



WORLD INTELLECTUAL
PROPERTY ORGANIZATION

WIPO AND SMALL AND MEDIUM-SIZED ENTERPRISES

INTRODUCTION

1. In September 2000, the twenty-sixth session of the General Assembly of WIPO, approved the proposal by the International Bureau to realign and refocus certain planned WIPO activities as well as create a substantial new program of activities focusing on the intellectual property-related needs of small and medium-sized enterprises (SMEs), including micro-enterprises. The proposal hinged on the recognition that there is often a significant discrepancy between SMEs' important contribution to the economy and their low use of the intellectual property system and that more should be done to promote the use of the intellectual property (IP) system by SMEs to improve their competitiveness. To implement the decision of the General Assembly, the Director General of WIPO created the SMEs Division in October 2000.

I. SMALL AND MEDIUM-SIZED ENTERPRISES AND INTELLECTUAL PROPERTY

2. SMEs in Asia and the Pacific region represent an important engine of growth. Over 95% of the total number of enterprises fall under the national definitions of SMEs¹ employing between 40% and 80% of the workforce. Estimates of their contribution to national GDP vary between 30% to 60%. According to a recent study that focused on a selected group of 8 non-OECD Asian countries, SMEs accounted for 35% of direct exports. The figure compares favorably to SMEs in the OECD region where the contribution to direct exports is estimated at 26%.²

3. Available studies/research on the use of the IP system by SMEs worldwide are largely limited to the use of the patent system. This empirical evidence paints a picture in which the propensity to apply for patents is highly related to the size of the company. For example, a recent Derwent study, surveying the use of the IP system by SMEs in the European Union, concludes that a minority of European SMEs file patent applications. According to the survey, the most widespread reasons for not patenting are that (1) patents are not considered relevant to the line of business of the company, and (2) the patent system is too costly and complex.³ An UK study concluded that small business owners placed most emphasis on informal methods of protection of their intellectual property (i.e. lead-time, relationships based on trust, limited information sharing, etc.) rather than on formal registrable IP rights.⁴

4. If the literature on the use of the IP system by SMEs in Europe is scarce, it is even more so in many other regions of the world, including Asia and the Pacific. One of the crucial

¹ Definitions of SMEs vary significantly from country to country and generally take into consideration one or more of the following variables: number of employees; total assets; capital

² C. Hall, *APEC and SME Policy: Suggestions for an Action Agenda* in <http://www.arts.monash.edu.au/>

³ Derwent, *Dismantling the Barriers: a Pan-European Survey on the Use of Patents and Patent Information by Small and Medium-Sized Enterprises* (London, 2000).

⁴ J. Kitching and R. Blackburn "Intellectual Property Management in the Small and Medium Enterprises" in *Journal of Small Business and Enterprise Development*, Vol. 5, N.4, (London, 1999).

problems is the lack of disaggregated data on patent, trademark and industrial design applications by SMEs, or by different types of SMEs. Although in many Asian countries, particularly the Newly Industrialized Economies (NIEs), data on resident patent applications are evidence of an increase in overall propensity to patent, there is little indication as to the contribution of SMEs to the increase in patent applications. In the Republic of Korea, one of the few countries for which disaggregated data has been compiled, it is estimated that 25.3% of applications for IP rights are from SMEs.⁵ A recent survey in Hong Kong, China, on public awareness of intellectual property, provides some evidence of the overall low (though increasing) level of awareness of intellectual property issues in the population at large.⁶

5. The use of the intellectual property system by SMEs is generally highly related to their level of innovative and technological capacity. In this respect, as in many others, SMEs are an extremely heterogeneous group. Their innovative capacity and ability to develop new and innovative products varies significantly, based on their sector, size, focus, resources and the business environment in which they operate. In certain high-technology sectors, such as semiconductors and biotechnology, innovative SMEs have been a key to the growth and dynamism of these sectors. In such sectors, patenting activity is comparatively much higher than in other sectors.

A recent OECD paper divides SMEs in the European Union into three broad groups:

- i) Technology developers (representing 1-3% of the total SME population).
- ii) Leading technology users (of varying R&D capacity, which are 10-15% of SMEs).
- iii) Technology followers (totaling between 80-85% of SMEs)⁷.

6. While the percentages may be different in countries of the Asia and the Pacific region, a similar categorization may be useful as an analytical tool. The heterogeneity of SMEs in terms of their ability to innovate and to incorporate existing technology is reflected in the ways that such enterprises may use and benefit from the intellectual property system. The crucial point is that SMEs of varying sizes and levels of technology may benefit from different aspects of the intellectual property system according to their specific needs and technological capacity.

