



# **Micro, Small and Medium-Sized Enterprises, Innovation and Intellectual Property**

Secretariat's Presentation – Part II

CDIP 24<sup>th</sup> session

**Geneva  
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2019**

# WIPO and MSMEs

- Patent Law Division
- Copyright and Creative Industries Sector
- Patent Cooperation Treaty (PCT)
- Madrid Registry
- Hague Registry
- Arbitration and Mediation Center
- Global Challenges Division
- Technology and Innovation Support Centers (TISCs)
- WIPO Regional Bureaus

# Patent Law Division

## General overview

### Patents

- Exclusive rights / Licensing revenues
- Support funding (ex. Start-ups)
- Source of technological information

### Utility Models

- Similar rights and benefits as patents
- May be more affordable than patents
- Products with a shorter life cycle

### Trade Secrets

- Relevant to all MSMEs
- Any secret & commercially valuable info
- No registration required

# Patent Law Division

## Challenges

### Complexity of IP

- IP audit
- Protection
- Management
- Enforcement

Constraints to participate in international debates

Knowledge and experience on law, technology, targeted market, finance, management ...  
*Team of experts*

**Financial and  
Human Resources**

Costs for securing protection often beyond the reach of MMSEs, especially outside their country of residency

Costs and appetite for enforcement, particularly considering long horizons and cross-border nature

# Patent Law Division

Opportunities for future  
MSMEs, patents and trade secrets

## Inventor Assistance Program



provides free legal  
assistance to under  
resourced inventors,  
including MSMEs to  
navigate the patent process  
<https://www.wipo.int/iap>

## Patent Drafting Training Program



Enhance skills to file well-  
crafted patent applications  
[https://www.wipo.int/patents/en/  
drafting/](https://www.wipo.int/patents/en/drafting/)

## Focusing on positioning MSMEs for success in legislative advice



Efficient substantive examination can be  
critical for MSMEs who use patents to  
gain credibility and investments



Considering discounted rates for patent  
related fees for individuals and MSMEs  
to reduce the cost of protection



Trade secrets are the default form of  
protection for many MSMEs. Legislative  
frameworks can be examined for a  
user-friendly approach

## Provision of information about international discussions to MSMEs

# Copyright and Creative Industries Sector

## General Overview

- The copyright and creative industries sector in the developing world has many MSMEs
- For many MSMEs in the developing world copyright and related rights are the backbone of their business
- The new digital environment has created opportunities for direct participation in the global creative market
- The characteristics of copyright - automatic protection without formalities - make it very appropriate for MSMEs who do not have sufficient funds for other types of IP protection
- Because copyright applies to companies of any size, it often is the only asset that can be monetized
- MSMEs need sufficient knowledge and skills to:
  - *identify protectable subject matter*
  - *negotiate in the global market to use or distribute content*
  - *manage copyright and derive copyright-based income*
  - *maximize the multiple income streams that the asset can produce*
  - *use the tools available to protect content so it can be monetized*

# Copyright and Creative Industries Sector Challenges

- Overall knowledge of copyright and related rights
- Level of awareness of the role of copyright as an asset for development in the national and global marketplace
- Lack of access to empirical economic data
- Lack of copyright management experience
- Need for tools to develop, produce and distribute content at national and international level as well as to ensure its protection
- Developing contractual practice
- Access to finance and risk levels
- Building institutional capacity
- Building relationships with public entities and rights management organizations
- Developing effective business or trade associations to coordinate and strengthen group representation
- Levels of respect for IP in the country
- Level of experience in international dealings

# Copyright and Creative Industries Sector

## The Role of WIPO

- Promote implementation of WIPO Copyright Treaties to facilitate appropriate and fair rules for the new global creative markets to benefit MSMEs and to act as an important reference for the national legal system
- Support the update of national copyright and related rights legislation for the digital environment with a focus on the needs of MSMEs
- Offer assistance on copyright management and building copyright infrastructure with specific reference to the involvement of MSMEs
- Foster the modernization of the copyright infrastructure to match digital market specifics with particular attention to the situation of MSMEs
- Share results of the analysis of the specifics of copyright management in individual creative sectors – music, publishing, film, games, software, etc.
- Address specific practical needs of MSME professionals through targeted CDIP projects in the audiovisual, software and music sectors



# Patent and Cooperation Treaty (PCT)

## General Overview

- PCT applications from MSMEs
- Customer services for users from MSMEs
- Support for innovation of MSMEs, eServices and Patentscope etc.
- Training provided for MSMEs users.

