

IPR, IPR Awareness among MSMEs in India

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Abstract: *Small and medium enterprises (hereinafter referred to as SMEs) are the backbone of developing economies. SMEs represent over 90% of enterprises in these economies. The driving force behind these SMEs is the large number of innovations which has led to the growth of the national economy through employment creation, productive investments and value-added exports. Since this growth is innovation based therefore intellectual property rights (hereinafter referred to as IPRs) have assumed an unprecedented significance. In the knowledge-based society of our times IPRs have a profound influence on the social, economic and technological progress. New products, brands and creative designs appear almost daily on the market that are the result of continuous innovation and creativity in SMEs. Thus In order to improve the business environment and encourage innovation in this sector it is necessary to provide robust policy framework and formidable legal protection to the IPRs of SMEs especially against unauthorized exploitation. The researcher wants to examine the role supporting Institutions create awareness about strategic benefits and enable to protect Innovative & creative capacity of SME.s through Intellectual property rights in India*

I. Introduction:

"Knowledge Has Become The Primary Ingredient Of What We Make, Do, Buy, And Sell."

- Thomas Stewart (Intellectual Capital (1997).

The phrase "Knowledge-based economy" describes the new economic environment in which the generation and management of knowledge play a predominant part in wealth creation, as compared with the traditional factors of production, namely land, labour and capital. Intellectual property (IP) is a method for legally protecting this knowledge or intellectual activity. The system of Intellectual Property (IP) rights creates a mechanism to resolve the "Appropriability" problem, by creating property rights over knowledge. At the SMEs level, IP has been a significant source of competitive advantage of business enterprises and a major driver of their competitive strategies. Looking from the perspective of developing nations like India where SMEs represent over 90% of enterprises, IP protection cannot be overlooked anymore. SMEs are often the driving force behind a large number of innovations and contribute to the growth of the national economy through employment creation, productive investments and value-added exports. However, various ad hoc surveys and studies indicate that, despite the importance of SMEs for the vitality of the economy and the potential offered by the IP system for enhancing the competitiveness of SMEs, most of them do not use or do not get the best out of their use of the IP system. Their innovative and creative capacity is not always fully exploited as many are not aware of the intellectual property system nor the protection it can provide for their inventions, brands, and designs. To help SMEs more fully utilize their IP assets in their business activities, India will have to establish a comprehensive policy framework to assist entrepreneurs, SME-support institutions in increasing awareness and use of the IP system among SMEs.

II. Intellectual Property Rights & its Tools:

Intellectual Property Rights are legal rights, which result from intellectual activity in industrial, scientific, literary & artistic fields. These rights are Safeguard creators and other producers of intellectual goods & services by granting them certain time-limited rights to control their use. Protected IP rights like other property can be a matter of trade, which can be owned, sold or bought. These are intangible and non exhausted consumption.

2.1 Patent: A patent is an exclusive right granted for an invention, which is a product or a process that provides a new way of doing something, or offers a new technical solution to a problem. It provides protection for the invention to the owner of the patent. The protection is granted for a limited period, i.e 20 years. Patent protection means that the invention cannot be commercially made, used, distributed or sold without the patent owner's consent. A patent owner has the right to decide who may - or may not - use the patented invention for the period in which the invention is protected. The patent owner may give permission to, or license, other parties to use the invention on mutually agreed terms. The owner may also sell the right to the invention to someone else, who will then become the new owner of the patent. Once a patent expires, the protection ends, and an

invention enters the public domain, that is, the owner no longer holds exclusive rights to the invention, which becomes available to commercial exploitation by others. General Principles governing the Patent System in India are formulated by Department of Industrial policy & promotion.(DIP&P).

2.2 Trademark: A trademark is a distinctive sign that identifies certain goods or services as those produced or provided by a specific person or enterprise. It may consist of drawings, symbols, three- dimensional signs such as the shape and packaging of goods, audible signs such as music or vocal sounds, fragrances, or colours used as distinguishing features. It provides protection to the owner of the mark by ensuring the exclusive right to use it to identify goods or services, or to authorize another to use it in return for payment.

Registration of trademark is prima facie proof of its ownership giving statutory right to the proprietor. Trademark rights may be held in perpetuity. The initial term of registration is for 10 years; thereafter it may be renewed from time to time.

