Intellectual Property Rights & the benefits for SMEs.

The T&T Chamber has information to suggest that there is in excess of eighteen thousand (18,000) small and medium-sized enterprises currently operating in Trinidad and Tobago. Food and beverage, information and communication technology and entertainment account for the mainstream sectors which host these SMEs. This figure is testimony to the entrepreneurial mindset, creativity and innovation that reside within the economy, as it fosters fair competition among firms. As we strive towards higher levels of self-reliance and enterprise, the competition will become even more robust as the number of existing SMEs continues to increase.

Substitutes and alternative goods and services are available in abundance, rendering it difficult for some SMEs to survive, let alone be profitable in such a competitive environment. In order to meet short and long-term financial obligations, some firms set themselves apart by investing in new and improved products through innovation and product development. We refer to these innovations as Intellectual Property (IP) or intangible assets which are geared mainly towards improving the quality of the commodity, while reducing production costs.

SMEs can protect their intangible assets through the following: - trade secrets protection, copyright, design and trademark rights and patents, among others. Collectively, these are universally known as Intellectual Property Rights (IPRs), which secure legal protection of all intangible assets owned by a company.

Consequently, in order to protect the design of a product so that it can be used only by the originating firm, business owners and managers must rely on the use of IPRs. They should possess informed knowledge of the benefits of these Rights, and how they can be used to achieve and maintain competitiveness within their business.

IPRs help create the conditions where competitors are prevented from copying another business’s innovations. This becomes even more critical in instances where several firms are competing in the same sector, and there is little room for product or service differentiation. When an enterprise successfully differentiates its commodities, strategic use of IPRs ensures that those innovations are protected and ownership stays with the originating firm.
Acquiring financing through loans or venture capital can be challenging for smaller firms in particular, but IPRs can act as an enabler in this sphere. When a firm’s offerings are legally protected, this can be used to leverage external investment flows. Conversely, investing in commodities unprotected by IPRs presents unnecessary risk; given little to no guarantee that the goods and services are truly unique in nature, with the potential to be a market leader in a targeted segment.

IPRs foster collaboration between and among businesses within similar sectors. Firms are able to engage in various types of business partnerships, whereby they combine efforts to research marketing strategies or to outsource supplies and raw materials. Opting for these collaborative efforts leads to economies of scale, because production costs and marketing expenses are often greatly reduced. Extra benefits are to be gained, too, when companies are privy to a wider pool of knowledge and ideas with respect to innovations, markets and new technologies.

The T&T Chamber of Industry and Commerce supports all efforts – particularly those among small and medium-sized enterprises - in utilising Intellectual Property Rights. With approximately four hundred and sixty SMEs forming part of the Chamber’s membership, we continue to stress that the benefits to be gained are many, both of a tangible and an intangible nature.