7. While the most innovative SMEs may, as "technology developers," be particularly interested in obtaining patent protection for their inventions, SMEs using leading technology available on the market may prefer to use patent information to identify such technology and to enter into agreements on the licensing of patented technology and know-how. For the large group of "technology followers," trade and service marks, including collective marks

⁵ Korean Intellectual Property Office, *Small and Medium Enterprises' IPR Acquisition Movement* in www.kipo.go.kr

⁶ Intellectual Property Department, Government of Hong Kong, Special Administrative Region, *Report: Third Survey on Public Awareness of Protecting Intellectual Property Rights*, November 2001

⁷ OECD *Enhancing the Competitiveness of SMEs through Innovation*, Background report for the OECD Conference on "Enhancing the Competitiveness of SMEs in the Global Economy: Strategies and Policies".

and certification marks, as well as geographical indications and industrial designs are indispensable means for developing and communicating their distinctive image and identity, and for differentiating their products and services from those of their competitors. In other words, these SMEs rely on developing attractive designs and other creative means to help them in marketing their products and services to customers. Different types of SMEs rely to a varying degree on the copyright and related rights system for their existence, marketing and/or business success, especially in the copyright/cultural industries sector. Safeguarding their trade secrets (confidential business information of commercial value) is often a crucial concern for many SMEs. Therefore, a basic knowledge of, and simplified access to, the intellectual property system by SME owners and managers will allow them to make sensible decisions about which elements of the IP system to use, based on a proper cost-benefit analysis and to the possibility of using the IP system to meet their needs. In other words, the nature and extent of use of the IP system should be an informed decision, based on a proper understanding of the IP system, and not on vague perceptions and myths or fear of the unknown.

II. WIPO'S STRATEGY FOR SMES

8. Given the increasing importance of new and original knowledge in remaining ahead of the competition, WIPO's strategy for assisting SMEs worldwide has a clear and overarching objective: to enhance their competitiveness through a wider and more effective use of the intellectual property system. In this respect, the Milan Plan of Action (see Annex 1), has established a clear direction for future initiatives.⁸ Its implementation requires working towards the achievement of two main sub-objectives: a) to promote awareness in order to enable SMEs to make informed decisions concerning how to fully exploit their innovative and creative potential through an effective use of the IP system and b) to improve the policy framework and business environment to make it conducive and easier for SMEs to use the IP system.

In order to achieve the above-mentioned objectives, WIPO's SME strategy focuses on 6 main pillars:

- i) Targeting a new audience : bringing intellectual property issues to business events, articles and interviews in business magazines, building IP component in innovation promotion programs for SMEs and in training programs for entrepreneurs, etc;
- ii) Creating simple SME-friendly material on IP : drafting, publishing and assisting in the preparation of promotional and training material for SMEs, including web sites, brochures, IP guides and training manuals;
- iii) Focusing on new areas : expanding WIPO's traditional activities to new areas such as intellectual property and financing, IP and taxation, IP services within publicly and privately provided Business Development Services (BDS);

⁸ The Milan Plan of Action was adopted at the WIPO Forum on "Intellectual Property and Small and Medium-sized Enterprises" held in Milan, in cooperation with the Italian Ministry of Industry and Foreign Trade in February 2001.

- iv) Gathering and providing information : collecting and disseminating information on “best practices” by institutions assisting SMEs to make an effective use of the IP system; collecting and disseminating information on case studies of SMEs using the IP system; conducting and commissioning research on IP issues of relevance to SMEs;
- v) Establishing new partnerships : expanding the network of partners to include SME associations, chambers of commerce, government SME support institutions and other relevant public and private service providers for SMEs; and
- vi) Strengthening outreach activities of IP offices: working together with national and regional IP offices to strengthen their outreach activities for SMEs.

9. At the heart of WIPO’s strategy for SMEs is the conviction that intellectual property represents an important tool for the development of a dynamic and competitive small and medium-sized enterprises sector. This conviction goes hand in hand with the understanding that WIPO’s objective requires dovetailing of IP policies for SMEs with a wide range of policies in a number of other areas aimed at promoting the development of a vibrant SME sector. A strategy that seeks to promote the use of the IP system by SMEs should therefore promote the inclusion of IP issues within the overall framework of assistance and support for SMEs provided by government institutions, NGOs, chambers of commerce, international organizations, SME associations, business consultants and other institutions.

