Building Awareness on Intellectual Property Rights (IPR) for MSME in India
MSE Sector in India – An Overview (contd.)

- **6500** products ranging from traditional to high-tech items.

- After agriculture, MSEs sector provides the maximum employment opportunities in the country.

- Holds great potential for further expansion and growth in the future.
MSE Sector in India – An Overview

• **Micro & Small Enterprises (MSE) Sector** - vibrant sector of the Indian economy.

• **12.8 million units** (over **90 per cent** of total industrial units) in this Sector employing nearly **31 million people**.

• Contributes nearly **39 per cent** of the industrial production and **33 per cent** of the exports.

• Registered higher growth rate than the rest of the industrial sector.
Challenges of Liberalisation & Globalisation

- Government of India fully aware of the challenges of Globalisation

- Several measures for preparing (MSEs) to meet the challenges.

- Ministry of Micro, Small & Medium Enterprises (MSME) implementing Schemes /programmes for :
  - technology upgradation;
  - development of clusters of such industries;
  - making available collateral free bank credit;
  - creating awareness regarding export-related issues, etc.

- Also conducting workshops on various aspects of WTO, Anti-dumping seminars, IPR, etc.
Challenges of Liberalisation & Globalisation (contd.)

- Enactment of Micro Small and Medium Enterprises Development (MSMED) Act, 2006 to, inter alia, address:
  - the long-standing demand of the MSEs sector,
  - address the developmental concerns of what is globally known as “small and medium enterprises”.
- To do away with the restrictive 24 per cent ceiling prescribed for equity holdings in MSME.
- Coupled with an expected legislation on Limited Liability Partnership - to pave way for corporatisation of SME in India.
- These steps to enhance SMEs access to equity and other funds from the markets.
Micro Small and Medium Enterprises Development Act, 2006

• Manufacturing Enterprises:

- Micro Enterprises – Investment up to Rs. 25 Lakh.
- Small Enterprises – Investment above Rs. 25 Lakh & up to Rs. 5 Crore.
- Medium Enterprises – Investment above Rs. 5 Crore & up to 10 Crore.

Cont…..
Micro Small and Medium Enterprises Development Act, 2006

• Service Enterprises:
  - Micro Enterprises- Investment up to Rs. 10 Lakh.
  - Small Enterprises- Investment above Rs. 10 Lakh & up to Rs. 2 Crore.
  - Medium Enterprises- Investment above Rs. 2 Crore & up to 5 Crore.
Background of the proposal

• India ratified the agreement establishing WTO - which inter-alia contains agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS).

• **TRIPS** - provides for minimum standard for protection and enforcement on Intellectual Property.

• IPR Protection - key role in gaining competitive advantage through technological gains.

• Majority of the countries having strong IPR regime.

• India in general, enjoys large assets of R&D personals and research facilities.

• However, Indian industry, particularly MSME - least inclined to adopt IPR as a business strategy.
Background of the proposal (contd.)

- Indian MSME-widespread lack of awareness on IPR
- Essential to make informed decision using IPR as a tool for value addition.
- Indian MSME needs more information, orientation and facilities for protecting their IPR.
- National Manufacturing Competitive Council (NMCC)-forum to energise and sustain the growth of Indian Manufacturing sector.
- NMCC recommended a 5 year National Manufacturing Competitiveness Programme (NMCP) for SME in India.
- 10 Schemes, including “National campaign for Investment in Intellectual Property”.
Need for a National IPR Programme

- Limitation of direct interventions in a market driven economy - especially in short run.

- Need for an indirect approach – to support SME in the long run at lower cost.

- This, inter alia, includes putting well defined institutional and legal mechanism to facilitate equal access to global resources.

- National Manufacturing Competitive Council (NMCC)- set up in India as a continuing forum for policy dialogue for manufacturing sector.

- NMCC has recommended a 5 year Programme for enhancing the competitiveness, particularly for SME in India.
Intellectual Property

• **Legal rights** - which result from intellectual activities in industrial, scientific, literacy & artistic fields.

• **Intellectual Property (IP) Laws** - safeguard creators and other producers of intellectual goods & services by granting them certain *time-limited rights* to control their use.

• **Protected IP like other Property** - can be a matter of trade, which can be owned, sold or bought.

• **Major Distinguishing Feature** - intangible and non-exhausted consumption.
Scheme on Building Awareness on IPR for MSMEs

**Objectives:**

• Enhancing awareness about IPR to make informed decisions about strategies to protect ideas.

