Future of manufacturing

IP Attaché Network – Internationalisation policy measure (UK)

Born globals and their value chains

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1. Context

1.1. Circumstances in which the measure was introduced, rationale, and relevance

The Intellectual Property Attaché Network (IP Attaché) was introduced in 2011 when the UK government called for a new support instrument to help UK businesses go overseas. It is a part of the national strategy to boost exports and economic growth. In response to the recognition of the potential opportunities in emerging economies, the UK government has called for a policy measure that addresses the firms’ needs of resolving IP related problems, not only in the national economy, but also in overseas markets, as part of the 2020 Export Drive. In addition, IP loss is one of the major concerns that threaten the sustainability of small firms. Recent evidence from the UK government report highlighted that IP theft as the most damaging cyber-crime for UK businesses, resulting in a loss of GBP 9.2 billion (or €11 billion) per year. This has raised the significance of having a systematic support to UK businesses to deal with all these issues. As reported by Hargreaves (2011) in May 2011, the Prime Minister commissioned an independent review of the IP system in the UK, to set strategies and a vision of how IP could facilitate economic success. The review suggested improving the efficiency of the patent system; clarifying design rights and copyright licensing. This has finally led to the development of the Intellectual Property Act 2014. This act is essential in supporting innovation and raising awareness of the value of ideas and the cost of counterfeits and IP thieves. Hargreaves (2011) stressed that ‘getting businesses to make the most of their IP is vital, but making sure there is a sophisticated and responsive marketplace for IP is equally key’ (UK government, 2015). The Prime Minister reported that Border Force estimated that IP crime costs the UK economy about GBP 1.3 billion (equivalent to € 1.6 billion) yearly. Hence, it was essential to develop a scheme to improve firms’ awareness of the value and significance of IP, and to help them to have their IP protected. As a result, the Intellectual Property Office (IPO) launched the IP Attaché to help internationalising firms identify and make best use of their IP in overseas markets.

1.2. The process of developing the measure

According to the interviewee, after defining the significance of introducing the IP Attaché, the IPO has organised several meetings with the key stakeholders, that is, the Department of International Trade (DIT) and the Foreign Commonwealth Office as well as the Department for Culture and Media Support to discuss about the plan to help UK businesses go overseas. The draft plan was then also discussed with key partners of the IPO including business associations, industry representatives, the Chartered Institute of Patent Attorneys and the Chartered Institute of Trade Mark Attorneys and the Federation of Small Businesses (FSB) to understand their respective expectations, ambitions and visions. The meetings raised the need for establishing three types of intervention. The first was to raise firms’ awareness of IP. The second was to provide international support for UK businesses to access key markets, such as organising business events or trade exhibitions in particular countries. The third was to support UK businesses in foreign markets with IP issues.

1.3. Any changes in policy context over time

As revealed by the interviewee, IP Attaché has not experienced any significant changes in their targets since inception. However, the scope of the scheme has been expanded. Initially, the programme aimed to provide direct support to businesses on IP issues. Since 2014 it also involves indirect support not only for UK businesses and foreign businesses trading in the UK, but also other businesses operating

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in the foreign destinations and contributes to reduce the trademark issues backlog in China, Brazil, Indian, and South East Asian countries.

1.4. Evidence of complementarity and/or overlap between the measure and other policy measures
The scheme is part of the wider programme ‘Drive for Export’ of the UK government. Hence, it complements other internationalising services such as ‘Open to Export’ and ‘E-exporting’ provided by the DIT, which aim to support UK businesses in exporting. Hence the scheme is complementary to other services provided to international businesses.

2. Content

2.1. Objectives of the measure
The IP Attaché aims to support UK businesses in four key emerging markets including Brazil, China, India, and South East Asia. The programme’s three main objectives are as follows:

- To raise awareness of the significance of IP issues when firms do business abroad, including helping them to anticipate the value of their IP assets and to assess whether they are worth protecting.
- To provide practical support to businesses trading in those four markets, for example, providing advice and consultancy regarding IP issues in foreign markets.
- To have a policy dialogue with overseas governments and stakeholders and to help UK businesses to have their IP protected.

These objectives are operationalised in terms of setting target numbers for participating companies and the value of their IP. However, these values are not disclosed.

