

The SME Innovation Alliance committee has suggested I directly address the brief - our “domestic framework - its affordability, efficiency and the fostering of innovation”.

Outside of mega-corporations the most normal route for innovation is via a start-up.

A start-up could be from a big business eg Apple. Steve Jobs and Steve Wosniak asked their employer, Hewlett Packard, 5 times to pursue their idea but were turned down 5 times. They approached Digital Equipment Corporation, then the world’s second largest computer manufacturer who said, and I quote Steve Wosniak - “Nah, it’s just a passing hobby”. They left HP and formed a start-up.

Another start-up could be from an academic institution - a good example being one of our members, Concrete Canvas in Wales - please take a look at their web-site and see some great British innovation

Or it could be from a garden shed or garage eg Trevor Baylis, Sir James Dyson

They all share one thing, an individual or small group of individuals that firmly believe they are on to something, not necessarily for financial gain but a conviction that they can develop something new and, by definition, improve over what already exists - or what you guys call “prior art”.

Again, by definition a start up is very small, initially funded by the owner(s) putting up their personal cash.

SME start-ups are the standard model for Government grant funding and we all know these SMEs have serious issues in raising investment - not a subject to discuss in today’s

forum. These SMEs are also government's main targeted source of growth for (and I quote the PM , Chancellor and other leading politicians here) "the next Twitter, Google, Facebook etc".

Just try and put yourself in their position please, you have just started -up - using your own savings - struggling with your time and funding of your development work.

Judge Birss told SMEs at an SME Innovation Alliance meeting that he thought it reasonable that a High Court patent enforcement case cost £500K (Gowers reported £750K in 2006). We all know they were both only referring there to legal costs and were not referring to the bigger costs to society perhaps - the cost of the innovators typically running the SMEs hugely diverted from their business and from further invention development - and their costs as well which are never included in any such patent litigation figures. IPEC Costs are lower but it excludes itself with its arbitrary low damages limit from VALUABLE patent cases - those that could be the very foundation for "the next Twitter, Google, Microsoft etc".

Let's put that another way. No start-up SME with a bright idea like Apple can thus afford to litigate their patents in the UK. Yet the patent is published by government and the idea becomes prey to mega-corporations who view SMEs as their feedstock. Ironically Steve Wosniak of Apple implied in a recent documentary that is how Apple now views SME patents and he added this is also the case for many other corporations that he regularly has contact with. His statement was then confirmed by others in the very same documentary.

The UK remains the only Western civilised country that has no penalty whatsoever for infringing a patent. I personally don't mean a criminal penalty as I made clear at a previous Westminster legal forum but the UK ought to show that infringing patent rights is not an acceptable norm and a financial penalty deterrent should be put in place as a minimum.

If that wasn't bad enough, the UK offers countless opportunities for infringers to dodge patents by allowing litigation that attacks every single examination decision of the UKIPO to the extent that their opinions have become worthless in reality.

So the present patent court system not only systematically exposes new but patented UK technology to the vultures, it uniquely doesn't make any efforts to stop them. That cannot be good policy for UKPLC.

But all of these are not the biggest problem!

The biggest problem is all those who refuse to accept that the current patent system is unworkable for almost every single innovative SME; these people are damaging the economy and job creation. The UK is crying out for a system that meets the real needs of SMEs, as well as others, innovating with 21st century technology - one that actually IS affordable, efficient and fosters innovation.

