



# 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

• Total Project Cost	<b>Rs. 55 Crore</b>
• GoI Contribution	<b>Rs. 50 Crore.</b>
• Share of Private Partners	<b>Rs. 5 Crore</b>

# Main Activities

Sl. No.	Activity	Max. Gol grant (Rs.in lakh) per proposal
(a)	Awareness/ Sensitization Programmes	1.00
(b)	Pilot Studies.	2.50
(c).	Interactive Seminars/ Workshops.	2.00
(d)	Specialized Training. (i) Short term (ST) (ii) Long term (LT)	(i) ST- 6.00 (ii) LT-45.00

# Main Activities *(contd.)*

Sl. No.	Activity	Max. Gol grant (Rs. in lakh) per proposal
(e)	Grant on Patent/ GI Registration. (i) Domestic Patent (ii) Foreign Patent (iii) GI Registration	(i) 0.25 (ii) 2.00 (iii) 1.00
(f)	Setting up of 'IP Facilitation Center for MSME'.	65.00
(g)	Interaction with International Agencies. (i) Domestic Intervention (ii) International Exchange Programme	5.00 7.50

# Definition & Eligibility

Participation	Definition	Eligibility as Applicant
MSME Units	Units with Registration or EM credential	(e) (i)& (ii)
MSME Organisations	Industry Associations, Societies/ Co-operatives/ Firms Trusts and other bodies including NGOs working for MSMEs, Research / Technical & Educational Institutions, Universities with a track record of assisting MSMEs etc.	(a), (b), (c), (e) (iii), (f), (g)
Competent Agencies	Consultancy Organisations, Research Institutes individual Experts or Agencies having sound technical and financial capabilities to conduct Pilot Studies with atleast five years of previous experience.	(b)

# Definition & Eligibility

Participation	Definition	Eligibility as Applicant
Expert Agencies	TIFAC, Patent Facilitation Centres, NRDC, Indian Patent Offices (DIP&P), Registrar of Trademark, Registrar of Geographical Indication, D.B.T., Registrar of Copyright, NIIPM, IITs, Law Schools, Patent Attorneys, individual IPR expert, MoMSME, MoE&F, MoHRD, WIPO, EU-TIDP, USPTO, KIPO/KIPA, IIFT, DIT, DSIR and other such bodies.	(i) To be associated by the eligible applicant in organising various activities.  (ii) (a),(c),(d),(g)
IPR Facilitating Agencies	<ul style="list-style-type: none"> <li>➤ Quasi Govt or Govt Aided Bodies being run on autonomous or commercial lines.</li> <li>➤ Private units (provided sponsored by MSME Industry Associations).</li> </ul>	(f) & (g)  (f)

# 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 taken up / 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

Contd....

- 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](http://www.dcmsme.gov.in)**

***Thanks***