2.2. General description of the measure
The measure contributes to develop the IP system in the host countries where IP issues are not well regulated or focused. This measure also targets to strengthen the mutual trust and reputation of UK businesses, as well as building networks amongst firms actively engaging in those four markets.

2.3. Available budget
Even though IP Attaché is a part of a government-backed programme, it is fully funded by the IPO. The annual budget is about GBP 1 million (equivalent to €1.3 million) and it is generated from the money gained from trademarks and patents registered in the UK.

2.4. Target groups of the measure
The IP Attaché targets SMEs and micro businesses as defined by the European Union because these segments have high needs on dealing with IP problems as many of them are not IP savvy. Hence, 80% of the organisations engaged with the IP Attaché are SMEs and the rest is large companies. As large companies often have their own IP lawyers and are more aware of IP issues, they only approach the IP Attaché to deal with complex IP problems related to international trade issues in foreign markets. The scheme mainly targets UK internationalising enterprises (of which majority are exporters), even though it also provides support to foreign businesses doing business in the UK who need legal advice in IP. For example, if there is a delegation coming from China to the UK, the IP Attaché and the embassy will consult the Chinese delegation about the differences between the Chinese and UK’s IP system so that they can have their IP protected.
In addition to working directly with businesses, IP Attaché also targets intermediaries including business associations, business hubs, lawyers and universities. For example, the Confederation of
British Industry (CBI) is very helpful in linking businesses to the IPO. Similarly, spin-off small businesses are often grown from their own universities. Hence, by approaching academics and business incubators, IP Attaché can reach a high number of small businesses.

3. Relevance of the measure to SMEs/born globals and internationalisation

3.1. Relevance in relation to different types and stages of internationalisation
IP Attaché supports internationalising firms at all stages and across industry sectors. New young exporters benefit from the IP awareness raised by IP Attaché who helps to evaluate the value of their IP. Established firms receive support in terms of networking promotion and benefit from the dialogue with foreign governments about IP protection issues. As reported by the IPO (2014), the majority of the firms supported are UK exporters.

3.2. Support for cooperation between SMEs/born globals and wider international collaboration (if any)
Participating firms in the IP Attaché can take advantage of the huge network and links between the IPO and different organisations that can support the firms in international trade. In addition, there is a close relationship between IPO and the Enterprise Europe Network. This is very beneficial to internationalising SMEs to expand their business network and foster international collaboration with different companies. The companies embedded in the IP Attaché will have a stronger creditability and trust which is helpful when approaching partners in different countries for collaboration and exploiting market opportunities.

3.3. Contribution of the measure to tackle SMEs'/born globals' internationalisation support needs
The measure contributes to raising the awareness of IP issues abroad to avoid the revenue loss potentially resulting from problems related to IP issues, for example, the significance of IP protection, the assessment of the value amount of the loss of a trademark or copyright if it is not protected in the foreign markets, the IP regulation interventions in foreign markets. This is extremely important for SMEs which lack IP knowledge, consultancy, and do not know how to register and protect their IP in target destinations. The loss of IP can be a big struck to small firms and affects their survival in foreign markets (Brooke, 2014). In addition, the scheme helps UK businesses to be fairly treated in the foreign market where the IP issues are not well regulated. A recent evidence from the programme’s evaluation indicated that ‘the Attaché help promote British IP practice in foreign markets; UK business feel more comfortable operating in a territory with the British embassy/on the radar’ (IPO, 2014).

4. The operation of the measure

4.1. Promotion of the measure to internationalising businesses
According to the interviewee, about 70% of the participants in the DIT annual survey were aware of the IP attaché network. When enterprises approach the DIT to ask for their internationalisation support services, they are often advised regarding the IP Attaché as a complementary service from the IPO for export. The rest accessed the programme via other sources such as the IPO websites, words-of-mouth, press articles, leaflets and intermediaries such as the China British Business Council, the UK India Business Council, the UK Asian Business Council, the Brazil embassy, the Chartered Institute of Patent Attorneys and the Chartered Institute of Trademark Attorneys. These organisations act as...
interlockers which enables the IPO to approach a larger number of UK SMEs trading in the target markets.

