

Terms of Reference
for
the *ad hoc* Expert Group for creating an internationally agreed scope and methodology
for undertaking national surveys and/studies on IP and SMEs

BACKGROUND

In the framework of the Development Agenda of the World Intellectual Property Organization (WIPO), one of the approved projects, which is at Annex IX of WIPO document CDIP/3/INF/2, is entitled, “*Improvement of National, Sub-Regional and Regional IP Institutional and User Capacity;*” see the attached copy of Annex IX.

One of the objectives of the above-named project is to enhance the capacities of IP and SME support institutions in addressing the needs and challenges of SMEs in effectively utilizing the IP system. This requires an enhanced factual understanding (empirical evidence) of the problems/challenges for enabling appropriate policy responses and allocation of resources to respond to the problems/challenges, such as through nationally tailored material on print and digital media, including online content. Using these materials, training of trainers programs will be held for the benefit of teachers/trainers in reputed institutions including universities that undertake teaching/training activities on a regular basis. Convening an expert group for defining the scope and standardizing the methodology for conducting national survey/studies on IP and SMEs is one of the activities foreseen under the project.

At the international level, there seems to be a consensus that there is a widespread lack of appreciation, of the role of IP asset management in the competitiveness of SMEs, amongst the policy makers, the SME support and finance institutions, and the SMEs themselves. SMEs do not use or are ineffective users of the IP system. Most SMEs rely more on informal methods of protection than on the formal IP system. Inadequate awareness, high cost and the complexity of the IP system are often cited as reasons for the ineffective use of IP by SMEs. Most SME stakeholders in the government, private sector and civil society are not fully convinced of the role and importance of active IP asset management in the success of SMEs; recent surveys and studies, done mostly in developed countries, confirm this. Thus, knowledge-driven SMEs are vulnerable in today’s hypercompetitive, increasingly international, and highly IP intensive environment. These challenges are further compounded by the lack of cost-effective, user-friendly and readily accessible IP information, support and advisory/consulting services for SMEs in a language that they can understand.

There is a need to gather empirical evidence to confirm/refute the above consensus. In this regard, there is a need to understand the IP asset management needs of SMEs, inter alia, by (a) identifying barriers to innovation, growth, and/or effective use of the IP system by SMEs, (b) identifying gaps in IP asset management services to SMEs, (c) assessing the quality/effectiveness of existing awareness creation and capacity building content and services on IP asset management for SMEs, (d) international benchmarking of national and institutional good/best policies and practices on promoting access and use of support and services on IP asset management for SMEs, and (e) role of IP asset management practices and strategies in benchmarking of continuous improvements to quality of existing products (goods and services), based on case studies of SMEs.

Based on the attached summary of some of the recent surveys/studies on IP and SMEs , mostly from developed countries, it is also proposed to develop one or more harmonized methodologies for undertaking such surveys or studies so as to ensure that the results obtained are comparable over time and across sectors/countries. Cost-effectiveness would no doubt be an important consideration.

SCOPE OF WORK

The Expert Group is expected to:

- (1) Agree on the scope/definition of key terms, including “IP rights,” “SMEs,” “innovation,” “innovative SMEs,” “use of IP,” “benefit from IP” “ competitiveness of an SME” for the purpose of the national/sectoral survey(s)/study(ies);
- (2) Agree on the scope of the national/sectoral survey(s)/study(ies); should the focus be narrow that relies on use of registrable or all types of IP rights, or a wider focus that looks upon, for example, the role of innovation, entrepreneurship and SMEs sector in national innovation, competitiveness and/or economic development strategy; should the focus be on any particular type of SMEs (such as, start-ups, spin-offs, microenterprises, innovative SMEs, high-growth SMEs, exporting SMEs, internationally active SMEs, high tech SMEs, SMEs in value chains, etc); should the focus be merely on ascertaining the percentage of SMEs in a country or sector that do not use the IP system and the reasons for nonuse; or should the focus be on ascertaining the percentage of SMEs that use the system and why and how they do so; should the scope include an analysis as to whether use of IP contributed to firm growth, new job creation, value addition, higher performance, productivity, longevity or competitiveness in domestic or export markets; should the scope be limited to the nature of the problem at the level of an SME or also survey/study the nature, timing, duration, scope, quality, costs and geographical distribution of private or publicly-funded support services for improving awareness, access and use of the IP system by SMEs and their cost-effectiveness; should the focus include a study/survey of preferred learning modes as well as the attitudes of business owners/managers to training for skill and competence development of the staff of SMEs; should the roles of the role of government funded business or SME development agencies and/or of social networks, especially the chambers of commerce and industry or of industry/trade/business associations be looked into in their ability to improve response rates, IP service delivery; in brief, how to develop a rounded methodology, shifting the focus away from prediction to understanding, and away from quantifying what kinds of barriers affect innovation, growth, and/or effective use of IP asset management strategies in/of SMEs to exploring how barriers may influence the intentions and behaviors of the owners/managers of SMEs. Whether and how to encourage the researchers to unpack the meaning of barriers to use of IP asset management strategies by SMEs and to take into account the context in which they are perceived.
- (3) Agree on a standard/harmonized methodology or a set of such methodologies (qualitative versus quantitative; type of data sets needed for econometric analysis; sample selection; use of structured or semi-structured interviews; use of questionnaire(s); role of focus groups and/or case studies); sources of data and information for conducting the national/sectoral survey(s)/study (ies);

difficulties/limitations/challenges in information and data collection, especially in developing countries and in countries with economies in transition; response rates, data quality and cost-effectiveness.

- (4) Attend the meeting of the Expert Group at the WIPO headquarters in Geneva, Switzerland, to share their respective experiences and deliberate on the above issues, including but not limited to review of the data collection situation, especially in the developing countries and LDCs and how to improve it, preparation of a model questionnaire for conducting the studies and formulating a policy response directed towards overcoming the poor IP asset management awareness and competency among the SMEs, especially in the developing countries and LDCs;
- (5) After the meeting at the WIPO headquarters in Geneva, to continue the deliberations by phone, fax, email and/or online amongst themselves, say in an Internet wiki, to complete the work assigned to the Expert Group, and, in particular, to develop appropriate tools, including one or more questionnaires, that may be used as such or after suitable modifications for undertaking such national/sectoral surveys/studies. The need for this task will depend on the progress made and the division of labor that may be agreed upon during the meeting.

The formal report of the expert Group is expected to be submitted to the Director General of WIPO within three months of the date of the meeting of the Group at the WIPO headquarters.

The SMEs Division of WIPO will convene the meeting of the Expert Group and provide all logistical and other support for the smooth conduct of its work.

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