



INTELLECTUAL
PROPERTY OFFICE

From ideas to growth

Helping SMEs get value from their intellectual property

Conclusions



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“The IPO’s ambition is to ensure that UK SMEs both recognise and understand the value of their intellectual property.”

Introduction

In November 2010, the Prime Minister announced an independent review, chaired by Professor Ian Hargreaves, of how the Intellectual Property framework supports growth and innovation. The barriers faced by SMEs as they work to make the most of their IP was a key theme of the review. Its report, published in May 2011, identified three particular areas of difficulty:

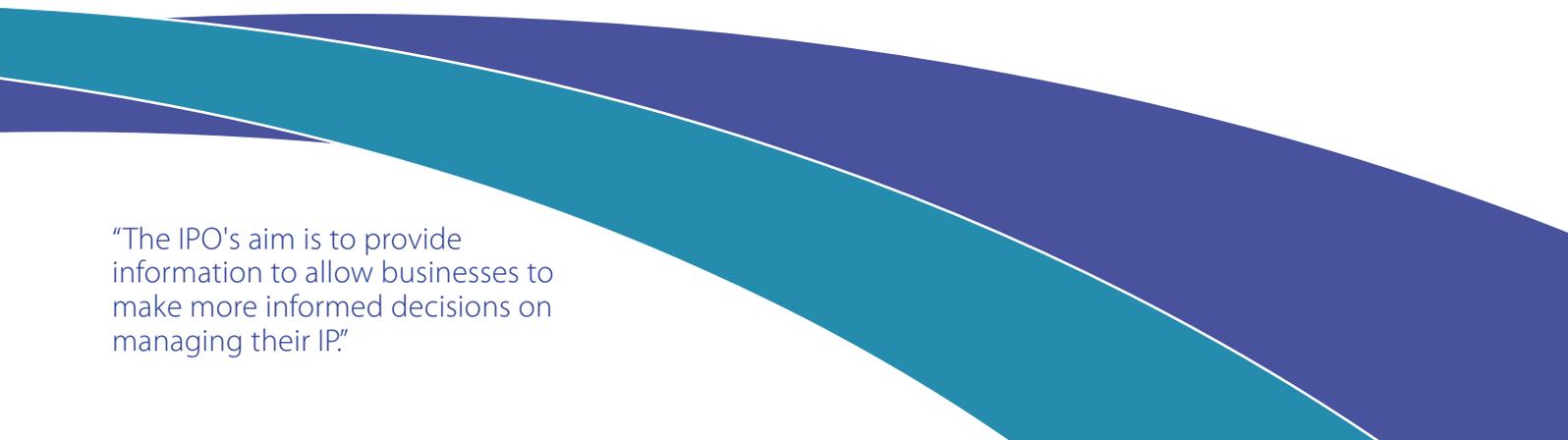
1. The complexity of advice offerings;
2. A lack of strategic business advice;
3. The cost of IP management.

The IPO's ambition is to ensure that UK SMEs both recognise and understand the value of their intellectual property and can access the advice they need to grow their business by maximising the benefits which flow from their innovation and creativity. In response to the difficulties highlighted in the Hargreaves Review, in April 2012, the IPO published a discussion paper *From ideas to growth: Helping SMEs get value from their intellectual property (From Ideas to Growth)* setting out its plans for improving its offering to SMEs. The paper addressed four challenges:

- How to raise SME understanding of IP issues and opportunities;
- How to ensure that those businesses could access good quality advice on managing their IP assets effectively;
- How to ensure that people coming into the workforce had a basic grasp of IP issues; and
- Improvements to the options available to SMEs when disputes arise.

The document sought feedback from businesses, business representative organisations, service providers and others on how the measures proposed could best be tailored to meet business needs and whether there were any further gaps which need to be filled. Throughout May-July we held a series of roundtables with SMEs and their representative organisations. A total of 60 people attended these meetings and we received an additional 11 written submissions. Further discussions were undertaken with trade bodies and associations. We would very much like to thank all those individuals and organisations that took part in this discussion. The conversations, thoughts and ideas were rich and plentiful and have helped us hone our plans for the coming year and beyond.

