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The market for Technology Licensing in the UK

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The social benefit of a patent system lies in its ability to underpin the circulation of technology in the economy through technology licensing and in facilitating the growth of technology markets. This evidence brief considers the main dimensions of the technology licensing market in the UK, drawing on expenditure data from the Community Innovation Survey in order say more about the characteristics of buyers in the market. This is an area which remains relatively under explored and can provide a useful basis upon which to develop effective policy. We estimate the size of the technology licensing market, highlight the temporary nature of licensing expenditure and explore the participation of firms. We find small firms are more frequent purchasers of technology licensing but large firms account for the larger shares of spending. Similarly, R&D services firms are large buyers of technology licenses and dominate spending in the technology licensing. We also find the participation of innovative firms dominates that by non-innovative firms.