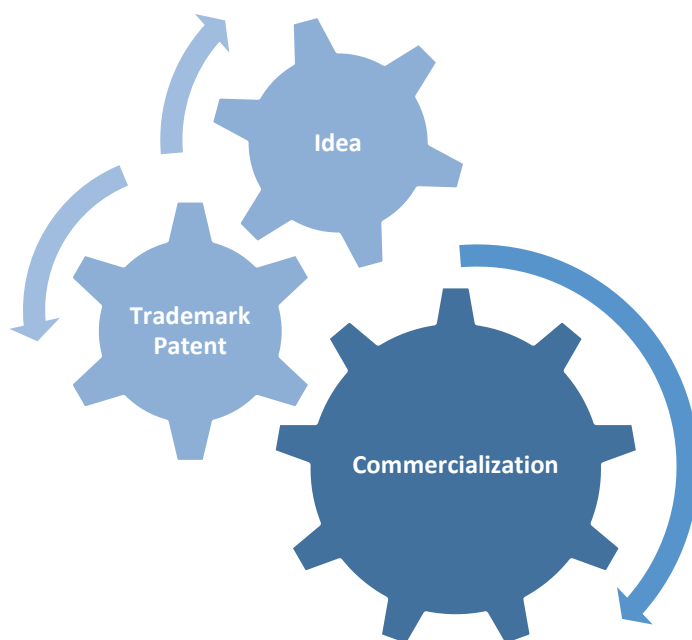




सत्यमेव जयते

Government Of India

Ministry of Micro Small & Medium Enterprises



MSME Support for Commercialization of IP (MSME-SCIP) Programme

Sub-Component Under MSME Innovative Scheme

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Abbreviations

DC(MSME)	Development Commissioner (Micro, Small and Medium Enterprise)
DSIR	Department of Scientific and Industrial Research
GFR	General Financial Rules
GI	Geographical Indication
GoI	Government of India
IA	Implementing Agency
IPR	Intellectual Property Rights
IPFC	Intellectual Property Facilitation Centers
MoU	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprises
MoMSME	Ministry of Micro, Small and Medium Enterprise
MSME – DFO	Micro Small and Medium Enterprises – Development and Facilitation Office
NIRF	National Institutional Ranking Framework
PMAC	Project Monitoring and Advisory Committee
SCIP	Support for Commercialization of IP
TM	Trade Mark
TTFC	Technology Transfer Facilitation Centre
TRP	Tangible Research Property
TRL	Technology Readiness Level

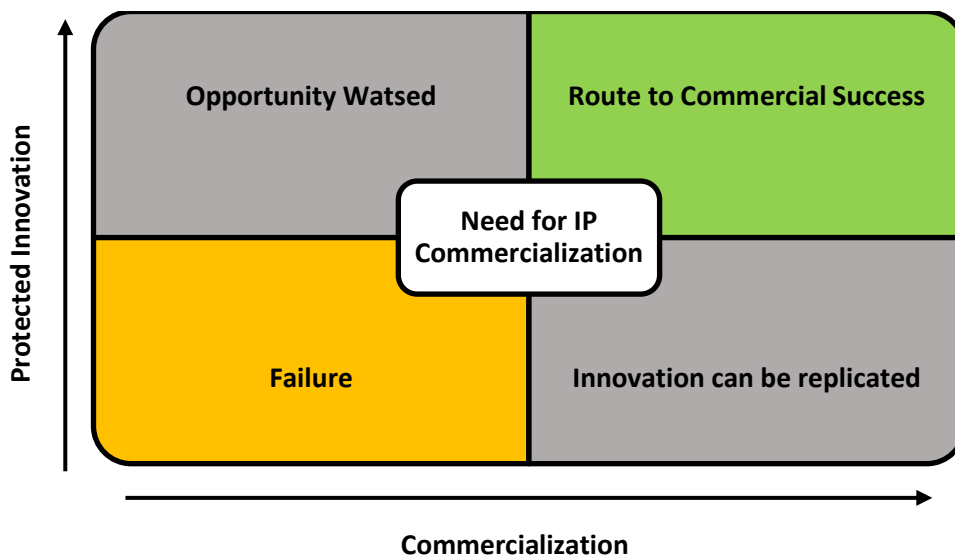
1. Introduction:

Micro, Small, and Medium Enterprises (MSMEs) are pivotal to the country's economic and social growth, fostering innovation, entrepreneurship, and creating significant employment. To cultivate innovation and creativity, the Ministry of MSME had introduced the **MSME Innovative Scheme**. The scheme supports the journey from ideation to innovative product realization, enhancing design competitiveness to safeguarding Intellectual Property (IP).