This response paper draws together the conclusions we have reached as a result of the discussions and comments received in response to the discussion paper and sets out our plans for the future.



"The IPO's aim is to provide information to allow businesses to make more informed decisions on managing their IP."

Chapter 1

Raising awareness and understanding of IP

Improving business understanding of IP

From Ideas to Growth set out a number of proposals for support the IPO could provide to help businesses understand IP, recognise and avoid potential pitfalls and spot opportunities to generate income and support company growth. There was good support for these proposals. We have adapted our approach in a number of areas to make sure we provide the best possible fit to the needs of SMEs, based on the valuable input given at meetings and in writing.

Building IP understanding

Roundtable discussions about the proposals in the paper confirmed the Hargreaves Review conclusion that smaller businesses tended to be ill-informed about managing their IP assets and confused about when to seek help and from whom. There was strong encouragement for the IPO to press ahead with its awareness raising activities, but also to review links with public and private sector partners who might direct SMEs into IPO channels when they had questions or provide more help themselves. We were also encouraged to refresh our advisory literature to ensure that it fully met the needs of today's businesses.

We agree that SMEs should not be expected to know about IP nor the existence of the IPO. That is why the IPO is already working to strengthen its links with other partners. Within Government, this includes collaborations with UKTI, the Technology Strategy Board (TSB), Invest Northern Ireland and HMRC. In all four organisations we are training key staff either as advisors or to champion IP issues within their organisations.

We also agree that all literature and online tools need to be 'business-friendly' ie simple, relevant and drafted in a way business users can readily understand and use. We recognise that some of our own leaflets and guides fall short of this standard. We have therefore begun a programme to review all of our business literature. To help ensure that it fits SME needs, we will use a panel of SMEs and their representatives to quality assure our publications. In response to feedback at roundtables we will also make sure that the 'scary bits' of IP such as potential infringement will be addressed and potential costs will be clearly illustrated. This will allow businesses to make more informed decisions on how they manage their IP.

Based on the feedback we have received the IPO will:

- By August 2013, complete a review of all its SME literature. This will include a review of final draft literature by a panel of SMEs and their representatives who will advise on whether the content:
 - Is easy to understand;
 - Addresses the questions and concerns which businesses raise;
 - Includes approaches to IP management that cover both formal and informal IP.
- Work with partners to develop high quality material for use by general business advisors (eg banks, accountants, solicitors and others), to include within their business support materials;
- Improve signposting to and within our website and in literature and expand our social media engagement to engage SMEs more effectively;
- Engage with professional bodies such as the Association of Chartered Certified Accountants (ACCA) and Chartered Institute of Management Accountants (CIMA) to encourage them to cover IP issues more actively and signpost learning opportunities;
- Collaborate with the Institute of Trade Mark Attorneys (ITMA) and Chartered Institute of Patent Attorneys (CIPA) on the production of webinars for their members. As a pilot we will develop a first/introductory webinar to promote business support activities in January 2013.

Online Business Advisor Training Tool

A key problem identified in both the Hargreaves Review and our own research has been the failure of generic business advisors to cover IP issues. Part of the reason is that, very often, these advisors do not feel confident when IP issues are raised. In *Ideas to Growth* we therefore proposed to develop an online training tool which would give business advisors a basic knowledge of IP, a sense of when it may be relevant to a client's business and the ability to recognise the role IP can play in business development.

Those who commented on this proposal were very supportive. They suggested that in developing the tool, the IPO should draw in the views of different business advisors to ensure that the structure and language of the tool reflected the conversations they had with their clients. A key concern, both from generic business advisors but also IP professionals, was that the tool should make clear when a business advisor should look to refer a client to an IP specialist.

