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CASIP-SMEs - On existing and potentially new support for SMEs in the field of IPR

Exploratory baseline study in Uzbekistan, Kazakhstan, Kyrgyzstan and Tajikistan

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Executive summary

This study analyses the potential for new support services in the field of IPR for SMEs in the four Central Asian countries of Uzbekistan, Kazakhstan, Kyrgyzstan and Tajikistan. It assesses any such support already offered, elaborates on the institutional landscape of organisations which do or could provide support in the field, assesses the SMEs needs for support in the field of IPR in the region and discusses gaps between service supply and demand. Based on this analysis, five long-term concepts for the implementation of the most needed and promising SME support services are presented.

This study has been contracted to Technopolis in the course of the project CASIP-SMEs, which is in turn funded by EuropeAid. It is a baseline study for the implementation of pilot services and trainings, i.e. short term realisations of the service concepts which are doable under the time and budgetary framework conditions of CASIP-SMEs. The methodology applied is mainly qualitative: We conducted about 50 interviews with IP experts, stakeholders and SMEs during four study trips in the CA countries, and analysed some documents.

The supply analysis shows that there are hardly any support services in place in the field of IPR for SMEs. However, there are some precursor activities. There are also differences among countries in the activity levels. Patent/IP offices usually are, to varying degrees, the hub of such service activities. After the break-down of the Soviet Union, these organisations had to be set-up from scratch in the 1990s. While the advances have been considerable, many issues are still present, for example in terms of technical capacities. Nonetheless, the IP offices are still the know-how centre on IP, summoning most people in the countries knowledgeable on IP issues. Patent attorneys in the countries are often former employees of the IP offices or slipped otherwise into their profession. Under the license of the respective IP offices, they usually (and different to Europe and the U.S.) deal with trademark issues and mostly foreign customers. Chambers of commerce and industry have little to no IP support activity. They usually focus on product certification services and organise/participate in trade fairs (amongst other activities). The science sector plays a very limited role in the support of SMEs. Theoretically, some activity should be present in the support of spin-off firms, but this is currently largely neglectable. Important activity stems from development aid programmes and support from international organisations. The most obvious bottle neck is the lack of IPR awareness and expertise – in most countries, all IP experts would fit in rather small rooms, and outside this core group of experts IP know-how is practically nil.

The demand analysis reveals that there is hardly any demand for IPR from the SMEs. The reasons are manifold: First, in all countries, other problems are far more pressing issues for the firms. Second, there is no
economic pressure as the competition is also not using IPR. Thirdly, a focus on low-tech industries and low innovation levels further limit the needs for IPR. Forth, costs for IP protection are also an outspoken barrier. Especially the costs for international IP protection are prohibitively high. Within the countries (and also outside) the issue of enforcement (and other related legal issues) is a discouraging factor for using IPR more. Sixth, there is generally little awareness on IPR and hence also no IP culture present. The low demand for IPR translates also in low demand for respective support services which means that the first true IPR support services need to be supply-driven.

However, on the positive side, one needs to acknowledge that usage of IPR correlates with economic development. Hence, positive economic prospects will also lead to higher activity levels in the field of IPR. Another positive aspect is the relatively wide-spread usage of trademarks (as opposed to the rather poor application rates for patents in most of the CA countries under scrutiny). The usage of IPR for marketing purposes (e.g., via trademarks but also for patents) is by comparison best understood by SMEs in the region.

The gap analysis indicates that while low demand for support services meets a limited supply, this view is too short-sighted. In the backligh of the growing importance of IPR, gaps are not so much mismatches between supply and demand but rather starting points for future service activities which need to meet the future demand for SMEs. Several such starting points were identified: Trademarks and services focused on trademarks use a rather low-cost IP instruments appealing already to a larger SME base. Trademark-related services can hence be a door-opener for introducing a more elaborate IP culture in the future. A similar role can be played by services focussing on franchising. Despite the limited patent activity, there may be also a role for services focussing on technological inventions. The rationale for such service activities (at least in/for the more advanced transition economies) are examples where even in countries with a rather low development level some champions exist and have successfully commercialised their inventions. As the focus of patenting activity should not be the creation of large portfolio of worthless patents, but rather the creation of valuable patents, a selective approach to identify and support such gold nuggets may be warranted.

Besides these (and other) starting points, there are also a number of success factors to be considered: First, the institutional landscape as described above. Secondly, the legal systems which in many countries still need to be reformed. In most countries, different pieces of law need to be aligned with each other and international (e.g., TRIPS) standards. And third, there are a number of other generic success factors for service development and implementation: use of at least the Russian language (command of English language is generally very poor) and consideration of Russian contexts (the influential role of Russia in the IP education and institutional set-ups has been evident on several
occasions), the use of local firm success stories/case studies, a focus on the capital city regions (where most innovative SMEs are located), a broad and business approach to IP (introducing IP as a management concept, not a legal one) or alignment with other development aid activities.

Against this backdrop, the following five long-term service concepts have been proposed where CASIP-SMEs has the possibility to contribute to short-term implementation of minimalist versions and/or to contribute in the form of preparatory activities:

- Long-term service concept Nr. 1: Trademarks and IPR – how to improve marketing and uniqueness of your company
- Long-term service concept Nr. 2: Franchising – making money by applying and licensing a well standardised business concept
- Long-term service concept Nr. 3: Coaching and tailored support for the best commercially exploitable invention
- Long-term service concept Nr. 4: Open IP consultation days
- Long-term service concept Nr. 5: IP and Innovation Emergency Response Training for service provider/multipliers
Introduction

The CASIP-SME (Central Asia Intellectual Property for Small and Medium-Sized Enterprises) project is a project funded by EuropeAid. Led by the Chamber of Commerce and Industry of Venice, the project aims to identify gaps between the supply of and demand for support targeted at small and medium-sized firms (SMEs) in Central Asia in the field of intellectual property rights (IPR). More precisely, the project focuses on the Central Asian countries of Uzbekistan, Kazakhstan, Tajikistan and Kyrgyzstan.

Furthermore, CASIP-SME aims to train staff of business intermediary operators (BIOs) in Central Asia on the most pressing IPR issues and to implement – as pilot projects – hereafter corresponding IPR support services for small firms. The project is a collaborative endeavour between Italian, Luxembourgish and Central Asian BIOs, for the most part chambers of commerce. A strong focus is placed on successful know-how transfer between the European and Central Asian partners.

The motivation for this project is rooted in the fact that IPR has increased considerably in global importance for creating economic welfare. This is achieved through incentivising innovation with (time-) limited monopolies for innovators which give them the chance to recover costs associated with the development of their creations. However, small firms have been found all over the world to under-use the IPR system due to reasons like costs, enforcement issues or lack of awareness, most prominently, however, lack of skills in the area of IPR management.¹

Especially Western countries have, as a reaction hereto, created dedicated support services to assist SMEs in IPR matters. Such services are to leverage the potential of small firms to use IPR effectively in their business operations. For transition economies, the problems are even more pronounced. They frequently have a lack of IP culture or a different understanding of IP; awareness, enforcement and cost barriers are even more paramount and the public institutional infrastructure in the IP field does not have adequate support services in place and/or suffers from other deficiencies, such as poor technical capacities.

The results are two-fold: On the one hand, SMEs in transition economies may be negatively affected in their ability to appropriate their innovations. On the other hand, weak IP cultures might lead to a situation where some transition economies become source regions for

¹ See Radauer, A. et al. (2007): Benchmarking National and Regional Support Services for SMEs in the Field of Industrial and Intellectual Property, European Communities: PRO Inno Paper No. 4
pirated and counterfeit goods. There is hence a need to establish adequately working IPR systems early on in order to stop counterfeiting and piracy and ensure a functioning environment where local innovations can flourish. Support services for SMEs form an integral part of such systems.

Technopolis has been subcontracted by the CASIP-SMEs consortium to provide a baseline study which is to answer the following questions:

- **Supply analysis**: What type of IPR support services exist already in the said four countries?
- **Demand analysis**: What are the SME needs in terms of IPR support in the said four countries?
- **Gap analysis**: What are the gaps between service demand and supply?
- **Concept development**: What are the five most promising service concepts?

The report is structured as follows:

- Section 1 describes the methodology
- Section 2 describes the results of the supply analysis
- Section 3 describes the results of the demand analysis
- Section 4 describes the results of the gap analysis and makes remarks with respect to service concepts
- Section 5 presents the service concepts

1. Methodology

Lack of quantitative data, the scope of the study (coverage of four countries) as well as the limited number of IP knowledgable people in the CA countries under scrutiny has warranted a qualitative approach to answer the main research questions.

The main empirical base is single and group interviews with institutional stakeholders and IP experts in the four CA countries. For this purpose, study trips were organised to each of the four countries lasting between three to five days each. Interviewees were representatives of the national/regional chambers of commerce, the national patent and IP offices, ministries in charge of IP issues, patent attorneys/agents and SMEs with some experience in IPR as well as other IP stakeholders. The interviews were organised by the chambers of commerce who were partners to the project. A semi-structured interview guideline was used, and all interviews were conducted face-to-face.
The total number of interview partners was around 50 for the whole of the four countries. In executing the interview programme, we had little problems getting in touch with business intermediary operators, public stakeholders and private patent attorneys. By contrast, we found it difficult to single out actual SMEs who use the IPR system. This is mainly due to the fact that there are actually very few SMEs who do use the IPR system. For identifying possible support services, we used criteria and definitions that were developed for an international benchmarking analysis of such services in 2006/2007.²

The interview programme was complemented by a document analysis of main documents referring to IP in the countries under scrutiny. However, only little documentary evidence was available and only for selected issues referring to IPR.

Limited availability of hard fact data as well as diverging and/or disagreeing assessments of the interviewed experts on various topics discussed are limiting factors of the analysis. In several cases we were, in addition, confronted with the fact that interviewees were not used to the type of investigation undertaken and answered certain questions only reluctantly. These – anticipated – factors explain the exploratory nature of the study. Against this backdrop, the investigation can provide only snapshots of the IPR systems and the issues surrounding them.

It must be underlined that the analysis in/for the four countries cannot reach up to standards for full-scale IP audits. Similarly, this study cannot provide a full scale legal analysis. The snapshots of the IPR systems are, however, sufficient for the purpose of developing pilot services and support service concepts for SMEs.

² The main applicable criteria used are that a service is to target explicitly SMEs and/or to have a sizable SME customer base; it must address IPR issues (hereby not only issues of formal IP rights such as patents) in a clearly defined (analysable) manner, must be offered at national or regional level and be publicly funded (See Radauer, A. et al. (2007): Benchmarking National and Regional Support Services for SMEs in the Field of Industrial and Intellectual Property, European Communities: PRO Inno Paper No. 4). We relaxed the last criterion to include also private sector offerings such as those of patent attorneys. However, as will be shown later, there is hardly any SME service activity in the four countries under scrutiny, not the least because the first criterion is, for most of the few candidate activities of BIO operators, not fulfilled.
2. Service supply and institutional factors in Central Asia

2.1 Uzbekistan

2.1.1 Institutional framework

The following public institutions deal or could deal with IP issues in Uzbekistan:

- The **Chamber of Commerce and Industry of Uzbekistan** is the main public body and only chamber to represent the business sector in Uzbekistan. The chamber counts some 21,000 members. Compared to other chambers in the region and also in Europe, it plays a much stronger role as an institution among the governmental/public organisations (as evidenced by the fact, that the chairman of the chamber is regularly invited and present in top-level government meetings). Interviewees on several occasions reported on the strong available resources of the chamber.

  The chamber has a wide range of business supporting activities. In particular, however, it supports businesses on trade fairs (it organises a variety on fairs on its own), facilitates attracting (foreign) investors and maintains registers of firms and certifications of production (i.e., to prove that a product has been manufactured in Uzbekistan). IP related activities exist, but there is only one person specialised in IP law. As opposed to the IP agency, the Chamber has branches in each of the 14 provinces of Uzbekistan.

- The main institution dealing with the topic of IP is the **National Agency on Intellectual Property**, the Uzbek patent office. The agency is directly sub-ordinated to the Cabinet of Ministers and not – as in many European countries – to a ministry. As all other patent offices in the CA region, it is a rather young institution. When the centralised Soviet system collapsed, institutions such as the patent office had to be built from scratch. The Uzbek patent office commenced operations in October, 1992. The office has been substantially reformed in 2010 by presidential decree to implement a unified IP policy. Most notably, the agency’s responsibility now covers both industrial property issues and copyright issues.

  The main tasks of the office are the handling and processing of the various registrations of IP rights. But the (envisaged) activities extend beyond that. First, the office has been also brokering

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3 In August 2010, according to the WIPO, a WIPO Training of the ‘Trainers Program on Effective IP Assets Management’ was organized by the Uzbek Chamber with the goal to provide basics for the implementation IP-related services, especially in the regions. The majority of the participants were from the regional branches.
licensing activities and also supported their implementation.\(^4\) In this activity field, there seems to be some overlapping of activities with the Uzbek technology transfer agency below. Second, the patent office is in the process of establishing a trainings centre on IP for entrepreneurs and government officials. A respective proposal was at the time of the interview (summer 2011) drafted for the government.