4.2. The process of application and assessment of applications

The application process is simple and informal. All companies based in the UK can approach the IPO by writing an email or calling the members of staff. There is no application form or joining fee for businesses. All the services are free of charge. Companies which meet the following criteria will be eligible to be a member of the IP Attaché and gain full support from IPO:

1. The company is based in the UK (that is, registration via Companies House\(^3\) and HM Revenue and Customs\(^4\));
2. The company is trading abroad in one of the four markets: China, India, Brazil, and South East Asia.

The procedure of checking whether the companies are eligible takes a short period of time (normally only a few days) after the application is made by companies. However, the IPO team only check if they doubt about the companies’ eligibility.

4.3. Delivery mechanism of the measure

The programme is delivered by the IPO team based in London and the IPO advisers based in overseas markets including China, India, Brazil, and South East Asia. Once the company contacts the IPO, the adviser will start to provide consultancy regarding the IP issues, and how their IP can be protected in the foreign markets. They can show the business how to register for their patents, or help solve the problems related to IP. The measure is delivered directly by the IPO advisers. For example, the IPO adviser based in Singapore leads awareness-raising through business and stakeholder events, collaborating with host governments across the South East Asia to discuss local and international IP frameworks and environments. However, sometimes it can be delivered with the support of the embassy and business councils via networking events. IPO organises regularly seminars, workshops and meeting events for businesses and local authorities. Such events could involve, for example, companies’ house seminars, business and trade expo, IP training courses, and China IP roadshow. The networking of the IP Attaché is managed by the IPO team based in London and abroad (China, India, Brazil, South East Asia). IPO advisers also work closely with local Department for International Trade and Foreign and Commonwealth Office (FCO) in supporting UK businesses seeking advice on local IP matters in the foreign country.

4.4. Administration of the measure

According to the interview conducted for this case study, the IP Attaché programme is administered by the IPO London office by a team of eight people. The IP liaison officers work with the local UK Department for International Trade (DIT) and Foreign and Commonwealth Office (FCO) to form the four key teams based abroad including national and UK delegations, for example, in China (one adviser and two support officers); Brazil (one adviser), Singapore (one adviser and one part-time officer responsible for the South East Asia market). As reported by the IPO webpage, these four teams have background studies in law and have substantial experience in dealing with IP issues in the allocated markets. For example, the main IP Attaché adviser in South East Asia has extensive experience in IPO of Singapore and IP Academy Singapore (education and training arm of the Intellectual Property Office of Singapore). Similarly, the UK IP Attaché representative in China is a British adviser who had many years working experience at the British Embassy in Beijing and engaged extensively in IP for nine years, and can speak fluently Mandarin. These teams’ skills,

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\(^3\) The official government agency that incorporates and dissolves limited companies

\(^4\) Her Majesty's Revenue and Customs is a non-ministerial department of the UK government responsible for the collection of taxes

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background and experience contribute to build the IP Attaché hubs in allocated foreign markets and collaborate effectively with UK businesses and local governments in dealing with IP issues. Overall, these four hubs liaise with the ‘link officer’ of the UK team in managing the network.

5. Monitoring and evaluation

5.1. Monitoring of the implementation: method and contents

The activities and operation of the programme are monitored monthly by the internal team of the IPO. There are three main indicators of the monitoring process:

1. Number of businesses that IPO deals with (or in other words, the number of participating firms in IP Attaché)
2. Number of businesses that obtained general IP awareness (the number of businesses that need support regarding general IP knowledge)
3. Monetary value of the IP or the revenue loss due to stolen IP (such as trademarks, copyrights). This indicator reflects the monetary value of IP which is supported by the IPO as a whole.

Besides those indicators, the IPO team also monitors the variety of firm sizes and how the businesses approach IPO. The data collection aims to help formulate the operationalised target for the programme. In the past, the monitoring report used to be delivered monthly to inform the ministers. However, the monitoring report on the operation of the IP Attaché is now conducted every six months to inform the IP minister about the results, successes and impacts of the programme. However, this document is only open partly to public because the data are commercially restricted due to the confidentiality agreements with participating companies, such as the commercial value of their lost IP.

5.2. Evaluation of the measure: methods and contents

In 2014, the IPO commissioned an independent company, Tonic Insights Ltd, to evaluate the effectiveness of the programme for the first time. The IPO aims to have the programme evaluated every three years. The evaluation has been conducted with both qualitative and quantitative methodology.