The objective is achieved through Incubation, Design intervention, and IPR support. The Ministry invites ideas from students, innovators, and MSMEs through theme-based MSME Idea Hackathons, aiming to tap into local solutions for local problems. The Design scheme assists MSMEs in developing new design-related products, utilizing design consultants and academic institutes to enhance design capabilities.

Intellectual Property Rights (IPR) significantly contributes to economic development, fostering business growth, trade, and innovation. Under the IPR component, it raises awareness about IPRs among MSMEs and encourages the protection of ideas, technological innovation, and knowledge-driven business strategies. MSMEs benefit from IPR support, receiving reimbursement for expenses related to Patent, Trademark, Design, and Geographical Indication registrations. Additionally, IP Facilitation Centres (IPFCs) are being setup across the country that provide legal support to MSMEs for various IP filings and assist them in reimbursement process.

While the Ministry has been supporting MSMEs in IP creation, challenges continue toward IP commercialization. IP commercialization is crucial for entrepreneurial growth and leveraging IP assets. To fill up the gap from IP creation to Commercialization, the MoMSME envisions the **"MSME Support for Commercialization of IP (SCIP) Programme"** as a subset of the existing MSME Innovative Scheme of MoMSME. Through SCIP Programme, it is aimed to empower MSMEs through complex landscape of IP commercialization, ensuring that their innovative endeavours translate into tangible economic value and contribute to our nation's overall progress. The following matrix depicts the importance of IP Commercialization:



2. Scheme Objectives:

The MoMSME has taken a step aimed at strengthening the IP landscape for MSMEs across India through IP commercialization.

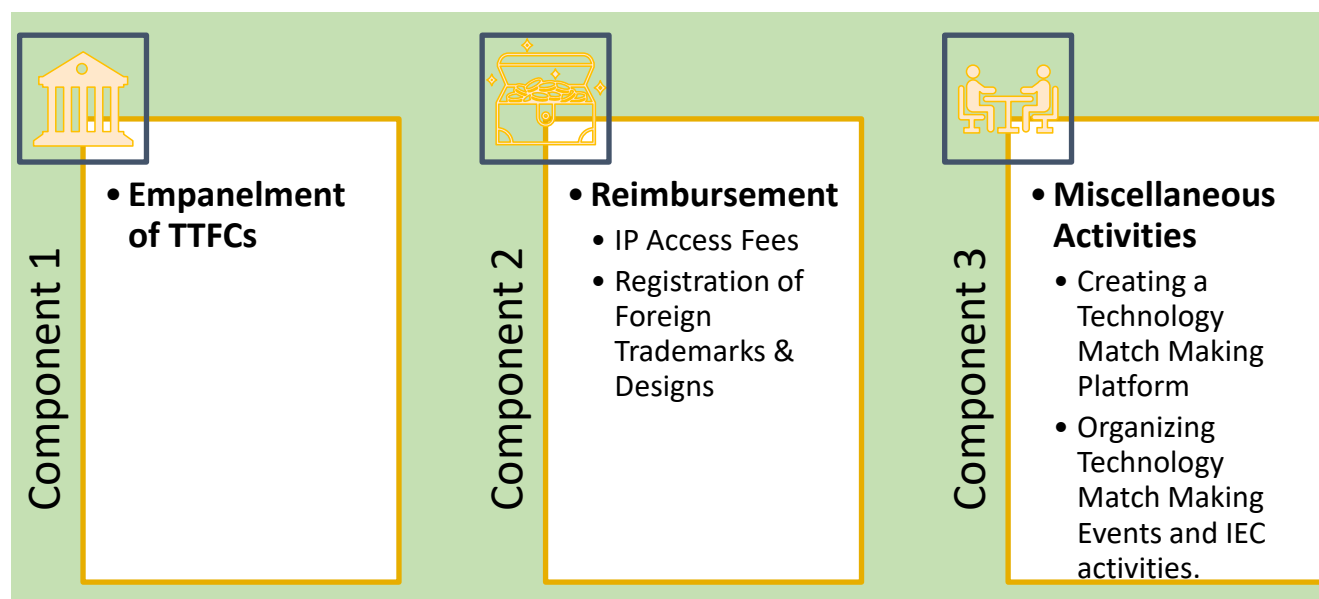
The key objectives of the schemes:

