Building Awareness on Intellectual Property Rights (IPR) for MSMEs in India

Presentation by
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An Overview of MSMEs

• 26 million units
• 60 million persons
• 45% contribution in manufacturing output
• 40% contribution in total exports
• More than 8000 items produced
Characteristics of MSMEs

- Decentralized growth
- Indigenous Technology
- Low investment
- Vast employment potential
- Credit problem
- Low in technology
- R&D issue
- Intellectual Property Rights
Classification of MSMEs

• MSMED Act, 2006 came into existence on 2nd October 2006

• Investment has been adopted as criteria for classification of Micro, Small & Medium Enterprises

<table>
<thead>
<tr>
<th>Type of units</th>
<th>Manufacturing Sector</th>
<th>Services Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>Upto 25 Lakh</td>
<td>Upto 10 Lakh</td>
</tr>
<tr>
<td>Small</td>
<td>25 Lakh – 5 Crore</td>
<td>10 Lakh – 2 Crore</td>
</tr>
<tr>
<td>Medium</td>
<td>5 – 10 Crore</td>
<td>2 - 5 Crore</td>
</tr>
</tbody>
</table>

(Fig. In Indian Rupees)
IPR Legislations in India

- Patents Act 1970 as amended in 2005
- Industrial Designs Act 2000
- Trade Marks Act 1999
- Geographical Indication Act 1999
- All the above laws are administered by CGPDTM
- Copy Right Act 1999
- Protection of Plant Varieties & Farmers’ Rights Act 2001
- The Biological Diversity Act, 2002 (All IPR Laws are fully TRIPS compliant)
Building Awareness on IPR for MSME’s

**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.
- **70** MSME Clusters.
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Total Project Cost</td>
<td>Rs. 55 Crore</td>
</tr>
<tr>
<td>GoI Contribution</td>
<td>Rs. 50 Crore.</td>
</tr>
<tr>
<td>Share of Private Partners</td>
<td>Rs. 5 Crore</td>
</tr>
<tr>
<td>Sl. No.</td>
<td>Activity</td>
</tr>
<tr>
<td>--------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>(a)</td>
<td>Awareness/ Sensitization Programmes</td>
</tr>
<tr>
<td>(b)</td>
<td>Pilot Studies.</td>
</tr>
<tr>
<td>(c)</td>
<td>Interactive Seminars/ Workshops.</td>
</tr>
<tr>
<td>(d)</td>
<td>Specialized Training.</td>
</tr>
<tr>
<td></td>
<td>(i) Short term (ST)</td>
</tr>
<tr>
<td></td>
<td>(ii) Long term (LT)</td>
</tr>
</tbody>
</table>
### Main Activities (contd.)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Activity</th>
<th>Max. grant (Rs. in lakh)–per proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>(e)</td>
<td>Grant on Patent/ GI Registration.</td>
<td>(i) 0.25</td>
</tr>
<tr>
<td></td>
<td>(i) Domestic Patent</td>
<td>(ii) 2.00</td>
</tr>
<tr>
<td></td>
<td>(ii) Foreign Patent</td>
<td>(iii) 1.00</td>
</tr>
<tr>
<td></td>
<td>(iii) GI Registration</td>
<td></td>
</tr>
<tr>
<td>(f)</td>
<td>Setting up of ‘IP Facilitation Center for MSME’.</td>
<td>65.00</td>
</tr>
<tr>
<td>(g)</td>
<td>Interaction with International Agencies.</td>
<td>5.00</td>
</tr>
<tr>
<td></td>
<td>(i) Domestic Intervention</td>
<td>7.50</td>
</tr>
<tr>
<td></td>
<td>(ii) International Exchange Programme</td>
<td></td>
</tr>
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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/Co-operatives/ 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 atleast five years of previous experience.</td>
<td>(b)</td>
</tr>
</tbody>
</table>
## Definition & Eligibility

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

- Bilateral Cooperation Agreements with 8 countries namely Australia, USA, Germany, Japan, France, EPO and Switzerland to promote innovation, IP and foster Cooperation

- India Parent office recognized as International Searching Authority/ International Preliminary Examination Authority by WIPO

- Study International Best Practices for adopting locally.

- Capacity Building through Training & Exchange Programme.

- Participation in joint R&D programme.
Approval and Monitoring

- Steering Committee headed by AS&DC(MSME) – Apex decision making body.
- Representation from Ministries/ Departments/ Agencies associated with implementation of IPR.
- Project Implementation Committee (PIC) under an IPR Expert.
- PIC to approve specific proposals.
- Constitution to be reviewed from time to time to keep it widely represented.
Progress & Achievements

- 27 IPFC sanctioned at
  - Bangalore (2), Thiruvananthapuram,
  - Jaipur (2), Gandhi Nagar, Shimla,
  - Lucknow, Chennai, Hyderabad (2), New Delhi (3), Indore, Chandigarh, Bhopal,
  - Mysore, Dehradun, Bangalore (2), Kolkatta, Mumbai, Agartala, Imphal & Pune (2)

- 12 IPFC started functioning

- 110 Awareness Programmes
Progress & Achievements

- 30 Workshops
- 4 Short term training
- 6 Pilot studies - bamboo sub sector, Ayurveda based MSMEs, Auto Component, Drug & Pharma, Electronics & Textiles
Strategic Use of IP in an Enterprise

- Name of Enterprise: M/s. Pushp Jyoti herbal Enterprises
  Gurgaon, India

- Dr. Pushpa Khanna an Indian Scientist
  Born in 1928
Strategic Use of IP in an Enterprise

- Invented a drug named Gourdin. GOURDIN is a supplement made from the seeds of BitterGourd (Bittermelon or Momordica Charantia L.). This supplement is first of its kind showing absolutely no side effects.

- Gourdin is a protein extract from a plant source when administered to patients suffering diabetes mellitus (Type I & II), helps them to improve their general health.
Strategic Use of IP in an Enterprise

- Granted patent in US, Australia, South Africa, EU, China, Malaysia, Korea and in India.

- The product has been commercialized in May, 2000. Licensed the invention successfully worldwide. Technology transferred to China, Malaysia, Korea, India and Japan.
Strategic Use of IP in an Enterprise

- At present Dr. Khanna is manufacturing Gourdin and other products at a small scale units under the name and style of M/s. Pushpa Jyoti Herbal Enterprises, Gurgaon.
- Dr. Khanna holds various patents for her excellent research work including (i) Extraction of a Hypoglycaemic Polypeptide from vegetable source - Indian Patent No. 136565 and (ii) Antifertility drug for male from plant source - Indian patent and 14 foreign patents with USA, Canada, Australia, South Africa, China, Malaysia, Japan, Indonesia, EU Korea etc.
Road Ahead

- Awareness
- IP Facilitation Center
- Documentation/Success Stories (MSME)
- Adoption of WIPO Booklets & Translation
- Enforcement
Thank You