In the first stage, a quantitative survey of 198 firms provided by the IPO was conducted regarding their evaluation of the quality of the services and their perceptions of the value gained from the programme. The response rate of this survey was 48% (including both fully and partially completed questionnaires).

In the second stage, in-depth interviews (including both face-to-face and telephone) were conducted with 25 firms and 18 policy-makers to provide more insights on specific experiences and knowledge of the IP Attaché in relation to their usage. Each interview lasted for about 45 minutes on average.

In the third round, interviews with the IP advisers in China, Brazil, India and South East Asia were conducted to provide additional views on their roles and their remit.

5.3. Any changes to the content or delivery of the measure following monitoring and evaluation

The only changes following the monitoring and evaluation reports are related to the additional resources invested for the IP Attaché in China. This is because of the higher level of demand in China, which made it difficult for the initial team to manage the workload. The IPO also considered extending the scope of the content by expanding IP Attaché to other global markets. However, it was not implemented because of the limited resources and the demand still focuses on their four main markets as identified from inception.
6. Evidence of outcomes and impact

6.1. Evolution of the measure’s spending
There has not been significant change in terms of the budget spending. In 2016, the IPO spent 95% of the budget of the programme to adjust to small reductions in staff that happened in 2015 (for example, there was a staff member who went on maternity leave, which caused the post to be unfilled for some time). However, in general, the budget spending remains the same.

6.2. The quantitative and qualitative outcomes of the measure
The IP Attachés have helped to protect an estimated GBP 440 million (or €521 million) worth of British intellectual property across the globe since its establishment. 80% of the participants were SMEs who actively involved in doing business in China, India, South East Asia and Brazil. According to the latest survey provided by the interviewee, until March 2017 the IPO has supported 20,653 UK businesses. In 2015, the programme has protected businesses on IP rights worth in excess of GBP 47 million (or €55 million), and conducted one-to-one consultancy with over 200 firms (UK government, 2016). A recent evaluation indicated that 86% of businesses had ‘good’ experience (for example, in terms of approaching, communicating with IP advisers) with the IP Attaché and perceived high value gained from IP protection (IPO, 2014).

For example, 34% of the supported firms are doing business in China, 18% in ASEAN countries, 17% in India, 15% in Brazil. Regarding the duration of support in those four markets, 23% of the businesses have less than one year trading, 55% have more than one year of trading, and 22% are not yet active (UK government, 2016). The growth of participating businesses in the IP Attaché is demonstrated in the graph below.

Figure 1: Number of participants per year during 2012-2017

Source: Diagram drawn based on the data provided by the interviewee, 2017

6.3. Impact of the measure on its beneficiaries and other actors
The recent evaluation of the programme shows that the IP Attaché has supported UK businesses across industry sectors and business sizes. One of the impact case studies of the IP Attaché reported by IPO in 2016 was related to IP Attaché’s IP protection support to help UK firms to successfully remove counterfeit version of UK products in China, worth over GBP 8 million (€9 million).

The measure has provided the following impacts on its beneficiaries and other actors:

- The Attachés raised the awareness of IP and the significance of IP protection amongst SMEs to minimise the risks of loss due to stolen IP, especially in China, India, Brazil and South East Asia. Hence, the programme plays a key role in supporting firms to grow through exporting (UK government, 2016).
- The programme enhances SMEs to do international business in emerging economies and supported foreign markets with the IP protection enforcement and consultancy. In a recent article,
7. Strengths and weaknesses of the measure

7.1. Strengths of the measure

The measure provides lots of value to UK businesses, including SMEs, by promoting their IP savvy to foster their international businesses in emerging markets. The first strength of the programme is related to its comprehensive services to participants including consultancy, assessment of the company’s IP values, and addressing the requests from businesses to solve IP related issues in foreign markets, enhancing reputation and networking. All these services are free of charge and the application process is easy, simple and fast.

The second advantage of the programme is that it ensures a systematic linkage between the UK and foreign hubs in the target markets, including regular monitoring and connections with different support providers such as the DIT, Chambers of Commerce, Business Associations and host governments. This enables businesses to have updated information regarding IP issues in their target markets to have quicker response to any changes to protect their IP.

In addition, the measure also contributes to strengthen the links with local authorities and embassies in China, Brazil, India and South East Asia, which helps to strengthen the business environment for UK businesses.