# PCT

## Challenges

- ❖ Challenges faced by the Division in reaching out to MSMEs
  - **Data and statistics** - Business needs on reliable statistics and data on MSMEs (applicants, applications, technical fields and chronological distribution etc.)
  - **Customer Services** - Customized services to be designed and provided for users from MSMEs
  - Quite often, MSME lacks general knowledge in PCT and about WIPO itself.

# PCT

## Challenges

- ❖ Challenges faced by MSMEs in benefiting from services / activities provided by the Division
- **IPR knowledge and skills** - Applicants of MSMEs may have insufficient IPR/PCT knowledge and skills
- **Professional experience** - Handlers of PCT applications from MSMEs are usually not professional agents or practitioners and may lack experience
- **Information sharing** - MSMEs may not have the information on effective access to PCT latest development
- Lack of knowledge in PCT and WIPO:
  - Patent applications prepared and prosecuted without professional assistance are likely either to fail or not to deliver the value hoped for. Problems discovered are often not possible to correct later on.
  - MSMEs need to understand early on whether the PCT system may be valuable to them, recognize the costs and work out whether and how to finance and pursue the process.

# PCT

## Opportunities for future

Tools that WIPO uses or could use to assist MSMEs

- Business Database on MSMEs to be provided in supporting subsequent actions in a focused, meaningful and practical way
- Technical Database and infrastructure (PatentScope , eServices etc.) to be improved in helping increase private R&D efforts of MSMEs
- On-line training course, seminars, and other information sharing sessions oriented to targeted groups of MSMEs to be arranged
- The activities should be divided into the countries and based on their popular communication channels in each country. Promoting WIPO and PCT in collaboration with the government authorities or agencies would be required. Promotion using Multimedia should be developed further.

# PCT

## Opportunities for future

How could WIPO activities be adapted to the needs of MSMEs?

- **Questionnaire** – Well-designed questionnaire to obtain accurate information and business needs from target respondent of MSMEs
- **Training and exchange activities**– Off-line training, face-to-face instruction, specialized and collective class can be arranged
- **Visit and support** – In addition to the above, interview and visit to MSMEs to provide support and counselling for frontline staff can also be considered and arranged
- **Customized service** – Multiple levels of customer service (top PCT users, MSMEs, individuals and Offices users; experienced users and less experienced users etc.) to be further improved
- **Cooperation with National Offices** – To enhance and reinforce cooperation with National Offices in exchanging clear situation and accurate statistics, streamlining procedures, providing purposeful and effective trainings and support for MSMEs users of the member states
- Assist a wide variety of MSME stakeholders in filing and managing PCT international applications through smart and easy-to-use PCT IT services (e.g. auto-validation of its content, on-line help and training materials, etc.)
- WIPO activities could be more channeled and shared between Sectors or Divisions to optimize efficiency.

# Madrid Registry

## General Overview

- Trademarks is probably the most relevant IP category for MSMEs.
- If MSMEs are offering their goods or services abroad, it is very important that they protect their trademarks in the countries where they do business.
- The Madrid System is useful for MSMEs in this connection because it simplifies and lowers the cost of obtaining protection for trademarks in foreign jurisdictions.
- We believe many SMEs already use the Madrid System, but the data in our possession does not allow us to give a reliable statistical picture.

# Madrid Registry Challenges

- ❖ Challenges that the Division is facing in reaching out to MSMEs
  - The biggest challenge is how to reach them and make them aware that the Madrid System can be useful for them. We believe we have to work through the national agencies who are specifically responsible for MSMEs in the country concerned (assuming such agencies exist). We believe it is not enough to work with the IP office; these other more specialized agencies need to be brought into the picture.
  