These comments have been taken on board and incorporated into the planning for the tool.

The IPO will:

- Set up a project board to oversee the development of the tool;
- Establish a working group made up of potential users of the tool and IP professionals to ensure it is fit for purpose.

The tool will be launched September 2013 and will be hosted on the IPO website.

IP Masterclass training

The IP Masterclass provides business advisors with a more detailed understanding of IP issues and their impact within a business. In the past six months we have provided training to 65 advisors from a range of business support services including the GrowthAccelerator Programme, the Patent Library (PatLib) network, TSB and the Catapult centres along with UKTI. Over 90% of those attending the course said the content was useful and relevant and that they would recommend the course to colleagues.

The IPO will press ahead with this programme and its commitment to train 200 advisors in 2012/13. The IPO will also begin a series of webinars and other modular/short form learning opportunities for business advisors that will count towards their accrual of Continuing Professional Development (CPD) points. These will start with a free basic introduction to IP in December with a more advanced lecture planned for January 2013. A fee-paying on-line IP Masterclass service will begin in September 2013.

Online Healthchecks

The IPO online Healthcheck¹ is a web based tool which allows a business to think through how Intellectual Property relates to their business and how to safeguard their IP assets. The tool is well-respected by users and business representatives, but we need to ensure that it remains current. The IPO will therefore undertake a complete review of the Healthcheck tool by March 2013 to make sure the content remains current and meets business needs.

Strategic IP Audits

SMEs are able to apply for funding for an IP audit via one of the IPO's partners, including GrowthAccelerator, Welsh Government and Scottish Enterprise. The audits provide potential high growth, innovative SMEs with a tailored assessment of the IP within their business to help them develop IP management strategies. There was a general acknowledgement of the value of this service.

The IPO will:

- Continue with its work in this area and fund 200 audits by the end of March 2013;
- Carry out an evaluation of their impact in 2013/14 to determine future provision.

1 <http://www.ipo.gov.uk/whyuse/business/iphealthcheck.htm>

Summary

Based on the feedback we have received we believe this package of direct support will provide SMEs with the tools and skills to assess the IP that is owned by and used within their company and identify the opportunities and risks this presents for them. They will also be able to recognise when to seek further advice from specialist sources and identify the right source of advice for their needs. We will maintain a dialogue with SMEs and their representatives to refine our offering. This ongoing discussion will allow us to adapt our services to ensure they meet business needs.

Chapter 2

Improving access to IP advice

The Hargreaves Review looked in detail at the IP advice available to SMEs and concluded that the range of services on offer was not as well configured as it could be. Around 60% of SMEs surveyed said that they would be interested in better access to advice, particularly for start up businesses. They wanted improved access to good quality basic advice on IP and to be able to identify advisors who could cover non-technical IP issues as part of the company's overall business strategy, rather than the more detailed technical advice offered by attorneys. Businesses wanted advice to be part of an *integrated* service which combined both commercial and legal elements. This combined guidance would help them to develop more effective growth strategies.

Finding Advisory Services

One proposal set out in *From Ideas to Growth* was that the IPO might publish a more comprehensive directory of advisors who could meet SME needs. Businesses and advisors attending the roundtable sessions did not agree. The consensus was that this information already existed and on-line search facilities allowed users to find and select advisors on IP matters. A more significant issue, however, was assessing the quality of the advisor. A directory listing all IP advisors within the UK would not overcome this. Businesses need an independent assessment of quality.

Advisors who attend the IPO's IP Masterclass are currently deemed to have achieved a solid grasp of core basic IP and commercialisation issues. After the training, they are required to deliver a dissertation which demonstrates their ability to apply what they have learned.

In addition, there is a BSI standard (BS 8538) on the provision of IP services. At the moment, there is no independent verification that an advisor is complying with the BSI standard. Although the IPO is unable to provide this verification, the United Kingdom Accreditation Service (UKAS) can develop a framework for accredited certification against it. Independent certification bodies could then apply to be accredited by UKAS to certify that an advisor was fully compliant with the standard. Certification would allow advisors to market their services to IP rich businesses more effectively.