- The **Committee for Coordinating Science and Technologies Development** oversees and coordinates the R&D activities in Uzbekistan.\(^5\) It has a department for formulating science and technology programmes in basic and applied research fields, has an innovation activity development department, a department of international science and technology collaboration and a department for accounting innovation activities.

### The Uzbek Science System as a possible source for commercialised inventive activity

The Committee for Coordinating Science and Technologies Development coordinates the actors of the national innovation system which in many ways are a legacy of Soviet times. This means that Uzbekistan has a relatively strong research base with 202 scientific research institutes, 62 universities, 65 project-design organisations and 32 research and production associations and ‘experimental enterprises’\(^6\). The system distinguishes between the Academy of Sciences institutes (which traditionally have been tasked with performing research) and the university sector (which was tasked with education) – a distinction which is, however, nowadays not that clear-cut any more.

The science system comprises some 26,145 researchers overall. The gradual increase of R&D activity in the university sector (compared to the academy system) seems to be also reflected in Uzbekistan, as

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\(^4\) There is some difference to Western (e.g., European) IP offices in this regard. IP offices in the Central Asian/CIS regions, by tradition, also have the duties to register licensing agreements. The novelty in the Uzbek case lies in the fact that activities extend beyond mere registering and cover also other support elements such as brokerage.


74% of PhDs are now working in the university system, which therefore “...has the highest research potential”.

Because of the Soviet approach to establish large research centres of national significance throughout the USSR, many institutes turned out to be too large for the new CIS states which hosted such institutes. This includes also Uzbekistan. The institutes may be also active in fields which are of rather low significance for the Uzbek economy. Furthermore, the system suffers from lack of funds and old equipment.

The main problem of the system is, according to interviewed experts, the difficulty of commercialising research results. Contributing factors for the deficiency are seen in a lack of valuation standards for IP (at least until recently), in the missing absorptive capacity of industry for new innovations, in lack of funds, in lack of contacts to foreign investors and in non-commercial (i.e., scientifically focused) attitudes of the researchers.

Based on our experience, we believe the non-absorptive capacity to be the main obstacle. Lack of IP valuation standards is seen by experts – throughout the CA region – as important as their presence/application gives guidance and backing to the activities of those responsible for brokering commercialisation agreements. In many ways, however, IP-based technology transfer between the science and industry sector has been an issue in all countries across the world, including the U.S. and Western European countries.

- The Committee for Coordinating Science and Industry oversees directly the Centre for Technology Transfer and Commercialisation (Technology Transfer Agency). Tasked with the commercialisation of R&D results, it acts as the prime technology transfer institution for Uzbek universities. According to the agency, no Uzbek university has a dedicated technology transfer department of its own. At most there are some individuals charged, amongst others, with technology transfer duties “...but overall there is clearly a lack of funds”. So-called innovation centres at the universities seem to coincide with the said individuals.

- According to documentary sources, besides the said agency, the Committee oversees eight ‘regional science and technology transfer centres’, 20 ‘innovation centres’ with industry and a further 60 ‘innovation centres’ with universities. As none of the

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8 Parpiev (2009): Committee for Coordinating Science and Technologies Development under Cabinet Ministers of the Republic of Uzbekistan,
interviewed experts commented specifically on the importance of these organisations we assume with a high degree of confidence that their exposure and dealing with IPR issues is severely limited.

- The private sector is made up of **patent attorneys**, all of which are listed at the National Agency on IP. There are currently 31 patent attorneys registered for the whole of Uzbekistan.

- A Kyrgyz patent attorney firm has implemented, with support from USAID, a web portal on IP called ‘IP law’. This IP portal provides general information on IP, offers a newsletter on IP for download, provides links to legislation and institutions, a section on advice and frequently asked questions and various booklets for Uzbekistan and the Kyrgyz Republic (see also chapter on Kyrgyz Republic).

2.1.2 **Service-related activities**

There are currently no dedicated support services in the field of IPR for SMEs in Uzbekistan. However, there is a range of activities which could provide starting points for the implementation of respective support services, and there are some service activities which are under development.

The main facilitating factor for new IPR support services in Uzbekistan is a strong interest of the government to foster innovation and the use of IPR. The main vehicle to implement this goal is the United Nations Development Programme (UNDP) for Uzbekistan, and herein the project on ‘support to innovation policy and technology transfer’.

A variety of activities can be identified which are directly related to the goals of fostering innovation. Some of these activities are close to be considered IPR support actions for SMEs. Most of these activities show a heavy involvement of the UNDP:

- At the chamber of commerce, there is a UNDP project on franchising. The project which is to lead to a running service in 2012, aims to guide firms through the process of franchising. Furthermore, the project provides assistance on how to register franchising agreements.

According to the chamber, a larger usage of franchising was inhibited by law. This law required all franchising deals to be registered but did not say how. With a recent amendment of the law, this barrier is expected to be alleviated. Notwithstanding these barriers, there are already examples of franchising in Uzbekistan.

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9 [https://www.iplaw.uz](https://www.iplaw.uz), as of Dec 20, 2011.

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The chamber of commerce also provides – on demand – basic advice should a firm want to register IP. The demand for this service was reported to be limited.

The UNDP project has created – in collaboration with the State Property Committee – a draft for ‘national standards for evaluation of intangible assets and objects of intellectual property.’ These standards are accompanied by methodological guidelines on the application. The aim of these standards is to “... allow establishment of clear requirements in conducting valuation of intangible assets and objects of intellectual property, definition of single terminology, rules and regulations in defining the cost, as well as rules for reflecting the results of the evaluation in the reports. The Standards will also help in improving the professional level and quality of valuation services in Uzbekistan, introduction of international experience of effective use of valuation methods.” The standards are available only in Russian language.

The UNDP project has created practical manuals on transfer and commercialisation of technologies. The manuals cover the topics of ‘foundations of innovation activity, technology transfer and commercialisation’, ‘management of intellectual property’, ‘legal protection of intellectual property’, ‘using patent information for marketing research’, ‘techniques and methods of analysis of the innovation project, risk assessment’ and the ‘organisation of the centre for technology transfer and commercialisation’

The UNDP project has created a report on assessing the potential and performance of the national innovation system in Uzbekistan. The report provides the basics to define a national innovation strategy later on.

This report gauges the relative advantage of Uzbekistan (the establishment of the main constituting institutions which make up an innovation system; comparative advantages in terms of availability of natural resources, diversified industries and a relatively strong science and technology base) and the weaknesses (amongst others, the infancy stage of many institutions; lack of coordination and collaboration among institutions of the system; and the absence of a coherent programme for innovation policy).

In terms of IPR, the report noted on some legislative barriers (such as the not yet implemented standards of IP valuation), ambiguity concerning the ownership of IP in publicly funded research, low awareness and competency level of inventors, IP managers and executives as well as deficits of the judicial system.

The IP office is working on the introduction of a trainings centre. This centre – operated by one external patent attorney hired for that purpose – is to provide trainings to entrepreneurs and government officials on IP matters. According to the office, a concept is currently
elaborated and will be submitted to the government shortly. Apart from this, the office has stated to offer the full set of standard services of an IP office such as search services, trainings, etc. In terms of promotional activities, there are two regular newsletters published.

- The WIPO has collaborated with both the chamber of commerce and the IP agency. There were trainings and events for CCI and IP agency staff, and WIPO booklets (‘IP for Business’, the series on patents ‘Inventing the Future’ as well as the booklet ‘Creating a Mark’) of the SMEs division have been localised.
- Each year, there is a ‘Republican Fair of Innovation Ideas, Technologies and Projects’ organised in Tashkent. The forth such event in May 2011 presented some 600 ‘developments’ (500 of them new) to some 8,000 visitors.

The growing interest of the Uzbek government in innovation is also reflected in the fact that new piece of legislation (the law on innovation) is going to be enacted in 2012; the significance of SMEs is highlighted by proclaiming the year 2011 as the year of small businesses in Uzbekistan.

2.1.3 Assessment

The Uzbek approach to IPR seems to be top-down in nature. The programmes and strategies are very ambitious, and the country seems to be at the beginning of a dynamic development. Overall, the discussion in Uzbekistan on fostering IPR seems to focus strongly on the topics of technology transfer and IP valuation standards, franchising and particular legal issues. There are strong expectations stemming from top-down legal initiatives, and also – given some of the interviews – possible tax provisions (i.e., fiscal incentives). In Europe and in the European context, evidence for the success of top-down driven approaches and fiscal support in the area of IPR is rather limited. Most notably, strategy documents and guidelines are frequently not used.

2.2 Kyrgyzstan

2.2.1 Institutional framework

The following institutions deal or could deal with IP issues in the Kyrgyz Republic:

- The **Chamber of Commerce and Industry** of the Kyrgyz Republic is a commercial, non-governmental organisation representing the business sector in the Kyrgyz Republic. Membership is not compulsory, and the chamber has to acquire customers by convincing them of the quality of their services. There is only one chamber active in the Kyrgyz Republic.

  Currently (summer of 2011), the chamber counts 433 members which are said to be mostly ‘medium-sized’ firms. Membership is
open also to foreign firms which account for 8% of the members. Most foreign members are from Turkey, followed by German, Chinese, Russian, Kazakh and Pakistani firms.

The chamber’s main activities are in the domain of issuing product certifications and in the organisation of and participation in trade fairs and expositions. For the former activity, a dedicated department has been established with the name of ‘Kyrgyz expertise’. Product certifications are to document that a certain product was produced in Kyrgyzstan. In this context, the services offered comprise i) working on filings by Kyrgyz firms who obtain such a certificate and ii) examination of product samples to check whether they are of Kyrgyz origin. According to interview sources, there are around 20 such examinations of product samples per year.

Other related services are iii) co-organisation of an inventor competition (see below) as well as iv) activities in the course of a joint project with Microsoft, which has, however, ended recently (see also below). ‘Kyrgyz expertise’ employs 24 staff and is hereby the largest department of the chamber. The chamber employs a total of around 40 persons in its headquarters in Bishkek and a further 20 to 25 persons in seven regional outlets. The export support activities are organised by the department ‘export centre’.

- The State Intellectual Property Service, also referred to by the earlier name of Kyrgyzpatent, is the country’s patent and IP office. It is special insofar in that it takes a very integrated approach to IP – not only caters it for industrial property, but also for the topic of copyrights. In the context of the latter, Kyrgyzpatent also acts as a collecting society and allows for the registration of copyrights with its ‘IP envelop’ service. However, according to interviewees, there seem to be currently discussions whether the collecting society function should not be tasked to another organisation.

Departments comprise a department for printing and publications, a copyright department, the traditional knowledge department, the department for trademarks, an inspections department (where the collection society is situated), a department for patents, a department of foreign affairs. Furthermore, there is a relatively large technical library which is said to be “...one of the best in Central Asia” (Kyrgyz expert assessment). This technical library operates in a manner similar to a library of a technical university, i.e. offers similar sources of information, in addition to patent literature. Overall, there are some 102 employees working for the State Intellectual Property Service in the Kyrgyz Republic. The agency is directly sub-ordinated to the government and not a ministry. This status has been provided to the office in 1995, shortly after it was set up in 1993.

- The State Intellectual Property Fund has been established in 1998 with the goals of fostering IP in the Kyrgyz Republic, of
fostering creativity and IP in the Kyrgyz Republic, of supporting IP owners with their commercialisation of their innovations (which includes also conducting market research domestically and abroad), of offering advice and information on IP and for valuing IP and of working with children and educating them on the use of IP.\textsuperscript{10}

An analysis of current activities on the fund’s webpage shows that main areas of action are promotional activities (such as media work, organisation of competitions), the execution of seminars, advice and financial (!) support for Kyrgyz patent applicants, the testing and valuation of prototypes, the provision of information, etc. Focus seems to be equally divided between industrial property issues and copyright/artist issues.

The State Intellectual Property Fund is also important as it has been implementing a TISC (Technology and Innovation Support Centre), an institutionalised support structure which has been conceptualised and funded by the WIPO. A TISC seems to work in a way very similar to that of European PATLIB centres. The State Intellectual Property Fund itself has its own legal identity, but is sub-ordinated to the State Intellectual Property Service. The fund has nine employees.

- Another actor is the Technopark, which was established by the National Academy of Sciences of the Kyrgyz Republic (NAS KR). The Technopark serves “...as coordinator of innovative activity of all scientific institutes of the NAS. The main goal of its functioning is organization of competitive goods production, as well as services and works on the basis of innovative development of scientific and technical establishments of the NAS KR.”\textsuperscript{11} In essence, the Technopark is a technology transfer organisation (TTO) for all of the 25 academy institutes. The park is a relatively young organisation – active only for three years – and works in particular on the organisation of fairs and competitions/prizes for innovations. In the context of the latter, the Technopark co-organises with the chamber inventor competitions, hereby presenting also development of the Kyrgyz science system to potential applicators and investors.