- ❖ Challenges faced by MSMEs in benefiting from services provided by the Division
  - The most important challenge is that they are simply not aware that the Madrid System exists.
  - The other challenges are cost and complexity (which are related, because it basically means you need to hire a trademark agent in certain more complex circumstances)

# Madrid Registry

## Opportunities for the future

- ❖ Tools that WIPO uses or could use to assist MSMEs
  - Work with the specialized national agencies to make MSMEs aware of the Madrid System.
  - Digital communication/social media and data analysis could help
  - «Taking the complexity out of the process» (web-based customer journeys)
  
- ❖ How could WIPO activities be adapted to the needs of MSMEs?
  - Focus on accessions in a particular region:
    - ASEAN
    - Latin America
    - Gulf



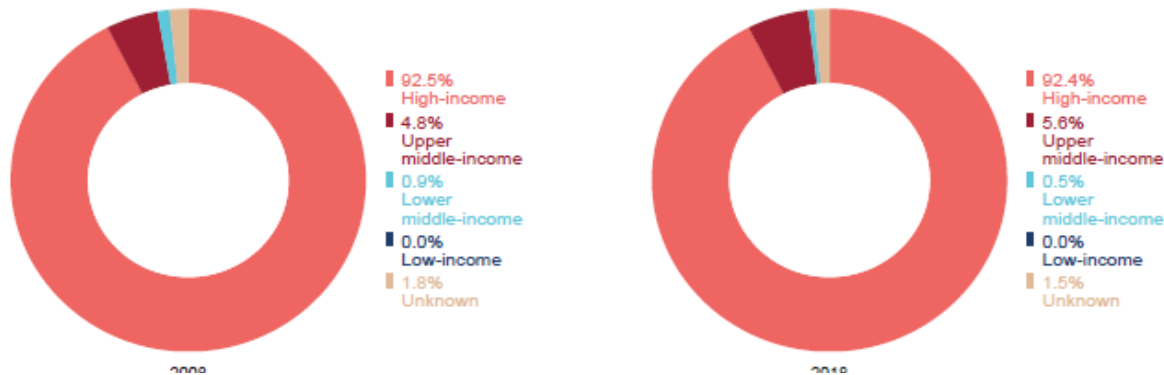
# Hague Registry

## General Overview (The Hague System and MSMEs)

- Intersection largely underexploited
- Untapped opportunities

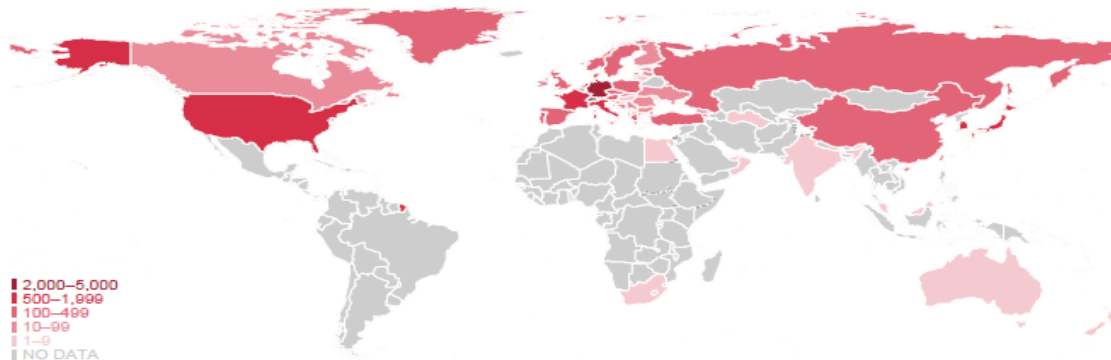
**High-income countries accounted for the bulk of Hague filing activity, reflecting the membership of the Hague System.**

A6. Designs contained in international applications by income group, 2008 and 2018



