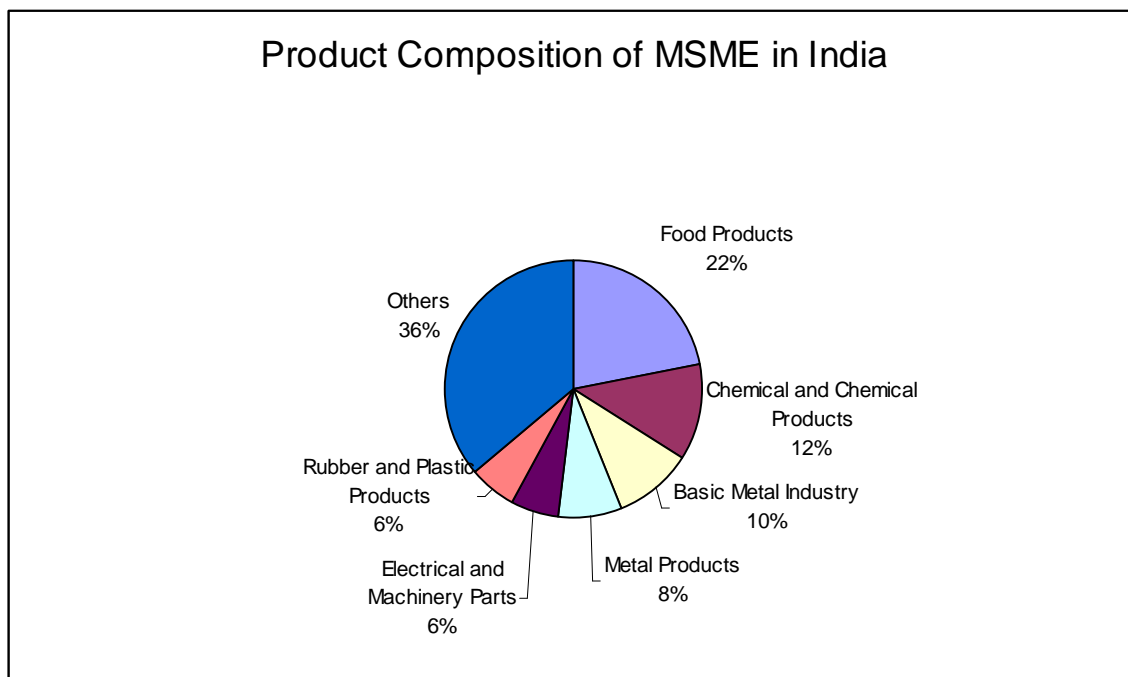


PUBLICLY FUNDED IP SUPPORT SERVICE FOR ENTREPRENEURS

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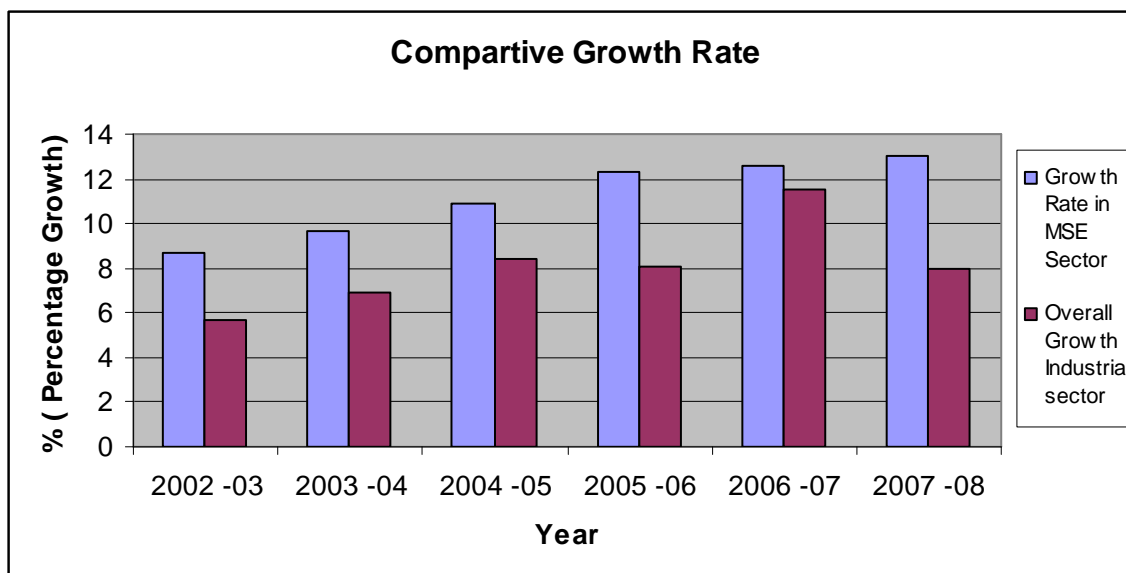
1.0 MSME in India a Snap Shot