- **Establish Technology Transfer Facilitation centres (TTFCs) Network:** TTFCs to facilitate technology transfer and IP commercialization.
- **Digital Matchmaking Platform:** Develop a dynamic digital platform for stakeholders to connect, discover technologies, and build partnerships. It will also create technical knowledge database for Indian MSMEs.
- **Technical Support to MSMEs:** Providing comprehensive technical support from experienced professionals to MSMEs including facilitating its commercialization, licensing, and technology transfer.
- **Enhance IP Accessibility:** Make IP assets more accessible to MSMEs by reimbursing access fees for various IP assets.
- **Promote Global IP Protection:** Encourage MSMEs to protect their innovations globally through support for International IP registration.
- **Boost Competitiveness:** Empower MSMEs with valuable IP assets to enhance their competitiveness and innovation.
- **Reduce Barriers:** Minimize financial and administrative barriers hindering MSMEs' engagement in IP activities.

Through these comprehensive objectives, MSME- SCIP Programme aspires to foster a dynamic ecosystem wherein IP serves as a catalyst for innovation, propelling economic growth and ensuring the sustainable success of MSMEs. By facilitating knowledge exchange, empowering commercialization, and strengthening IP assets, the scheme aligns seamlessly with the MoMSME commitment to nurturing a vibrant and prosperous MSME landscape.

3. Components of the Scheme:

The SCIP is structured with the following three components:



Component I: Empanelment of Technology Transfer Facilitation Centres (TTFCs)

To bridge technical knowledge gap and resources required for IP commercialization, the Ministry will empanel experienced TTFCs proficient in handling a spectrum of licensing transactions. This strategic network of technology transfer facilitators underscores the Ministry's dedication to enhancing MSMEs' capabilities by connecting them with specialized expertise.

Component II: Reimbursement to MSMEs

➤ Reimbursement of IP Access Fees:

MSMEs face hurdles in accessing and adopting contemporary innovations due to financial constraints, there emerges a need for facilitating technology access. To address this issue, the scheme provides reimbursement for MSMEs for the expenses incurred in procuring Intellectual Property (IP) access. This initiative is intended to encompass a diverse spectrum of IP assets, including Patents, Trademarks, Copyrights, Biomaterials, Data Sets, Trade Secrets, Process know-how, and Tangible Research Property (TRP).

➤ Reimbursement for Registration of Foreign Trademarks & Designs:

The scheme underscores the significance of securing and effectively utilizing the Intellectual Property (IP) assets of Indian MSMEs on the global platform. To amplify their footprint in international markets, there arises a necessity for extending financial support towards the registration and protection of IP assets beyond national boundaries. Consequently, the scheme has provisions for the reimbursement of expenses borne by MSMEs in the registration process for Foreign Trademarks and Designs. This comprehensive assistance encloses both government fees and professional charges.

Component III: Miscellaneous activities

i. Technology Match Making Platform:

The scheme provisions for the development of a dynamic innovation and technology matchmaking digital platform. This platform is poised to serve as a collaborative hub where Universities, MSMEs, and other stakeholders converge to discover pertinent technologies and establish valuable connections. It will be designed to facilitate a two-way interaction, with provisions for both identifying challenges and sourcing solutions. Project Monitoring and Advisory Committee (PMAC) would engage a suitable agency for the development of this digital platform. The financial implications associated with its development shall be deliberated and determined by the PMAC.

ii. Organizing Technology Match Making Events and IEC activities:

The scheme emphasizes in advancing the interaction between technology providers and seekers through Technology Matchmaking Events. In alignment with this objective, specific targets shall be allotted to the Technology Transfer Facilitation Centres (TTFs) to organize these events. The intent is to foster collaboration until successful product outcomes are demonstrated. The financial implications associated with the events shall be **limited as per the extant provisions of MSME Innovative scheme guidelines**.

iii. MSME Tech Connect:

The MSME Tech connect (exhibition) shall provide a dynamic platform for showcasing of cutting-edge technologies, where the industry and MSMEs can explore, evaluate, and potentially acquire transformative solutions. By facilitating this interaction between creators and potential adopters, it is aimed to bridge the gap from ideation to commercialisation.

Furthermore, these exhibitions present a unique opportunity for entities with a lower Technology Readiness Level (TRL) to engage with the Industry and MSMEs for further exploring scope of research and development. The financial implications associated with the events shall be **limited to INR 40 Lakh per event**.

Note:

1. PMAC may allow similar events/programmes within the above-mentioned financial limits.

2. TTFCs are eligible to organize various activities of the existing scheme as per the provisions entailed in the MSME Innovative guidelines.

