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Analysis of today
Assessment of tomorrow

By: Tomorrow's Affairs Staff

London changes the rules – how is the new technology licensing regime shaping UK innovation policy?

When discussing the consequences of Brexit, the focus is usually on trade flows, tariffs, and relations with the EU. However, behind the major headlines, there is an ongoing process that will determine, in the long term, how technology is developed and transferred in the UK.

The end of September marked a key milestone: the UK's Competition and Markets Authority (CMA) recommended replacing the existing technology licensing regime, inherited from the European Union, with a national framework.

This is not merely a technical matter of antitrust rules but a move that will define the rules for innovation, university spin-offs, and large industrial consortia for the next decade.

What changes

At the heart of this development is the so-called TTBER, or Technology Transfer Block Exemption Regulation—a framework that, for decades, has allowed certain clauses in technology licensing agreements in the EU to be considered compliant with competition rules in advance.

After Brexit, the UK adopted this regime as a transitional solution, but it expires on 30 April 2026. The CMA is now recommending an entirely new regime – the UK's 'block exemption' for technologies – which would last for up to 12 years. This signals both continuity and an ambition to move beyond dependence on Brussels' regulatory legacy.

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The recommendation has two main aims: greater clarity for the economy and a more flexible framework that keeps pace with modern technologies.

The EU TTBER was drafted at a time when databases and digital algorithms were secondary topics, but today they are central to innovation. The new British regime explicitly recognises these elements and removes outdated provisions, such as the rule on 'utility models', which in practice did not play a role in the UK market.

Political and economic messages

The essence of this move extends beyond legal considerations. It sends a clear message that the UK aims to build its own technology policy, independent of the EU.

At a time when Brussels is intensifying regulation – from the Digital Markets Act to the AI Act – London is choosing a path of deregulation and adaptation. It is therefore seeking to position itself as a destination where research and development can progress with fewer bureaucratic barriers.

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However, this does not mean the framework is "softer". The CMA has made the boundaries clear: licensing arrangements that restrict competition will remain subject to oversight and potential fines.

The new regime offers predictability – contracts that fit within defined frameworks will not have to undergo lengthy procedures. This reduces legal uncertainty, which is particularly important for universities, research centres and start-ups that often operate on the edge of their financial viability.

What changes in real business

The greatest effect of this move will be felt on

three levels. The first is the university and research sector. The UK has a strong tradition of spin-off companies emerging from academic laboratories.

For these organisations, it is crucial that knowledge and patent licensing agreements are clear and legally secure. The new framework, if adopted as proposed by the CMA, should accelerate that process and reduce costs.

> A 12-year validity provides a horizon of predictability that contrasts with the continent's frequent regulatory adjustments

The second level is multinational companies operating in both the EU and the UK. They will face a dual regime. In Brussels, they will have to comply with the TTBER; in London, the new TTBEO. This brings additional compliance costs but also the possibility that the UK market will become more attractive if it offers greater flexibility and less legal complexity.

The third level is global competition. London is seeking to establish itself as a centre for technologies that require long development cycles – quantum computers, biotechnology, and advanced materials.

For such projects, legal certainty over extended periods is crucial. The proposal for the new framework to have a 12-year validity clearly targets these industries. It provides a horizon of predictability that contrasts with the continent's frequent regulatory adjustments.

Risks and dilemmas

Such a move also carries risks. If the boundaries are defined too broadly, large companies could use licensing agreements to covertly control the market. That is the constant dilemma of any antitrust policy based on block exemptions: how far in advance can one trust that legal certainty will not become a tool for abuse?

The CMA claims that the framework is sufficiently precise, while critics warn that everything will depend on how the rules are applied and whether the regulator has the power to intervene when abuses occur.

At the same time, the different regimes in the EU and the UK mean that global companies must adapt contracts to the two systems, which raises costs and can push smaller actors out of the UK market.

> The government claims that this is the essence of sovereignty—passing rules adapted to the national interest

However, this very difference can be an advantage if the UK proves to be faster and more flexible than the Brussels bureaucracy.

A significant risk is political. The new framework is a clear signal that the UK is choosing a path of regulatory diversification, but it fits into a wider post-Brexit narrative that remains internally divisive.

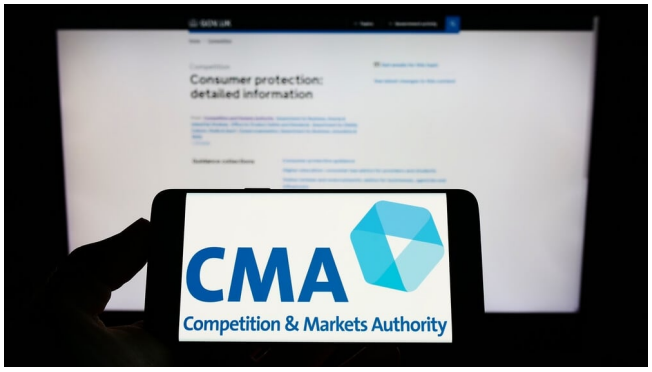
In domestic politics, part of the opposition is already warning that the country is moving further away from European unity, while the government claims that this is the essence of sovereignty—passing rules adapted to the national interest.

Challenges to come

What can be expected in the coming months? The government will decide whether to accept the CMA's recommendations and how to translate them into law. Adopting the proposed framework could lead to the UK establishing a fully independent technology licensing system as early as spring 2026.

In the medium term, the new framework may increase the number of technology transfer deals in Britain, as legal certainty encourages

universities and researchers to commercialise their knowledge.



The UK is now trying to find a middle ground—enough protection against abuse, but without stifling innovation - CMA

This opens up space for a greater influx of foreign investment in research projects, especially from countries that want to avoid strict European rules. Such developments inevitably put pressure on the EU to modernise its own TTBER, as the British example could expose the weaknesses of the old regime.

In the longer term, this issue fits into the larger picture of the global regulatory race. The US has a tradition of a flexible antitrust approach to innovation. The EU is moving towards more restrictive controls.

The UK is now trying to find a middle ground—enough protection against abuse, but without stifling innovation. If it manages to maintain that balance, it can become an attractive destination for global projects in future technologies. If it fails, it runs the risk of becoming a peripheral market between two larger blocs.

The CMA's recommendation is not a legal detail of interest only to competition experts. It is an indicator of how the UK envisions its own future in technology and innovation. Artificial intelligence, quantum systems, and biotechnology are rapidly redefining the global economy, making the licensing rules a strategic issue.

Great Britain has decided not to wait for the EU and to set its own rules. Whether the move provides an advantage or introduces new restrictions will depend on how cleverly the new framework is implemented and how quickly it proves to be an advantage over Europe's slow bureaucracy.

If the objective is to position the UK as a hub for innovation, then the regulator has just set up a framework to assess the extent to which a single country can single-handedly shape the rules of the global technology game.