- The private sector of service providers is composed of patent attorneys. There are 14 patent attorneys registered in Kyrgyzstan, according to interviewees.

One such patent attorney firm has implemented, with support from USAID, a web portal on IP called ‘IP law’.\textsuperscript{12} This IP portal provides general information on IP, offers a newsletter on IP for download,

\textsuperscript{10} \url{http://www.fund.patent.kg/ofonde/celi.html}, as of November 20, 2011.
\textsuperscript{11} \url{http://www.nas.aknet.kg/eng/index.php?menu=31}, as of Nov 20, 2011.
\textsuperscript{12} \url{https://www.iplaw.kg}, as of Dec 20, 2011.
provides links to legislation and institutions, a section on advice and frequently asked questions and various booklets. The portal has been also localised for Uzbekistan and is in the process of being adapted for Kazakhstan and Tajikistan.

2.2.2 Service-related activities

Kyrgyzstan is the only Central Asian country to be member of the WTO and has hence to apply the TRIPS agreement in full. In fact, according to Kyrgyzpatent, WIPO believes that “...Kyrgyz legislation in the field of intellectual property is one of the most progressive in the former Soviet Union. And not every developed country can boast with the adoption of such regulations as the Law “On protection of traditional knowledge”.

It stands to reason to assume that service-related activities may be also more advanced.

At the State Intellectual Property Service and the State Fund, a number of service activities have been formally established, partly with the explicit goal to support SMEs: The TISC centre is likely the, by comparison, newest and probably most prominent formalised support structure for SMEs, in implementation for around two years. TISC is a WIPO programme with the goal

“...to provide innovators in developing countries with access to locally based, high quality technology information services and other related services.... Technology and Innovation Support Centers (TISCs) may offer a wide range of different services aimed at assisting small and medium enterprises, university researchers, and others to more fully exploit their innovative potential and to create, protect, and manage their intellectual property rights. Basic services available from all TISCs include: access to online patent and non-patent (scientific and technical) resources, access to industrial property-related publications, assistance in searching and retrieving technology information.”

The TISC in Kyrgyzstan is one of around 20 such centres world-wide. The information search service is currently offered for free. There has been at least one seminar for teaching staff and government officials on how to put the TISC services to use.

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Apart from the TISC centre, the fund also maintains a database of innovations from Kyrgyz inventors, potentially useful for commercialising them or finding investors.

The financial subsidy for patent applicants may be considered yet another type of support activity, but the level of funding provided and the overall budgets are so low, according to interview sources, that they can hardly fulfil their incentive function.

Yet another notable service is the ‘IP envelop’, where authors can register their works and receive a delivery stamp with the date of submission, as proof of evidence for the creation of a copyright. According to the office, there are around 250 such applications per year.

Another service-related activity which involves not only the patent office, but also other organisations such as the Technopark or the chamber is the organisation of trade fairs/expositions and competitions/prizes. There are at least two separate ‘inventor’ awards and also several expositions/trade fairs.

The Kyrgyz chamber, as partner to the project, has had also exposure to IPR topics, mainly in the field of counterfeiting. Apart from the occasional examinations whether a certain product is of Chinese or Kyrgyz origin, such experience dates back to a joint project with Microsoft which started in 2006. Within the frame of the project, the chamber helped identify the extent to which non-licensed versions of Microsoft products were in use (which is mostly the case in the Kyrgyz Republic). The activity also led to closure of internet cafes which were running illegal software. Some 20 employees received training through Microsoft before the project eventually ended in 2008. This training constitutes also the only relevant experience level of the chamber in the field of IPR. Microsoft itself continues the respective work and has established a centre in Almaty/Kazakhstan.

There are several indications of further evolvement of the institutional framework. First, and with support from the WIPO, a ‘National Strategy for Development of Intellectual Property and Innovation in Kyrgyzstan’ is currently developed by the State Intellectual Property Service. The strategy has already the support of all 18 ministries of the country, and Kyrgyzpatent hopes that the strategy will be enacted as law in 2012 by the government. The strategy should provide the national framework for related IP support activities of relevant institutional stakeholders.

Another interesting development is the signing of a memorandum of understanding between Kyrgyzpatent and the chamber with the aim to introduce new technologies in SMEs (in the sense of new to the firm, e.g. modernisation of production equipment, usage of IT, etc.). This agreement was signed shortly before the study trip which, however, also indicates that formalised collaboration between the two institutions is in the first stages. Perhaps also interesting are plans to establish an outlet of a Russian academy for IP training in Bishkek. Eventually, there
is evidence of considerable training and seminar activity involving in particular WIPO.

2.2.3 Assessment

While the activity portfolio looks impressive for Central Asian standards, we are not entirely convinced that the service activities fully deliver (yet) on their promises. On the one hand, the lack of demand – aggravated by setbacks due to political instability and the times of unrest in 2010 – must be noted (see also section 3).

On the other hand, we have received mixed feedback concerning the quality of the services. We were particularly concerned to hear statements like “...a patent search result is available after six months...” or that some of the interviewed patent attorneys would not know about the existence of services such as TISC.

With respect to the TISC, we also obtained expert concerns that the TISC would be perceived in practice as an “...external means of support coming from the outside and not internalised by the Kyrgyz service operators”. These said experts were concerned, amongst others that the service activities may not be marketed enough or that there could be more training activity. Eventually, there was concern about the sustainability of the centre after the funding period from the WIPO.

While we do not have strong empirical evidence, the impression, corroborated by the interviewed experts, is that the Kyrgyz Republic is still at the beginning of a larger catching up process and still has to fight challenges such as little funding or scarce expertise.

2.3 Kazakhstan with focus on the Almaty region

2.3.1 Institutional framework

The analysis of the institutional set-up for Kazakhstan is different to the preceding analyses. Because of the set-up of the CASIP-SME project, there will be a stronger regional focus on the Almaty region.

The following public institutions deal or could deal with IP issues in Kazakhstan:

- The **Chamber of Commerce of Industry of Kazakhstan** was established according to the law on chambers of commerce and industry in the year 2005. With this new law, Kazakhstan re-organised its chamber system. In each of the 14 regions of Kazakhstan and the two major city regions (Almaty, Astana) regional chambers of commerce and industry were set up.

  Regional chambers of commerce and industry have the legal form of independent non-profit and non-state organisations (the old Chamber of Commerce of Kazakhstan was a ‘social organisation’ enacted in 1959). This legal status makes it possible for the CCIs to represent businesses vis-a-vis the government and render services
for the business community. CCIs have to cater for their own income through services and membership fees. Membership is voluntary.

There is also a Kazakh National Chamber of Commerce which acts as a ‘holding’ of the regional chambers – regional chambers can have private firms as members, while the national chamber has only the regional chambers as members. The territoriality principle of the regional chambers refers to memberships, but service and other activities organised by one regional chamber can take place throughout the whole country.

Membership structure for the CCI in Almaty is such that there are one to three bigger firms and the rest are SMEs from various industries (construction, financial services, etc.). Service activities comprise the execution, verification and issue of certificates of origin, the organisation of trade-economic missions, conferences and roundtables, participation at foreign and domestic exhibitions and fairs, to name just a few.

The organisational structure was to us explained to distinguish between the ‘core’ chamber and an organisational subsidiary called ‘AlmatyExpertise’:

“AlmatyExpertise LTD is an affiliated structure of Almaty Chamber of Commerce and Industry, it has been operating since 2005. It carries out marketing and analytical researches, commodity inspection and certification, estimation and monitoring.”

In interviews, we were explained that the expertise unit was set up as a separate legal subsidiary for a specific set of services. Such services are the drafting of business plans, the execution of market research and the selection and search for trading and industrial partners, inspections of counterfeit products and many more activities which are listed in chamber documents.

While ‘AlmatyExpertise’ is profitable (self-sufficient), core chamber activities are said to be not. In practical terms, there seems to be rather limited impact from this organisational separation, as all persons who work for the chamber (around 30 staff) also work for AlmatyExpertise. AlmatyExpertise has an additional 15 employees working solely for this subsidiary.

- The Committee on Intellectual Property Rights within the Ministry of Justice in the capital city of Astana is the highest government authority in the field of protection of IPR: “The committee on intellectual property rights of the Ministry of Justice

of the Republic of Kazakhstan is the department of the Ministry of Justice of the Republic of Kazakhstan, carrying out within the competence control and (or) realizable functions in the field of protection of intellectual property rights. The primary goal of the Committee is realization of the state policy in the field of protection of intellectual property rights, maintenance of development of uniform patent system of the Republic of Kazakhstan.”

Interviewees explained to us that the Committee’s function was to aid in legislative law making processes, to make the decisions whether to grant patents (and other IPR or not) and implement other IPR policy issues. However, the committee does not receive applications and does not directly provide any services. This is the task of the National Institute of Intellectual Property. The Committee has some 15 to 20 members/staff.

- The National Institute of Intellectual Property (NIIP) fulfils expert and operative functions of a patent office and is subordinated to the Committee. Its roots date back to 1992, when the Kazakh patent office was established from scratch after independence. An institutional reform brought the said working division between the Committee and the Institute in 2003 and replaced the ‘old’ patent office structure. Our understanding from the interviews is that the Institute’s tasks are to receive and process (i.e., examine) applications for IP protection and hence prepare the decision making process for granting rights in the Committee, to be available for expert advice, to maintain the databases and registers of IP rights and to offer complementary services to interested parties, including SMEs. The Institute’s organisation chart clearly shows a strong focus on industrial property. The work division between committee and institute is said to follow Russian practice. The NIIP headquarters employ some 125 staff.

- Especially important for the execution of the CASIP-SME project is the fact that the Institute operates a branch in Almaty. Founded in 2006, the Almaty branch of the NIIP “...accords in practical and advisory assistance to stakeholders in formulation their rights for objects if intellectual property (inventions, useful models, industrial designs, trademarks / service trademarks, appellation of origin, selection achievements, copyright and related rights) to reduce the profits and risks of applicants for a patent when they are filing and in a process of an application in patent offices of the Republic.

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of Kazakhstan”. From our interviews we conclude that the branch is primarily a service unit, in immediate geographical reach of the economically most important city in Kazakhstan. The Almaty branch of the NIIP has around 35 employees.

- The National Patent Fund is part of the National Scientific and Technical library and allows for searches in patent specifications and technical literature. The fund has one office in Almaty.

- The country has around 120 registered patent attorneys.

2.3.2 Service-related activities

In Kazakhstan, there are no activities which are labelled explicitly as support services in the field of IPR dedicated to SMEs. However, there are a number of activities which constitute service functions of a more general nature. The National Institute of Intellectual Property is clearly the hub of such activity:

- The NIIP, and in particular its branch in Almaty, has a trainings centre in place where seminars on IP matters for various target groups are regularly held (many times with international participation and/or backup by WIPO). The main target group of trainings are IP specialists, but firms are also said to be customers. The trainings are organised by three employees, but lecturers stem from various domestic and international organisations.

- The NIIP, and in particular its branch in Almaty, provide analytical research services on trademarks and industrial models (designs) as well as patent information search services. Some searches are done on ‘commercial order’, in other instances interested parties may use the reading rooms on their own. Alternatively, interested parties may refer to the National Patent Fund for the same type of service activity.

- ‘Patent clinic’ is the name given to an advisory service run by the Almaty branch of the NIIP, where 1:1 consulting is provided to interested parties. Depending on the complexity of the advice needed, such ‘clinics’ are either offered for free or at an hourly rate of 1,000 KZT (around € 5.03 at the exchange rate of February 8, 2012).

- The NIIP offers a dedicated telephone hotline for enquiries relating to IP.

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18 Flight times between Almaty and Astana are, for a country of the more than seven times the size of Germany, only a mere 2 hours.
• There is information material available, such as translated brochures from the WIPO SMEs division as well as own publications.

There are also other service-related activities of the NIIP and the committee, such as the organisation – since 2004 – of the National Contest on Invention Achievements ‘Shapagat’. Furthermore, there are activities targeted at high school and university students.

Regarding the CCI in Almaty, we learned that initially one (now two, following a temporary maternity leave) person(s) in the legal department would also be available for IP-related enquiries. The services these two specialists could offer cover assistance in the filing process for trademarks, industrial designs and inventions (explaining the requirements, filing out the forms) as well as advice regarding licensing agreements. Furthermore, the chamber could also assist if it is approached for cases of counterfeiting and piracy (apparently, Microsoft is a well known customer and collaboration partner in this context).

However, demand for IP services is rather low and only around one third of a specialist’s working time is spent on IP issues (the other two thirds are devoted mainly to real estate issues).