The micro, small and medium enterprises (MSME) sector of India contributes¹ significantly to the manufacturing output, employment and exports of the country. It is estimated that in terms of value, the sector accounts for about 45 per cent of the manufacturing output and 40 percent of the total exports of the country. The sector is estimated to employ about 42 million persons in over 13 million units throughout the country. Further, this sector has consistently registered a higher growth rate than the rest of the industrial sector. There are over 6000 products ranging from traditional to high-tech items, which are being manufactured by the Memes in India.



The MSE sector has maintained a higher rate of growth vis-à-vis the overall industrial sector as would be clear from the comparative growth rates of production for both the sectors during last five years as incorporated in the graph below:

¹ Annual Report of Ministry of Micro, Small and Medium Enterprise, Govt. of India – 2008 -09



In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified in two Classes:

(a) Manufacturing Enterprises- The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and regulation) Act, 1951). The Manufacturing Enterprise is defined in terms of investment in Plant & Machinery.

(b) Service Enterprises: The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment.

The limit for investment in plant and machinery / equipment for manufacturing / service enterprises, as notified, [vide S.O. 1642\(E\) dtd.29-09-2006](#) are as under:

Manufacturing Sector	
Enterprises	Investment in plant & machinery (In Indian Rupees)
Micro Enterprises	Does not exceed twenty five lakh rupees
Small Enterprises	More than twenty five lakh rupees but does not exceed five crore rupees
Medium Enterprises	More than five crore rupees but does not exceed ten crore rupees

Service Sector	
Enterprises	Investment in plant & machinery (In Indian Rupees)
Micro Enterprises	Does not exceed ten lakh rupees

Small Enterprises	More than ten lakh rupees but does not exceed two crore rupees
Medium Enterprises	More than two crore rupees but does not exceed five crore rupees

2.0 Govt. Initiatives in Intellectual Property Rights

The Government of India has announced in the 2005-06 Budget regarding setting up of the "National Manufacturing Competitiveness Council (NMCC)" which visualized a National Manufacturing Competitiveness Programme (NMCP) to enhance the competitiveness of the SMEs sector. One of the components of the NMCP is "Building Awareness on Intellectual Property Rights (IPR)" for the MSME. Accordingly, to enable the MSME sector to face the present challenges of liberalization, various activities on IPR are proposed under this scheme. These initiatives will provide MSME sector more information, orientation and facilities for protecting their intellectual powers.

The objective of the scheme is to enhance awareness of MSME about Intellectual Property Rights (IPRs) to take measure for the protecting their ideas and business strategies. Effective utilization of IPR tools by MSMEs would also assist them in technology upgradation and enhancing competitiveness.

About USD 11 Million has been allocated for initiatives such as Awareness / Sensitization Programme, Sectoral Studies, Workshops, Specilised Training, Grant for IP filing, establishment of IP Facilitation Centers & Interaction with International agencies. These initiatives are proposed to be developed through Public-Private Partnership (PPP) mode to encourage economically sustainable models for overall development of MSMEs.

3.0 Gaps and Consequences

GAPS	CONSEQUENCE
<ul style="list-style-type: none"> • Low Investment by MSME in R&D • Industry-Academia Linkage • Funding support both in development and IP protection • Quality & High Cost Professional Services 	<ul style="list-style-type: none"> • Low awareness/capacity • Infringements • Potential IP goes unprotected • Lesser no. of IP Owners

The Need

- Comprehensive Capacity Development in IPR across the value chain
- Comprehensive Fiscal incentives both for development / protection / commercialization and Marketing
- Enabling Legislations like Utility Patents
- Access to affordable quality Professional Services
- Stronger Enforcements
- Global Collaborations

4.0 CII Vision – India Model

A Strong IP Protection & Enforcement regime will usher in Increase in Confidence of Foreign Direct Investment in India especially in Cutting edge Research Development in India. This will also provide impetus for more private sector investment in Research & Development in India. This is the need of hour.