In response to what we have heard from stakeholders the IPO will:

- Not produce a directory of advisors, but will ensure, by end November 2012, that a list of advisors who have qualified through the IP Masterclass is available on the IPO website;
- Work with UKAS to introduce accredited certification against the BSI standard;
- Once accredited certification is in place, the IPO will list on its website any advisor which can prove its certification by one of the accredited bodies.

Integrating IP advice within public sector business support programmes

A strong message within our discussions with businesses was that IP advice should be integrated with other forms of business advice. In the same way, businesses wanted the IPO to make sure its own support programmes were linked with other government schemes to avoid adding further layers of complexity within this area. We fully accept the need to ease the business customer journey. We will work closely with partners, across government and in the private sector, to ensure that IP advice is truly integrated with other business support and advisory channels.

There are a number of major public sector business support schemes where IP advice can play an important role. Our current activity to ensure integration of IP into these services includes:

- The **GrowthAccelerator Programme** (formerly Business Coaching for Growth), run by BIS, aims to help up to 10,000 high growth businesses a year address barriers to growth and grow more rapidly. Working with the consortium delivering the programme, the IPO is supporting the delivery of advice on IP.
- The **Technology Strategy Board** (TSB) is setting up a network of world-leading technology and innovation centres, known as **Catapult centres**. Catapult centres can create a critical mass for business and research innovation by focusing on a specific technology where there is a potentially large global market and a significant UK capability. Many businesses using Catapults will be start-ups and SMEs that are IP intensive and will benefit from considering their IP issues as early in their work as possible.

We are also working to ensure that businesses can access good IP-related advice through the network of **Patent Libraries**. At the moment the UK has 13 Patent Libraries which offer a variety of services. Whilst some of these already provide an excellent service, offering business advice together with patent searching and clinics with IP professionals, the services provided in others is limited to basic IP advice and clinics.

The **Business & IP Centre**, a member of the Patent Library network, is based within the British Library in London. A flagship centre for IP and business the Centre supports users through the innovation cycle through to commercialisation focussing on the link between IP and business expertise. By sharing the knowledge and expertise that already exists within the British Library across the wider PatLib network to achieve economies of scale, the strengths of the London model can be shared across the UK to improve the commercial management of IP for SMEs and entrepreneurs nationally.

All of those who gave feedback on *From Ideas to Growth* emphasised the need for better join up of business support services and for IP to be integrated within this.

The IPO will therefore:

- Continue to provide training for GrowthAccelerator Innovation Coaches through the IP Masterclass to ensure that businesses with the potential for high growth receive initial IP advice that will help them realise their growth potential; provide training for the Catapult Centre staff through the IP Masterclass to ensure that they are able to assist businesses with IP advice;
- Ensure that access to its sponsored audits are available through other business support strands including the GrowthAccelerator programme;
- Work together with Technology Strategy Board to develop a Catapult IP engagement pack for SMEs and collaborate to deliver joint TSB/IPO outreach activities which target the innovative TSB business audience;
- Work with the Patent Library (PatLib) network, to strengthen the regional advice centres that already exist. The network has already received training via the IP Masterclass but we will look to deliver business skills training for PatLib advisors by March 2013, giving them the skills to include commercial IP advice into their wider business advice and to extend the variety of IP services they are able to provide;
- Partner the British Library in rolling out the model adopted by the Business & IP Centre in London to six other Patent Libraries in England. To date, the project has begun joint marketing and advocacy campaigns, supported Newcastle City Library in delivery of a full programme of events and run focus groups in the remaining cities to feed into a feasibility study. This will support the expansion of existing services across all six cities. A blueprint for embedding and extending the network further is being developed and will be made available to the UK Patent Library network.