• Use of IPR tools to develop, protect and leverage innovative and technological potential.

• Access to technical facilities & expertise for value addition to business.
Building Awareness on IPR for MSME

Strategies:
• Generating awareness on IPR systems / management.
• Encourage Participation in Research & Technological Development.
• Enhancing Brand Strategy using IPR tools.
• Leveraging Strengths of Institutions to deliver.
• Promoting Innovation - Share Patenting cost.

Targets:
• 12,000 Units/ Entrepreneurs/ Persons.
• 30 MSME Clusters.
### Project Cost : 5 Yrs

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Total Project Cost</td>
<td>Rs. 55 Crore</td>
</tr>
<tr>
<td>GoI Contribution</td>
<td>Rs. 50 Crore.</td>
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<tr>
<td>Share of Private Partners</td>
<td>Rs. 5 Crore</td>
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## Main Activities

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Activity</th>
<th>Max. Gol grant (Rs.in lakh) per proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a) Awareness/ Sensitization Programmes</td>
<td>1.00</td>
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<td></td>
<td>(b) Pilot Studies.</td>
<td>2.50</td>
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<tr>
<td></td>
<td>(c) Interactive Seminars/ Workshops.</td>
<td>2.00</td>
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<tr>
<td></td>
<td>(d) Specialized Training.</td>
<td></td>
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<tr>
<td></td>
<td>(i) Short term (ST)</td>
<td>(i) ST- 6.00</td>
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<tr>
<td></td>
<td>(ii) Long term (LT)</td>
<td>(ii) LT-45.00</td>
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## Main Activities (contd.)

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</thead>
<tbody>
<tr>
<td>(e)</td>
<td>Grant on Patent/ GI Registration.</td>
<td>Max. GoI grant</td>
<td>(i) Domestic Patent</td>
<td>(i) 0.25</td>
<td>(i) Domestic Intervention</td>
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<tr>
<td></td>
<td>(ii) Foreign Patent</td>
<td></td>
<td>(ii) Foreign Patent</td>
<td>(ii) 2.00</td>
<td>(ii) International Exchange Programme</td>
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<tr>
<td></td>
<td>(iii) GI Registration</td>
<td>per proposal</td>
<td>(iii) GI Registration</td>
<td>(iii) 1.00</td>
<td></td>
</tr>
<tr>
<td>(f)</td>
<td>Setting up of ‘IP Facilitation Center for MSME’.</td>
<td>65.00</td>
<td></td>
<td></td>
<td></td>
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</table>
# Definition & Eligibility

<table>
<thead>
<tr>
<th>Participation</th>
<th>Definition</th>
<th>Eligibility as Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSME Units</td>
<td>Units with Registration or EM credential</td>
<td>(e) (i) &amp; (ii)</td>
</tr>
<tr>
<td>MSME Organisations</td>
<td>Industry Associations, Societies/ Cooperatives/ Firms Trusts and other bodies including NGOs working for MSMEs, Research / Technical &amp; Educational Institutions, Universities with a track record of assisting MSMEs etc.</td>
<td>(a), (b), (c), (e) (iii), (f), (g)</td>
</tr>
<tr>
<td>Competent Agencies</td>
<td>Consultancy Organisations, Research Institutes individual Experts or Agencies having sound technical and financial capabilities to conduct Pilot Studies with at least five years of previous experience.</td>
<td>(b)</td>
</tr>
</tbody>
</table>
## Definition & Eligibility

<table>
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<th>Participation</th>
<th>Definition</th>
<th>Eligibility as Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expert Agencies</strong></td>
<td>TIFAC, Patent Facilitation Centres, NRDC, Indian Patent Offices (DIP&amp;P),</td>
<td>(i) To be associated by the eligible applicant in organising</td>
</tr>
<tr>
<td></td>
<td>Registrar of Trademark, Registrar of Geographical Indication, D.B.T.,</td>
<td>various activities.</td>
</tr>
<tr>
<td></td>
<td>Registrar of Copyright, NIIPM, IITs, Law Schools, Patent Attorneys,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>individual IPR expert, MoMSME, MoE&amp;F, MoHRD, WIPO, EU-TIDP, USPTO,</td>
<td>(ii) (a),(c),(d),(g)</td>
</tr>
<tr>
<td></td>
<td>KIPO/KIPA, IIFT, DIT, DSIR and other such bodies.</td>
<td></td>
</tr>
<tr>
<td><strong>IPR Facilitating Agencies</strong></td>
<td>➢ Quasi Govt or Govt Aided Bodies being run on autonomous or commercial</td>
<td>(f) &amp; (g)</td>
</tr>
<tr>
<td></td>
<td>lines.</td>
<td>(f)</td>
</tr>
<tr>
<td></td>
<td>➢ Private units (provided sponsored by MSME Industry Associations).</td>
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</tbody>
</table>
IP Awareness Programme

• Objective: Different aspects of IPRs require greater understanding and attention by the industry.

