

Support to Innovation

Innovation is a key matter for numerous defence-related SMEs and has implications for all SMEs. At the EU level, initiatives related to innovation activities can be supported through different means.

Funding opportunities

Your innovation activities can be financially supported by EU financial instruments. Different kinds of financial instruments may correspond to your level of research and particular types of project.

In addition, some financial instruments are implemented at a national level to support SMEs. You may contact the MoD or other responsible authorities to check your eligibility regarding support for innovative activities.

Partnership establishment

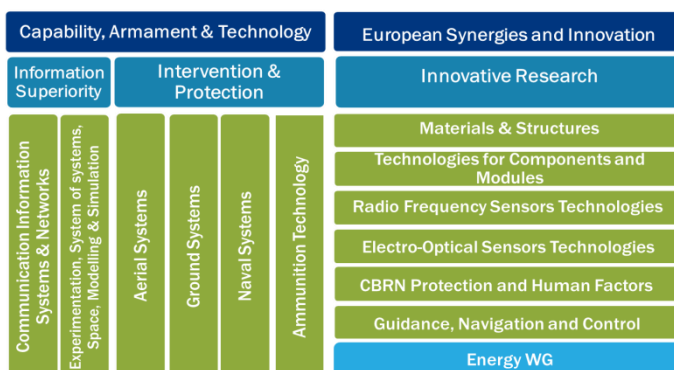
Implementing research projects involves covering issues related to both funding and establishing partnerships. Partnerships can take the shape of a consortium with other SMEs, large companies, academia and research centres, which would allow you to share both resources (funds and competencies) and risk. In this initiative, several organisations at EU and national levels could provide valuable assistance.

- ▶ Some European financial instruments will help you to establish partnerships, e.g. COSME and Horizon 2020 (see also the section on access to finance).
- ▶ **EEN (Enterprise Europe Network)** helps ambitious SMEs with their innovation and growth abroad. With over 600 partner organisations in 54 countries, the network has the capacity to reach out to more than two million SMEs each year.

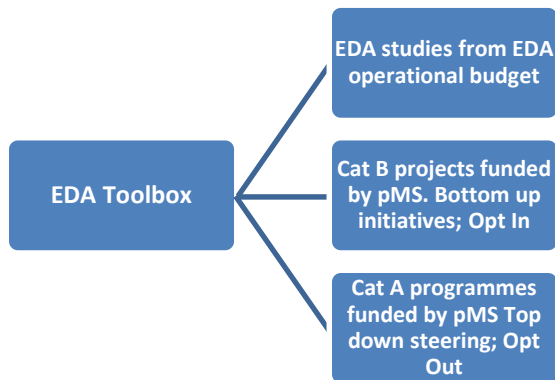
For more information, you may reach out to the closest point of contact for EEN. You may find more details including on future events on the EEN website (<http://een.ec.europa.eu/>). The most relevant EEN sector groups for defence-related SMEs are “**Aeronautics and Space**”, “Automotive, Transport and Logistics”, “ICT Industry and Services” and “Nano- and Micro-technologies”.

- ▶ **EDA CapTechs:** EDA promotes, facilitates and manages Research and Technology activities in 12 technology domains in order to develop knowledge and technologies needed for future defence capabilities. SMEs can register and participate in the EDA CapTechs – technology domains & networks according to the CapTechs rules.

CapTech Structure – “matrix”

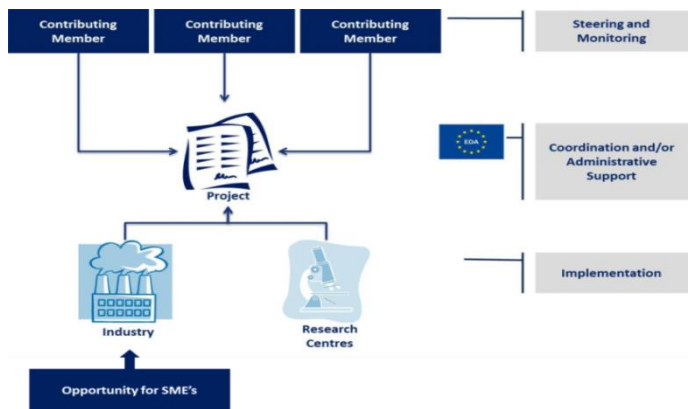


- ▶ EDA funded studies: SMEs can participate directly, in consortium or as subcontractors in the EDA's tendering procedures, notably for technical case studies and pre-feasibility studies.



- ▶ Defence research Joint Investment Programme – JIP (Category A): Aimed at top-down initiated bigger programmes (such as Force Protection, supported with 55M€; Innovative concepts and Emerging Technologies supported with 15 M€; or CBRN protection supported with 12 M€), these programmes lasts normally for 2 to 3 years, and are based on competition through calls for proposals. The participation of SMEs and academia can be promoted by the awarding criteria.

- ▶ Defence research targeted project (Category B): the EDA can support a contributing Member States' collaborative project, regardless of the technology used or its characteristics, provided that the project is bottom-up initiated and mainly underpinning research. Projects implemented so far have reached 5-6M€ (max.) and have lasted for about 3 years.