**Use of the Hague System is highly concentrated in a few origins.**

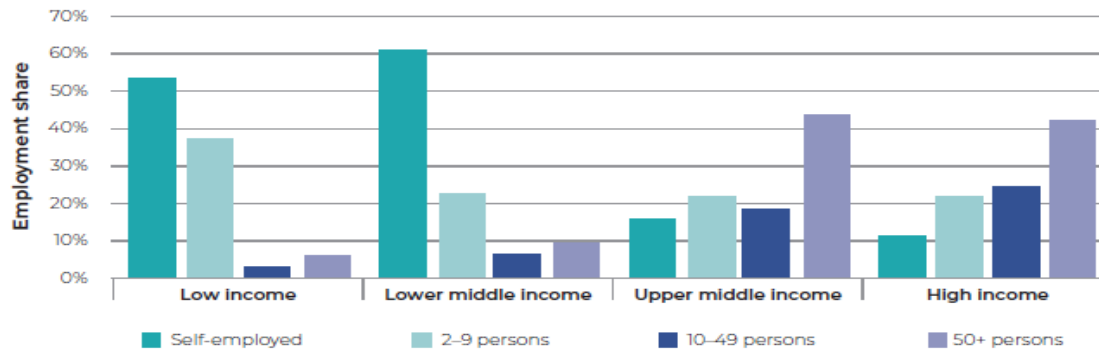
A8. Designs contained in international applications by origin, 2018



# Hague Registry

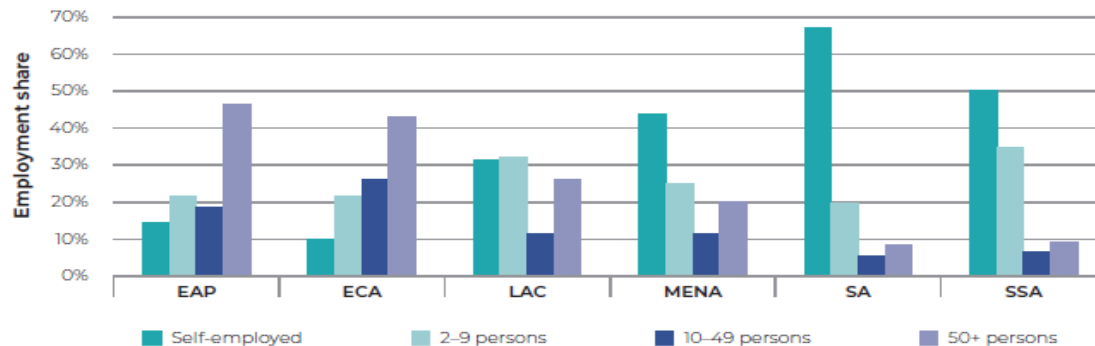
## ■ “Small Matters” (2019 ILO Study on small economic units)

Employment share of the self-employed and different firm size classes, by country income group (%)<sup>2</sup>



Source: ILO calculations, August 2019.

Employment share of the self-employed and different firm size classes, by region (%)



Note: EAP = East Asia and the Pacific; ECA = Europe and Central Asia; LAC = Latin America and the Caribbean; MENA = Middle East and North Africa; SA = South Asia; SSA = sub-Saharan Africa.

Source: ILO calculations, August 2019.

# Hague Registry

## Challenges

- Challenges that the Hague Registry is facing in reaching out to MSMEs:
  - Lack of access – MSMEs dispersed, many micro-businesses in informal economy
  - Lack of awareness, understanding, appreciation of value of industrial designs and proven value chain
  - Reversed perception: protection results from business success vs. protection is key to business success
- Challenges faced by MSMEs in benefiting from The Hague System services:
  - Lack of expertise, limited resources
  - Cost implications
  - Communication channels not efficiently / effectively exploited

# Hague Registry

## Opportunities for the Future



- Tools that WIPO uses or could use to assist MSMEs
  - Develop outreach strategy, establish multiple bridges
  - MSME Helpdesk
  - Promote industry-specific MSME success stories
  - MSMEs-specific portal uniting all IP-related tools (see format: <http://tfig.unece.org/>)
  
- How could WIPO activities be adapted to the needs of MSMEs?
  - Partner with relevant and viable associations
  - Broker partnerships or sponsorships between big businesses and MSMEs
  - Partner with IGOs/Govts/Industries to establish database of MSMEs
  - Classify MSMEs according to level of IP understanding and integration
    - tailored targeting