2.3.3 Assessment

As in the case of other countries, the general assessment is that Kazakhstan is at the beginning of developing capacity for service activity dedicated to SMEs. However, the higher level of economic development lets us believe – against the backdrop of the correlation of IP filings activities and economic developments – that a ‘market’ for service activities in Kazakhstan would be broader than in other CA countries, e.g. in terms of coverage of IP instruments. In particular, patents could play a more pronounced role as subjects of service activities, as suggested by some interviewees. Furthermore, from several countries we heard that Kazakhstan has a ‘role model’ character in the region which means “...that if something were successfully implemented in Kazakhstan, visibility of these measures would be largely enhanced and would lead to a ‘me too’ effect in other CA countries.”

2.4. Tajikistan

2.4.1. Institutional framework

The following institutions deal or could deal with IP issues in Tajikistan:

• The Chamber of Commerce and Industry of the Republic of Tajikistan is the primary body representing the business sector in the country. A predecessor organisation has been in existence since Soviet times (since 1960). A larger reform took place in 1998 with the enactment of a new law for the chamber.

The chamber employs some 100 employees, 50 of which in the headquarters in the capital city of Dushanbe. The remaining 50 are
spread among three regional offices. The Chamber has a range of activities for supporting, servicing and representing the business sector, but among all activities, certification services stand out. The ‘department of expertise and certification’ is the largest and has the responsibility to examine the origin of goods and provide evidence that a product is made (or not made) in Tajikistan. Another main area of activity is the organisation and participation in trade fairs, and related, an intermediary function for attracting foreign investors.

The Chamber is a private organisation and membership for Tajik businesses is not compulsory. In 2011, the Chamber stated to have around 500 members reflecting more or less the Tajik industry structure: Firms primarily active in trade, services, production of agricultural goods, light textile industry and some mining enterprises. Most firms are small and medium-sized firms, the biggest member is the aluminium plant TALCO. Most members are from the Dushanbe region. The Chamber is self-financed and hence forced to secure its income through membership fees and income from services. It is the only chamber active in Tajikistan.

- The National Center for Patents and Information is the Tajik Patent Office and was created in 1993, with a minimum of IP legislation in place (only a law on trademarks and service marks) at that time. According to interview sources, the office employs some 150 staff in its premises in the capital city of Dushanbe. However, only a fraction (around 30 staff) is actually working on registration and examination of IP filings or in directly related activities. Of these 30 staff, five employees process invention filings and eight trademark filings.

The remaining around 120 employees work, on the one hand, in a technical library, as the experts from the office explain: “The office roots are that of a research institute which means that the technical library existed before the office. Now, the library is a department within the office.” (interviewed expert). We were shown the library which actually offers everything in term of available literature and documents one would expect generically for a library at a technical university (dissertations, archives of old invention certificates, general technical books, physical reading rooms, etc.). On the other hand, there are also employees working at the Tajik-Indian IT institute in the same building. This institute, a technology study centre, seems to have been established as part of Indian

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19 TALCO (Tajik Aluminium Company) is an Aluminium processing plant which was set up in the early 1970s. It processes Aluminium from abroad (as Tajikistan has hardly any Aluminium mining). Its output accounts for up to 70% of Tajik exports; in 2009 the annual income was around USD 6 Mio (see Ahamadov, E., 2010, [http://www.cacianalyst.org/?q=node/5308](http://www.cacianalyst.org/?q=node/5308), Central Asia-Caucasus Institute, as of Dec 4, 2011)
development aid efforts which are in turn part of other joint, also military, activities reflecting the strategic interests of India in Tajikistan.\footnote{Ramachandran, S. (2006): India’s foray into Central Asia, in: Asia Times Online, Aug 12, 2006, \url{http://www.atimes.com/atimes/South_Asia/HH12Df01.html}, as of Dec 6 2011.}

According to patent office officials, the office offers all basic services a normal patent office would offer. However, there were ambiguous statements as to the extent of such offerings (e.g., whether the office would perform searches in patent databases on behalf of clients). Most activity seems to be in the field of trademarks, the bigger share of applicants being multinational firms from abroad.

- The **National Association of Small and Medium Business**\footnote{http://www.namsb.tj/en/index.php?option=com_content&view=frontpage&Itemid=3, as of Dec 1, 2011} of the Republic of Tajikistan represents the interest of SMEs. Its main objectives are, amongst others and according to the website, an active role in drafting legislation and improving the business environment. The association also offers services for its members, such as trainings and seminars on various business topics; it is also actively and regularly involved in development aid projects. With only six employees, its institutional possibilities are likely limited, but the association could make a viable multiplier and be a target for trainings efforts as well as a source for expertise on Tajik SMEs. The association has more than 30 member firms. Unfortunately, it was not possible to get in touch with the association during our study visit.

- According to interviewees, there are around **15 registered patent attorneys** in Tajikistan, of which **seven to eight** are said to be very active.

### 2.3.4 Service-related activities

There is consensus among interviewees that there are no particular services offered to SMEs in the area of IPR in Tajikistan.

Since the 1998 reform, the Chamber of Commerce and Industry has the right to offer services in the field of IPR to firms. Possible services can be support for the design of logos and trademarks, assistance in the filing processes for IP rights or awareness raising activities. However, no such activities are currently being carried out.

For some time, one employee of/at the Chamber offered IP-related services in the area of trademark registration and usage. However, this particular part of his activities was hardly in demand. Eventually, when the employee left the chamber around four years ago, the know-how...
went with him. There is hence hardly any expertise left in the area of IP in the Chamber.

The National Centre for Patents and Information also has no dedicated services for SMEs in place. While the office certainly is the hub for IP know-how in the country, it stands to question whether it already has all (technical) means necessary to provide higher level support. The office cites legal boundaries for extending service activities, but it also stated that some brochures have been developed and seminars are at times held on IP issues for firms.

By all means, the existence of a library could be the basis for the formal establishment of patent library offerings for SMEs, as the operation of the technical library already provides some foundation for the operation of such services (as was shown in section 2.2, the establishment of a TISC centre by WIPO could be a reasonable option). In all likelihood, training on business issues of the staff might be necessary.

Highly relevant activity in the field of IP and SMEs stems from the WIPO. The SMEs division hosts seminars together with the Tajik office, and some booklets such as ‘making the mark’ have been localised. A seminar with WIPO is planned in 2012.22

Other than that, the activities in the course of other development aid projects may also have some IPR and/or SME component. The Europe and Central Asia ‘Tajikistan BEE (Business Enabling Environment) SME project’, administered by the International Finance Corporation, has the aim “...to support the development of small and medium enterprises (SME) in Tajikistan by improving the business enabling environment, i.e. the institutional context in which businesses are started and operate.”23

The project has experience in trainings events, awareness raising campaigns and regularly collects data on the situation of SMEs in Tajikistan. The administered survey among 1,500 firms results provide statistical evidence to our interview results that the most pressing problems for SMEs are issues such as access to electricity, access to finance, unfavourable tax rates and regulations as well as transportation. The report stated that relatively few Tajik firms have a bank account.24

22 The adaptation of the three guides from the IP for Business series, namely ‘Making a Mark’ on trademarks, ‘Inventing the Future’ on patents and ‘Looking Good’ on industrial designs, planned to be completed by the Tajik office n the beginning of 2012.
2.3.5 Assessment

Tajikistan is at the beginning of implementing capacity for the provision of IPR-related services. Any services need to tackle basic IP needs and provide for good training of service operating staff.
3. Demand analysis

There may be as many as 245,000 SMEs in Uzbekistan, around 75,000 ‘legal entities SMEs’ in Kazakhstan, around 12,000 SMEs in Kyrgyzstan, and more than 2,800 SMEs in Tajikistan, as of 2010.\footnote{Sources: State Committee of Statistics of the Republic of Uzbekistan, \url{http://www.stat.uz/reports/176/}; The Agency of Statistics of the Republic of Kazakhstan, \url{http://www.stat.kz/digital/mal_pred/Pages/default.aspx}, SMEs in the Kyrgyz Republic 2006-2010, Bishkek 2011. The national Committee of Statistics of the Kyrgyz Republic, \url{http://212.42.101.124:1041/stat1.kg/index.php?option=com_content&task=view&id=38&Itemid=101}, Таджикистан: 20 лет государственной независимости Республики Таджикистан. - Душанбе, 2011. – С. 390.} However, comparing the figures is difficult as it is not clear whether the same definitions have been applied. In some of the countries, individual entrepreneurs are explicitly not counted as part of the figures (and if they would have been, they would increase the number of SMEs by orders of magnitude). Suffice to say that there are many SMEs – many of which in food, textile, retail, generally low-tech industries – in all CA countries, constituting the vast majority of national enterprises.

In all four countries intrinsic demand of SMEs for support in the field of IPR as well as IPR itself was limited, according to all statements of experts. SMEs hardly make use of the system of IPR and there is little economic need or pressure for changing that situation. The situation is in particular challenging for patents, and to a lesser extent for trademarks (although, according to the experts, most trademarks have been registered by foreign firms).

The following are the main limiting factors, as identified in the interviews:

1. A strong explanatory factor for non-usage of IPR is that other issues are much more serious problems for SMEs. This is in particular true for the lesser developed countries of the four CA nations, where SMEs have to deal with problems such as electricity outages, bad transportation infrastructure or customs issues (i.e., when products are for a too long period of time withheld at border points). An exception to the infrastructure problem is only the mobile phone infrastructure which seems to work reasonably well in all four countries. Especially rural areas are disadvantaged. In turn, this means that any viable target group of innovative SMEs for IPR support services is found predominantly in the areas of the big (capital) cities.

2. IPR is hardly used within the countries by competing firms, so there is no immediate need to react to outside developments, in particular for SMEs which are only locally active. Exporting SMEs are scarce, and if they exist, trading partners are often in immediate
neighbouring countries which have a similarly small level of IPR usage.

3. Moreover, several interviewees reported that indigenous SMEs are hardly innovative and do not see an economic need to innovate. As one interview put it “...they produce something the way they always produced it and think that this is enough. There is an apparent lack of strategic thinking which is always behind innovation.” (expert interview) Some experts added that the lack of innovation drive may be the result of little competition within the country and/or the concentration of usage of base technology in low-tech industries. SMEs are frequently said “...to rather buy technologies and machines from the outside than develop them on their own. They would never get the idea that this would be beneficial for them.” As innovation does only take place in limited amounts, there is also little need for IPR. These arguments are in line with observations of experts in the CA but also in other Eastern European countries that the usage of IPR correlates with the stage of economic development of industry, industry structure and the industry’s capacity to absorb and implement innovations.27

4. Costs and access to finance are a serious issue for all SMEs in the four CA countries. Despite the fact that local applications for IPR are of rather low cost, the price/benefit ratio is often deemed to be unsatisfactory. Fees for international IPR applications are prohibitively high. There is no way that any SME in the four countries would be able, for example, to pay the fees for a patent application at the EPO or the USPTO. But even applications at the Eurasian patent office seem to constitute a strong financial burden. The financial barrier seems to be a particular issue for Uzbekistan, where there are quite stringent restrictions in place which regulate access of indigenous firms and individuals to foreign currencies.

5. Against this backdrop, one can raise the question whether patents granted only nationally in the CA can be of any actual economic value (if compared to a mere publication). After all, the technologies would not be protected outside the immediate national territory. In fact, when we asked experts who would patent in their countries, we frequently got the answer that patentees would be i) for the most part PhD students – who are required by law in certain disciplines to patent in order to obtain their degrees – or ii) firms as well as single inventors who patent because of obtaining “...the pride of recognition...” which at best “...they could hang on their walls and

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26 In this context it should be stressed, however, that buying technology and know-how from abroad can be also the first step for own innovations, because they allow for a learning effect.

impress potential clients” (expert interview). This view of patents is also a legacy of Soviet time and its ‘certificates of invention’, the Soviet version of patents.\(^{28}\) However, we also found one SME in Kyrgyzstan which told us that it was able to enforce its patent rights against a local infringing competitor.

6. A cost-effective alternative to patents could be utility models which are implemented as ‘innovation patents’ in all four countries under scrutiny. However, due to a discussion on quality of IP rights granted, we found that in most countries IP experts saw the abolishment of utility models/innovation patents as one of the most pressing issues for legal reform. We were, however, not able to pin down in greater detail why the quality issue is so prevalent and prompts the abolishment of utility models, as the utility model is successfully in use in many countries, including developed ones such as Germany.

7. Enforcement of IP rights and the effectiveness of the legal system are other notable barriers. We have received mixed feedback concerning the state of the IPR legislation in all four countries, with some saying that IP legislation is on par with international standards, while others complained about inconsistencies and ambiguities between different pieces of law. Not only in terms of drafting legislation, there is a strong Russian influence visible.