EDA collaborative instruments "Category B" Projects

Further information on EDA work on R&T is available at: <http://www.eda.europa.eu/what-we-do/eda-priorities/research-technology>



Tips to successfully manage cross-border partnership with companies

- ▶ If you plan to export your product, establishing a partnership with a company located in the targeted country can give you valuable assistance in overcoming obstacles related to national requirements and specificities.
- ▶ Valuable networking activities such as defence-related trade shows, brokerage events and theme days will help you build partnerships.
- ▶ In the framework of a partnership, signing a Non-Disclosure Agreement or, if appropriate, a consortium agreement is crucial to protect your interests. You can get help from a legal expert to deal with your Intellectual Property Right issues. NDIAs and defence-related clusters can also provide you with valuable assistance.

Intellectual property issues

One of the SMEs' strengths is their technological advancement in a specific domain. To highlight this advantage, SMEs should therefore focus on carrying out innovation activities.

How to apply for a patent

Protecting your intellectual properties by applying for a patent is a necessity for innovative companies. In the defence sector, patent application is subject to national laws and the normal practice requires filling out a national application prior to submitting an application in another State or at the EU level. The protection of certain innovations can require specific protection, which necessitates that your country will have to check whether the patent could require a specific classification. You are thus invited to apply first in your national Patent Office. A patent will give you the right to protect yourselves from third parties, by prohibiting the making, using or selling of the invention without the owners' consent.

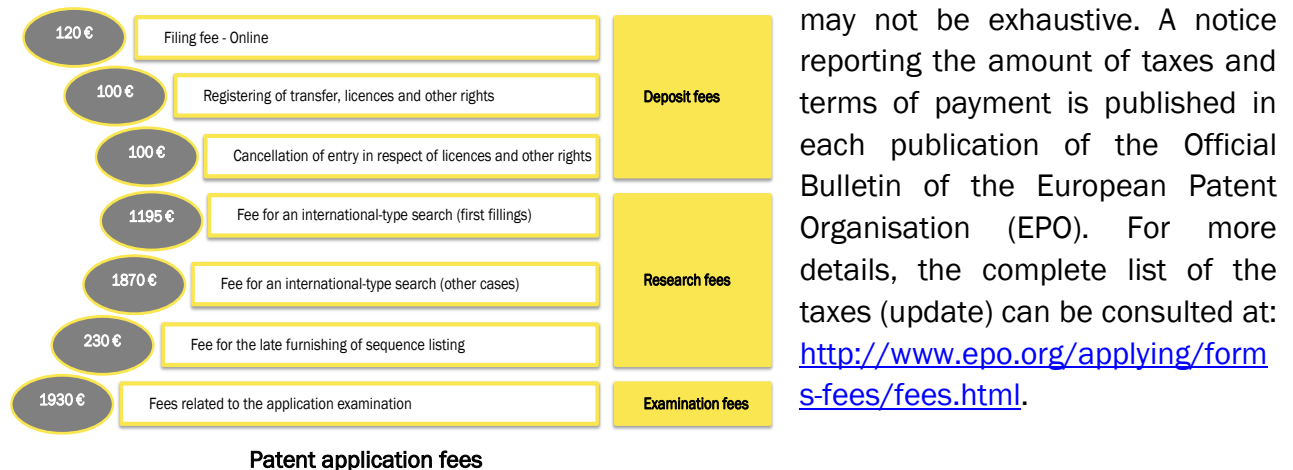
After the publication of the patent, you can extend its geographical scope, notably with the help of the European Patent Office (EPO).

The European Intellectual Property Rights (IPR) Helpdesk (<https://www.iprhelpdesk.eu/>) can support you free of charge on Intellectual Property matters. To use these services, or to train in events on Intellectual Property management, you will have to register on the helpdesk's website. There are three other IPR helpdesks worldwide: South East Asia IPR SME Helpdesk, China IPR SME Helpdesk and Latin America IPR SME Helpdesk.

Procedures related to patent applications are well described in the EPO website at <https://www.epo.org/learning-events/e-learning/modules.html?topic=0003>.

The deposit of a European patent application requires the payment of various taxes.

Expenses and fees mentioned in the figure below (originally from the EPO fee group "all fees")



may not be exhaustive. A notice reporting the amount of taxes and terms of payment is published in each publication of the Official Bulletin of the European Patent Organisation (EPO). For more details, the complete list of the taxes (update) can be consulted at: <http://www.epo.org/applying/form-s-fees/fees.html>.

How to buy existing patents

For several reasons and purposes, you may need to use existing patent(s). [European Patent Register](https://www.epo.org/searching/free/register.html) (<https://www.epo.org/searching/free/register.html>) contains all publicly held information on European patent applications.

How to negotiate a license

In some cases, depending on the invention and its potential applications, as well as your goal (for instance, commercialisation of the invention), it could be appropriate to negotiate a licensing deal with the owner instead of buying his patent.