10. WIPO’s strategy, therefore, requires a strong network of cooperation with partners at the local, national, regional and international level. This is a necessity not only due to the nature of the objectives and the sheer number of SMEs worldwide, but also is a direct implication of WIPO’s strategy of addressing the issue from the broader perspective of promoting the development and competitiveness of SMEs in a holistic framework. As a result, WIPO is focussing on assisting Member States and their various institutions involved in supporting SMEs in integrating intellectual property aspects in the formulation and implementation of programs, policies and activities for strengthening the competitive position of SMEs in the marketplace. As such, WIPO seeks to work closely with national and regional IP offices for development of their outreach activities and with SME support institutions for building their IP-related capacity in various ways, such as through awareness raising events and publications, practical guidance through workshops and by including IP-related content in different types of guides for SMEs, and various other types of assistance on IP matters. Activities are generally demand-driven and, wherever possible, a “training the trainers” approach is taken to maximize results from events. This approach has been followed, for instance, in India where WIPO contributed to developing an IPR awareness campaign together with the Ministry for Small-Scale Industries through a series of 16 seminars in as many Indian cities. WIPO’s SMEs Division participated directly in the first two seminars and assisted in the overall planning and structure of the remaining 14 events.

11. Crucial to WIPO’s strategy concerning SMEs is to present the utility of the IP system from the perspective of the business community. In seeking to address the intellectual property needs and concerns of SMEs; the first step is to assess the overall needs and constraints faced by SMEs in their business activities, in order to identify ways in which the intellectual property system may assist them in addressing those needs and concerns. The

focus is, therefore, on how an IP strategy can be an effective part of the overall business strategy of the SMEs for enabling it to face some of their common business challenges, including raising finances, increasing the market value of the firm, marketing products and services, finding partners and suppliers, exporting, acquiring technology, facilitating business transactions on the Internet, etc.

A. The SMEs Web Site

12. One of WIPO's major initial activities was the creation of an SME web site, as a distinct part of WIPO's main web site. The section on IP for Business on the SME's web site explains basic IP issues in relation to some practical business concerns in a simple, business-friendly language. The web site already has over a hundred pages of substantive information and advice, in addition to full text of some very useful documents and links together parts of WIPO's web site or outside links to various issues of interest to SME entrepreneurs, managers, investors and business consultants. Through the content on the web site, the SMEs Division of WIPO seeks to reach out to the largest number of SMEs and SME support institutions in a low-cost and reader-friendly manner. It allows readers to rapidly select the information they are interested in and have the option to follow links for more detailed discussions of certain issues. Finally, publication on the Internet gives the possibility to update information regularly and maintain readers informed of the latest events. The disadvantage related to such an endeavor is the limited access and spread of the Internet in many countries and therefore the inability to reach out to a large number of potential users in SMEs. WIPO is therefore committed to providing paper copies of the material available therein, including documents, presentations and IP guides to enterprises and institutions requesting the information in paper format. A CD-ROM, with a search function, containing the full content of the SMEs web site, in three languages (English, French and Spanish), is presently under preparation.

13. The overall aims of the SME web site are as follows:

- a) To provide an overview of the main reasons why SMEs should consider IP issues when preparing their business plans and strategies;
- b) To offer practical information on how to protect, manage, license, and enforce a company's IP assets and how to deal with IP issues in e-commerce;
- c) To disseminate information on "best practices" aimed at assisting SMEs to use the IP system and "case studies" on companies that have benefited from a sound IP strategy; and
- d) To provide information on the SME-related activities of WIPO in general, and of the SMEs Division in particular.

14. Given the international nature of the information provided, there is significant scope for national customization or adaptation of the relevant content on the SMEs web site based on the national legal and institutional system. WIPO encourages national IP offices and other SME support and financing institutions to use the material and adapt it according to the needs

of national entrepreneurs, and is willing to provide advice, guidance and/or other support in this respect.

15. The SMEs web site is currently available in English, Spanish and French at www.wipo.int/sme/ and parts of it in Chinese, Arabic and Russian.

B. Collection of “Best Practices”

16. The SMEs Division of WIPO also seeks to collect information on policies, programs, and activities of a range of national institutions to assist SMEs to use the IP system effectively. In May-June 2001, the International Bureau of WIPO sent a questionnaire to IP offices, focal points on SMEs within governments, chambers of commerce and a number of other institutions (primarily SME associations and incubators) requesting information on the activities conducted by each institution related to the initiatives to be undertaken under the Milan Plan of Action. The information was gathered with a view to compiling “best practices” and allow for wider information sharing and exchange of experiences among and within countries (see Annex III). Additional information on other such best practices from around the world would be put on the web site of the SMEs Division of WIPO as and when it is made available; all concerned are, therefore, requested to help the SMEs Division of WIPO in this process.