2.3 Copyrights and related rights: Copyright is a legal term describing rights given to creators for their literary and artistic works. The kinds of works covered by copyright include: literary works such as novels, poems, plays, reference works, newspapers and computer programs; databases; films, musical compositions, and choreography; artistic works such as paintings, drawings, photographs and sculpture; architecture; and advertisements, maps and technical drawings. Copyright subsists in a work by virtue of creation; hence it's not mandatory to register. However, registering a copyright provides evidence that copyright subsists in the work & creator is the owner of the work.

Creators often sell the rights to their works to individuals or companies best able to market the works in return for payment. These payments are often made dependent on the actual use of the work, and are then referred to as royalties. These economic rights have a time limit, (other than photographs) is for life of author plus sixty years after creator's death. The Copyright Office is to be under the immediate control of a Registrar of Copyrights to be appointed by the Central Government, who would act under the superintendence and directions of the Department of Higher Education, Ministry of Human Resource Development.

2.4 Geographical Indications (GI): GI are signs used on goods that have a specific geographical origin and possess qualities or a reputation that are due to that place of origin. Agricultural products typically have qualities that derive from their place of production and are influenced by specific local factors, such as climate and soil. . Place of origin may be a village or town, a region or a country. It is an exclusive right given to a particular community hence the benefits of its registration are shared by the all members of the community. Recently the GIs of goods like Chanderi Sarees, Kullu Shawls, Wet Grinders etc have been registered. General Principles governing the Geographical Indication System in India formulated by Geographical Indication Registry, Intellectual Property Building, Chennai.

2.5 Industrial Design: Industrial designs refer to creative activity, which result in the ornamental or formal appearance of a product, and design right refers to a novel or original design that is accorded to the proprietor of a validly registered design. Industrial designs are an element of intellectual property. The essential purpose of design law is to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The existing legislation on industrial designs in India is contained in the New Designs Act, 2000 and this Act will serve its purpose well in the rapid changes in technology and international developments. This replacement Act is also aimed to enact a more detailed classification of design to conform to the international system and to take care of the proliferation of design related activities in various fields. General Principles governing the Industrial Design System in India are formulated by DIP&P.

2.6 Trade Secrets: It may be confidential business information that provides an enterprise a competitive edge may be considered a trade secret. Usually these are manufacturing or industrial secrets and commercial secrets. These include sales methods, distribution methods, consumer profiles, and advertising strategies, lists of suppliers and clients, and manufacturing processes. Contrary to patents, trade secrets are protected without registration. The Trade secret, traditional knowledge are also interlinked / associated with the geographical indications.

2.7 Layout Design for Integrated Circuits: Semiconductor Integrated Circuit means a product having transistors and other circuitry elements, which are inseparably formed on a semiconductor material or an insulating material or inside the semiconductor material and designed to perform an electronic circuitry function. The aim of the Semiconductor Integrated Circuits Layout-Design Act 2000 is to provide protection of Intellectual Property Right (IPR) in the area of Semiconductor Integrated Circuit Layout Designs and for matters connected therewith or incidental thereto.

The main focus of Semiconductor Integrated Circuits Layout Design Act 2000 is to provide for routes and mechanism for protection of IPR in Chip Layout Designs created and matters related to it. The SICLD Act empowers the registered proprietor of the layout-design an inherent right to use the layout-design, commercially exploit it and obtain relief in respect of any infringement. The initial term of registration is for 10 years; thereafter it may be renewed from time to time. Department of Information Technology Ministry of Communications and Information Technology is the administrative ministry looking after its registration and other matters.

2.8 Protection of New Plant Variety: The objective of this act is to recognize the role of farmers as cultivators and conservers and the contribution of traditional, rural and tribal communities to the country's agro biodiversity by rewarding them for their contribution and to stimulate investment for R & D for the development new plant varieties to facilitate the growth of the seed industry.

The Plant Variety Protection and Farmers Rights act 2001 was enacted in India to protect the New Plant Variety; the act has come into force on 30.10.2005 through Authority. Initially 12 crop species have been identified for regt. i.e. Rice, Wheat, Maize, Sorghum, Pearl millet, Chickpea, Green gram, Black gram, Lentil, Kidney bean etc. India has opted for sui- generic system instead of patents for protecting new plant variety. Department Agriculture and Cooperation is the administrative ministry looking after its registration and other matters.