IPR Facilitation services such as IPR search, analysis, filing, protection etc is one of the key aspects for the success of the IPR regime. IPR facilitation services are the backbone of the IPR system, which would facilitate the filing and protection of various IPRs in a faster and effective way for the benefit of the inventor. Reaping the benefits of the IPR regime would largely depend on the IPR facilitation infrastructure in the country.

In order to propagate IPR activities across the country, IPR facilitation initiatives will have to be taken up at State level. The Central Government is working towards more awareness and propagation of IPR services, but unless work starts at State level - with initiatives of the State Governments, the efforts would not be successful. Hence, CII proposes to sensitize State Governments about the need to have IPR Cell in States. This is in tune with Vision & Goals of National Manufacturing Competitiveness Council.

5.0 APTDC – A Successful Case Study

Under PPP Mode, Confederation of Indian Industry (CII) set up the Andhra Pradesh Technology Development and Promotion Center (APTDC) with the support of Govt. of Andhra Pradesh & TIFAC (Technology Information Forecasting & Assessment Council) under Department of Science & Technology, Govt. of India.

This unique initiative to establish IPR facilitation Cell in the state was primarily to create a strong IPR base in the state, to enhance the quality of Invention, innovation and fine tune the institutional & policy issues and to increase the number of patents filed from the state. The idea was to boost investors' confidence in the long run through better innovative corporate Culture. The initiative addresses the IPR issues of the Industry, Research and development institutes of AP at large.

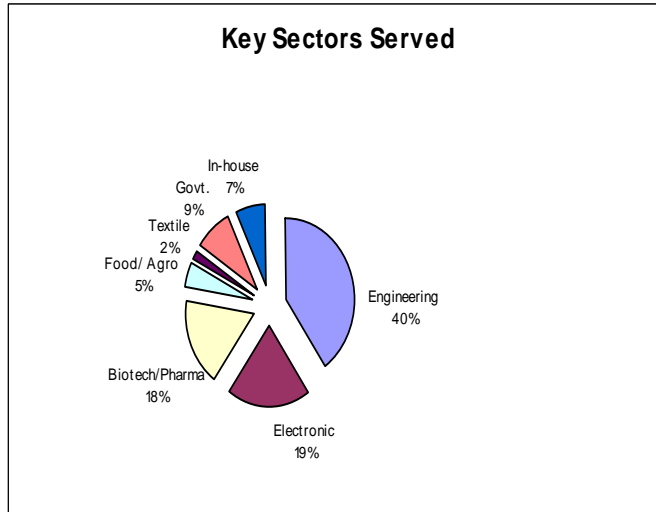
The Intellectual Property Rights Facilitating cell at Hyderabad imparts the following services:

- IPR Awareness and Training Programs: IPR awareness and training programs are aimed at disseminating all the prerequisite information related to IPR. This is a step undertaken to foster IP Creation in the State, which would lead to better inventions, better technologies and thereby better standards of livings. Highly qualified and practicing IP professionals impart world-class quality training, which would enhance the skills of IP Professionals, Scientists, technologists, lawyers and Industrialists. The Cell also invites opinion and suggestions from the clients towards the IP policy issues effecting business at large for interacting with the concerned Govt. department.
- IPR Advisory Services: The IPR facilitating cell has an access to the global IPR database which can provide world wide Information. A team of IP specialists does the Patent Search and Analysis and provides recommendations towards patentability and its related issues. A panel of legal experts and technical experts provide the necessary support for IPR advisory Services.
- IPR Protection Facilitation: A wide range of services which include assistance in drafting, filing in India and International, other legal aspects which would enable the user to obtain his Intellectual Property Rights. A panel of legal experts and technical experts provide the necessary support for IPR Protection Facilitation Services.

