}.
(grant recipients and others) in the project can be Swedish or foreign higher education institutions, research institutes or other legal entities.

7 Assessment

7.1 Assessment process
Applications are assessed by Vinnova and by a number of experts appointed by Vinnova.

Applications are assessed according to the assessment criteria below and in competition with other submitted applications. Vinnova will then make a decision about financing and will notify all applicants of its decision.

7.2 Assessment criteria
The project is to correspond with the purpose and objectives defined in the call for proposals. This will be assessed based on the following criteria:

Potential
- How well the proposed project corresponds with the orientation and character described in Section 3 above.
- The potential for contributing to the call’s expected result and impact goals.
- Scholarly quality and innovation The potential of the project, through innovation, to expand knowledge and the knowledge base within the area addressed by the call.
- Effective utilisation How and to what extent the project helps to communicate relevant knowledge and to what extent it can support discussions and decision-making processes among policymakers and other relevant actors in the field of intellectual property, including a clear plan for communicating and disseminating knowledge.

Feasibility
When assessing the project’s ability to implement the activities described in the application, the following aspects will be evaluated:
- Relevance and credibility in selection of methodology and in the activity plan and time plan in relation to the expected results and impact goals.
- Relevance and credibility of the presented project budget in relation to the expected results and impact goals.
- Relevance and credibility concerning the project’s staffing.
- How well gender equality and diversity aspects are integrated into the project plan.

Actors
Ability and credibility of the project’s parties in implementing the project.
- The project manager’s competency, ability and commitment to lead the project.
- How well the project team is composed with respect to gender balance, including commitment and influence.

A comprehensive assessment of the application will be based on these criteria.

8 Applications

8.1 How to apply

The application is filled in using a web form on Vinnova’s eService Portal where requested attachments can be uploaded. This form can be accessed at www.vinnova.se.

Only a project description and a CV annex are to be attached with the application. Annexes should be submitted as PDF files. These are the only annexes that will be reviewed when considering the application.

The eService Portal works with the most common web browsers, such as Internet Explorer, Firefox, Chrome and Safari, but it does not work with Internet Explorer 9 or older versions. Do not begin filling in an application if you use Internet Explorer version 9 or older since your application cannot be submitted.

Those who submit applications must be authorised to do so on behalf of the applying organisation and the other project parties.

Note that applications must be submitted no later than 14.00 on the last day of the application period. After this time, the application submission system closes and it is no longer possible to submit applications to Vinnova. No amendments to the application may then be submitted unless Vinnova requests such.

Remember that it can take time to fill in, upload and submit an application, particularly if many applications are being submitted. For this reason, make sure to begin filling in your application well ahead of the deadline. Note that it is possible to save changes and additions up until the time the application is sent.

8.2 Application details

The project description should be no more than 20,000 characters in length (equivalent to ten A4 pages, 12-point font). The application is to relate to the research front of the subject and also clearly define its benefit for the companies, policymakers, financiers and professionals within the field of intellectual property.
rights. The application is to be written in Swedish or English and contain the following parts:

- **Project title** in Swedish and English
- **Summary**
  - The project’s **purpose** as relates to the call’s purpose
  - The project’s **goals** as relate to the call’s goals
  - The project’s **potential and benefit**, i.e. the significance of the results and impact if the project is successful
- **Description of the project’s relation to the research front**
- **Approach**
- **Implementation** The project **plan**, including timetable and activity plan, resources, budget and so on, and a **plan for utilising the results**.
- **Active parties** including roles, approach and gender distribution between women and men. A description of how the gender perspective has been considered in the formulation of the various active parties in the project and how it will be considered in the implementation of the project.
- **Corporate ID numbers and work sites** for the project’s parties.

The **CV annex** should contain current CVs for the project manager and all key members of the project team. Indicate their names, ages, genders, titles/roles and the extent of their participation in the project. Each CV should be no longer than 2 A4 pages, written in size 12 font.

### 9 Terms and conditions

Vinnova’s general terms and conditions for grants, as applicable on the date of decision, apply to this call for proposals. The terms and conditions contain rules for reporting, project agreements, follow-up, auditing, conditions for payment and more. These can be found under the heading ‘Terms and Conditions’ (Villkor och regler) on the left-hand side of the call for proposal’s web page.

In addition to the general terms and conditions, the following will apply.

- The project is to be represented by at least one project party at the programme seminars and conferences that Vinnova organises during the project period. The cost of such participation are considered eligible costs.
- Applicants and other project partners in an application receiving a grant are to participate in implementing follow-ups, evaluations and impact assessments both while the project is funded by Vinnova and after Vinnova’s funding has been completed.
- To the necessary extent or the extent Vinnova requests, the project parties are to collaborate with other research projects within the call and with research projects within other calls that Vinnova has initiated as part of implementing the Government assignment for implementing initiatives for knowledge development and improved public support for managing
intangible assets (Uppdrag för att genomföra insatser för kunskapsutveckling och förbättrat offentligt stöd för hantering av immateriella tillgångar).

10 Confidentiality

Applications related to this call for proposals are public documents. As a rule, in accordance with the principle of public access to official records, the public has the right to access these documents. This also applies to applications that are rejected or withdrawn. Vinnova’s decisions and the reasons for its decisions are also public information.

However, Vinnova is required to keep confidential all information about an individual’s business and operating circumstances, inventions and research results if it can be assumed that the individual will suffer financial loss if the information is made public.

More detailed information about what confidentiality rules apply to applications can be found on the ‘Sekretess vid ansökningar’ page in Swedish, which can be accessed from the call’s web page.

For more information, see ‘Legal information’ at www.vinnova.se under ‘About Vinnova’.

11 Contact

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