2.9 Utility Model Rights: The rights granted under the utility model are somewhat identical to those conferred upon by the patent, but are more considerable for using the term "incremental inventions." Sometimes, words like "petty patent," "innovation patent," "minor patent" and "small patent" are used in reference to the utility model. Such models are considered to be more suitable, particularly for the small-scale enterprises, which in turn make the "minor" improvements with the adaption of the existing products. Utility models are more commonly used for the mechanical innovations. The utility model rights are recognized as the registered rights, which provide the owner "exclusivity" protection in terms of the invention. The utility model working in Indonesia and Finland is termed as "Petty Patent." Such models are deemed to be more suitable for small- and medium-sized enterprises that make few improvements. Petty patent-Thailand, Simple patent-Indonesia, Utility solution-Vietnam, Utility innovation-Malaysia, Innovation patent-Australia, Utility patent- China

III. Intellectual property in India:

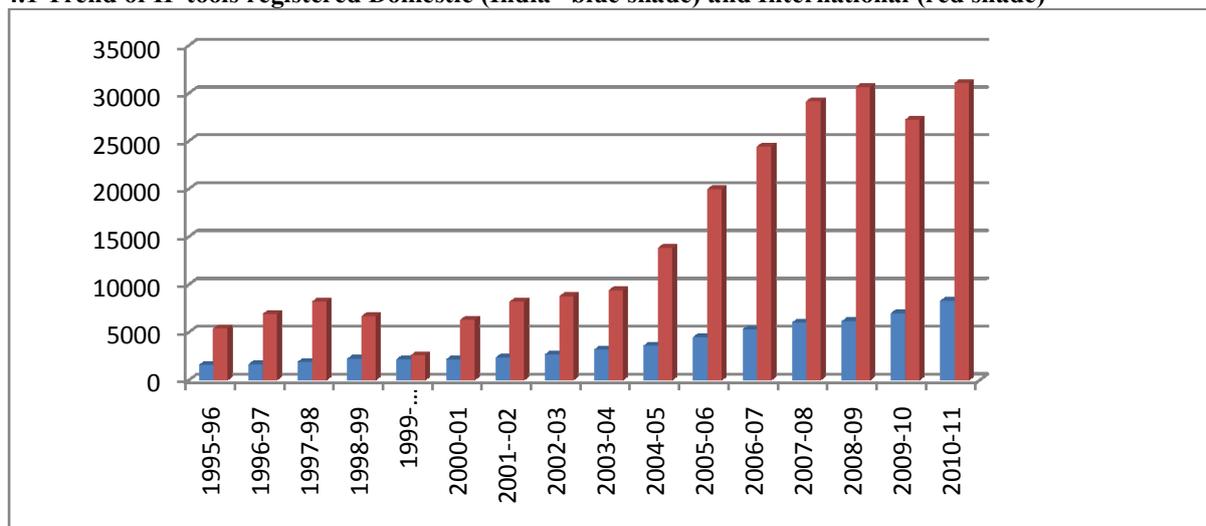
Intellectual property in India is administered by five central Ministries in terms of the Allocation of Business Rules of the Government. **Industrial property** which includes patents, trademarks, industrial designs and geographical indications is regulated by the *Department of Industrial Policy and Promotion of the Ministry of Commerce & Industry*. **Copyrights** are looked after by the Ministry of Human Resource Development. Legislation on Plant Varieties and Farmers' Rights Protection is handled by the Ministry of Agriculture.

The Ministry of Information Technology is responsible for implementation of the Information Technology Act and the Semiconductor IC Layout Designs Act. Implementation of the Biological Diversity Act is the responsibility of the Ministry of Environment and Forests. Besides these administrative Ministries, there are a number of other Ministries and Departments such as Information & Broadcasting, Tribal Affairs, Culture, Ministry of Micro, Small & Medium Industries which are also involved with either enforcement or commercialization of **IP**.

According to K S Kardam, deputy controller of patents and designs, and head, Patent Office Delhi, Union ministry of commerce and industry, "India is way behind in IP applications globally. In 2010, about 490,226 patent applications were filed in the USA; 391,177 in China; 344,598 in Japan; 170,101 in Korea; 150,961 in the European Patent Office, and 59,254 in Germany, compared with a mere 39,400 in India along with 7,589 design applications." About 80 per cent of China's patent applications are filed by small companies. This is the reason for China's global competitive advantage.