17. Replies to questionnaires reflect a wide range of initiatives in this area aimed either directly at the SMEs community or having an impact on bringing the IP system closer to SMEs. Initiatives have been grouped into six broad categories. The following is a non-exhaustive list of the types of activities that were mentioned:

a) Awareness-raising and Training on IP:

- awareness-raising seminars, conferences and campaigns for entrepreneurs, researchers, inventors and students in areas of technical expertise;
- IP guides and other information material on various aspects of IP for SMEs
- web sites with practical information on IP issues for entrepreneurs;
- collection and dissemination of case studies illustrating the success stories of SMEs using IP;
- Building IP content into customized training manuals for enterprises operating in specific sectors (e.g. biotechnology, software, agriculture, multimedia, etc.)
- general advice to applicants on administrative issues relating to the application process (e.g. helpdesks within IP offices);
- multi-media products (e.g. CD-ROMs) with information and advice on management of IP assets;

- participation in business fairs of SMEs, contribution of articles on IP issues to business magazines targeting SMEs, and in other promotional activities for the benefit of SMEs;
- monthly radio and/or television programs on issues relating to intellectual property and innovation;
- integrating IP issues in the national/institutional teaching and training curricula and course material for entrepreneurs; and
- proactive visits to SMEs.

b) Technological Information Services:

- regular workshops for entrepreneurs on how to use patent information services;
- free access to IP databases;
- provision of a range of technological information services for SMEs at a reduced price;
- establishment of patent libraries with specialized staff within universities, technology parks, business incubators, research centers and chambers of commerce;
- regular provision of information on recent patents in a given technical field;
- development of multilingual IP databases; and
- establishment of centers for technological information or decentralized branches of the IP office for the provision of technological information.

c) Financial Assistance:

- financial assistance to SMEs, either in the form of grants or favorable loans, patenting their inventions;
- fee reductions for SMEs applying for IP rights;
- partnerships between IP offices and associations of patent attorneys for providing legal advice to SMEs, either free or at an affordable (lower) price; and
- tax incentives for expenditure in R&D, patenting, technology transfer, etc.

d) Customized Advisory Services on IP:

- legal and managerial assistance to enterprises on how to manage their IP assets and how to develop an IP strategy as a part of their business strategy;

- promotion of and legal assistance on the use of collective marks, certification marks and geographical indications by small-scale businesses;
 - pilot projects on IP management with a selected group of enterprises; and
 - assistance in the creation of trademarks or distinctive signs.
- e) Assistance for Technology Transfer:
- creation of databases on licensable technologies (e.g. virtual marketplaces for IP);
 - tools for the valuation of IP assets;
 - business fairs of licensable technologies where potential licensees and licensors may meet;
 - advice for licensing negotiations;
 - programs to facilitate and create incentives for technology transfer; and
 - establishment of technology licensing offices (TLOs) within universities and public sector research centers assisting researchers to patent their inventions, conduct prior art searches, license their inventions or set up their own start-up companies.
- f) Partnerships between institutions:
- partnerships between IP offices and other institutions providing services to SMEs such as chambers of commerce, incubators, research centers and science parks for the inclusion of IP services within a wider range of services to SMEs;

IV. AREAS OF DISCUSSION FOR FURTHER COOPERATION

18. A number of issues have been identified as possible areas of discussion for future cooperation. A non-exhaustive list is outlined below:

- Cooperation/assistance for the design or implementation of information/advisory services for SMEs on intellectual property;
- Collection and dissemination of institutional “best practices” and case studies on use of the intellectual property system by SMEs in the region;
- National plans of action (NFAPs) based on the Milan Plan of Action;
- Research studies on issues related to intellectual property and SMEs;

- Awareness raising workshops, seminars and other activities in partnership with SME associations, chambers of commerce, technology incubators, financing institutions, and other SME support institutions as well as private sector business advisors;
- Partnerships with SME support institutions in order to include intellectual property services within the broader framework of assistance to SMEs;
- Development of customized web sites (or sections of web sites) on intellectual property for SMEs;
- Development of customized guides on intellectual property for SMEs in paper format or in electronic form, such as multi-media products (e.g. CD-ROM);
- Development of special packages of IP services/information for specific sectors such as agro-based SMEs, SMEs in E-commerce, SMEs in biotechnology, SMEs in the manufacturing industries, SMEs in the craft sector, SMEs in copyright/cultural industries, etc;
- Assistance to SMEs in licensing and technology transfer;
- Assistance to artisans, cooperatives of artisans and small entrepreneurs in the crafts sector for a better understanding of the legal means of protecting crafts; preparation of practical guides; inclusion of basic IP training in courses for artisans;
- Strategies for promoting the use of collective marks, certification marks and geographical indications by SME associations;
- Strengthening technology information services;
- Cooperation with regional institutions such as the Asian Development Bank (ADB) and the Economic and Social Commission for Asia and the Pacific (ESCAP) as well as with regional and national offices of other UN agencies such as those of UNIDO, UNDP, and the World Bank Group, etc in their programs for promoting the development of the private sector;
- Strengthening university-industry links, through cooperation with technology incubators and university spin-offs;
- Introduction, use and improvement of practices mentioned under “Collection of Best Practices” of this paper.

