Insee
Measuring, understanding

Leasing of intellectual property and similar products, except copyrighted works (ISIC 77.40)

Voorburg Group 2026

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01

Scope of the branch 77.40

77.40 - Leasing of intellectual property and similar products, except copyrighted works

This class includes…

- *« … the activities of allowing others to use intellectual property products and similar products for which a royalty payment or licensing fee is paid to the owner of the product (i.e. the asset holder) »*
- **Patents** as a result of R&D activities in any industry sector - 20-year validity, *eg pharmaceutical or mechanical technologies*
- **Trademarks, franchise** - *eg McDonald's franchise*
- **Others** : Mining prospection, internet domains, architectural plans, industrial schemes, taxi licences…

The majority of companies in this sector generate only a portion of their turnover from this activity

77.40 - Leasing of intellectual property and similar products, except copyrighted works

This class excludes

- acquisition of rights and publishing (divisions 58 and 59)
- producing, reproducing and distributing copyrighted works (books, software, film) (divisions 58 and 59)
- streaming of content, such as software and books, by content publishers (division 58)
- audio book streaming activities not associated with its publishing (class 6010)
- leasing of real estate (6810) and tangible products (assets) (771, 772, 773)

Blurred line: ISIC 74.91 (Patent brokering/management services)

Key figures for French market

2.0 % of total French Services turnover (rank 13/116)
1.4% of total French Services exports (rank 22/116)

22.1 €billions turnover (national accounts)

- High internationalization, dominated by multinational corporations

Market	€billions turnover	%
BtoB	9.8	44 %
BtoC	0	0%
BtoE	12.3	56 %
BtoAll	**22.1**	**100,0**

High and dynamic patent applications (+3,3 % per year)

- Drivers: Automotive, aerospace, pharmaceutical, public research

Source : Inpi	Year 2025
Patent applications	16,807
Trademarks applications	103,645

Economic Models & Pricing Structures

Franchises

- Initial Entry Fee: Lump sum (e.g., €30,000 for restaurant franchises).
- Royalties: 3–5% of franchisee's turnover (e.g., 4% for restaurants).
- Commercial Margins: Revenue from supplying products/equipment to franchisees.

Transfer Pricing

- Sanofi: Cost-plus method.
- Michelin: Profit-split method

Patents : No Standard Price

- Exclusivity (monopoly power) - Cross-Licensing Agreements to avoid litigation and share technologies -reduce individual licensing costs (eg telecoms)
- Remaining Validity (up to 20 years) - Royalty rates decline as expiration approaches (e.g., pharma: generics reduce value).
- Market Size/Potential - global pharmaceutical patents > niche mechanical patents

02

Methodology for SPPI measurement

Key features of the French SPPI framework

Frequency:

- Quarterly, published within 60 days of reference quarter

Granularity:

- NACE 4-digit level (vs. 2-digit required by FRIBS)

Prices:

- Basic prices (including intra-group transactions and product subsidies / excluding product taxes)
- Market prices

Collect:

- We call on investigative engineers to interview companies and identify the products and services whose prices will be collected and monitored

Sampling 77.40

ESA

- Standard source for SPPI samples (mainly by cut-off)
- Partial and inaccurate for 77.40 branch (16 units)

7-digits Classification		€ Millions
7740Z00	Exploitation of industrial property rights (licences, patents, trademarks, franchises, etc.)	2 482
7740Z11	Patent royalties	1 525
7740Z12	Licences for trademarks and franchises	772
7740Z18	Taxi licence leases	2
7740Z19	Other licensing services, such as plans and models	2
7740Z91	Intra-group services—Patent royalties	182
7740Z92	Intra-group services—Licences for trademarks and franchises	856
7740ZB0	Leases of intellectual property and similar products	92
7740ZO0	Leases of intellectual property and similar products, excluding works subject to copyright	199

Sampling 77.40

ESA

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Main companies that applied for patents and trademarks in 2021, 2022 and 2023

Sampling 77.40

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FINANCES PUBLIQUES

Main companies reporting royalties among the « other operating income » in their tax return

Sampling 77.40

ESA

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49 units

Price measurement methods

Method	Description	Number of price indices
Unit Price	Royalty billed per unit of product (eg: pharma - per drug box)	25
Turnover Based	Royalty as % of unit sales price for a specific product (eg: pharma, industrial processes) *Patent Price = (Royalty Rate) × (Product Price Index)*	37
Global Turnover Based	Royalty as % of total revenue (eg: franchising) Challenge: no specific product → Use sector-specific price indices (eg: automotive IPP for Renault patents) *Patent Price = (Royalty Rate) × (User Sector Price Index)*	256
Profit Margin Based	Royalty as % of margin (specific product or global) → Handled similarly to turnover-based methods.	48

Summary figures for 77.40 SPPI methodology

Sample :

- 3 sources
- 49 units

Price measurement:

- 4 methods
- 369 price indices

Tools:

- 1 app
- Around 1000 series collected (including exchange rates)
- 4 published SPPIs (C_7440, CM_7440, E_7440 and P_7740)

03

Improvements and challenges

Within next branch renewal (2029-2030)

(forward-looking considerations)

Sampling small businesses

- Large enterprises are automatically over-represented given the sources used
  => find a way to identify start-ups eg

Reintegration of public research

- 1,500 to 2,000 patents per year
- Method for lump-sum payments

New classification splits 77.40Z

- 77.40G : Trademarks and franchise
- 77.40H : Patents and other leasing of intellectual property
  => if it allows better reporting in ESA, implement a wider sample
  => also try to produce two sud-indices for both sub-branches if price dynamics differ

Thanks for your attention

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Measuring, understanding

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