IV. Trends in IPR-At a Glance

4.1 Trend of IP tools registered Domestic (India –blue shade) and International (red shade)



Note: IP tools registered in India is steady growth

4.2 Trend in Patent Applications

Year	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 Up to Aug'12
Filed	17466	24505	28940	35218	36812	34287	39400	43183	18487
Examined	14813	11569	14119	11751	10296	6069	11208	10812	3734
Granted	1911	4320	7539	15316	16061	6168	7509	4433	2129

4.3 Trend in Design applications

Year	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 Up to Aug'12)
Filed	5521	6402	6557	6092	7589	8373	3243
Examined	4976	6183	6446	6266	6277	6511	2926
Registered	4250	4928	4772	6025	9206	6590	3757

4.4 Trend in Trade Marks Applications

Year	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 Up to Aug'12)
Filed	103419	123514	130172	141943	179317	183593	78466
Examined	85185	63605	105219	25875	205065	116263	83681
Registered	109361	100857	102257	67490	115472	51765	23410

4.5 Geographical Indications

Year	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13(Aug'12)
Filed	33	37	44	40	27	148	5
Registered	3	31	45	14	29	23	6

4.6 Comparative Trends of IPRs Granted/Registered

Year	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Patents	7539	15316	16061	6168	7509	4433
Designs	4250	4928	4772	6025	9206	6590
Trade Marks	109361	100857	102257	67490	115472	51765
G.I.R.	3	31	45	14	29	23

V. Effective IP Management:

Effective IP management enables companies to use their intellectual property to improve their competitiveness and strategic advantage. Acquiring IP protection is a crucial initial step, but effective IP management means more than just protecting an enterprise's inventions, trademarks, designs, or copyright. It also involves a company's ability to commercialize such inventions, market its brands, license its know-how to other companies, conclude joint ventures and other contractual agreements involving IP, and effectively monitor and enforce its intellectual property rights. Indeed, a company's portfolio of IP must be viewed as a collection of key assets that add significant value to the enterprise.

SMEs can also benefit from the wealth of technological and commercial information available in patent and trademark databases to learn about recent technological breakthroughs, identify future partners, and find out about the innovative activities of competitors. Managing IP effectively and using it to devise business strategies is an increasingly critical task for entrepreneurs worldwide.

VI. Enhancing Competitiveness through IP Protection:

Companies that dedicate time and resources to protecting their intellectual property can increase their competitiveness in a variety of areas. Intellectual property protection will help in:

- preventing competitors from copying or closely imitating a company's products or services;
- avoiding wasteful investment in research and development (R&D) and marketing
- creating a corporate identity through a trademark and branding strategy
- negotiating licensing, franchising or other IP-based contractual agreements
- increasing the market value of the company
- acquiring venture capital and enhancing access to finance
- obtaining access to new markets

In addition, a careful search for conflicting existing IP rights, and the examination of applications by IP Offices can help an enterprise to avoid conflicts and unnecessary litigation.

VII. Intellectual property offers many opportunities for SMEs:

IP affects SMEs in almost every aspect of business development and competitive strategy: from product development to product design, from service delivery to marketing, and from raising financial resources to exporting or expanding businesses abroad through licensing or franchising.

IP may generate an income for SME through the licensing, sale, or commercialization of the IP-protected products or services that may significantly improve an enterprise's market share or raise its profit margins. IP rights enhance the value or worth of SME in the eyes of investors and financing institutions. The strategic utilization of IP assets can, therefore, substantially enhance the competitiveness of SMEs.

SMEs should make sure that they are ready to face the challenge and take measures to exploit their IP and protect it wherever possible. Investing in equipment, property, product development, marketing and research can strongly enhance company's financial situation by expanding its asset base and increasing future productivity. Acquiring intellectual property may have a positive effect. Markets will value company on the basis of its assets, its current business operations and expectations of future profits. Investment in developing a good IP portfolio is, therefore, much more than a defensive act against potential competitors.

VIII. Awareness of IPR benefits to the MSMEs:

Awareness of IPR benefits to the MSMEs is mainly on two fronts. Firstly, how they can protect their creations i.e. to protect their own *intellectual property rights* and secondly, how they can avoid violating *intellectual property rights* of others. Furthermore, this increased awareness will encourage MSMEs to make better use of IPR system and make it an integral part of their business strategy. The Ministry intends to help MSMEs to

understand IPR from business perspective as well as exposes the *IPR* needs of the MSMEs to policy makers through awareness and capacity building programmes.