# WIPO Arbitration and Mediation Center

## General Overview

- The efficient exploitation of IP is fundamental to successful business for MSMEs
- While careful drafting of contracts will reduce the frequency of disputes, these may at times arise
- Therefore, it is essential that disputes be managed and resolved efficiently
- MSME parties to IP transactions should anticipate appropriate mechanisms to prevent and resolve potential disputes in a time- and cost-effective manner

# WIPO Arbitration and Mediation Center Challenges

Two fundamental challenges faced by MSMEs in resolving their IP disputes:

- Cost: dispute resolution can be costly for parties, in time and financial resources
  - To alleviate such costs, the WIPO Center
    - Assists in fixing mediator or arbitrator fees
    - Provides active case management
    - Operates on non-profit basis
    - Provides 25% discount on WIPO fees to parties who are also users of the PCT, Madrid, and the Hague international registration services
  - For domain name dispute resolution – fixed case fee
- Expertise: parties should have understanding of processes and also have legal representation
  - To inform parties on ADR procedures, the WIPO Center
    - Undertakes training, in person and online (webinars, WIPO Academy course)
    - Makes available resources, including publications, web content
    - Provides Good Offices service connecting parties

# WIPO Arbitration and Mediation Center

## Opportunities for the future

- ADR procedures can facilitate efficient IP dispute resolution outside of national courts
- The WIPO Arbitration and Mediation Center offers
  - Mediation, arbitration, expedited arbitration, expert determination options
    - for disputes related to patents, trademarks, copyright, ICT (as well as general commercial transactions) (MSMEs comprise 38% of WIPO case parties)
  - Domain name dispute resolution
    - to address the abusive registration of a trademark in a domain name
- Use of ADR for IP disputes can provide MSMEs several advantages
  - Increase control of dispute process
  - Reduce time and cost
  - Facilitate international enforceability
  - Provide confidentiality

# WIPO Global Challenges Division

## General Overview

- Established in 2011, WIPO Re:Search is a public-private partnership that makes IP and expertise available to researchers worldwide who need it. Members include some of the world's largest pharmaceutical companies, prestigious academic institutions, and product development partnerships. This initiative is open to MSME's, which stand to benefit from its network of 141 members spread across 41 countries.
- WIPO GREEN is an online platform for technology exchange. It supports global efforts to address climate change by connecting providers and seekers of environmentally friendly technologies. Through its database, network and acceleration projects, it brings together key players to catalyze green technology innovation and diffusion. WIPO GREEN offers a free platform for MSMEs to showcase their expertise in green technology to potential customers and other stakeholders, and help commercialize their inventions.



# WIPO Global Challenges Division

## Challenges

- ❖ Challenges that the Division is facing in reaching out to MSMEs
  - For WIPO Re:Search, the primary challenges in MSME recruitment are communications and public awareness. WIPO Re:Search is working to enhance its public outreach to communicate the beneficial role of IP in innovation, and the consortium's role therein.
  - For WIPO GREEN, the primary challenge is to reach relevant MSMEs. Contact is usually established through intermediaries, e.g. associations representing SMEs.
- ❖ Challenges that MSMEs face in benefiting from services / activities provided by the Division
  - A lack of awareness of WIPO Re:Search is the primary challenge MSMEs face in benefitting from its services.
  - For WIPO GREEN, a lack of awareness is equally a challenge. In addition, MSMEs have little time to upload technology, a pre-requisite to benefit from promotion, and often limited knowledge about the role of IP.

# WIPO Global Challenges Division

## Opportunities for future

WIPO Re:Search's global network includes 141 public and private institutions operating in 41 countries in the neglected tropical disease research space. It can link MSMEs with expertise and IP resources in this area.

WIPO GREEN can assist MSMEs in promoting their technology, finding clients and/or partners to commercialize their technologies.

WIPO Re:Search and WIPO GREEN link their members with the broad array of WIPO resources to strengthen their IP capacities. Programs to support MSMEs in the commercialization process would be of interest (e.g. through mentorship).