4. Financial Assistance:

The financial assistance framework, integral to the scheme's realization, encompasses two key components. Under Component I, the scheme provides substantial support to Technology Transfer Facilitation Centres (TTFCs) for effective execution. The financial backing reinforces the scheme's commitment to nurturing IP commercialization and innovation within the MSME sector.

In Component II, the scheme extends financial support for IP access and foreign trademarks & design registration, facilitating MSMEs in overcoming financial barriers to innovation and international IP protection. The comprehensive reimbursement scheme covers diverse IP assets, including patents, trademarks, copyrights, biomaterials, and more. Following are the component-wise financial assistance provided under the scheme:

Component I: Empanelment of Technology Transfer Facilitation Centres (TTFC):

➤ Technology Transfer Facilitation Centres:

- a. A Grant of up to **INR 1 crore annually** for each approved entity would be provided to setting up TTFCs in a milestone-based installment, However, the next installment can be sanctioned within the year if previous installment satisfactorily has been utilized with achieved targets.
- b. The financial assistance for setting up TTFC would be utilised for reimbursement of IP Access Fee, Reimbursement for IP registration (Indian/Foreign Patent, Trademarks, Design, GI), Hiring of Professional resources/Experts, Software, IP databases etc inclusive of 15% administrative charges.
- c. The 15% administrative charges would be applicable to actual fund utilised for each instalment and inclusive to Rs. 1.crore annual grant for TTFC.
- d. The exact quantum of grant and installment shall be decided based on evaluation of proposals. The project period for each TTFC would be three years i.e. FY 2023-24 to 2025-26.
- b. Upon suitable utilisation of the grant on/before three years, the TTFCs can approach for further funding beyond the total project cost, subject to approval of PMAC.
- c. The renewal of the accreditation of the TTFCs will be done at the end of 3 years of its approval, subject to its satisfactory performance, extension of scheme period and approval by the PMAC. Further funding will be subject to the renewal of accreditation of the TTFCs.
- d. While setting up of these centres, no liability will be created for the Government of India.

Component II: Reimbursement of IP Access Fees

Applicants are required to submit their reimbursement applications through the designated online portal, www.innovative.msme.gov.in.

The terms for reimbursing IP access or acquisition fees for registered MSMEs are outlined as follows:

iii. MSME Contribution:

Reimbursement shall encompass a **maximum of 70% of the total eligible cost**, with **the remaining 30% borne by the MSMEs**. This shared financial commitment underscores the MSMEs' dedication to technology commercialization and the integration of accessed IP into their business operations for enhanced competitiveness.

iv. Cost components eligible for reimbursement:

The following cost components are eligible for reimbursement:

- Upfront licensing fee.
- Lump-sum licensing fees based on milestones
- One-time acquisition consideration.

Milestone-related fees are eligible for reimbursement only if they are payable within a three-year timeframe from the execution of the licensing transaction. However, licensing royalties linked to variable criteria like sales value, volume, or profitability will not be eligible for reimbursement.

v. Certification by empanelled Technology Transfer Facilitation Centres:

To qualify for reimbursement, all transactions must receive certification from the Empanelled Technology Transfer Facilitation Centres authorized by MoMSME. These Centres will assess the legitimacy of licensed IP assets through an examination of supporting documentation and transaction authenticity. This process will involve direct engagement with both licensors and licensees, as well as a review of finalized transaction documentation.

The limits for the **reimbursement of IP access or acquisition fees** for registered MSMEs are as under:

S.No.	Components	Maximum Reimbursement upto (in INR) (70% of the total actual cost or the reimbursement limit or whichever is lower)
i.	Indian Patent	10 lakhs
ii.	Foreign Patent	15 lakhs
iii.	Copyright or Trademark	2 lakhs
iv.	Biomaterial or tangible research property	10 lakhs
v.	Datasets	3.5 lakhs
vi.	Know-how or Trade secrets	10 lakhs

The financial assistance under the scheme for the reimbursement of IP access fee will be a onetime support from Gol subject to condition that same has not been claimed by the applicant under any other scheme of Central Govt./ State Govt.