IX. Institutions working for building awareness among MSMEs in India.

9.1 National Institute of Intellectual Property Management

National Institute of Intellectual Property Management (NIIPM) is set up as a national centre of excellence for training, management, research and education in the field of Intellectual Property Rights. The Institute caters to the need of training of Examiners of Patents and Designs, Examiners of Trademarks & Geographical indications, IP Professionals, IP managers in the country, imparting basic education for user community, Government functionaries & stake holders involved in creation, commercialization and management of intellectual property rights. The institute also facilitates on research on IP related issues including preparation of study reports and policy analysis of relevance to the Government. These activities are not addressed by any other agency in the country at present.

The Patent Information System (PIS) was established by Government of India in 1980 to maintain a comprehensive collection of patent specifications and patent related literature on a worldwide basis to meet the need for technological information, of various users in R&D establishments, Government organizations, Industries, Business, inventors and other users enabling them to take informed business decisions.

NIIPM and PIS both, functioning under the Ministry of Commerce and Industry are in –housed in the same building at Nagpur. NIIPM is catering to the needs of the four IPR components namely, patents, Designs, Trade Marks and geographical Indications under the administrative control of the Controller General of Patents, Designs, and Trademarks.

9.2 National Intellectual Property Organization:

NIPO is an umbrella initiative destined to put India on the map of intellectual superpowers. NIPO's mandate includes developing policy initiatives in the area of **IP**; harnessing Intellectual Property assets & knowledge to generate economic wealth; help & assist individuals & organizations in capacity building and work as a platform for development, promotion, protection, compliance & enforcement of Intellectual Property & *knowledge* including through interactions with other organizations in **India** and abroad which are active in this field can record your website under intangible asset provided you meet all the recognition criteria.

NIPO is dedicated to mobilizing the use of intellectual property **for** economic and social development by creating an IP culture and enhancing knowledge & competencies in tune with the global environment. NIPO works for advancing an intellectual property *agenda* that promotes business practices, commercial infrastructure and law fostering economic growth through efficient development, use and exchange of *IP rights* at the point where technology development, intellectual property rights, and jobs creation all intersect.

NIPO provides all stakeholders with a strong voice on IP matters affecting their future business through regular publications, meetings and conferences to both educate and engage the public in debate on IP enforcement, trade and exchange, IP management, litigation, alternative dispute resolution and related issues. NIPO is entitled to receive foreign contributions under the Foreign Contribution Regulation Act and contributions to NIPO are exempted u/s 12A and 80G of the Income Tax Act

9.3 National Manufacturing Competitiveness Council (NMCC):

The Government of India has announced in the 2005-06 Budget regarding setting up of the "National Manufacturing Competitiveness Council (NMCC)" which visualized a National Manufacturing Competitiveness Programme (NMCP) to enhance the competitiveness of the SMEs sector. One of the components of the NMCP is "Building Awareness on Intellectual Property Rights (IPR)" for the MSME. Ten facilitation centers have already been established in different parts of the country spreading awareness about IPR regime among the MSMEs. The Government of India provides 90 per cent financial support for awareness and sensitization programmes, pilot studies with associations/clusters' interactive seminars and workshops, short-term and long-term training programmes, IP facilitation centers, grant of patents and GIs registration, activities with international agencies and contingencies expenditure

9.4 National Institute for Micro, Small and medium Enterprises (NI-MSME)

NI-MSME, the pioneer institute in the field of MSME is playing a major role in providing pro-business environment to foster the progress of MSME towards success and prosperity. The Ministry of MSME, in collaboration with several institutions like NI-MSME has set up an IP Facilitating Centre for MSMEs. The

centre aims at helping MSMEs in promoting innovation, niche products/services. It also registers MSMEs for filing of IP Tools in a cost effective manner backed by the incentive schemes of Government of India. The centre serves as a repository of IP information for MSMEs in the country establishing networks in the above areas for use and sourcing by MSMEs and entrepreneurs. The center conducts various awareness, seminars & training programmes relating to IPR at both National & International Level.

9.5 The Intellectual Property Facilitation Centre (IPFC)

The Intellectual Property Facilitation Centre is well equipped to offer quality services in all areas of Intellectual Property Rights and comprises of technical and legal experts having extensive knowledge in the field of intellectual property rights. The centre also has a panel of Legal and Technical experts which are established brand names among their respective areas to provide assistance in this venture. The centre, in addition to providing general advisory about IPRs, such as, patents, trademarks, designs and copyrights will also provide services related to patent searches, patent drafting, patent prosecution, facilitation in commercialization of Inventions, trademark prosecution matters, etc.

