

RUSSIA: Stimulate Innovative Activities of SMEs through IPR Education and Awareness Campaigns

Yu. Potanina



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Russia: **APEC Initiatives**

- ❶ Continuing efforts, as emphasized by the Initiatives of Asia-Pacific Economic Cooperation, in fulfilling Education&IPR public awareness campaigns in SME sector represent a challenge for public servants, researchers and journalists. Despite research-reported piracy level reductions in many countries, the absolute volumes of pirated goods productions and their trade continue to increase.
- ❶ The search for most efficient models at APEC workshops promotes collective success in the realm of IPR protection in particular through successful individual countries' experiences.
- ❶ As international experience shows, with the goal of achieving substantive international results, the IPR protection policy goals today should also include the support of innovative activities of SMEs.

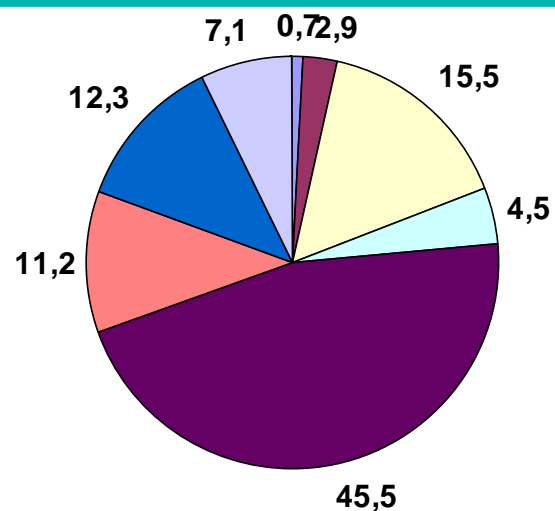


RUSSIA: SMEs in Economic Crisis Conditions

- ✘ With unemployment rate going up, Federal Government recently adopted and continues to develop a number of legal and normative acts attempting to stimulate SMEs activities.**
- ✘ SMEs are expected to become an additional source of new jobs which may attract reduced employees from bigger enterprises and government service.**
- ✘ The contribution of small and medium business to the employment is less than in many countries (37% - in sales and 22% in manufacturing industry in average).**
- ✘ Regional industrial specialization, investment conditions and local authorities activities impact the employment growth in SMEs.**



RUSSIA: Number of small business enterprises by type of economic activities (in percent) in 2007



- Mining operations, electricity, gas and water production and distribution
- Agriculture, hunting and forestry, fishery and fish breeding
- Operations with real estate, rent and service rendering
- Transport and communications
- Wholesale and retail trading; motor transport, motorcycle and consumer goods repair
- Building and construction
- Manufacturing business
- Other types of activities



RUSSIA: Priorities for IPR protection and innovation opportunities

- ✘ **WTO:** Within the frames of the realization of TRIPS Agreement, State Duma (Russian Parliament) approved in the first reading the draft amendments to the Customs Code of the Russian Federation related to the ***ex-officio norm***.
 - ✘ **Enforcement and cooperation:** Ministry of Internal Affairs is creating the register of trade marks of national and foreign right holders on the Russian market. Prompt cooperation with them to initiate criminal or administrative offence against violations illegal use of trade marks.
 - ✘ **Patents:** State Duma approved in the third reading the bill “***On patent agents***”.
 - ✘ **Innovation promotion and trade:** State Duma considers the bill on ***technology transfer*** for their development by private enterprises.
- IX Moscow international saloon of innovations and investments: March 2009. In 2008 event participated more than ***600 enterprises*** and organizations.



RUSSIA: Goals of E&A campaigns for S&M business: example of software industry

LEGALIZATION

- ✘ According to research experts, total expenditures on IT technologies per one worker (though constantly growing) in Russia were 20 times less than in the corresponding branches of USA economy.
- ✘ At the same time general IT-expenditures as percentage of total branch profits are increasing in Russia, leaving behind analogous indicators in developed countries.
- ✘ Hardware expenses account for the biggest share in the structure of corporate IT expenditures. Allotting resources to purchase hardware equipment, the enterprises have just started to implement business software.
- ✘ IT –policies of Russian SMEs have just been in the making. This contributes to the growth of trade in illegal software.
- ✘ In these conditions priority task for IT market participants may be the popularization of legal software and the development of retail and Internet trade in the regions.



RUSSIA: Goals of E&A campaigns for S&M business: example of software industry

INCREASE PUBLIC-SMEs COOPERATION

- ✘ **Reviewing IPR protections;**
- ✘ **Strengthening compliance to international treaties and norms and to further IP protections for rights holders;**
- ✘ **Credible bodies for providing industry feedback on IP legislation and positioned to cooperate with the Russian government to develop IPR law.**
- ✘ **Strengthening regional involvement and interest in IPR protection matters.**



RUSSIA: Goals of E&A campaigns for S&M business: example of software industry

STIMULATE RESEARCH ACTIVITIES

- ✘ Developing stimulating measures for SMEs involvement in innovative sector and increase in their competitiveness**
- ✘ Studying efficiency of anti-piracy measures with their impact on SMEs renovation, competitiveness, employment, etc.**
- ✘ Studying corporate losses of SMEs due to piracy compared to the losses of bigger enterprises**

RUSSIA: Some Problems to address in IPR education and awareness campaigns for national SMEs

- ✘ Support of talented innovative specialists preventing from “brain drain” due to piracy concern. The topics of public awareness campaigns may include: advertizing and promoting legal innovative national products by mass media, opposing concrete national companies which produce legal goods and services for innovation market to the counterfeit and pirated analogous products which cannot provide the similar level of quality.
- ✘ Support and popularization of efforts contributing to anti-corruption measures of Russian Government. Topics: video films about anti-corruptive activities, opposing profits of illegal producers to the profits of legal entrepreneurs.
- ✘ Support of healthy products. Topic: list of popular dangerous counterfeit pharmaceuticals, alcoholic and food products, differences in their composition, ways of finding distinctions between legally and illegally produced goods.
- ✘ Social issues. Topics: advertizing of companies legally produced popular among pirates products emphasizing firms social programs or special actions on price reduction
- ✘ Time periods for campaigns. The campaigns devoted to SME and IPR problems should be formatted in one style; plans of campaigns should take into consideration the days of high demand for some goods, and related events (for example, purchase of explosive-unsafe pyrotechnics, prevention medical campaigns).
- ✘ Education. Publicly-funded programs for small and medium companies on IPR protection and innovation commercialization.