[Annex I follows]]

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MINISTRY OF INDUSTRY AND FOREIGN TRADE



WORLD INTELLECTUAL
PROPERTY ORGANIZATION

**WIPO MILAN FORUM ON INTELLECTUAL PROPERTY AND
SMALL AND MEDIUM-SIZED ENTERPRISES**

**ORGANIZED BY
THE WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)**

**AND
THE MINISTRY OF INDUSTRY AND FOREIGN TRADE
GOVERNMENT OF ITALY**

Milan, Italy, February 9 and 10, 2001

MILAN PLAN OF ACTION

Adopted at the Milan Forum

The WIPO Milan Forum on Intellectual Property and Small and Medium Sized Enterprises, having met in Milan on February 9 and 10, 2001, at the invitation of the Italian Government and the World Intellectual Property Organization (WIPO) to address the issue of enhancing the competitiveness of small and medium-sized enterprises (SMEs) through optimal use of the intellectual property system,

recognizing that SMEs play a vital role in employment creation, investment and exports, significantly contributing to national economic growth;

noting that SMEs, the world over, are proven innovators with great creative capacity and the driving force behind many technological advances;

taking into account that SMEs are an heterogeneous group with many differences according to business sector, capital assets, working capital, technological capacity and intellectual property assets;

considering that SMEs, through adequate and effective management and commercialization of intellectual property (IP), can significantly enhance their competitiveness, export opportunities, market share and their overall market value;

realizing that SMEs can significantly benefit from the wealth of technological information available in patent databases, thus avoiding duplication of research and development (R&D) efforts, and use such information for the development of new products, process and services and the conclusion of license agreements;

being aware that SMEs, in particular in developing and least-developed countries, often do not sufficiently exploit the potential of the IP system for increasing their competitiveness, innovative capacity and market access;

acknowledging that the underutilization of the IP system may be largely due to lack of information on how to acquire and manage IP assets and technological information in an effective manner, absence or shortage of IP related services in SME support institutions, as well as the perception that the IP system is complex, time-consuming and expensive, making it difficult for SMEs to acquire, maintain, enforce and use their IP rights effectively in trade whether domestically and internationally;

taking into account the recommendations contained in the Bologna Charter on SME policies, adopted in Bologna (Italy) on June 15, 2000 by the Ministerial Conference on “Enhancing the Competitiveness of SMEs in the Global Economy: Strategies and Policies” organized by the Organization for Economic Co-operation and Development and the Italian Government;

recommend that, in order to empower SMEs to fully benefit from the IP system, the following actions are undertaken:

1. Strengthening of interaction between SMEs, SME support institutions and associations, national governments and IP Offices, WIPO and other relevant intergovernmental and non-governmental organizations with a view to better identifying the needs of SMEs and facilitating the implementation of customized targeted activities addressing the specific IP needs of each sector, group or cluster;
2. Support of national and international efforts for further integration of IP issues in programs and policy initiatives aiming at fostering the technological and innovative capacity and the export potential of SMEs;
3. Increase of awareness and understanding of IP issues within the SME business community particularly through awareness-raising campaigns and targeted training programs with the optimal use of modern information and communication technologies, so as to enhance the capacity of SMEs to maximize their benefits from the use of the IP system;
4. Encouragement of the creation and strengthening of IP-related services, in particular legal and technological information services, also within SMEs support institutions such as chambers of commerce and industry, business incubators and science parks;
5. Advice by WIPO, and other relevant intergovernmental and non-governmental organizations and IP Offices on the inclusion of IP issues in the relevant curricula of universities and institutions for technical and higher education, and strengthening their links between SMEs, universities and research and development institutions, through appropriate mechanisms for achieving greater synergy in joint research and higher rate of successful commercialization of research results;
6. Promotion of the use of arbitration, mediation and other alternative dispute resolution mechanisms for a more cost-effective enforcement of IP rights;
7. Assistance to IP offices and SMEs support institutions to develop SME-targeted IP services, including legal advice and IP information services based on the use of intellectual property databases;
8. Support of efforts of national structures to reduce the cost of acquisition, maintenance and enforcement of IP right while maintaining quality and reliability of rights.
9. Strengthening of WIPO's programs of activities for the benefit of SMEs, in particular to:
 - advise governments to take into account the specific needs of SMEs in their IP policies;
 - disseminate information on best practices on the use of IP by SMEs and of their exploitation of technological knowledge through the valorization and commercialization of IP rights; and
 - make the access to technological knowledge easier and cheaper for SMEs on a global basis.