Local Partnerships

We recognise that local networks are a key source of advice and information for many small businesses. The suggestion of establishing a challenge fund to stimulate Local Enterprise Partnerships (LEPs) to play a role in IP awareness and development of advisory services attracted a high level of interest at the roundtable meetings. Within these discussions it was clear that the LEPs, launched over the past two years, were at different stages of development: some were more established or active than others. The IPO approach would need to recognise this. It should also reflect the needs of the devolved authorities as well as England.

There were questions about how this initiative would work alongside other government and local programmes such as core cities. Looking at the proposal more closely the discussions focused on ensuring that a challenge fund should be results based with products that provided demonstrable value for money.

The IPO will:

- Work with an established LEP in one of the core cities to assess the viability of developing a challenge fund to stimulate IP awareness raising activities. This will include developing a toolkit for the challenge fund including criteria for securing funding and monitoring models. This will be developed by March 2013;
- Initiate a dialogue with the devolved administrations to determine how best to incentivise local engagement within their territories.

Independent IP advisory service

The *From Ideas to Growth* paper suggested that to bridge the gap between no advice and specialist technical advice the IPO could develop a new IP Advisory Service, based on the popular Manufacturing Advisory Service (MAS) model of initial diagnostic followed by recommendations. This idea generated a great deal of interest. Although it was positively received, there were concerns that in developing the new service the IPO should use existing networks and not create new 'layers' within the business and IP support system. It was agreed that the advice provided needed to be holistic, including IP management and strategies to commercialise along with marketing advice. Stakeholders emphasised the need to ensure that advisors were trained to deliver across these themes.

There was clear demand for the advice to cover the commercialisation of intellectual assets, including know-how, trade secrets and confidentiality, along with unregistered rights. Further, it should also cover some of the technical details of 'how to, when to and where to' protect IP. Advisors would need training and guidance and the themes addressed should link to key stages in the SME life cycle.

The roundtables provoked a number of comments that IP professionals should be in a position to offer advice on the commercialisation of IP assets or be able to direct SMEs to appropriate sources of commercialisation and marketing advice. Some attendees also suggested that the IPO should encourage broader business training programmes for IP professionals, possibly with the provision of Continual Professional Development points.

The IPO will:

- Take forward the idea of an IP Advisory Service. As a first step it will assess the suitability of the MAS model and consider how the service could be integrated in to existing systems. A pilot of the service will be launched in March 2013;
- Work with IP professional bodies to promote IP commercialisation 'know how' for IP professionals.

Summary

Our aim is to provide improved access to commercially based IP advice for all SMEs. The feedback we received was clear and we will be working to ensure that our offering is integrated with other business support systems. We will be providing training to business advisors in a range of public sector business support services as well as working with partners in the private sector to support the promotion of IP advice as part of a commercial strategy. We will pilot delivery of an IP Advisory Service and evaluate this to determine whether it is a model that can be further expanded.

In addition, we will work with UKAS to introduce accredited certification of those advisors who wish to demonstrate that they comply with the BSI standard on IP advice to help SMEs identify suitably qualified advisors that can offer the advice they need. By working with existing networks that are well known to business we will maximise our reach and ensure that IP advice is provided alongside other forms of business advice to meet the needs of SMEs.



"IP education initiatives such as the Cracking Ideas competition were particularly valuable."

Chapter 3

Long term skills development

Entrepreneurs and innovators of the future

The UK's ability to compete in a global economy increasingly driven by innovation is key to our prosperity. To maintain our competitive position we need a continuous flow of individuals – entrepreneurs, inventors, creators, employees - with the technical and business skills needed to develop new ideas and bring them to market successfully. Our education system plays a vital role in developing that flow, particularly as students prepare for the world of work.

IP and schools

Respondents agreed that IP education was relevant and useful and that initiatives such as the Cracking Ideas competition were particularly valuable as they were able to 'talk the language' of the audience. Some attendees wondered if more could be done to help younger audiences understand digital copying issues. It was felt that understanding the system from a younger age could lead to a greater respect for other's copyrighted materials and offer a better understanding of how value could be gained from their own creativity.