Note: In the event of any dispute, infringement of data, or any other legal issue arising, it is expressly understood and agreed that the Ministry of Micro, Small, and Medium Enterprises (MoMSME) shall not be held responsible or party to such matters. Consequently, all activities undertaken must strictly adhere to the existing and applicable provisions of the law. In case of any infringement, breach, or violation, the responsibility and liability for such actions shall rest solely with the Third-Party Service Providers, Contractors, or other parties engaged in the relevant activities, hereinafter referred to as 'TTFCs' or 'the parties engaged.' MoMSME disclaims any legal responsibility or liability for such actions, and the parties engaged shall be solely responsible for addressing and rectifying any resulting legal consequences or disputes.

vi. Reimbursement for Registration of Foreign TM and Design:

Applicants are required to submit their reimbursement applications through the designated online portal, www.innovative.msme.gov.in.

S.No.	Components	Maximum Reimbursement upto (in INR) (70% of the total actual cost or the reimbursement limit or whichever is lower)
I.	Foreign Trademark	INR 1.5 lakhs
II.	Foreign Design	INR 1.5 lakhs

vii. Foreign Trademark:

The applicant may receive reimbursement for the expenses incurred towards registration of a trademark with competent authority (including but not limited to facilitation fees, all Government Fees, Attorney Fees, consultancy charges, search Fees, application drafting charges, charges for TM application prosecution and hearing, Examination fees, fee and charges associated with international/foreign TM filings, other incidental charges etc.) duly supported by original invoice/bills/receipts with a maximum upper limit of INR 1.5 Lakh for each registered trademark irrespective of classes.

viii. Foreign Design:

The applicant may receive reimbursement for the expenses incurred towards registration of a design with competent authority (including but not limited to facilitation fees, Government Fees, Attorney fees, Consultancy charges, Search Fees, Application drafting charges, charges for design application prosecution and hearing, Examination fees, fee and charges associated with international/foreign design application filings, other incidental charges etc.) duly supported by original invoice/bills/receipts with a maximum upper limit of INR 1.5 Lakh for each registered design irrespective of classes

5. Mechanism for Implementation:

Component I: Eligibility criteria for empanelment of Technology Transfer Facilitation Centres

Existing empanelled IPFCs under the Scheme or any public or private sector entity must fulfill the following conditions:

S. No.	Regional Technology Transfer Facilitation Centres
i.	The entity should possess a robust team of IP and technology transfer professionals.
ii.	The entity should have successfully managed a minimum of two (2) licensing transactions (national/ international) in the past three years.

Note: The institutions fulfilling the above criteria would file an application on the portal for empanelment. **The MSME DFO under whose jurisdiction the institution will fall would carry out the physical verification and recommend the institution for empanelment to PMAC.** PMAC would reserve the right to relax any eligibility criterion, if so required.

ix. Roles and Responsibilities of TTFCs:

In adherence to the operational framework, TTFCs shall adhere to the following directives:

i. Collaboration with Industry Associations:

TTFCs shall collaborate with relevant industry associations to facilitate networking opportunities, knowledge sharing, and access to industry-specific expertise for MSMEs seeking technology transfer and licensing.

ii. Industry-Academia Collaboration:

TTFCs shall serve as catalysts for developing effective collaboration between academia and industry. It is to create a conducive platform for researchers, academic institutions, and industries to come together. By facilitating partnerships, these centers promote the exchange of knowledge, ideas, and resources, thereby enabling the seamless transfer of innovative technologies from research institutions to commercial applications. TTFCs shall play a pivotal role in matchmaking, negotiations, and the establishment of mutually beneficial agreements.

iii. Enhancement of Technology Readiness Level (TRL):

TTFCs to facilitate the enhancement of Technology Readiness Levels (TRL) by providing a structured environment for innovators to refine and develop their technologies. Through collaborative efforts with inventors, these centers assist in maturing technologies, making them more attractive for potential investors, industry partners, and MSMEs. TTFCs shall offer technical expertise, guidance, and resources necessary for improving the TRL of innovations, for paving the way for successful commercialization.

iv. Conduct Technology assessment and valuation:

TTFCs are responsible for conducting rigorous technology assessments and valuations. TTFCs to employ specialized methodologies to evaluate the commercial potential and market value of intellectual properties. The assessment includes considerations such as market demand, competitive landscape, regulatory requirements, and potential risks. Through a well-defined valuation process, TTFCs shall help innovators and MSME/Industry make informed decisions regarding the commercialization of technologies. By offering impartial and data-driven valuations, these centers shall ensure that IP owners and potential commercialization partners have a clear understanding of the technology's worth and potential for success in the market.

v. Expert Recruitment for Enhanced Project Operations:

TTFCs are mandated to strategically onboard IP and technology transfer experts. Their recruitment shall be guided by regional or sectoral expertise, as the context may demand. This strategic approach aims to bolster project efficiency and ensure impeccable service delivery to beneficiaries.