• To support MSMEs in raising awareness on IPR

• To educate them about the value and protection of IPR.

• 1-2 days Sensitization/ Awareness Programmes.

• Organise with different Ministries/Departments of Government, Universities, Industry Associations/ Chambers, Provincial Government, WIPO, EU-TIDP, etc.

• Partner’s contribution – Expertise/ Resource Persons or Infrastructure.
Pilot Studies

• Studies on IP needs of Clusters / Other Need-based Sectors.

• Sectors to be covered – Biotechnology, Automobile, Chemicals, Leather, Drugs & Pharma, Sports, Toys, Hand Tools, Foundries, etc.

• Associations/ Chambers, Cluster actors to share 10% of the GOI share.
Interactive Seminars/ Workshops

• **Objectives**: To train MSME representatives to understand the product specific/sector specific IPR issues in view of changing environment.

• Tailor made 1-2 days Seminars/ Workshops for IP needs of Identified Clusters/ Industries.

• To discuss Pilot Study Report Recommendations.

• To Focus on Industry/ Cluster specific IP Adoption.

• Seminars/ Workshops- Partners to Provide Expertise/ Resource.
Specialised Training (Long/ Short-Term)

• Cadre of IP Specialist required for MSME.

• Professional (Govt. & Pvt.), R&D persons, etc. to be selected.

• Duration: 6 months (long-term) & 2-3 weeks (short-term).

• Long Term at specialised institutes e.g. NIIPM, TIFAC, IITs, Universities, Law Schools, etc.

• Short-Term – Need based, at different locations.

• Partners / Participants to Contribute 10 %.

• Course Module- to be finalised on the basis of :
  ❖ Specific requirements of Indian SME.
  ❖ Institutes running specialised courses on IPR in India;
  ❖ IP for Business using IP Panorama developed by WIPO for SME, etc.
IP Facilitation Centre for MSME

- MSME overawed by IP Process.
- Need for dedicated IPR Centres for MSME.
- To develop IPR data-base for SME (IT-based).
- Patent Mapping/Patent Search (through IT).
- Facilitate filing of applications for Patents, Industrial Designs, Trade Marks, Copyrights, GI, etc.
- To be implemented by the applicant acting as the implementation agency or through SPVs (user body) under PPP Mode - GoI to fund Hardware/Software, Licensing Fees etc.
- Facilitation Centre for need-based and could be located in SME Clusters and other MSME Centres.
- Technical collaboration with institutes like TIFAC
- No liability will be created for the GoI
IP Facilitation Centre for MSME

Contd….

• Facilities available in existing 19 PIC to be leveraged for dedicated IPFC for MSME in technical collaboration with TIFAC.

• These IPFCs will guide MSMEs on all IPR related issues beside their existing support.

• Component of total GoI grant of Rs. 65.00 lakh, Rs. 45.00 lakh primarily for expenses on hardware / software hiring the services of consultant and staff of contract basis, furniture & fixture and misc. overhead cost etc. Rs. 18.00 lakh as recurring expenses for three years and Rs. 2.00 lakh for contingencies.
IP Facilitation Centre for MSME

- Space to be provided / arranged by the implementing agency/ user body.

- The assets / operation of IPFC will ultimately to be taken by implementing agency for running them on self-sustainable basis after gestation period of three years.
Assistance for Patents & GI

• Very Low Patenting among MSMEs.
• Negligible Registration under GI
• Making MSMEs globally competitive through Patenting.
• Encourage MSMEs for protection Innovation, R&D.
• To secure rights over their traditional product.
• Financial assistance only on Grant of Patents and Registration of GI.
Activities with International Agencies

• Sharing of IPR related information

• Opening avenues for interaction in areas leading to acquisition of knowledge available globally.

• Capacity building in ‘High-Tech’ areas.

• Study International Best Practices for adopting locally.

• Capacity Building through Training & Exchange Programme.

• Participation in joint R&D programme.
Details of the Guidelines at
www.dcmsme.gov.in

Thanks