7.2. Weaknesses of the measure

According to the interviewee, the biggest weakness of this measure is related to the limited resources of the IP Attaché teams to deal with a high number of requests, from all kinds of businesses. In addition, the IP Attaché does not make best use of intermediaries in facilitating initial consultancy regarding the IP issues to businesses. This leads to an overload of work of the IPO team members. Another weakness of the programme, which is frequently criticised by its stakeholders, is related to the limited geographical scope of the foreign markets that the programme is operating in.

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5 UK’s premier business organisation, providing a voice for firms at a regional, national and international level to policymakers.
One of the biggest challenges of this programme is to maintain the number of staff. The churn rate of staff turnover has been a big problem with IPO. The work overload attributed to the limited capacity within the team makes it more challenging to handle all the requests.

7.3. Evidence of policy learning over time

The measure benefits from the lessons learned from the IPR helpdesk, a European initiative to support enterprises to deal with IP related problems launched in 2011. As mentioned by the interviewee, this programme can be transferred to another context and it has been actually developed in some countries. For example, Italy has just introduced a similar IP Attaché for Italian businesses trading in China, Russia and Brazil. The US also initiates a large network, however, mainly focusing on the enforcement of IP rights rather than providing mutual support to the SMEs or the host governments.

Overall, the transferability of this measure to other contexts may vary, depending on the capability of the IPO, the nature of target market size (for example, the development of IP regulation in those countries, and the demands of firms on IP related issues).

8. Recommendations

8.1. Overall recommendations regarding the measure

In general, the measure has operated well and received positive feedback from participating businesses and stakeholders.

The analysis suggests it is essential to have a clear division of tasks amongst the IP team and also a stronger coordination with the intermediaries in dealing with all the requests. For example, the IPO should take advantage of intermediaries, providing training to them to help deal with general requests on IP, such as how to register for trademarks. The IP advisers should focus more on addressing specific requests, for example, to solve IP related problems, to anticipate the risks of revenue loss, to liaise with local authorities in overseas markets and the overseas Attachés to resolve the problems. This would contribute to increase the effectiveness and efficiency of the IP Attaché in supporting internationalising SMEs.

The formal evaluation of the IP Attaché programme, in 2014, suggested that the IPO should be more proactive in updating information for different markets and approaching SMEs. In addition, there should be a follow-up of the progress of SMEs that were supported by the IP Attaché. This would enhance the effectiveness of the measure in promoting internationalisation and foster enhanced networking among former participating enterprises and followers/potential users of the IP Attaché.

According to the interviewee, the measure’s delivery mechanism has proved to be very effective and is going on the right track. Regarding the extent of the measure, IPO will continue to focus on those four markets as they were identified as the key markets that need support on IP to enhance UK SME internationalisation in those areas.

8.2. Recommendation regarding the national support to SME/born globals’ internationalisation

The burden of administration and the time and costs of contacting different organisations in different places present challenges for SMEs seeking to internationalise and overcome export barriers. Hence, it is essential to establish better coordination across government departments, and tighten the collaboration with intermediaries, such as the Chambers of Commerce.

8.3. Any gaps in the provision of policy support and suggestions

The interviewee highlighted that the biggest gap in the national support system to SMEs and born global firms’ internationalisation is a lack of an integrated service and a systematic coordination across...
government departments. As a result, an international enterprise has to contact many different offices and agencies to have consultancy about different issues, instead of approaching a central office. The analysis conducted in this project also indicates that, even though the DIT has initiated a number of support measures to promote internationalising SMEs, they have not fully addressed the SMEs’ needs. For example, recent evidence from the FSB survey suggested that their members have expressed their concerns about DIT services that are not sufficiently tailored or targeted towards their individual business needs. According to FSB members, DIT services focused more on accelerating sales rather than meeting the needs of small and micro firms (Federation of Small Businesses, 2013). For example, the FSB members in the North East reported that DIT does not offer specialised support to the creative industries. More support should be provided to first-time exporters with follow-up progress. In addition, not all services from the DIT are free of charge, which increases the costs for small firms to internationalise.
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All Eurofound publications are available at www.eurofound.europa.eu


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IPR Help Desk EU web page, available at https://www.iprhelpdesk.eu/


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