Statements of local experts which deem national legislation in line with international practices have to be hence taken with care, as one interview illustrated for one CA country:

“...take for example the issue of unregistered trademarks in the CA countries, that is of trademarks, which are registered in developed countries and are very well known. There seems to have been sports among locals to register trademarks such as Pepsi or Coca-Cola (which was perfectly legal) and then wait for the multinationals to officially enter the local market and sue them for trademark infringement. This often leads to the multinationals having to buy their own trademark from the locals. When you confront national IP experts who design the laws you would have heard that this is in line with international standards, and if you ask them which countries they refer to it would be Russia...it takes quite some time to explain that there are also other practices around the world.” (interviewed expert)

\(^{28}\) ‘Certificates for inventions’ were a means of recognition for achievements, and not meant as a tool to commercialise the invention. This approach to IP is fundamentally different in its objectives if compared to Western style patents. The consequences are not only a different IP culture as described above, but also the way patents/certificates of inventions were written (i.e., with less stringent and complex terminologies for describing and securing claims).
One interesting source of information of whether a country’s IP legislation has issues may be seen in the the USTR 301 report, a report presented by the U.S. Trade Representative. The report groups countries into two watch-list categories (priority and normal) according to the U.S. assessment of issues with IP legislation and enforcement. We want to stress that this report represents only the view of the U.S. administration, and other countries as well as IP experts may reach different conclusions. Nonetheless, the reports can indicate possible fields for discussion and topics which developers of IP trainings material should be aware of. By contrast, the report has only two Central Asian countries subject to this study on the regular watchlist.\footnote{Perhaps interesting is the fact that Russia is on the priority watchlist (like Canada).} The assessment for these two countries are given in the table below:

<table>
<thead>
<tr>
<th>Country</th>
<th>Assessment</th>
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<tbody>
<tr>
<td>Tajikistan</td>
<td>“Tajikistan remains on the Watch List. Tajikistan made progress in 2010 by ratifying the WIPO Performances and Phonograms Treaty. Once Tajikistan accedes to that treaty, U.S. and other foreign sound recordings may enjoy protection in Tajikistan. The United States encourages the Ministry of Foreign Affairs to complete its accession to the treaty in 2011. However, Tajikistan has yet to fully implement its IPR commitments under the 1993 United States-Tajikistan Trade Agreement. Additionally, concerns persist because, among other things, Tajikistan has not provided its authorities with ex officio authority in the area of border and criminal enforcement. The United States will continue to work with Tajikistan on these and other matters.”</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>“Uzbekistan remains on the Watch List. Uzbekistan has yet to fully implement its IPR-related commitments under the 1994 United States-Uzbekistan Trade Agreement. Uzbekistan’s copyright law contains a number of gaps, and does not provide protection for preexisting works or for U.S. and other foreign sound recordings. Uzbekistan has also not joined the Geneva Phonograms Convention. While enforcement has improved slightly, criminal penalties for IPR infringement are not sufficient to deter further infringement. Additionally, amendments are needed to provide enforcement officials, including Customs officials, with ex officio authority to initiate investigations and enforcement actions. The United States will continue to work with Uzbekistan on these and other issues.”</td>
</tr>
</tbody>
</table>

Source: USTR, Special 301 Report, 2011 edition

8. Having said that, and taking account of the fact that legal reform is work in progress, one nonetheless needs to underline that much progress has been done in terms of legislation. While only one country – Kyrgyzstan – is member of the WTO and hence is forced to apply TRIPS agreement in full, all nations have signed a variety of relevant international IP treaties and amend their laws regularly.
Some experts hence feel that legislation is less of an issue and explain:

“The legislation is not so much of an issue, as one can have quite fast a legislative framework that does the job for the most part. However, the big question is lack of awareness and expertise in the relevant public institutions. This leads to long response time for queries, little referral activities, little demand for the know-how of the IP specialists by policy who would need respective input from time to time and instability in the sense that once a savvy expert leaves the organisation, the whole know-how goes with him.” (interviewed expert)

“There is no value on training SMEs on IPR issues if you do not train officials in customs, economic ministries etc. SMEs would not be able to enforce their rights and the IPR know-how taught would be useless.” (interviewed expert).

But there are also many experts who believe that legislation and its correct application in the legal system are so much of an issue that they really doubt the effectiveness of any training or support provided “...before the basics are not settled”. Effectiveness of enforcement is also said to be negatively affected by the high levels of corruption often encountered in the region.

There are, however, also positive aspects observable on the demand side. Some demand seems to have developed with regard to trademarks in all countries. Against this backdrop, many experts see trademarks as the door opener to introduce IPR and an IP culture in their countries. Trademarks are relatively cheap and applicable by almost all industries. Their functioning is easy to explain, because trademarks could be in principle easy to connect to the business function of ‘marketing’. However, when we got on touch with some SMEs who registered trademarks we obtained the impression that they did so because someone told them to. These firms never questioned why they should do that and never actually thought about trademarks since then.

Several experts in several countries underlined a ‘role model’ Kazakhstan plays in the region. They anticipate that once Kazakhstan implements good services and successfully advertises the use of IPR, that a ‘me too’ effect is going to happen in the other countries. Such a demand pull through Kazakhstan is going to affect both public sector activities but also private/firm activities directly and indirectly.

As demand for IPR is generally very low, so is also demand for IPR support services. One expert even noted that he is “...not sure whether a larger share of SMEs actually knows of organisations such as the state IP office”.

The non-usage of IPR and the non-existing demand for IPR support is also reflected in the low number of IP experts and organisations who do
offer support on IP matters. It would be easily possible, for most countries, to summon all IP experts and patent attorneys in one seminar room (for Kazakhstan, the room would be larger). Moreover, most patent attorneys stated that their customers are predominantly foreign firms who want support for protecting their trademarks. Their local customer base is rather weak, in particular when it comes to SMEs. Fees for legal presentation and advice constitute an additional barrier to the ones listed above.

4. Gap analysis

4.1 When supply and demand match at low level – starting points for service development

In an outright assessment, one may be tempted to say that there is no gap between supply and demand with respect to IPR support services in the Central Asian countries. The low demand for IP rights and further to that for support services matches the hardly existing supply. However, such a view would be too short-sighted. IPR is going to increase in significance also in Central Asia. There is plenty of study evidence that shows that the usage of IPR co-evolves with economic and industry growth.

In order to avoid any setbacks and unwanted developments (such as a surge of counterfeiting and piracy activities), it is necessary to lay the foundations for future development paths and create a stable IPR system. Support services in the field for SMEs are an integral part of this. However, it has to be understood that any implementation of such schemes and services have to assume a rather pioneering role and have to target rather basic issues in CA. Endeavours like those envisaged in CASIP-SME are also subject to a number of constraints, some of which are beyond the control of the project consortium (e.g., issues and anticipated changes in the legal framework). Alignment with other development projects in the IPR area is key for the success of the project.

In this context, gaps should not be understood as true mismatches between supply and demand. Rather, they are starting points for the design of certain policy interventions which should trigger and support a more pronounced usage of IPR and the introduction of an IP culture, as part of many activities.

The following such starting points stand out:

1. **Trademarks**: There is broad consensus among the experts that trademarks are by far the most widely used form of IPR in the CA and a possible turnkey for further establishing an IP culture. However, the rather passive use of trademarks by SMEs we interviewed may indicate new ways to teach better usage of this and other IPR instruments. We believe that a service which is about
benefits of marketing and possibilities to create brands could introduce the trademarks as an actively usable business tool and could showcase the main ideas behind IPR. This is an approach particularly suitable for the countries of Tajikistan, Kyrgyzstan and Uzbekistan.

2. Patents: By contrast, we believe that patents and technical inventions should not be the subject for broadly designed support services in the stated three countries. First, improvement of absorptive capacity in industry and an increase of innovative activities should predate such services. We do believe, however, that selected approaches may have some merit. Selective in this context means a focus on truly innovative and promising inventions which could prove economically valuable and can be commercially and on international markets exploited. A possibility would be the introduction of a competition or an open call with an international jury where the most promising inventions and technologies are presented and premiered.

However, such a competition is only the selection process and less important than the actual part where the service should focus on: If an invention proves promising, available state funds should be focussed on commercialising this particular technology (of course, the trophy and later funding should be given only to potential commercial successes), e.g. by subsidising international patent applications and/or by providing support (identifying, contracting) for dealing with international partners and investors.

The implementation of such a service necessitates training of the staff of the service provider (and later of the SME/inventors) for the valuation of IP, proper handling of licensing agreements, support in the creation of spin-offs and other related issues. There is a learning curve to climb for such a service and the service provider, and

30 Old Soviet trademarks and their image could be used as a case to represent the power of branding.

31 This idea is rooted in our observation that regardless of the overall economic development stage there are always potential poles of excellence in a country and at least a small number of great inventors. This evidenced for example in the Czech Republic, where Otto Wichterle invented the modern contact lenses and the Czechoslovak Republic was able to secure substantial income (expressed in % of GDP) through sale and licensing of patent rights to the U.S. in the 1960s (see Radauer & Poledna, 2011). Similarly, amidst very poor patent filing rates in the Czech Republic in the 2000 years, the Czech Institute of Organic Chemistry and Biochemistry was able, in collaboration with the Belgian university KU Leuven, to invent the most effective treatment for HIV known today. Licensing income to the U.S., only for this invention, amounts to about US$ 45 mio. per year and accounts for 98% of licensing income of the Czech Academy of Sciences. This corresponds to 13% of the Academy’s budget and more than 80% of the licensing income of the whole Czech Republic. A service designed these examples in mind could try to systemise the search and appropriation for such ‘star’ inventions.
CASIP-SME could facilitate the first steps by i) introducing such a competition in the first place and ii) providing initial training for the staff. The first attempts to support such ‘inventor champions’ should be used for experimentation and for enriching the expertise of the service and the service provider on the international markets. While all countries could potentially benefit from such a service, such a service seems most suitable for Kazakhstan.

3. **Franchising:** Franchising is another area where many interviewed experts see potential. Franchising is a concept hardly known or applied in the CA countries, and there has been some evidence concerning the existence of a very few select franchising-like restaurant chains particularly in Kazakhstan or Uzbekistan. We do believe that a service focusing on franchising is of benefit because it is again a rather ‘cheap’ form of IPR, easily understandable, and there is potential given the significance of the local food industry and the popularity of the local cuisine (which extend well into other CIS and Asian countries). Another field of application is the textile sector. Such a service and respective training seems in particular interesting for Uzbekistan, where the Chamber of Commerce is running already a project on franchising.

4. **Geographic indications and collective marking:** There has been mixed expert feedback on the viability of focusing IPR and service activity on geographic indications. However, there is evidence that certain regions are famous, at least in parts of the CIS, for certain types of products – dry fruits, certain types of melons, knives (in the Uzbek region of Chust), mineral water from the Kazakh Almaty region, etc. It stands to question whether training and a service focussed on geographic indications would also be of benefit. According to the interviewed experts, geographic indications are not used in Central Asia to a desirable extent. Perhaps even more than GIs, awareness creation and training on the power of cooperating and collectively marketing local rural agro/textile/handcrafts small and family products (by use of collective marks) could be an option.

5. **Informal IPR:** As in other countries, there is also a need to address informal IP protection practices (such as trade secrets) as part of IP protection and management mechanisms. They could be used as an alternative to formal IP rights in the CA countries. Key issues here are the existence of underlying innovative activities and a conscious use of such informal strategies.

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32 Carvan Group restaurants and БЕК Restaurant Family are examples of franchises in Uzbekistan.
4.2 Success factors for new support services

When developing and implementing support services, there are a number of success factors that CASIP-SME has to consider. We group them according to institutional, content, legal and generic success factors.

4.2.1 Institutional context factors

Institutional context factors refer to the capacities of the various institutions and their experience in dealing with IP issues:

1. There is quite some ambiguity when it came to describing the ability of the national patent/IP offices to implement SME support services. On average, patent offices tried to present themselves in the best light possible. They argued that they would provide all types of services a modern state-of-the-art patent office could offer, such as search services, trainings, libraries, awareness raising material.

These stances contrasted frequently with external assessments who claimed that staff should be trained more, that processing was slow, that technical capacities are vastly improvable (to the point that one expert stated that his national patent office would have to send patent applications to Moscow to have them examined, as they lacked proper access and resources in terms of database access). In between those extremes, there were also more moderate voices.

We cannot provide definitive assessments for the truth of such claims (which is way beyond the scope of this report), but we do believe that the abilities of the offices to deal with SMEs in real life should not be overrated. We encountered, for examples, cases where publications were shown to us as ‘awareness raising material’ which were definitely not SME-friendly and too technical; or we have been reported processing times of six months for a patent search. In line with the findings of little demand for support services, we believe that very few patent office staff has had intense or continuous contact with SMEs in service matters.

However, one also has to acknowledge the recent advances and the relative youth of the institutions. We definitely found some very knowledgeable persons in the IP offices who were eager to implement international good practices, were well trained and supported by international bodies such as WIPO. Several respective activities are currently under development, and it stands to reason that service quality and offerings will improve over time. In addition, it is also clear that the patent/IP offices – by the very function of dealing with IP on a day-to-day basis – have been and will continue to be the hub for the creation of IP expertise in the four CA countries.

