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# Benchmarking National and Regional Support Services for SMEs in the Field of Intellectual and Industrial Property



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SUMMARY			
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## Abstract

In the Benchmarking Report, which was commissioned by the DG Enterprise and Industry, PRO INNO examines the efficacy of public IP support services for SMEs. The authors conducted an extensive quantitative and qualitative study of available SME IP support schemes in the EU, as well as in Turkey, Liechtenstein, Iceland, Norway, the US, Canada, Australia and Japan. According to the authors, the established IP support services are patent-centric, under-funded, and unconnected to specific economic sectors. Their performance is ambiguous, with a relatively minor fraction of the available services being qualified as ‘high performers’.

## Summary

‘Benchmarking National and Regional Support Services for SMEs in the Field of Intellectual and Industrial Property’, commissioned by the EU Commission DG Enterprise and Industry and conducted by PRO INNO, is a quantitative and qualitative study of public IP support schemes for SMEs in the EU, as well as in Turkey, Liechtenstein, Iceland, Norway, the US, Canada, Australia and Japan. The aim of the study is to assess the efficacy and efficiency of IP support schemes for SMEs, identify potential for improvement, and accordingly propose relevant and effective policy measures.

The study identified first 279 national and regional IP services, of which 72 showed some promise for establishing a set of good practices. At a next level, the study focused more closely on 15 IP support services, with a view to empirically substantiate elements of good practice, including user feedback.

Public IP support schemes are established in many jurisdictions, both within the EU and without, with a view to closing the gap in the utilisation of the formal IP system — patents, trademarks, copyrights and, where available, utility models — between large firms and SMEs. The over-reliance of SMEs on informal forms of protection of innovation, such as secrecy, lead time advantage and defensive publishing, relative to their use of formal IPRs, is documented in several empirical studies. That said, in a number of sectors, including biotech, electronics and ICT, software, and entertainment, IP is crucial for SMEs as well.

Among the most important barriers for SMEs to access the IP system is its perceived high cost, in particular high administrative and enforcement costs, the uncertainty of IP enforcement in litigation, and limited awareness of the workings and the benefits of the formal IP system.

By contrast, large firms not only make a more intensive use of IPRs, their strategies have also evolved towards the strategic use of IP to enhance reputation, generate licensing income, trade assets to gain

freedom to operate, and facilitate collaborative innovation. Large firms have enhanced their IP portfolios, and developed sophisticated IP management systems which are integrated into their day-to-day business.

With regard to the IP support services identified as relevant by the study, 90 percent of them offer support related to patents, 69 percent design rights, 67 percent trademarks, and 41 percent to other registrable IPRs such as utility models. Moreover, the majority (74 percent) of the services provided support at the registration phase, whilst half support the pre-registration development phase, and 60 percent with the exploitation of IPRs. Many IP support services are offered combined in integrated packages.

In general, provided IP support services are classified by the authors into five categories: (a) raising awareness (15 percent), (b) information provision (30 percent), (c) IP training (8 percent), (d) customised consulting (31 percent), and (e) financial assistance and legal support (39 percent).

With regard to the institutional background of the surveyed services, 36 percent are provided by national patent offices, 30 percent by national governmental bodies and agencies, 14 percent by national development agencies, 9 percent by regional governmental bodies, and 8 percent by regional development agencies. In particular, it is noteworthy that the increasing supply of IP support services by national patent offices in Europe seems to mainly result from the growing importance of the EPO, and the consequent re-orientation of national patent offices to services provision. A major constrain for all IP support service providers is skilled labour scarcity, which raises the cost of recruiting legal and technical experts on IP.

The authors are sceptical with regard to the efficacy and efficiency of the services included in the survey. Many IP support services, for instance, lack visibility. Hence they have not arrived at a comprehensive set of good practices that IP support schemes could follow, but they have rather identified 'elements' of good practices in what is otherwise a pool of services with mediocre performance.

From these elements of good practice, the provision of integrated IP support services stands out. According to the authors, an integrated IP support service offering comprehensive IP management advice is hard to set up, in view of shortages in available expertise; it could, however, involve the private sector by linking public and private sector IP management services. In this sense, referral and networking services become more important. Moreover, IP support services should adopt a more business-oriented perspective, encouraging SMEs to think more strategically about IP development, following the example of larger firms.

In respect of the scarcity of IP-skilled staff, the authors advocate integrating IP courses into the syllabi of business and engineering schools in universities — to 'train the trainers' — as well as raising the general awareness of the IP system by the general public, by providing for instance high school courses and lectures on IP.

At an institutional level, the report concludes that national patent offices, and development and innovation agencies should coordinate their efforts in support of an overarching public policy in support of SMEs in the IP context. Similarly, the activities of the public and the private sector should align better with each other, the former facilitating and supporting the latter. With regard to patent offices, the authors distinguish two potential paths: either the patent offices confine themselves to their traditional role in processing and handling patent filings, or they could develop into 'institutes for intellectual property', integrating their traditional competences with more modern IP management offerings.

Finally, the report advises against the use of subsidies to reduce costs and incentivise use of formal IPRs by SMEs. The major concern with public subsidies is that they might reduce the quality of patent examinations at the patent offices, and at the same time they might encourage filings of poor quality.