Services offered by the Facilitation Centre:

- The Facilitation Centre will provide general advisory on different intellectual property rights, such as, patents, trademarks, copyrights, designs, geographical indications, etc.
- The Centre will provide advice on filing of the IP applications at appropriate IP offices depending on the type of intellectual property involved.
- The Facilitation Centre will assist in conducting Prior Art Search to assess the patentability of an invention and will assist in conducting Freedom to Operate Search.
- Complete/provisional specifications for inventions belonging to any technology domain will be drafted by the Facilitation Centre as per the standards of Indian Patent Office, USPTO, EPO, etc.
- The Facilitation Centre can assist in filing and prosecution of IP applications related patents and trademarks.
- The efforts of FICCI - MSME Intellectual Property Facilitation Centre (IPFC) will be directed as a means of protecting and raising competitiveness of individual inventors/MSMEs with regard to Intellectual Property and promoting innovations.

9.6 Confederation of Indian Industry (CII):

CII in association with the Ministry of Micro Small & Medium Enterprise, (Mo MSME) Govt. of India has established an Intellectual Property Rights Facilitation Centre (IPFC) at Indore, Mysore and Gandhinagar. This is the first of its kind in the state to be launched with a primary objective to “Boost IP culture” which would enhance the intellectual capital that is vital for the economic development of the state.

Objectives:

- To enable MSMEs from the corresponding states in understanding, Identifying & using Intellectual Property for Competitive Advantage.
- To Provide Services such as IP Protection, IP Awareness & Training, Counselling & advisory Services.
- To hand hold MSME for identifying Intellectual Property in their day to day business & leverage it for Business Excellences.
- To provide MSME, the strategic Management of Technology and IPR
- To create a delivery mechanism for comprehensive awareness & training in IPR to all stake holders of IP in the corresponding states.

Functions:

IPR Protection Facilitation: The IP Cell will be working closely with SMEs in the state to identify Potential Innovations/ Inventions which could be channelized into IPRs. The Short listed Product/ Process would then be assessed for suitable IP Protection. This would be undertaken by a Techno legal team constituted by the IP Cell. All forms of IPR Protection facilitation will be undertaken eg: Filing of Patents, Trademarks, Copyrights, Design, and Geographical Indications & Integrated Circuits.

IP Capacity Building: Awareness & Training: The IP Cell would strive to promote “IP Culture” in the state. It would channelize the best practices in the World through Organized Training & Awareness Program. This would be undertaken periodically so that the SMEs are abreast with Global Best Practices.

IP Information Services: IP Information is a key to latest Technological Information worldwide. The IP Cell would have a dedicated Patent/ Design/Trademark Search facility where all the latest databases can be accessed. The Search will be undertaken by trained specialists. The Cell will also have a Library of latest gazettes and documents which can be accessed by SMEs.

IP Counselling & Advisory Services: SMEs can visit the IP Cell and undergo IP Counselling Sessions which enable them to understand the Implications of IPR Regime for day to day business. The Cell will also impart advisory services to the Govt. on Policy issues on ongoing basis.

9.7 Federation of Indian Chamber of Commerce and Industry (FICCI):

Federation of Indian Chamber of Commerce and Industry over the years have undertaken a lead role in assisting SME's. There has been continuous effort made by FICCI in assisting government to bring appropriate industry reforms which would lead to the growth of SME sector.

In this regard, FICCI, in association with the Ministry of Micro, Small and Medium Enterprises (MSME), Government of India, has decided to open an Intellectual Property Facilitation Centre (IPFC) for MSME, to guide MSMEs regarding utilization of IP tools and technologies for better management of their intellectual property related needs.

The Head Office of the Facilitation Centre will be in Delhi. The Delhi office will later have links to all FICCI state offices, especially, to offices in Jaipur, Hyderabad, Chennai, Mumbai, Kolkata, Bangalore, etc., as the work progresses, enabling the Facilitation Centre to cater to the IP needs of MSMEs all over India.

In India, several innovations are happening at the grass root level and 90% of the innovations emanate from SME's. Further, there are more than 75,000 innovations belonging to the Bottom of the Pyramid i.e. the rural inventors, many of which are lying unprotected.

9.8 Federation of Indian Micro & Small and Medium Enterprises (FISME):

Federation of Indian Micro & Small and Medium Enterprises though established in the year 1995, traces its origin to 1967 when the National Alliance of Young Entrepreneurs (NAYE) was established to promote small industries.