2. The other group of experts in IP outside the patent offices is that of the patent attorneys. Across all four countries, they seem to share similar characteristics. First, there are few of them, but according to
most experts the number of attorneys is sufficient to cover the current countries needs. Second, there are differences in the field of activities between European/U.S. and Central Asian patent attorneys. While U.S. and European patent attorneys are technicians with an additional education on patent matters, Central Asian patent attorneys represent their clients in a broader range of IP rights matters. Most notably, they also deal with trademarks or industrial designs. A commonality with European/U.S. patent attorneys is given by the fact that all patent attorneys need to pass exams and need to obtain a license from the IP offices. However, their educational and professional background is in most of the CA countries more diverse, with base education in technological OR legal matters. Some patent attorneys slipped into their profession when they started to design company logos in the 1990s and hence had to deal with trademark issues; other renowned patent attorneys are former employees and executives of the patent offices. The IP expertise is often based on training and education received in Russia.

3. The chambers of commerce have a rather limited experience with IP matters. Some have no experience at all, some have a very limited number of employees who work on the IP topic. Overall, this second group may comprise, at most, between three and six persons for the whole of the CA. Training has to be, hence, very basic. Further to note is the expectation of some of the chambers to implement services which provide sustainable income. This may be, for most purposes, a long-term goal.

4. We have witnessed that collaboration among the organisations which do or could offer support in IPR matters is limited, especially between chambers and patent offices. Sometimes, this was an outright statement of interviewed experts. Sometimes, we saw that the occasion of the interviews was taken to have both types of organisations exchange information on their respective service portfolio. We recommend that not only the CASIP-SME project should pay attention and involve both types of organisations. Another group of potential institutions to cooperate is TT centres, techno parks etc, where potential technologies for SMEs might be developed/improved.

4.2.2 Legal context factors

Legal context factors refer to the state of the legal IP system. As explained earlier, this study cannot deliver a full scale legal analysis. Nonetheless, catering for the legal framework adequately is a paramount success factor for the CASIP-SME project.

The available information suggests strong similarities between the legal IP systems of the four countries, inspired by Russian law. Differences between the countries IP legislation as well as to Western-style IP
legislation are most likely found in details which are impossible to fully discuss in the course of this project.

Against the backdrop of further harmonisation with WTO/TRIPS rules, we suggest that trainings material developed be based on internationally widely used standards (i.e., when it comes to the terms of patent protection to state that it is ‘usually 20 years’) and have a national patent attorney check the material for national peculiarities. Starting points for adaptations may be the legal notes of the IPR Group which is one of the few sites to provide English speaking texts of Central Asian IP legislation. A very concise overview of key characteristics and differences and IP legislation in the four Central Asian countries is provided in the table below, but because of us being not lawyers, a check must be performed with local experts.

Figure 2 Key features of IP legislation in the CA countries under scrutiny

<table>
<thead>
<tr>
<th>Country</th>
<th>Objects of protection</th>
<th>Term of protection plus extensions/ renewal</th>
<th>Examinaton</th>
<th>Grace Period</th>
<th>Legislation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kazakhstan</td>
<td>Invention patent</td>
<td>20 + 5 years</td>
<td>Formal + substantive</td>
<td>6 months</td>
<td>Patent Law</td>
</tr>
<tr>
<td></td>
<td>Utility model</td>
<td>5 + 3 years</td>
<td>Formal</td>
<td>6 months</td>
<td>Patent Law</td>
</tr>
<tr>
<td></td>
<td>Industrial design</td>
<td>10 + 5 years</td>
<td>Formal + substantive</td>
<td>6 months</td>
<td>Patent Law</td>
</tr>
<tr>
<td></td>
<td>Trademark</td>
<td>10 years + unlimited number of renewals</td>
<td>Formal + substantive</td>
<td>n.a.</td>
<td>The Law on Trademarks, Service marks and Appelation of Origin</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>Invention patent</td>
<td>20 + 5 years</td>
<td>Formal + substantive</td>
<td>12 months</td>
<td>Patent Law</td>
</tr>
<tr>
<td></td>
<td>Utility model</td>
<td>5 + 3 years</td>
<td>Formal</td>
<td>6 months</td>
<td>Patent Law</td>
</tr>
<tr>
<td></td>
<td>Industrial design</td>
<td>10 + 5 years</td>
<td>Formal + substantive</td>
<td>6 months</td>
<td>Patent Law</td>
</tr>
<tr>
<td></td>
<td>Trademark</td>
<td>10 years + unlimited number of renewals</td>
<td>Formal + substantive</td>
<td>n.a.</td>
<td>The Law on Trademarks, Service marks and Appelations of Places of Origin of Goods</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>Invention</td>
<td>20 years</td>
<td>Formal +</td>
<td>6 months</td>
<td>Law on</td>
</tr>
</tbody>
</table>

Legal framework factors, however, are not limited to IP legislation and enforcement. Other legislative issues have to be also taken into account for the successful use of IPR – competition law, taxation laws as well as practices which should ensure a viable investment climate for foreign investors. These are typically further fields for development in the CA countries.

### 4.2.3 Generic success factors

The following are generic success factors, in the sense that they are either generic for any type of service activity, generic for any type of IPR support service and/or for services offered in the Central Asian region:

1. **Language**: It is beneficial if trainings material should be at least partially translated into Russian, as this is the lingua franca in the
region. Command of the English language is very low, and good/qualified translation services may be at times needed for trainings. We have been advised that good translation services – especially in the context of the higher demand placed on them because of IPR/legal terminology – are hard to find in the region. E-Learning may be an option to overcome issues inherent in (simultaneous) translations at workshops. E-learning could be applied on site, at the premises (with the tutors present).

2. **Focus on capital city regions:** Except for the case where a service wants to foster the usage of geographical indications (where beneficiaries would be mostly in rural areas), services should focus, geographically, on participants from the main cities and/or capital regions. In all four countries, innovative potential and out-reach of partnering institutions – in particular of patent offices – is highest in the urban regions.

3. **Alignment with other development aid activities:** One particular expert recommendation which we would also subscribe to in the light of our evidence, is to have a small field team from Europe in each of the four countries in place over a longer period of time to ensure project success. We have been convinced that such a continuous presence is necessary in order to build trust, build relations to key stakeholders and obtain a good understanding of subtleties which can occur in IPR discussions. However, it is also clear that this particular project setting cannot deliver on any such expectations. But experts also stressed that “...any type of help and assistance would be welcome.” (expert interview)

Against this backdrop, ways should be explored to align the project activities with the main thrust of development policies in the field of IPR or in the field of SME policies in the area. We have found that in all countries there are highly motivated and skilled development aid workers, some specialised also in IPR. A promising way to involve these experts is the possibility to ask them for short feedback on certain activities, at well defined milestones of the project.

Another way to align activities is to consider already documented advice on how to work on the subject of IPR in transition countries. A relevant source of information is in particular the material developed by the WIPO DCEA department for the CIS transition countries (see table below).

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**Figure 3  WIPO DCEA tools for countries in transition**

<table>
<thead>
<tr>
<th>Tool Nr.</th>
<th>Title</th>
<th>Webdownload (Russian and English)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Management of Academic Intellectual Property and Early Stage Innovation in Countries in Transition</td>
<td>Yes</td>
</tr>
<tr>
<td>2</td>
<td>Special Features of the Copyright Systems of Countries in Transition</td>
<td>Yes</td>
</tr>
<tr>
<td>3</td>
<td>Adaptation of the Copyright Laws of Countries in Transition</td>
<td>Yes</td>
</tr>
<tr>
<td>4</td>
<td>Nation Branding in Countries in Transition</td>
<td>Forthcoming</td>
</tr>
<tr>
<td>5</td>
<td>Enforcement of Intellectual Property Rights in Countries in Transition</td>
<td>Forthcoming</td>
</tr>
<tr>
<td>6</td>
<td>Strengthening the Role of Innovative Small and Medium-sized Enterprises (SMEs) in CIS Countries</td>
<td>Yes</td>
</tr>
<tr>
<td>7</td>
<td>Development of an Intellectual Property (IP) Strategy in Countries in Transition</td>
<td>Yes</td>
</tr>
<tr>
<td>8</td>
<td>IP Teaching in Countries in Transition</td>
<td>Forthcoming</td>
</tr>
<tr>
<td>9</td>
<td>Guidance on Traditional Knowledge in Countries in Transition</td>
<td>Forthcoming</td>
</tr>
</tbody>
</table>


4. **Usage of case studies**: In all our past analyses and as well as in this one, the importance of case studies to convey messages convincingly has been well underlined. Local case studies should be developed to showcase how local firms are able to use IPR to their advantage. This has a role model character for other firms in the region. To sustain credibility it is imperative to use examples of local CA firms. Reverting to international examples such as those supplied by the WIPO or the EPO is only an option for understanding the concept, content and structure of possible case studies. If no local CA SMEs can be identified, the next best possible option would be to work on, for example, Russian case studies.

5. **Broad and business approach to IP**: This generic recommendation is one that is also repeatedly spelled out in our IP service analyses for Western economies. In short, this refers to an approach whereby IPR should be presented from a business perspective, not a legal/law perspective. The rationale for such an approach is higher acceptance and interest from the business community which needs to understand IPR as a business tool and management topic. The business approach entails two important consequences: First, the specific use of business language. And second, that all instruments of IPR as well as informal IP protection/appropriation practices should be taught as a set of options for implementing a business strategy (rather than focusing solely on one particular IPR instruments and advocating only higher application rates for this IPR without discussing alternatives).
CASIP-SMEs - On existing and potentially new support for SMEs in the field of IPR
5. Service concepts for long-term implementation

5.1 Introduction to the long-term service concepts and the short-term possibilities of the CASIP-SME project in this context

In the following we represent five IPR service concepts for SMEs as outcome and recommendations of the preceding analysis. These services use various starting points defined in the gap analysis. While most of the concepts tackle rather basic IP issues – as for the most part rather basic services are needed – care was taken to introduce a rather broad selection of IP topics which are to be treated in the services. At least one more challenging concept was also introduced.

The selection was done in order to have reasonable recommendations on how to tackle the most pressing IP issues and utilise the most promising starting points for the development of services. As such, all service concepts should be understood as longer-term endeavours. Hence, the primary target audience for these recommendations is the BIOs in the four CA countries.

Of course, the service concepts are not detached of the CASIP-SMEs project. The concepts have been developed such that the project will be able to pave the ground for the implementation of the services in the four countries. Some services are so basic that the CASIP-SMEs project will likely be able to introduce and train for the full service, at least in a ‘minimal’ set-up. For other services, CASIP-SMEs will only be able to provide a reasonable introduction and first step in the implementation process. Further implementation is then subject to other development aid projects and/or activities set by the CA countries themselves.

The CASIP-SME project will be able to perform this introductory function by the following means:

1. Webinars, i.e. live trainings over the internet for the BIOs who are them implementing the services
2. Guidelines for participants in the webinars on how to prepare for the trainings
3. E-learning courses (which could be taken before or after the webinars)
4. Re-usage of existing trainings material, such as WIPO booklets, IPeuropAware material or ip4inno slides

The exact definition and elaboration of the above mentioned material is the responsibility of the CASIP-SME project partner in charge for action 4 of the CASIP-SMEs project. The above approach is to ensure that an optimal balance is found between meaningful recommendations regarding the long-term set-up of effective support services and the short-term possibilities and constraints of the CASIP-SMEs project.
5.2 Long-term service concept Nr. 1: Trademarks and IPR – how to improve marketing and uniqueness of your company

5.2.1 Overall description and aim

Goals and aims

The aim of this service is to introduce the value of IPR for marketing purposes to SMEs and demonstrating uniqueness to customers. Foremost, this service addresses the use of trademarks for branding purposes, but later on should introduce also copyrights, patents and designs for marketing usage.

Rationale and basic logic of the service

The most notable barriers for better IP usage in the CA countries are the overall lack of an IP culture, low innovativeness (especially concerning technical innovations), low awareness of IP and cost considerations. If at all, IP is as a result perceived as less of an issue than more ‘pressing’ problems.

There is hence a need for introducing the concept of IPR with an instrument of low cost, appealing to a broad set of firms (not only technologically innovative ones) and relating to clear-cut and common business problems.

Marketing is here an area of choice, as any business will have the need to advertise its services and products for its customers and IPR can be used as versatile marketing instruments. The key IPR instrument in question is the trademark in a branding strategy. This is a low-cost IPR instrument which is most directly linked to marketing.

However, the trademark – while it should be the most discussed form of IPR under this service – is only one aspect, and the usage of collective marks/geographical indications, patents, copyrights, designs could be also discussed on that occasion.

Basic operation

The basic operation envisaged is that of a marketing introductory course, where the IPR instruments come only secondary, as instruments for achieving a better marketing. The service could be hence also titled “How to improve your advertising and out-reach to customers via IPR”.