vi. Tailored Technology Transfer and Licensing Services:

TTFCs are entrusted with the task of offering customized technology transfer and licensing services to MSMEs in accordance with their distinct requirements. These services encompass both in-licensing and out-licensing solutions, tailored to empower MSMEs in their innovation journey.

vii. Seamless Coordination with MSME DFOs and State DICs:

Ensuring seamless project execution, TTFCs are mandated to establish effective channels of communication with the respective MSME DFOs and State DICs. The engagement aims to promptly address issues, discrepancies, concerns, or any requisite assistance, fostering a collaborative ecosystem.

viii. Regular Progress Reporting to MoMSME:

TTFCs are required to diligently compile and submit monthly progress reports not later than 7th of next month of their operational activities to the MoMSME. Furthermore, the TTFCs are mandated to substantiate their progress by furnishing tangible proof of achievement, which includes documents such as Utilization Certificates, audited expenditure statements, and comprehensive progress reports. The documents form the basis for the disbursement of financial assistance from MoMSME.

ix. Capacity Building Workshops:

TFTCs shall organize capacity-building workshops, seminars, and webinars to enhance the understanding of MSMEs about technology transfer, licensing, and IP management. The initiatives will empower MSMEs with knowledge to make informed decisions regarding technology commercialization. Also, the capacity building/value addition of the TFTCs professionals should be undertaken time to time by the TFTCs.

x. Dispute Resolution Assistance:

In case of any disputes arising during technology transfer or licensing agreements, TFTCs shall act as mediators to facilitate resolutions. Their role includes providing expert advice and assistance in addressing contractual disagreements and maintaining productive partnerships.

Component II: Eligibility criteria for Reimbursement:**x. Eligibility criteria for reimbursement of IP Access Fees:**

- i. **Udyam Registration:** Prospective applicants/entities/units seeking reimbursement must possess a valid Udyam Registration.
- ii. **Self-Declaration:** It is mandatory for applicants to furnish a self-declaration confirming non-receipt of funding from either Central or State Government sources for the same IP access. The submission of this self-declaration is a pre-requisite for availing reimbursement.
- iii. **Reimbursement Ceiling:** MSME units are permitted to submit multiple reimbursement applications. However, it is to be noted that the quantum of reimbursement shall be confined to the predefined ceilings, as specified in the above-mentioned table, for each IP access fee.
- iv. **Documents for Reimbursement:** The disbursement of reimbursement will be subject to the fulfilment of certain conditions. MSMEs will be eligible for reimbursement upon the submission of relevant documentation including the following:
 - a. MSME Udyam Registration certificate,
 - b. Bank Mandate
 - c. Original copies of the corresponding bills and vouchers.

xi. Eligibility criteria for Reimbursement for Registration of Foreign Trademark/ Design:

- i. **Udyam Registration:** Prospective applicants/entities/units seeking reimbursement must possess a valid Udyam Registration.
- ii. **Ownership:** Foreign Trademark/ Design registered in the name of individuals are also eligible for reimbursement subject to holding an Udyam Registration in their name and having full ownership of the enterprise. In the case of a partnership firm, the applicant has to provide proof of ownership of at least 51% shareholding in the enterprise.
- iii. **Self-Declaration:** It is mandatory for applicants to furnish a self-declaration confirming non-receipt of funding from either Central or State Government sources for the same IP asset. The submission of this self-declaration is a pre-requisite for availing reimbursement.

- v. **Reimbursement Ceiling:** MSME units are permitted to submit multiple reimbursement applications. However, it is to be noted that the quantum of reimbursement shall be confined to the predefined ceilings, as specified in the above-mentioned table.
- vi. **Documents for Reimbursement:** The disbursal of reimbursement will be subject to the fulfilment of certain conditions. MSMEs will be eligible for reimbursement upon the submission of relevant documentation including the following:
 - a. MSME Udyam Registration certificate
 - b. Copy of the Foreign Trademark/Design registration certificate
 - c. Bank Mandate
 - d. Original copies of the corresponding bills and vouchers.

TTCs shall facilitate and process the reimbursement applications for IP access fees and/or the registration of Foreign trademark/Design filed by the eligible applicants through detailed validation of the submitted applications and supporting documents.

6. Monitoring Mechanism:

An apex body, Project Monitoring and Advisory Committee (PMAC) chaired by AS and DC (MSME) under the MSME Innovative Scheme shall be the monitoring body for MSME SCIP Programme.