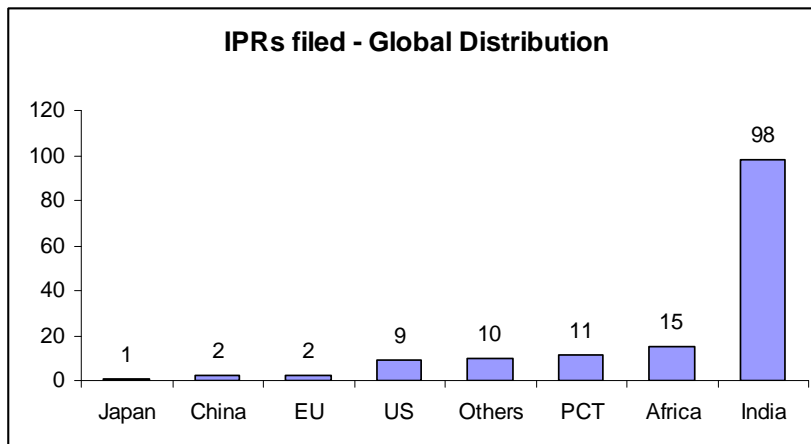
A web site “Andhra Pradesh Intellectual Property Rights” www.apipr.org has been launched for better services to the clients. A request form for IPR services can be filled and submitted online. Fundamental topics on IPR are covered through FAQ’s. The web site also includes articles from eminent IPR Professionals and also covers important events organized by CII and APTDC in the field of Intellectual Property Rights. It also includes a comprehensive database of registered patent agents in India.

The following are a few achievements if CII-APTDC IPR Facilitation Cell:

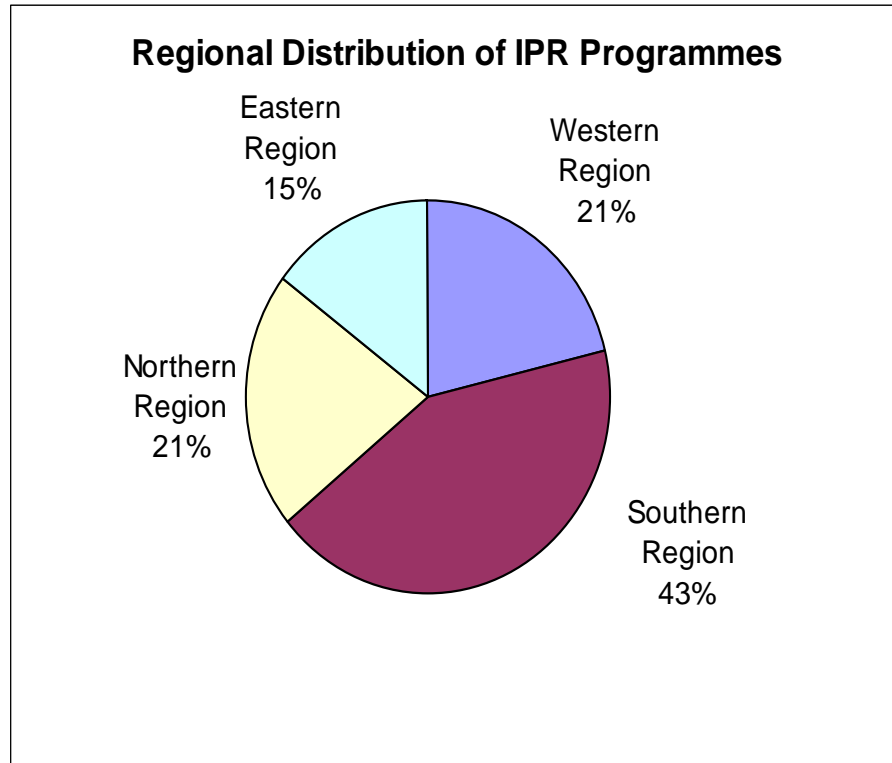
- The first of its kind Intellectual Property Rights facilitation cell with the support of the local state Government.
- Facilitated 300 PR Service requirements encompassing – Prior Art Analysis, Intellectual Property Protection, IPR Information, Counseling & Advisory Services



- Some of the important assignments facilitated have been the GI Registration of Pochampally Ikat, Kondapally Toys & policy inputs for the AP Govt. for IPR Protection.



- It is fast developing into a centre of excellence in IPR and is known for Unique Self sustaining Model evolved out of effective Public Private Partnership.



- Since Inception in 2002, it has been able to sustain its operation from its own projects & services which encompass all forms of support for Micro Small & Medium Scale Enterprises.

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