The envisaged long-term operation is that of a seminar or course for about one dozen SMEs, with 2 to 3 half days, class-room style. Alternatively, video feeds could be also provided for download as well as e-learning tools. The operation foresees also written supportive materials, such as brochures/hand-outs or power-point slides. The CASIP-SMEs project will be possible able to provide some minimalist set-up, i.e. one to two 2h webinars on that topic.
5.2.2  Operational elements and challenges for the implementation of the tools

We envisage set-up for the lectures which would follow the following sequence of topics to be taught: basics of marketing (why you need marketing and the 4 Ps as well as advertisement strategies); the role of brands and branding strategies; the role and advantages of using trademarks in a branding strategy; the role of collective marks, and herein trademarks/geographical indications, the role of using other forms of IPR in marketing, e.g. patents for the creation of trust and conveying technological competence; the role of copyrights; the role of unique design and packaging and what role registered designs could play; marketing with IPR for reach-out to important stakeholders other than customers (e.g., banks, approaching investors from abroad – dos and don’ts; etc.); planning of exhibitions with IP issues in mind).

Tools to be used are:

- A booklet or handout should be the foundation of this course. The booklet should not be too lengthy and written in a language appealing to entrepreneurs from that area. Appealing in that sense means, for example, staying realistic in terms of business possibilities under the economic framework conditions in the region. Nonetheless, future development paths can be also sketched, once the economic situation improves in the CA countries. The booklet should include also simple instructions (do’s and don’ts; step-by-step instructions) and cost overviews.

- A webpage where the booklet can be downloaded (i.e., a web version of the booklet), with links to important multipliers (patent attorneys, IP office, chamber) and additional material (such as WIPOs IP Panorama). The webpage could also include pre-recorded videos of the lectures for download or an e-learning tool.

- In addition, an instructor’s manual for the booklet, indicating possible further information sources and directions on how to use the material, should be provided.

To our knowledge, only the WIPO tools IP Panorama and the booklets such as ‘Making a Mark’ would be ready to use tools under the WIPO licensing terms. Their advantage is also that most of them are available in Russian versions, at least as of early 2012. Innovative tools under the project could build on existing tools and tailor the subject more precisely to the envisaged curriculum.

Challenges to be awaited include:

- There is a need to relate to local business needs. Against this background, it is important to find local examples of successful use of IPR for marketing purposes. If not found in the respective CA
countries, viable examples should be searched in Russia. By no means should examples be brought from Europe or the U.S. as this will most likely trigger a repellent reaction due to the perception that Western models will not work under the framework conditions in CA.

- The question might arise on enforcement of IPR, especially of trademarks. This may warrant a chapter specifically for enforcement. However, such a chapter is to be clearly tailored to the specific situation of the respective CA country, and it should be realistic about the chances of successful enforcement.

- The use of language appealing to entrepreneurs – hence not law-coloured – is a must.

- There is also a need to train important multipliers, especially government officials. Otherwise, made-aware entrepreneurs will meet unaware officials which makes success of IPR strategies, e.g. when it comes to enforcement, highly difficult.

- As this material is only introductory in nature and should be taught by non-IP professionals, there is a need to maintain close links to IP professionals to which SMEs can be referred to for further advice.

- An industry-focus might be warranted (i.e., tailoring the material to a specific industry), if the CA chambers have certain SME industry foci in their member and customer database. Viable industry sectors in this regard may be the textile industry or food industry, given their high prevalence in the CA countries.

In general, we expect good chances of success for two reasons: First, if there is IPR activity in the CA countries to speak of, it is in the area of trademarks. There is hence an existing starting point for such a service. Second, the marketing aspect – in the sense of recognition of achievements of the IP rights holder – is also an aspect that was present in the old Soviet system in some way. This should make acceptance and the introduction of more modern Western IP concept easier.

5.2.3  Division of tasks among partners

The division of tasks among partners is the following:

- Western partners should prepare the material and teach the initial seminars and trainings.

- CA partners should assist in the adaptation of the tools (booklet, brochure) to local needs, should collect information on multipliers (IP office, patent attorneys) and involve them at least by asking them for an opinion. CA partners should also look for possible case study examples (however, the actual write-up should be performed by the Western partners).

Further on, the CA partners should select about half a dozen staff for participation in the seminar. These six staff should be enabled to
hold the respective seminar later on their own, e.g. as a paid or for-free offering by the chamber.

5.2.4 Further material and existing tools usable for the provision of the service and the creation of the trainings material

The following material can be used for developing the service:

- WIPO SMEs publications from the IP for Business Series: ‘Making a mark’, ‘Looking good’, ‘Creative expressions’ or ‘Inventing the future’
- IP Panorama (Modules 2,5,3) with related case studies from the WIPO IP Advantage Database

Training for BIO/chamber staff can be performed directly with the tools developed for actual service delivery.

5.2.5 Possible evaluation and monitoring variables

The following evaluation monitoring variables seem sensible:

- Number of SMEs approached
- Number of SMEs taught
- Number of stakeholders (e.g. government officials) approached
- Number of stakeholders taught
- Number of chamber/BIO staff trained
- Number of trainings held
- Take-up by the chamber as regular offering (yes/no)
- Satisfaction with the lessons (by BIOs, and later on by SMEs)
- Percentage of SMEs which have actually changed their marketing and make use of IPR for marketing purposes
- Trademarks (and other IPR) filed after the course by participants

5.2.6 Future evolution of the service

The future evolution of the service is, in the long-term, the take-up as a regular course/seminar offering by the chambers/BIOs. This could be the starting seminar for a range of other seminars on IPR issues, in line with economic development paths.
5.3 Long-term service concept Nr. 2: Franchising – making money by applying and licensing a well standardised business concept

5.3.1 Overall description and aim

Goals and aims

The aim of the service is to introduce and popularise the concept of franchising in CA countries (most specifically, in the restaurant and food sectors and/or the textile sector).

Rationale and basic logic of the service

The rationale and basic logic of the service is similar to the first service concept on trademarks – the need to introduce IP with a rather low-cost, easily understandable IP instrument mix and applicable to a wide range of enterprises. While technically the targeted SME population for this service is narrower – food and restaurant services, textile firms and franchising within –, the sheer amount of respective SMEs in the CA make this a viable target group.

Like the marketing-related service, franchising may be yet another door opener for introducing a stronger IP culture. As also in the case of trademarks, there are already some activities on which the service could build: There are some franchising chains already, there are projects on franchising (in Uzbekistan) and there are plenty of opportunities as there is a large variety of popular local cuisine and food, and a handicraft tradition in the textile sector. As franchising deals with a number of IP issues – eg., licensing, trademarks, etc. – this is eventually a vehicle to introduce several IPR instruments at a time.

Basic operation

The basic operation envisaged is that of a franchising course, where the IPR instruments come only secondary, as instruments for implementing a franchise business. The course should cover segments that are intended for the franchisee and the franchiser.

The envisaged operation for long-term implementation is that of a seminar or course for about one dozen SMEs, with 6 to 8 half days, class-room style, more than in the marketing case due to the higher number of issues to be covered. Alternatively, video feeds could be also provided for download as well as e-learning tools. The operation foresees also written supportive materials, such as brochures/hand-outs or power-point slides. The contribution of the CASIP-SMEs project could be similar to service concept nr. 1, i.e., introducing a minimalist version with one or two 2h webinars for BIOs.
5.3.2 Operational elements and challenges for the implementation of the tools

We envisage a course set-up which would follow the following sequence of topics to be taught as it is done in a typical how-to franchise guide: what is franchising, some historical aspects, opportunities that franchising offers, a comparison between franchising and traditional business, criteria for decision making (and key decisions to be made), a getting started guide, process and business planning, financing, marketing and inherently the IP topic.

Tools to be used are:

- A booklet or handout should be the foundation of this course. The booklet should not be too lengthy and written in a language appealing to entrepreneurs from that area.

  Appealing in that sense means, for example, staying realistic in terms of business possibilities under the framework conditions. Nonetheless, future development paths can be also sketched, once the economic situation improves.

  The booklet should include also simple instructions (do’s and don’ts; step-by-step instructions) and cost overviews.

- A webpage where the booklet can be downloaded (i.e., a web version of the booklet), with links to important multipliers (patent attorneys, IP office, chamber) and additional material. The webpage could also include pre-recorded videos of the lectures for download or an e-learning tool.

- In addition, an instructor’s manual for the booklet, indicating possible further information sources and directions on how to use the material, should be provided.

There are a number of ready to use tools and some which are under preparation (see section 5.3.4).

5.3.3 Division of tasks among partners

The division of tasks among partners is the following:

- Western partners should prepare the material and teach the initial seminars and trainings.

- CA partners should assist in the adaptation of the tools (booklet, brochure) to local needs, should collect information on multipliers (IP office, patent attorneys) and involve them at least by asking them for an opinion. CA partners should also look for possible case study examples (however, the actual write-up should be performed by the Western partners).

- Further on, the CA partners should select about half a dozen staff for participation in the seminar. These six staff should be enabled to
hold the respective seminar on their own, e.g. as a paid or for-free offering by the chamber.

5.3.4 Further material and existing tools usable for the provision of the service and the creation of the trainings material

The following material can be used for developing the service:

- WIPO SMEs Guide on IP and Franchising (forthcoming)

An adaptation/check with local CA franchising and IP laws seems advisable.

5.3.5 Possible evaluation and monitoring variables

The following evaluation monitoring variables seem sensible:

- Number of SMEs and number of future entrepreneurs (franchisers/franchisees) approached
- Number of SMEs and number of future entrepreneurs (franchisers/franchisees) taught
- Number of stakeholders (e.g. government officials) approached
- Number of stakeholders taught
- Number of chamber/BIO staff trained
- Number of trainings held
- Take-up by the chamber as regular offering (yes/no)
- Satisfaction with the lessons (as provided by SMEs and number of future entrepreneurs (franchisers/franchisees)
- Percentage of SMEs which have actually introduced a franchise or have become franchisees
- Trademarks (and other IPR) filed after the course by participants in the course of setting up the franchise
5.3.6 Future evolution of the service

The future evolution of the service is, in the long-term, the take-up as a regular course/seminar offering by the chambers/BIOs. In the long run, this could be the starting seminar for a range of other seminars on IPR issues (which would, however, probably correlate with overall economic development).

5.4 Long-term service concept Nr. 3: Coaching and tailored support for the best commercially exploitable invention

5.4.1 Overall description and aim

Goals and aims

The aim of this service is to provide SMEs and possible future entrepreneurs with a commercially promising invention with the best possible tailored support and coaching for the commercialisation of the invention. The service could use existing inventor competitions as one means of identifying select SMEs/future entrepreneurs for support activities.

Rationale and basic logic of the service

This service concept is based on several findings and observations. First, from our experience that even in countries with rather low economic development levels there are always some champions/innovators that have outstanding/groundbreaking ideas. The example of Prof. Wichterle of the Czech Republic, presented before in the main text, is a famous example.

Second, that it is not the number of patents which count, but the money made with them. A few valuable patents can outweigh hundreds of commercially not applied patents. This means that a sensible approach for transition economies may be to identify such possible champions and help them with (international) commercialisation – rather than focussing on increasing patenting activity overall. The positive side-effect is the possibility to focus scarce resources.

The third observation is that practically all CA countries have had a number of prizes and competitions organised for identifying the ‘best inventor of the year’. For us, this already existing activity could be a starting point for a new broader service which does not only identify a (technically) good invention, but also helps find a potentially commercially valuable invention and accompany its commercialisation. The prize would be not only recognition, but extensive support including personal coaching and financial subsidy. As such, the competition is only a small tool used in the beginning of the support process to identify viable inventions which merit support.
Basic operation

The basic operation would be to organise first a competition very much like the existing ones. However, entries should not only be judged on the basis of technical merits, but also – or even mainly – on commercial outlooks. Accordingly, competitors are not only to supply technical but also commercial information, such as business plans or plans for commercialisation.

The jury which identifies a promising invention should then offer or refer to targeted support, e.g. in the form of money, advice, marketing in foreign countries to fully commercialise the invention. Return of the invention should be divided between the inventor and the state.

5.4.2 Operational elements and challenges for the implementation of the tools

The tools to be used for the service – a competition/call to be held once a year and ensuing tailored 1:1 support – are the following:

- An evaluation guideline/grid for valuating entries to the competition. This is to cover both technical and commercial aspects.
- A commercialisation guideline for the person(s) helping the inventor to commercialise the invention.
- A financial subsidy which should be used to support all endeavours for commercialisation, including patent applications abroad (in the U.S., Europe, Japan)
- Model contracts which regulate IP ownership, revenue flows received from the commercialised products and other related legal issues.
- Guidelines for coaches (including reporting duties) on how to best coach the entrepreneurs

These tools are rather generic, and some promising region-specific approaches – such as the envisaged IP valuation standards in Uzbekistan – exist already. However, the limits of grids and guidelines for a successful commercialisation have been described in literature manifold. The key success factor is human resources and expertise, i.e. people with strong industry experience who have technical, legal and commercial know-how in their fields and are able to develop relevant gut feeling about whether an invention can be successful or not. It is apparent from our study results that such persons are very scarce in CA, especially when it comes to international aspects. It is also important to understand that such experts need to have rather wide lee-way for their activities, which entails a high level of trust which needs to be forwarded to them.

