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SME-IP • 3rd Report

Case Studies on SMEs and Intellectual Property in Switzerland

Editor

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Executive Summary

Today more than 90 percent of Swiss companies are small and medium-sized enterprises (SMEs). Their ability to innovate and to sell services or products is crucial to the Swiss economy. Little is, however, known about how these Swiss SMEs protect their intellectual property (IP).

This report explores this question, providing analysis and insight into the management of intellectual property in Swiss SMEs. The report is the result of a study carried out in collaboration with both, the Institute of Technology Management of the University of St.Gallen (HSG) and the Chair for Technology and Innovation Management of the Swiss Federal Institute of Technology Zurich (ETH). The study was commissioned by the Federal Institute of Intellectual Property (IPI).

The study is part of a broader research project, commissioned by the IPI, on the topic of intellectual property in Swiss SMEs. The two previous studies are:

- Radauer, Alfred; Streicher Jürgen (2008): "Support Services in the Field of Intellectual Property Rights (IPR) for SMEs in Switzerland - A Review." 1st Report of the IPI SME-IP Project. Swiss Federal Institute of Intellectual Property (IPI), Berne; and
- Keupp, Marcus M.; Lhuillery, Stéphane; Garcia-Torres, M. Abraham; Raffo, Julio (2009): "Economic Focus Study on SMEs and Intellectual Property in Switzerland." 2nd Report of the IPI SME-IP Project. Swiss Federal Institute of Intellectual Property (IPI), Berne.

In order to improve and motivate our knowledge and understanding of SMEs' behaviour and perceptions towards the protection of intellectual property, the research team began by conducting a literature review to compile what is known on the issue thus far.

Several European studies have revealed that the management of intellectual property is handled differently in SMEs when compared to large corporations. According to these studies SMEs seem to heavily rely upon factual protection methods such as lead time advantages or secrecy. Furthermore, multiple studies address financial issues, which ultimately have an impact on an SMEs' IP protection decisions.

To gain practical data and information, the study team carried out 24 individual case studies among a diverse collection of Swiss SMEs. Firms from all major Swiss industrial sectors and from all major industrial regions were interviewed, sampled, and analysed to assure the consideration of a wide variety of IP management practices.

One objective of the present study was to conduct interviews among firms that actively use legal protection methods (such as patents, trademarks, and industrial designs) and those that do not. As a first result the research team derived five mutually exclusive clusters, into which all 24 firms fit. Three clusters covered the companies that actively use legal protection methods:

- Patentees: Companies with a primary focus on patents.
- Trademarks: Companies fostering only trademark protection.
- Multiple users: Companies utilising more than one legal protection method.

Two extended clusters represent the companies that do not actively use legal protection methods:

- Intuitive non-users: Companies whose choice to refrain from legal protection for their intellectual property is not based on a strategic decision.
- Purposeful non-users: Companies that intentionally decided to refrain from legal protection.

The 24 case studies provide a powerful insight into the IP-related behaviour of Swiss SMEs. Policy recommendations were extracted from a comparison of the gathered results with the two primarily conducted studies.

Two sets of policy recommendations were established. Initially, policy recommendations for the IPI were extracted. These policy recommendations are based on the Swiss innovation environment, to which the SMEs are exposed. In the subsequent stage, policy recommendations for the SMEs themselves were established.

Policy recommendations for the IPI include:

1. Establish a clear role of the IPI. At present, SMEs do not have a consistent view of the IPI.
2. Position the IPI within the Swiss innovation system and determine which Swiss institution has certain responsibilities.
3. Promote existing IPI services, as most SMEs would be interested in support services but have no knowledge of their existence.
4. Build a platform for SMEs to facilitate information exchange among similar like-minded companies on the topic of intellectual property.
5. Support SMEs in their search for adequate support services and establish a first contact point for SMEs dealing with intellectual property.
6. Improve the general education on intellectual property.

Policy recommendations for SMEs in Switzerland to improve their IP management include:

1. SMEs are urged to inform themselves about the issue of IP protection.
2. Not only should SMEs inform their management about intellectual property but also raise the general awareness among their employees.
3. SMEs should evaluate their existing IPRs on a regular basis and take action based on these evaluations.
4. SMEs should question old IP strategies in order to remain up to date with the changing market.
5. SMEs should assess when to consult a patent/trademark attorney.