It means that if the owner licenses its patent to your SME, you can manufacture the patented product. However, in return, following the agreement reached, you will need to pay either a lump sum or continuing royalties to the owner. The EPO website provides information for licensing agreement negotiation purposes.



Tips to successfully manage intellectual property issues

Definition of your innovation strategy:

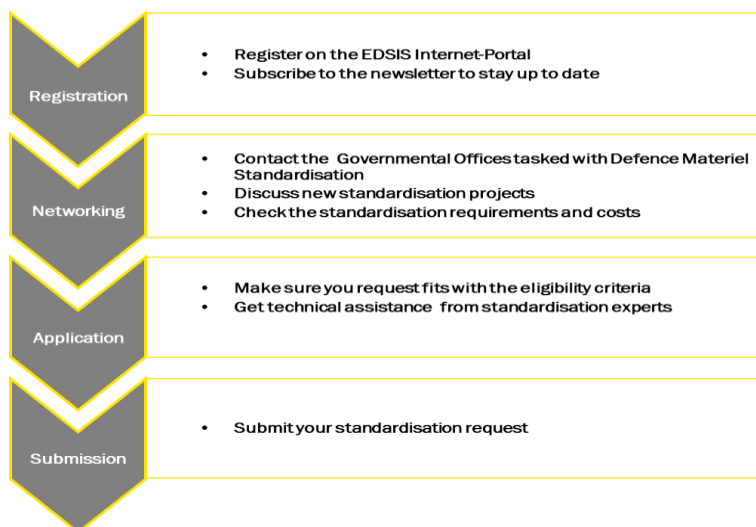
- ▶ Defining a very detailed business plan is important as it allows you to have a clear strategy for your business and to be more comfortable in managing potential difficulties.
- ▶ Use patent information available in patent databases (in particular on the European Patent office (EPO) website) to build your business strategies.

Protection of your innovation:

- ▶ Identify the patentable elements within your innovations and make sure they are patented early enough to avoid losing the invention to competitors.
- ▶ The protection of your innovation involves being clear about the contractual terms and IPR requires a precise analysis of the expected scope of the patent and its related costs. For export-oriented SMEs, make sure Intellectual Property is protected in all potential export markets. In the case of patents, it is important to bear in mind that a company generally has 12 months from the date of filing a national application to file the same patent in other countries.

The EU standardisation

European standards are drawn to ensure that products are safe and reliable. Having a product certified by European standards is therefore important. The development of those standards is managed by the European Committee for Standardisation (CEN), except for the electro-technical and telecommunications sectors that are respectively managed by CENELEC and ETSI.



If you would like to have more information on which innovations exist concerning your product, it is possible to search the European standards through the <http://standards.cen.eu/dyn/www/f?p=CENWEB:105::RESET>. By clicking on any standard, the website provides a complete list of national level organisms to be contacted. Also, a list of the national standardisation bodies in

Europe is presented on the Small Business Standards website (<http://sbs-sme.eu/standards/standardisation-bodies>).

The defence sector uses either civil, dual-use or specific standards. EDA established the two following tools to manage knowledge on EU standardisation:

- ▶ **EDSIS** (European Defence Standards Information System) which is the central portal for all European defence material standardisation services (<http://edsis.eda.europa.eu/>).
- ▶ **EDSTAR** (European Defence Standards Reference System) is a web platform that contains guidance on the use of roughly 2,000 standards and “standard-like” specifications to optimise effectiveness, efficiency and interoperability of their application (<https://edstar.eda.europa.eu/>).
- ▶ EDA in cooperation with the CEN-CENELEC-ETSI/DSCG (Defence Standardisation Coordination Group) developed a new procedure for developing hybrid standards. Hybrid standards in this procedure are standards that apply both to security and defence. Any SME can propose a Hybrid Standard by using the template Work Item Proposal ([WIP](#)). See EDSIS website for further details.



Tips to comply with EU standards and to integrate the process of standard creation

Be compliant with EU standards:

- ▶ Get support and advice from your national defence standardisation authority.
- ▶ Check that the cost impact of standardisation on your product is offset by your ability to sell it.
- ▶ Stay up to date on the evolving legislation related to standard requirements and how to take advantage of those.
- ▶ Become familiar with the standardisation projects that are being discussed and get your product ready for the new upcoming standards.

How to integrate the process of standard creation:

- ▶ If you are in an innovative industry that is not regulated, put in place the different motions that will allow your product to become the new standard.
- ▶ Build strong relationships with defence-related authorities.
- ▶ Build partnerships with influential companies in the targeted sector.
- ▶ Network with defence standardisation experts.
- ▶ Get technical assistance from standardisation experts to improve your competitiveness.
- ▶ Register on EDSIS in order to gain access to new standardisation projects and have the opportunity to discuss them.
- ▶ Follow the standardisation training manuals available on EDSIS.
- ▶ Use the WIP file for drafting your standardisation requirement.
- ▶ Build close ties with the Governmental Offices/Agencies of European Member States tasked with Defence Materiel Standardisation in order to submit your standardisation request.
- ▶ Check that your product abides by all the eligibility criteria for a defence standardisation project.