# WIPO Innovation and Knowledge Infrastructure Department General Overview

IP Services for MSMEs:

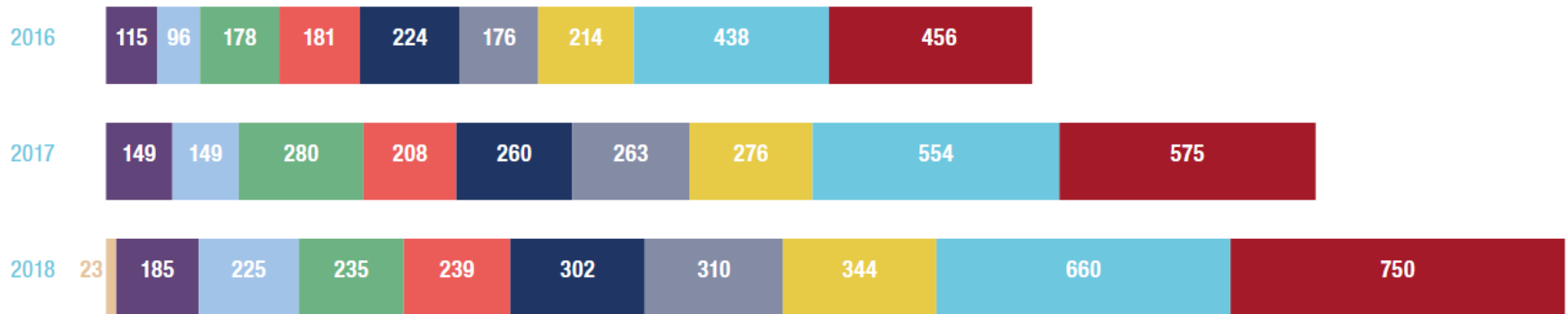
- Low volume of demand
- Limited financial resources
- Limited human resources

	<b>Constraints</b>
In-house	High fixed cost to establish and maintain
Foreign	Limited adaptation to local needs and conditions; uncertain quality; potentially high cost to acquire
Domestic	Limited availability (in certain countries)

# IP Services for MSMEs: TISCs

- Affordable
- High-quality
- Locally based

Number of TISCs providing different types of services  
(Source: TISC Directory)



- Analytics – Patent Landscape Reports (PLRs) and related services
- Assistance and advice on IP management – Patent drafting, prosecution
- Assistance and advice on IP management – Commercialization
- Search – Validity
- Search – Freedom to operate, clearance

- Search – Novelty, patentability
- Assistance and advice on IP management – Licensing, technology transfer
- Search – State of the art
- Assistance and advice in using databases
- Access to patent, scientific and technical databases

# IP Services for MSMEs: TISCs

Innovation stage	TISC services
Research and development	Access to databases Advice and support in using databases State-of-the art search Patent Landscape Reports
IP creation	Novelty, patentability search Assistance in patent drafting
Product and service design	Freedom to operate search Validity search
Value creation	Advice and assistance in licensing, tech transfer Advice and assistance in commercialization Patent Landscape Reports

# WIPO Innovation and Knowledge Infrastructure Department

## Challenges:

- Limited IP awareness among SMEs
- Limited contact between IP organizations and SMEs

## Opportunities for future:

- Networking through SME-focused government ministries and agencies
- Collaboration with
  - SME associations (secretariats)
  - SME support institutions

# WIPO Regional Bureaus (ASPAC)

## General Overview

- Difference between M and SMEs is huge so the relevance, extent of use and benefits from IP are likewise varied
- Start-Ups from universities and research institutions are in a very different circumstance altogether from the general MSME entities (in terms of resources, support and strategy), so it should also have a different category
- The different fields of IP (trademarks, designs, copyright, patents, trade secrets, GI) have varied usefulness for and impact on M and SMEs, thus each field deserves separate policy directions and treatment
- IP in most MSMEs may be mostly about how IP can support or affect their basic business model or economic engine which is buying-and-selling products and services (or trading).
- Other business areas/concerns outside IP affect how IP is useful for M and SMEs. Thus, it should be included when providing technical assistance.

