

Conclusion based on presentations and discussions during the Commercialization Session in the framework of Sub Regional UNECE Conference on Enforcement and Commercialization of IPR

Belgrade 12-13 April 2011

Commercialization of IPRs is a very complex question because it encompasses different aspects in which SMEs should spread their actions. In the context of commercialization during two days of the conference, prospective of SMEs were elaborated. Innovation is usually seen as commercialized invention and this session was mostly referred to patents as relevant IP right for commercialization because of its complexity, time consumption, costliness and the process with high risks. Bearing in mind that the process from the idea to license is a long process and it includes different skills, which should be incorporated in different phases from pure invention through product development, funding, marketing to successful innovation.

Challenges facing SMEs in that process in regard to IP Management can be generally grouped in three main issues:

- Lacking awareness of their own IPRs and intellectual capital,
- Cost and complexity of obtaining formal IPRs,
- Human and financial resources for enforcement.

When it comes to transfer of the IPRs, for the successful licensing, it was mentioned during the first day presentation, that the choice of right partner is important, but very often it is problem to find partner at all. Different modality of commercialization, through licensing in and out was presented:

- Licensing IP as a strategic instrument for Small and Medium Sized Enterprises
- Some basic principles on License Agreements
- Financial terms in License Agreements
- Joint Ventures based on IP
- Establish win/win, be realistic about valuation and sharing of benefits and risks

On the other side it was underlined the lack of cooperation in wider range among R&D and SMEs aimed to bridge the gap between business and science. Especially it is present in the region the lack of the commercial orientation of scientific and academic institutions, which by their nature are lacking in enterprenual skills. On the other hand there are SMEs who are lacking knowledge.

Currently, most countries in the region have difficulties in mobilizing sufficient financial resources for research and development. The percentage of R&D in GDP is generally quite low (for instance 0.35 in Serbia or 0.25 in Macedonia) and falls far short of the 3 percent goal established in the EU Lisbon agenda. A particular concern is that the share of the private sector in R&D spending is very low. In part the problem is that many enterprises lack innovative capacity. This includes lack of awareness of how to use the IPR system as well as the high costs of using it.

As the essence of support for commercialization of IPRs arisen in SMEs or obtained by them, is existence of **national innovation and IPR strategies** including **strengthening the links**, cooperation and coordination among the relevant actors (research institutions, innovative SMEs, innovation promotion agencies and centers, financial intermediaries). As the Serbia was the host of the Conference, we had an opportunity to get an insight in more details about possibilities for SMEs to participate in project funded by the government (Ministry for Education and Science). Also we heard several local SMEs with different problems they were faced or still are facing during commercialization of their patents. In countries in the region there are several possibilities for obtaining smaller grants, usually with the participation up to 70% through banks for development and reconstruction, seeds projects, etc.

Sources of innovation financing through European funding for cooperation in science and research where SMEs can participate are also available through international programs such as Europe 2020 and FP7 projects. SMEs and national scientific institution should in future be more oriented to internationalization of cooperation. For EU nonmember states IPA funds are also available. It is important to provide assistance of relevant institutions in the countries with writing projects proposals and finding suitable partners what was shown as the obstacles for access to international funds.

As the national offices for intellectual property often do not have enough human resources to cover by themselves the commercial aspects of IPRs, it was emphasized the importance of raising general awareness on protection and managing IPRs. Regional offices conduct different activities with that goal and engage as much human resources as they are in possibilities to do that.

Conclusion is that there is no unique receipt for successful commercialization of IPRs, but there is a room for improvement and establishment the knowledge based economies.