We recognise the particular difficulties in educating younger people on the value of IP, especially that of copyright within the digital environment where free, illegal downloads are easy to obtain. A number of people suggested that game based learning should be considered, as this can provide a way to reach many young people, and is consistent with the way in which they engage with material.

The IPO will:

- Continue to run, in partnership with Aardman Animations, the Cracking Ideas competition for school children to promote awareness of IP. The 2012/13 competition closes 30 April 2013²;
- In partnership with key stakeholders, we will develop resources to communicate copyright issues to young people. These will include the launch of a new competition in partnership with UK Music followed by a game, developed in partnership with Aardman Animations;
- Maintain its focus on school age programmes and developing relationships with existing education schemes, such as e-skills as an education tool, working with Learning Societies, STEMNET and Big Bang, Working Knowledge, Young Enterprise and the Tenner programme amongst others.

Universities

The IPO has a significant programme of activity to engage universities around IP issues. This includes:

- The Fast Forward competition, which aims to stimulate better collaboration between universities and businesses;
- Provision of the Lambert tool kit which provides a legal framework for managing IP produced in university-business projects; and
- Work to encourage the inclusion of IP in university courses.

Stakeholders welcomed the IPO's commitment to review the Fast Forward competition and the Lambert Agreements and encouraged continued effort to draw IP into a wider range of university courses.

Attendees suggested that we should not simply target the obvious candidates. They urged us to think about non-obvious courses as any student might reasonably be expected to have to deal with some IP issues in later life. This echoes the findings of recent research conducted by the National Union of Students (NUS) which show that while 80% of students believe knowledge of IP is important only 40% consider their current level of IP knowledge is enough to support them in their chosen career. This research will feed into the IPO's work on increasing IP teaching in universities

We heard ideas about who to approach (eg institutions and Vice-Chancellors) and suggestions about how we might secure university engagement. One suggestion was that by engaging with professional bodies (eg The Engineering Council) the IPO could stimulate university commitment to including IP in courses. At a time when universities are keen to demonstrate that their courses aid employability, it was felt that the ability to secure the approval of these bodies would be a powerful motivator.

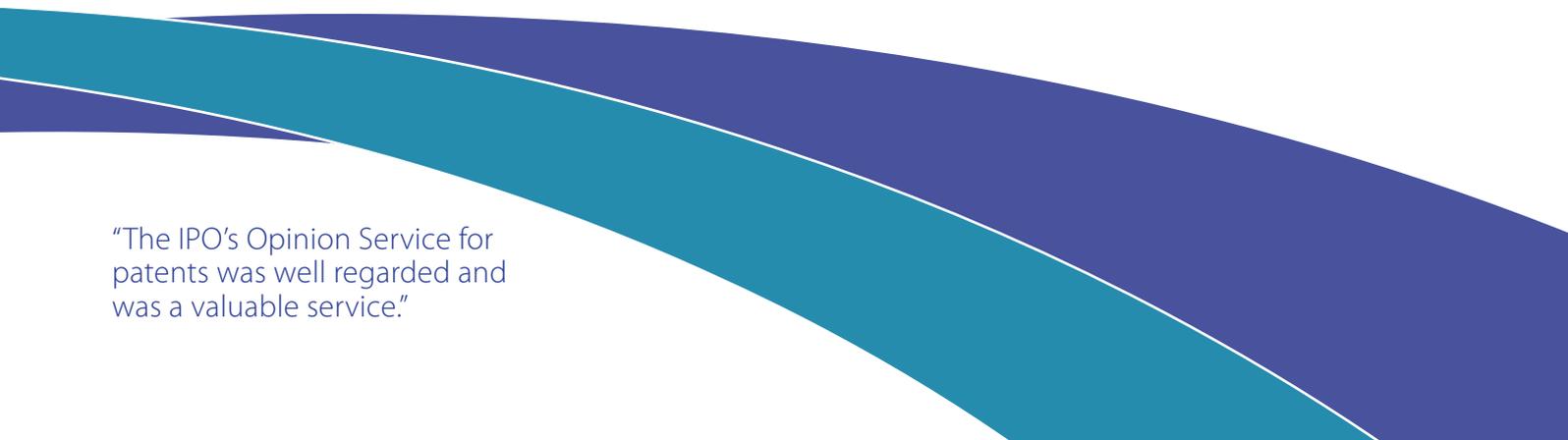
The IPO will:

- By December 2012, review the effectiveness of the Fast Forward competition in stimulating new knowledge exchange activities between universities, Public Sector Research Establishments and businesses;
 - Award funding to innovative knowledge exchange projects through the third Fast Forward competition;
 - By Spring 2013, evaluate the effectiveness of the model Lambert Agreements in supporting collaborations between universities and business;
- 

- Work with partner organisations to influence higher education (HE) curriculum development so that IP is included in a wider range of university courses, in more universities across the UK eg working with the Quality Assurance Agency (QAA) for HE on embedding IP into their subject benchmarks; working with professional bodies such as the Engineering Council/Law Society etc to embed IP into their course accreditation; obtaining formal support from university mission groups to promote the importance of IP teaching to their membership;
- Gain formal support from Universities UK to promote, with university Vice Chancellors, the importance of IP teaching within the HE curriculum;
- Consider the support and provision of a UK IP Teacher's network that will provide support and access to best practice in IP teaching for the benefit of HE academics.

Summary

The IPO will aim to ensure that young people have an awareness of IP issues so that, at a point where it may be relevant to them in the future, they are able to identify the need to seek further information. We will develop our work with young people to provide resources that they will find engaging including online games and competitions which convey the important messages of IP in a way that young people find entertaining. We will work with universities to ensure that we are supporting them in maximising the commercial benefits of their own IP and equipping their students with the right skills to be able to use IP effectively and appropriately in their future careers.



"The IPO's Opinion Service for patents was well regarded and was a valuable service."

Chapter 4

Future work on dispute resolution

Resolving disputes

From Ideas to Growth addressed two aspects of dispute resolution for smaller businesses: alternatives to litigation and mediation services. It did not attempt to examine or make proposals on the legal framework or litigation infrastructure.

Alternative Dispute Resolution

For a small business, the time and energy taken to pursue an IP dispute represents an important opportunity cost when those involved might otherwise engage in other business development activity.

Alternative dispute resolution mechanisms, for example mediation, can offer options which are more appropriate to the needs of both parties and represent a more manageable resource profile for smaller businesses.

IPO Mediation and Patent Opinions Services

During the course of the discussions it became clear that awareness of the IPO mediation service was very low. We have called for evidence on how we might make the service more visible and accessible and will publish conclusions shortly.

Stakeholders told us that the IPO's Opinions Service for patents was well regarded and was a valuable service. We have recently conducted a consultation on whether the service should be extended and will publish our conclusions in due course.

The operation of the Patent County Court was a major theme of stakeholder feedback. Key messages included the need to help businesses understand the system more effectively and demystify the different routes through the litigation process eg the Small Claims Track and the new streamlined procedures.

The IPO will:

- Work to ensure that SMEs understand the options available to them in resolving disputes including mediation and the small claims track of the Patent County Court.
- Publish the conclusions from the call for evidence on the issues surrounding the IPO's mediation service in November 2012.
- Publish the conclusions from the formal consultation on the options for extending the Patent Opinions service in January 2013.

Summary

Concerns about IP disputes are a major issue for SMEs. The IPO will support alternative dispute resolution means to help SMEs resolve IP disputes quickly and cost effectively. We will be publishing plans to provide improved access to mediation for SMEs and our conclusions from the formal consultation on the IPO's Opinions Service for patents.

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