[Annex II follows]

ANNEX II

<p>SME Home</p> <p>Intellectual Property For Business</p> <p>Intellectual Property And E-Commerce</p> <p>Activities</p> <p>Partners</p> <p>Best Practices</p> <p>Case Studies</p> <p>Documents</p>	<p>http://www.wipo.int/sme/en/welcome.htm</p> <p style="text-align: center;">Welcome to the SMEs Website</p> <p>Have you ever wondered what is "intellectual property" or what relevance it could possibly have to the creation or success of a small or medium-sized enterprise (SME)? If yes, then you have come to the right place. Here, we take a close look at intellectual property (IP) from the perspective of SMEs and analyze the possibilities offered by the IP system for improving their performance and competitiveness.</p> <p>The web stie also offers details on the activities of WIPO's SMEs Division and provides information of interest to SME support institutions.</p>	<p style="text-align: center;">Mailing List</p> <p>Enter your E-mail address to receive monthly e-mail updates: E-mail Address</p> <p>Subscribe [Archives]</p> <p>IP and SMEs Brochure [PDF]</p>
<p>FAQs</p> <p>Contact Us</p>	<p>Overview</p> <p><u>Intellectual Property for Business:</u> Information for SMEs on the basics of patents, trademarks, copyright, industrial designs, and other intellectual property rights with questions and answers, advice, checklists, links and documents for further reading.</p> <p><u>Intellectual Property and Electronic Commerce:</u> Introduction to intellectual property issues related to e-commerce.</p> <p><u>Activities:</u> Overview of activities of the SMEs Division</p> <p><u>Partners and Support Institutions:</u> Information for, and links to web sites of, partners and SME support institutions.</p> <p><u>Best Practices:</u> Programs, policies and activities developed by intellectual property offices and SME support institutions to assist SMEs to use the intellectual property system.</p> <p><u>Case Studies:</u> Success stories of SMEs using the intellectual property system.</p>	

http://www.wipo.int/sme/en/ip_business/index.htm#

INTELLECTUAL PROPERTY FOR BUSINESS

To many, intellectual property (IP) is a rather obscure legal concept that can only be properly understood and applied by those who are specially trained. You may be asking yourself why any small and medium-sized enterprise (SME) and, more so, your SME should pay attention to IP, or what benefits your SME could possibly draw from its use. The following links may provide answers to some of these questions.

TOPICS

- Why is **Intellectual Property Relevant** to Your SME?
- How can Intellectual Property Enhance the **Market Value** of Your SME?
- How do you Turn **Inventions** Into Profit-making Assets of Your SME?
- Why is Intellectual Property Crucial for **Marketing** the Products and Services of Your SME?
- Can Your SME use Intellectual Property Assets for **Financing**?
- How can Intellectual Property Enhance the **Export** Opportunities of Your SME?
- How can Your SME **Acquire** and **Maintain** Intellectual Property Protection?
- **Protecting** the Intellectual Property Rights of Your SME **Abroad**
- Why are **Trademarks** Relevant to the Success of Your SME?
- Protecting the **Trade Secrets** of Your SME
- How can Your SME Benefit From **Copyright** Protection?
- Protecting Innovations by **Utility Models**
- **Managing** the **Intellectual Property Assets** of Your SME
- Using **Patent Information** for the Benefit of Your SME
- **Licensing of Intellectual Property**; a Vital Component of the Business Strategy of Your SME
- What Should Your SME do to Resolve **Disputes Related to Intellectual Property**?

http://www.wipo.int/sme/en/e_commerce/index.htm

INTELLECTUAL PROPERTY AND E COMMERCE

The purpose of these pages is to provide non-lawyers with a quick guide on IP issues related to E-Commerce. You can use these pages to link to other web sites where you can get more in-depth information.

Note: These pages provide an overview about IP issues related to E-Commerce and are not a comprehensive guide to all E-Commerce issues. Your legal adviser is best equipped to give you advice on specific situations.

The 10 Point IP Checklist for E-Commerce

Many things you need to know as an introduction to IP as it relates to E-Commerce may be outlined in 10 points. Spend a few minutes reading these points and then try your hand at the self-test at the end.

The 10 Points

- Understanding How Intellectual Property (IP) Relates to E-Commerce
- Taking Stock of Your IP Assets Relevant to E-Commerce
- IP Issues When you Design and Build Your Web Site
- IP Issues Related to Internet Domain Names
- How Your E-Commerce Business is Affected by Patents
- IP Issues in the Distribution of Content on the Internet
- Using Care in Disclosures on the Internet
- Important Contracts and IP
- Partnerships with Government and Educational Institutions
- IP Concerns about International Transactions in E-Commerce

- Self Test for E-Commerce IP Checklist

[Annex III follows]

ANNEX III - “Best Practices”

Short summaries of a number of experiences in the provision of IP services to SMEs by national IP offices, government ministries, inventors associations, innovation centers have been compiled in this annex in alphabetical order of country names. A more thorough description is available at: http://www.wipo.int/sme/en/best_practices/index.htm

1. *IP Australia*

IP Australia has taken an active role in raising awareness and educating SMEs about the importance of the intellectual property (IP) system. Its main activities in this area include:

- Reader-friendly publications: over 35,000 information kits on IP are distributed every year
- Easy-to-use multi-media products: CD-ROMS with assistance on how to manage IP assets
- Preparation of SME case studies illustrating the use of the IP system by a number of Australian SMEs
- Practical information on the web site including a section on business strategies and one of IP managers and professionals providing services to SMEs
- Seminars for SMEs

For more detail, see: http://www.wipo.int/sme/en/best_practices/ip_australia.htm

2. *National Institute of Industrial Property of Brazil*

In order to promote the use of the IP system by SMEs the National Institute of Intellectual Property of Brazil (INPI) offers the following services and incentives:

- 50% discount for trademark applications, for the registration of technology transfer contracts and for technological information services for SMEs;
- 60% discount for patent applications for SMEs;
- Information on procedures for acquiring intellectual property right in the INPI web site.

Moreover, INPI has initiated a program of activities in cooperation with the SEBRAE, the government agency in charge of promoting the development of SMEs, as well as with technology incubators. Finally, in cooperation with a non-profit organization, INPI is preparing intellectual property guides for SMEs

3. *Cuban Industrial Property Office*

The Specialized Service for the Enterprise Sector, established by the Cuban Industrial Property Office, offer a package of information services and advice to SMEs. Such services consist in:

- State-of-the-art searches;
- Training and advice in intellectual property issues;
- Suggestions and advice for the selection of trademarks, trade names and slogans;
- Trademarks searches;
- IP diagnosis for enterprises;
- Courses and workshops.

For details, see: www.ocpi.cu

4. *Foundation for Finnish Innovation*

The Foundation for Finnish Inventions supports and promotes the development and exploitation of Finnish inventions. Legal advice and financial support for patenting inventions is an important part of the activities of the Foundation. The activities of the Foundation may be grouped into six categories corresponding to six different phases in the development of an invention:

- Promotion of inventive activities.
- Evaluation of inventions (market potential, novelty and inventiveness, business potential, etc.).
- Advisory services (invention-specific advice, IP rights, other advice).
- Protection of inventions (assistance with patent applications and other IP rights).
- Product development (planning and design, prototype development, technical and commercial advice).
- Marketing (including advice on licensing).

For more detail, see: <http://www.innofin.com>

5. *INSTI Project - Germany*

Since 1995, the German Federal Ministry of Education and Research has established a program to promote the use of the patent system and the development of innovative technologies. Some of the program's main features include:

- financial assistance to SMEs applying for the first time for a patent or utility model
- an innovation market, or database of new technologies for interested parties to seek new business opportunities
- training for inventors and business managers on innovation management, creativity and evaluation techniques, industrial property rights and development of products and processes.

For more details, see: http://www.wipo.int/sme/en/best_practices/germany.htm

6. *Indian Ministry for Small-Scale Industries, Agro and Rural Industries*

The Small Industry Development Organization (SIDO), the nodal development agency of the Ministry for Small Scale Industries, Agro and Rural Industries (SSI & ARI) of India, has recently published a new web site with substantial information on intellectual property for Indian SMEs. SIDO is also conducting a series of 16 workshops around the country on “Intellectual Property for Small and Medium-sized Enterprises” in cooperation with WIPO’s SMEs Division.

For details, see: http://www.wipo.int/sme/en/activities/meetings/india_01/index.htm

7. *Enterprise Ireland*

Enterprise Ireland has been providing support on intellectual property to inventors and SMEs through the Intellectual Property Assistance Scheme since 1998. The main activities of the scheme may be summarized as follows:

- Advice on the protection of inventions
- Funding for patent applications
- Advice on the development and commercialization of inventions

For details, see: http://www.wipo.int/sme/en/best_practices/ireland.htm

8. *Japanese Patent Office*

The Japanese Patent Office (JPO) is currently involved in four patent-related measures designed to promote the use of the intellectual property system by SMEs and to encourage technology transfer:

- Promotion Policy for Patent Utilization and Technology Transfer including a database of licensable technologies and the organization of patent distribution fairs
- Support for the Development of Technology Licensing Offices within universities and research centers
- Fee Reduction and Exemption
- Support for Self-Evaluation of Patents & IP Strategy through the creation of indices for patent valuation and assessment of IP strategies

For details, see: <http://www.jpo.gov.jp>

9. Korean Intellectual Property Office

The Korean Intellectual Property Office (KIPO) provides a wide range of services to small and medium-sized Enterprises (SMEs) including the following:

- Through an agreement with the Korea Patent Attorneys Association (KPAA), free legal advice is provided to SMEs on their first patent application.
- 50% fee reductions for SMEs and 70% for micro-enterprises.
- Free education on patent search systems through regular workshops.
- Establishment of a patent technology market.
- Small and Medium-Sized Enterprises' IPR Acquisition Campaign in cooperation with 14 related organizations, including the Korean Chamber of Commerce.