For the CA countries, this is foremost, in this current stage, a learning experience. CA countries and BIOs should take the opportunity and study with real-life cases from their countries what it means to
commercialise patents and inventions. A good starting point could be studying the example of commercialisation also from other (transition) economies – e.g., the case of IOCB Academy institute in the Czech Republic and their HIV treatment. We also recommend to involve renowned international experts in the jury and in the commercialisation team.

Another aspect for the success of the service is the fact that it must involve several government activities at a time, not the least the provision of funds for the administration of the commercialisation process. In some countries there are for example central technology transfer agencies, and in many ways – while directed at SMEs –, the tasks to be fulfilled under this service are those of a technology transfer agency working for the research/university sector.

Against this backdrop, it is also clear that under the current CASIP-SMEs project only a fraction of the required activities, i.e. only preparatory activities, can be performed.

Such activities could entail training on technology transfer practices and support needs of firms (which extend well beyond IPR to generic business administration and management practices), do and don’ts for licensing contracts or the elaboration of mock-up/training scenarios for existing prize winners and known to be innovative SMEs.

Non-disclosure agreements with foreign experts – including the CASIP-SME partners – are essential. While the overall service may sound like a big endeavour, it can be also expected that by involving foreign (U.S./European) experts the right way, efforts within the CA might be reduced as such an expert may recognise a commercial opportunity and activate foreign resources on its own. For the CA countries, it is essential that proper collaboration with the external experts is ensured.

5.4.3 Work division among partners

Against the backdrop that the service can provide only preparatory building blocks for an overall functioning service, the following work division is foreseen:

- Western European partners are to create the trainings material for BIO/chamber staff, for potential members of the jury of a competition. This could include training on IP/patent valuation, SME coaching during commercialisation of inventions or the management of technology commercialisation/technology transfer. Ideally, the material should include also real-life case studies on successful technology commercialisation.

- CA partners should assemble a team from various agencies and institutions which could then serve as judges for the prize and/or the coaching team afterwards. These persons should be then trained. The team should be inter- and transdisciplinary (around 6 to 8 persons)
• In a mock-up situation after training of the basics, CA (respectively the jury team) and Western partners could simulate a prize/competition, e.g. with historic inventor competitions and/or known firms. If there is commercial potential, non-disclosure agreements should be signed.

5.4.4 Further material and existing tools usable for the provision of the service and the creation of the trainings material

We are not aware of any similar type of services, but for the different elements one may draw on specific information and tools which can be module-wise combined:

• In Switzerland, there are support programmes for start-up firms which in some ways are similar to the envisaged service.35 The programme ‘CTI Start-Up’ accepts only innovative high-tech start-ups with a good commercialisation plan and supports the firms for 18 months with coaching on all business topics, including IPR. Once the firms leave the programme, they receive a CTI Start-Up badge, very much like a prize that lends credibility to investors. Guidelines, application forms used in the programme could be used and adapted under the respective licensing terms (depending on the Swiss willingness to do so). In any way, however, CTI-Start Up shows the breath of support activities which are needed for successful commercialisation. The envisaged service for the CA would be a cut-down version of the Start-Up programme, with less supported firms selected via a public competition. The envisaged service could be also open to the research sector (in contrast to the CTI offering).

• An EU-funded project created guidelines on how to train successful technology transfer managers. Successful graduates are certified technology transfer professionals.36 Material presented on the website could be a good starting point for training activities of BIO/chamber staff and/or jury members.

• The Lambert toolkit provides a set of standard agreements on IP ownership and collaboration between universities and firms (as well as between firms) in the UK which could be adapted for CA purposes and international collaboration endeavours. The toolkit is also good as to demonstrate key concepts used in Western market contexts.37

• For IP valuation purposes one can draw on the Uzbek guidelines, on recent Austrian ÖNORM and German DIN norms; for quick

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35 [http://www.ctistartup.ch/htm/services_cti_offerings.htm](http://www.ctistartup.ch/htm/services_cti_offerings.htm) and [http://www.ctistartup.ch/htm/home.htm](http://www.ctistartup.ch/htm/home.htm)
valuation purposes, e.g. in the context of a jury sitting over an application, it could be also useful to apply tools such as IP Score from the EPO.\(^{38}\)

### 5.4.5 Possible evaluation and monitoring variables

The following evaluation monitoring variables seem sensible:

- Number of CA persons trained for the jury/coaches
- Number and type of guidelines/tools developed/adapted
- Results report of the mock-up/simulation exercise, which should include suggestions for specifying the modes of competition further
- *Later on*: Number of competitions and supported inventions
- *Later on*: Indicators for inputs used in the coaching process and organisation of the prize (e.g., number of entries in the competition, height of financial subsidies provided, etc.)
- *Later on*: Result indicators such as licensing income incurred

### 5.4.6 Future evolution of the service

If successful, the service can grow to a fully scaled support programme where there would be no single competition. Rather, firms could apply at any time and the programme would manage an array of innovations on their way to commercialisation.

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5.5 Long-term service concept Nr. 4: Open IP consultation days

5.5.1 Overall description and aim

Goals and aims

The aim of Open IP consultation days is that SMEs can obtain a first for-free advice from IP professionals on IP-related problems (and/or opportunities that can arise from IP). Such Open IP consultation should be offered and advertised regularly.

Rationale and basic logic of the service

‘Open IP consultation days’ are an adaptation of the respective service in Germany and Austria, offered here by chambers of commerce, to Central Asia. The rationale is that IP professionals know best their topic and are the ideal experts to answer IP-related questions. However, their services may not be well known and their costs seen as prohibitively high. This means that demand for IP professional services is lower than it could be.

Open IP consultation days can help overcome this situation. By having the chambers with their inventory of SME members organise the events, patent attorneys are provided a forum where they can attract new customers, at least in the long run, or foster the creation of an IP culture. For SMEs, the initial non-awareness problem is overcome, the initial costs are marginal, the presentation of the patent attorneys increases awareness on IP issues and the Q&As allow the SMEs to better judge whether paying for a follow-up makes sense. For the chamber, there is a possibility to extend its services range and be more known as a hub for creating relevant networks. This should be hence a win-win situation for all parties/stakeholders involved.

Basic operation

Once a month, the chamber organises – in its premises and/or under its patronage – an open consultation day for about a dozen firms (a seminar room full). The half-day event consists of an invited patent attorney making a presentation on basic (or selected) IP issues. Furthermore, the patent attorney is available for a public Q&A session. On the occasion of the event, further background material may be also distributed.

5.5.2 Operational elements and challenges for the implementation of the tools

At first sight, there seem rather little challenges present, as the content is provided by the patent attorneys. At second glance, however, the

39 In Austria, they are called „Patentsprechtage“ (patent consultation days).
operators are to make sure that the organisation is well done and to ensure that the patent attorney delivers information which is at least understood by the SMEs to be relevant for its business. The BIO/chamber is to make the attorney aware of that fact, with all possible implications (most importantly, not to deliver a law school-like presentation and revert more to a business/entrepreneurial language).

Patent attorneys are regularly not paid for this kind of (self-marketing) activity in Austria. There is hence the need of thorough negotiation of the content of the presentation and also a mutual understanding of the possible benefits for the patent attorneys. If not for attracting customers, patent attorneys would help develop an IP culture in their country which also helps the attorneys in their work at least indirectly.

The BIO/chamber staff should be at least trained on the basics of IP, in order to be able to negotiate successfully with the IP professionals and to be able to act as a knowledgeable first discussion partner, should an SME refer with a question to the chamber. More complicated enquiries can be then forwarded to the IP professionals.

The days should be adequately advertised and organised, and there should be changing patent attorneys involved, in order to avoid the impression that there is preference for one certain patent attorney firm.

The days should be also open to non-SMEs, e.g. government officials although this is not the prime target group.

There is a need to allow for learning (i.e., collecting feedback) after the first open consultation days in order to fine-tune the content presented as well as organisational parameters.

5.5.3 Division of tasks among partners

- Western partners should train CA partners in two ways:
  - First, by organising a workshop with CA and Western partners as well as local patent attorneys – those who will then deliver the service – and telling them about success factors of successful open consultation days. Such success factors refer, on one hand, to organisational matters and on the other hand on content issues such as usage of business language etc.
  - Second, Western partners should train the chamber/BIO staff on most general IP basics, e.g. by applying some of the material developed in the course of the European ip4inno project.

- CA partners should enter collaboration agreements with patent attorneys, organise the workshops and open consultation days and provide the necessary advertisement. The staff should be trained for IP basics.
5.5.4  Further material and existing tools usable for the provision of the service and the creation of the trainings material

As the content is provided by the patent attorney, there is no specific tool and material to be mentioned here. However, patent attorneys should be made aware of and encouraged to distribute standard material such as WIPO booklets in Russian/local language.

5.5.5  Possible evaluation and monitoring variables

The following evaluation monitoring variables seem sensible:

- Number of open consultation days organised, by region
- Number of participants per event, by type of participant and by region
- Number of received registrations for the event (and % of those who showed up)
- Number and type of advertisement activities
- Participant satisfaction
- Number of SMEs who requested a follow-up (or additional information) or had themselves registered (e.g., for a newsletter)
- Number of BIO/chamber staff trained on IP basics.
- Number of involved patent attorneys
- Costs incurred, by type

5.5.6  Future evolution of the service

The service is a success if it is established as on-going activity with decent demand from businesses.
5.6 Long-term service concept Nr. 5: IP and Innovation Emergency Response Training for service provider/multipliers

5.6.1 Overall description and aim

Goals and aims

The goal of the service is to enable a multiplier effect: Staff from business intermediary operators, chambers, private consultants etc. should have sufficient IP knowledge to offer first advice on IP issues and opportunities and refer more complicated problems to IP professionals. By ‘training the trainers’ the shortage of IP specialists can be overcome and awareness on IP can be spread.

Rationale and basic logic of the service

There is scarce expertise on IP in the CA countries, and apart from a small group of IP specialists IP know how is virtually non-existent. Many IP specialists do not work with local SMEs. By extending basic IP know-how to multipliers such as the chambers or private business consultants, information and awareness on IP can be raised more quickly among the SME population.

Basic operation

The envisaged operation is the adaptation of the ip4inno programme to the Central Asian countries, at least in a minimalist version. A long-term extended version of the service entails a series of workshops – about 2 weeks overall – on selected IP topics, taught class-room style to the said multipliers. As opposed to the original ip4inno, we recommend that the service should finish with an exam and a certification of said trainers. The actual application of the know-how in advisory contexts of SMEs – i.e., the service itself – is by the accredited trainers. A pilot of such training of some trainers on selected SMEs proves that the approach is working and can reveal areas for future improvements.

5.6.2 Operational elements and challenges for the implementation of the tools

The tools (i.e., slides for training) are available at the ip4inno website.\(^{40}\) We recommend licensing a selection of the well drafted content or create own/localised versions based on similar awareness raising material.

We envisage that Western CASIP-SME partners prepare a schedule of selected ip4inno content (or similar material) to teach BIO staff and/or chamber staff and to provide the certification after the respective exam. Exam may be administered by Western partners and local IP experts.

We recommend that the material be cross-checked with local IP experts and aligned with local law. Acceptance of this course programme by the local IP offices and the IP experts is essential for the success of such a programme, and hence collaboration with these actors should be aimed for. Also, local business consultants should be involved in the adaptation process in order to ensure that the material is in line with the reality of CA SMEs.

In the adaptation process, care should be taken to also include real-life case study examples from CA firms or at least Russian firm.

5.6.3 Work distribution
The division of tasks among partners is the following:

- Western partners should prepare the material and teach the seminars and trainings.
- CA partners should assist in the adaptation of the tools (booklet, brochure) to local needs, should collect information on multipliers (IP office, patent attorneys) and involve them by asking them for an opinion, especially regarding legal issues. It is crucial that the course/accreditation meets acceptance of the IP office and the IP attorneys which means that the exam/certification of the staff should be done in collaboration with these institutions.
- CA partners should also select trainees and propose other BIOs and BIO staff for participation.

5.6.4 Further material and existing tools usable for the provision of the service and the creation of the trainings material
Apart from the ip4inno material, any awareness raising material and introductory course/trainings material for IP management can be utilised and adapted – most notably the publications from the WIPO SMEs division, as these are or will be available shortly in Russian.

5.6.5 Possible evaluation and monitoring variables
The following evaluation monitoring variables seem sensible:

- Number of BIO staff, business consultants and chamber staff trained and accredited
- Acceptance of course and accreditation by IP office
- Number of SMEs taught in a pilot round by accredited trainers
- Satisfaction of trained/accredited BIOs, business consultants and chamber staff
- Satisfaction of SMEs trained by accredited trainers
- Noted areas for further improvement
5.6.6 *Future evolution of the service*

The purpose of having the IP office and IP lawyers involved is to make the CA ‘ip4inno’ a standard educational offering in the long run, independent of the CASIP-SMEs project.
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