# WIPO Regional Bureaus (ASPAC)

## Challenges

- ❖ Challenges faced by the Division in reaching out to MSMEs
  - Finding the right government office to work with (there are resource and other limitations to working only with national IPOs)
  - Finding local experts (rather than international experts) to do the work on the ground more effectively and throughout an extensive period
  - How to sustain the work beyond the project time frame by installing and institutionalizing enabling structures and systems for IP targeting MSMEs
  - Going beyond workshops and discussions and doing field work in real time with selected MSMEs to generate success stories and lessons to be learned from failures
  
- ❖ Challenges faced by MSMEs in benefiting from services / activities provided by the Division
  - Other more pressing business priorities
  - Unrealistic expectations of what IP can do for their business



# WIPO Regional Bureaus (ASPAC)

## Opportunities for future

- ❖ Tools that WIPO use or could use to assist MSMEs
  - Capacity-development for interlocutors of MSMEs
  - Pilot testing enabling structures and mechanisms in specific IP fields (trademark, GI, designs) for MSMEs
  - Catalyzing the use of IP in the whole-of-government to benefit MSMEs
  
- ❖ How could WIPO activities be adapted to the needs of MSMEs?
  - Involving MSMEs in the governance of cooperation (designing, implementing and evaluating technical assistance programs)
  - Working with the private sector or non-government organizations, and not just the national IP office in the country
  - Embarking on a multiple year (6-10 year timeline) initiative
  - Experimenting on innovative multi-dimensional approaches like mentoring, conducting clinical interventions and giving practical counsel on real business issues (and not just dwelling on theories in classroom settings)

# WIPO Regional Bureaus (RBAC)

## General Overview

- Statistics, in the form of raw or analytical data, present a challenge to further investigate the correlation between exploiting IP rights and the overall performance of MSMEs in the Arab region and their social and economic implications. There is an overall recognition in the region of the positive impact that the appropriate use of IP might entail to the development of the role of MSMEs.
- In general, it has been repeatedly noticed that there exists a relatively low level of awareness of the importance of IP in the entrepreneurial ecosystem in the Arab region.
- The size of the MSME matters as far as the utilization of IP is concerned, in light of the perception of the cost of such utilization.

# WIPO Regional Bureaus (RBAC)

## Challenges

- ❖ Challenges that RBAC is facing in reaching out to MSMEs
  - Occasional lack of coordination in some cases between national IP offices and associations providing entrepreneurial support to MSMEs.
  - Insufficient level of knowledge of relevant MSMEs or institutions grouping and/or representing them in the region.
  
- ❖ Challenges MSMEs face in benefiting from services / activities provided RBAC
  - Insufficient level of knowledge of the importance of IP as a tool for achieving economic development as well as its relevance for day-to-day business of MSMEs.
  - Perceptions by some MSMEs that the IP system is too cumbersome and time-consuming.
  - Weak legal and regulatory frameworks as well as weak enforcement mechanisms in some cases.
  - Limited access to the necessary human resources and/or accessible legal advice make the use of the IP system complicated and decreases the chances of success in the application process for registration/grant of IP rights.
  - Occasional low level of IP management skills within MSMEs reduce their ability to fully benefit from the IP system and, therefore, discourage its future use.

# WIPO Regional Bureaus (RBAC)

## Opportunities for future

- ❖ Further expanding/enhancing ongoing functions/roles:
  - RBAC should continue to reach out to stakeholders from the region.
  - Practical training workshops for MSMEs on how to use the IP system to enhance their competitiveness.
  - WIPO Distance Learning courses for MSMEs, free of charge, in Arabic, as well as Webinars, whenever possible, targeting entrepreneurs, should be encouraged, in order to maximize understanding and utilization of IP assets.
  
- ❖ Initiating tailored mechanisms/surveys seeking to:
  - Obtain statistical data on the number of MSMEs within each country; their breakdown into different sectors; level of IP awareness; legal and regulatory frameworks, etc.
  - Identify associations, such as industrial associations and chambers of commerce dealing with MSMEs in each country in the region. This would provide WIPO with clear insight and guidance in providing needful technical support for MSMEs. Furthermore, these associations would act as an intermediary between WIPO and MSMEs, and would assist in disseminating IP information and knowledge, taking into account the national specificities of each country.
  
- ❖ In conclusion, IP needs to be considered by MSMEs as a valuable business asset, from product development to design and from service delivery to marketing.

# MSMEs, Innovation and IP

■ Thank you!