For details, see: http://www.wipo.int/sme/en/best_practices/kipo.htm

10. Mexican Institute of Industrial Property

The Mexican Institute of Industrial Property (IMPI) organizes a wide range of activities and provides a series of services and incentives to facilitate and promote the use of the intellectual property system by SMEs. Activities and services include:

- 50% fee discount for the acquisition of patents, utility models, industrial designs, lay-out designs of integrated circuits y technological information services;
- Seminars, workshops and courses for entrepreneurs as well as information in the IMPI web site;
- Free user guides on patents, utility models, industrial designs, distinctive signs, and technological information products and services;
- Conferences with universities and enterprises to disseminate information on the issue;
- Establishment of provincial IP offices in order to spread the use of technological information services and to provide advice on how to apply for IP rights to enterprises.

For details, see: www.impi.gob.mx

11. National Institute for the Defense of Competition and of Intellectual Property Rights of Peru

The National Institute for the Defense of Competition and of Intellectual Property Rights of Peru (INDECOPI) recently published on its web site a document entitled “Services provided by the INDECOPI for SMEs” in which it described, inter alia, the services which the various departments of the institute provide to SMEs in IP-related matters, such as:

- Legal assistance to all clients requesting it;

- Promotion of collective marks for SMEs by raising awareness on the mechanisms of registration of collective marks and providing legal advice on how to protect collective marks
- Inventors awards
- Cooperation with private enterprises in events aimed at promoting the creativity of enterprises
- Other events such as presentations in mass-media (radio) and talks aimed at specific enterprise sectors

For details, see: www.indecopi.gob.pe

12. Intellectual Property Office of the Philippines

Initiatives by the Intellectual Property Office of the Philippines include:

- Reduced Fees: small entities pay a reduced fee of 50% for all services
- Technology Information Brokering System and Matching Center (TIBMC): the TIBMC is currently being developed and is meant as a project aimed at the dissemination of patented technology for the benefit of SMEs
- IP Information and Education through workshops and seminars at a provincial level
- Information Unit: delivers advice on procedures for patenting and registering trademarks including some advice on how to formulate specifications and claims

13. Intellectual Property Office of Singapore

The Intellectual Property Office of Singapore (IPOS) administers the Patent Application Fund (PAF), established in 1993 by the National Science and Technology Board. The fund supports 50% of the legal, official and other related fees incurred in the process of applying for a patent, up to a maximum of S\$30,000 for each invention and is mainly targeted at SMEs. All companies of which Singapore citizens own at least 30% of the equity may apply as well as any Singapore citizens or permanent residents.

IPOS has also recently introduced a new marketplace platform on the Internet enabling IP owners, potential buyers and sellers, and licensees to come together and commercialize IP assets.

See: <http://www.SurfIP.gov.sg>

14. Spanish Patent and Trademark Office

The activities of the Spanish Patent and Trademark Office directed to SMEs included the following:

- Sensitization campaigns: "awareness days" in chambers of commerce and technology parks (a total of 19 over the past 1 1/2 years), courses for post-graduates organized by the Superior Council for Scientific Research and courses in universities (a total of 14 over the past 1 1/2 years).
- On-line services for technological information: a total of 1.328.998 searches over the initial 6 months of 2001.
- Program for spin-off entrepreneurs in cooperation with a Spanish university.

15. Swansea Intellectual Property Rights Initiative

The Swansea Intellectual Property Initiative is a partnership scheme between the City and County of Swansea, Business Connect Swansea, Swansea Institute of Higher Education, University of Wales Swansea the Welsh Development Agency. The Initiative was established as a pilot project with the aim of assisting local entrepreneurs to appreciate the value of their intellectual property assets.

The Initiative's activities are in the following areas:

- enhancing awareness of intellectual property amongst local SMEs;
- protecting the intellectual property of local SMEs and
- commercializing the intellectual property of local SMEs

For more detail, see: http://www.wipo.int/sme/en/best_practices/swansea.htm

16. Autonomous Service of Intellectual Property of Venezuela

The activities of the Autonomous Service for Intellectual Property of Venezuela (SAPI) that aim to promote the use of the IP system by SMEs are as follows:

- Participation in the development of industrial parks throughout the countries by organizing seminars, talks, and awards to promote creativity among SMEs;
- Creation of decentralized units of the SAPI for the dissemination of information on intellectual property;
- Agreement with the Fedeindustria in order to develop an education and promotion campaign on IP rights;
- In cooperation with the Ministry for Education, Culture and Sports, organization of a training course for intellectual property teachers for technological institutes.

For more detail, see: <http://www.mpc.gov.ve/web/default.htm>

[End of Annexes and of document]