FISME has established the IPFC as part of the mandate given to it by the Ministry of Micro, Small and Medium Enterprises under the National Competitiveness Programme.

“The IPFCs being established by FISME will offer the services mandated by the Ministry of MSME such as registration of patents, trademarks etc. but also a few additional services such as IP audit, IP management ‘.

Enabling Micro Small and Medium Enterprises (MSMEs) to buy or sell Intellectual Property Rights (IPRs), an online IPR Exchange has been launched by Secretary in the Ministry of MSME Mr Madhav Lal on April 4, 2013 in New Delhi.

This exchange is India's first online exchange for Intellectual Property, which has been set up by the industry body, Federation of Indian Micro, Small and Medium Enterprises (FISME) with support from the British High Commission.

“The IPR Exchange created by FISME with the help of British High Commission creates a wonderful mechanism to extract value of all the knowledge based initiatives an enterprise has taken. Its promise of converting such knowledge-based initiative into money is worth giving a serious push,” said Mr Madhav Lal.

"The whole idea initially is to bring about awareness. This is an important initiative where SMEs can buy and sell intellectual property. If you see the number of patents which are being generated in other countries now, including China, and if you compare that with India then we are way behind," MSME Secretary, Madhav Lal said in his address after the launch of the exchange.

This online IPR Exchange, the first in India, not only offers a platform to buy or sell IPRs, but would also provide e-vaults duly protected through secure passwords for safe storage of their unique invention, designs, trademark or other creations. It would also help SMEs to assess valuation of their IPRs through a specialised service.

9.9 World Intellectual Property organization (WIPO)

World Intellectual Property organization an international intergovernmental organization dedicated to promoting the creation, use, and protection of intellectual property worldwide, WIPO draws upon its experience and expertise in IP-related issues to help its Member States to overcome these obstacles and take better advantage of the IP system. Given the importance of SMEs to the economies of all nations – they constitute some 90 percent of all enterprises worldwide and account for more than 70 percent of the production of goods and services – effective use by SME's of IP assets is a key factor in ongoing economic development.

Main Objectives

WIPO's SME initiative aims to:

- Encourage SMEs to more effectively use IP as part of their business strategy;
- Promote a greater use of the intellectual property system by SMEs;
- Strengthen the capacity of national governments to develop strategies, policies and programs to meet the intellectual property needs of SMEs;
- Improve the capacity of relevant public, private and civil society institutions, such as
- Business and industry associations, to provide IP-related services to SMEs;
- Provide comprehensive web-based information and basic advice on IP issues to SME

WIPO's SME Activities: WIPO is identifying existing programs and activities designed to enhance SME competitiveness at national, regional and international levels to help assess the needs of SMEs, identify and disseminate information on best practices, and forge partnerships with appropriate institutions. Cooperation with these institutions and strengthening their IP component is a key focus of WIPO's SME program.

WIPO's outreach activities include distance learning programs, distribution of publications, self-help kits, pilot training workshops, web-based dissemination of information, press campaigns, and direct support to business associations in their own outreach activities. Information on the role of intellectual property rights in the overall business strategy of an enterprise are presented from a managerial perspective, with an emphasis on the role of patents in product development strategy, as well as the use of trademarks, designs and geographical indications as marketing tools.

X. Conclusion:

Thousands of small and medium enterprises ([SMEs](#)) in India are reported to be losing millions in revenues due to lack of awareness about [IPRs \(intellectual property rights\)](#). About 40,000 IP applications are filed in India annually and 85 per cent of these are filed by multinational corporations, leaving a sizable number filed by SMEs, but most innovations across the world are done by SMEs. In the developed world, owing to high awareness levels, small [entrepreneurs](#) approach venture capital and private equity funds to meet the expenses incurred on cost of protection, enforcement and commercialization of IPRs. In India, the lack of awareness among small players effectively denies them the fruits of the intellectual property they create.

Exporters have to register a trademark of their brand in overseas markets to prevent competitors from copying these and selling counterfeit products. Various chambers of commerce and industry are now coming forward to disseminate awareness among Indian companies about the benefits of creating intellectual property and applying for patents. The IP facilitation centres specifically aim to build greater awareness among SMEs about IPR issues and provide insights to them on the creation, ownership and protection of intellectual property. All states in India now have patent facilitation centres and SMEs should consult them to find out how they can benefit from them

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