

FAQ of the of MSME Innovative Scheme (INCUBATION, DESIGN & IPR)

Q 1 . What is MSME Innovative scheme?

Ans. MSME Innovative Scheme will be an amalgamation of the Incubation, Design and IPR Schemes of the Ministry of MSME. These erstwhile three schemes will operate as separate verticals with interflows and connections. These verticals will also be integrated sequentially and parallelly into one singular formulation to promote and encourage innovative activities for improved synergy and higher efficiency.

MSME Innovative is a new concept for MSMEs with a combination of innovation in incubation, design intervention and by protecting IPR in a single mode approach to create awareness amongst MSMEs about India's innovation and motivate them to become MSME Champions. This will act as a hub for innovation activities facilitating and guiding development of ideas into viable business proposition that can benefit society directly and can be marketed successfully.

Q 2 . What are the main objective of the MSME Innovative scheme?

- ❖ To promote all forms of innovations in the complete value chain from developing ideas into innovative applications through incubation and design interventions.
- ❖ To provide appropriate facilities and support for development of concept to market, design competitiveness and protection & commercialization of Intellectual creations of MSME sector.
- ❖ To promote a culture of innovation and creative problem solving through knowledge sharing and collaboration amongst industry, academia, government institutions, research laboratories etc.
- ❖ To serve as a connecting link between industrial/academia leaders and innovators, in order to encourage new product development and hand-holding.
- ❖ To focus on developing affordable innovations that can benefit a large number of people and at the same time being commercially viable and sustainable.

Q 3. How many components are there in MSME Innovative scheme ?

Ans. MSME Innovative scheme has 3 components :

- Incubation
- Design
- IPR

Q.4 Where are the guidelines of MSME INNOVATIVE scheme available?

Ans: Detailed guidelines of scheme are available at https://innovative.msme.gov.in/Documents/FinalGuidelines_MSME_Innovative.pdf

Incubation Component

Q.1 what is the objective of Incubation Component ?

Ans : The main objective of this component is to promote and support untapped creativity and to promote adoption of latest technologies in MSMEs that seek the validation of their ideas at the proof-of-concept level. .

Q.2 who are eligible?

Ans : Any person as individual or MSME, having the innovative ideas are eligible to avail the benefits of this scheme. The person should have innovative sort of idea which can be converted into prototype and further in business activity. The person is being called Incubatee.

Q.3 Is there any qualification to become Incubatee?

Ans: There is no qualification bar to become incubatee. However, MSME should have valid Udyam Registration (UM) and individual should have Aadhar card number.

Q.4 How to take benefit of scheme?

Ans: The person (incubatee) should get attached with any Host Institute (HI) for nurturing of their idea in Business incubator (BI) being set up by HI.

Q.5 What is “Host Institute & Business Incubator”?

Ans: Host Institute (HI) : Institute which set up Business Incubator and provides the infrastructural and technical facilities for nurturing of new innovative ideas is called Host Institutes (HI).

Business Incubator (BI): A specific place/workshop located in HI having facilities for nurturing of idea of Incubatee is called Business Incubator.

Q.6 Who can become Host Institute(HI)?

Ans: Institutions such as Technical Colleges, Universities, other Professional Colleges/Institutes, R&D Institutes, NGOs involved in incubation activities, MSME-DIs/ Technology Centres or any Institute/Organization of Central/State Government may apply for HI and set up a Business Incubator (BI).

Q.7 Role of Host Institutes?

Ans: Host Institutes will set up Business Incubator (BI) and provides the space, equipments, lab and all the auxiliary support to the incubatee for nurture of his ideas for the business activities.

Q.8 How to become HI?

Ans: Eligible institutes can apply through online MIS only and submit details alongwith supporting documents. Details of documents and procedure to apply is given in guiding manuals available in MIS itself.

Q.9 Which states/UTs can participate in the scheme?

Ans : Incubatees and eligible institutes of all states/UTs can take benefit of the scheme. However, Institutes in the North East Region will be given priority for supporting BIs.

Q.10 Which type of financial support are available under the scheme?

Ans:

- Financial support up to Rs. 15.00 lakh to HI for nurturing of an idea. This support will be given in two instalments of 70 % and 30 % .
- Financial support uptoRs. 1.00 cr. to HI for procurement of plant and machinery for BI to strengthen their technology related R & D activities. This support will be given in two installments of 50% each

Q.11 How the financial assistance can be taken under the scheme?

Ans: The person (incubatee) should get attached with any Host Institute (HI) for nurturing of their idea in Business incubator (BI) being set up by HI.

Q.12 Can funds be given to Incubatee directly?

Ans: Financial support for all activities will be given to HI only and no funds can be transferred to incubatee's account.

Q.13 Which type of assistance /support incubate can get from BI?

Ans: Incubatee can get support from BI on all issues related to technology,innovation,mentor, plant & machinery required for nurturing of idea.

Q.15 Can incubae take any technical support outside the BI?

Ans: If any facilities of plant & machinery which are essential for nurturing of idea and same are not available in HI/BI , then incubate can utilize the facilities of machines available in other places . Incubatee can utilize these facilities on pay as usage basis through HI/BI only.

Q.16 Expenditure on which items is permissible under the scheme for nurturing of idea?

Ans: Expenditure can be incurred on items essential for nurturing of idea like Technology related expenditure like machine usage charges, electricity charges, procurement of raw materials, testing/calibration charges and any other technology related expenditure essential for development of idea charges towards mentoring etc. However, all such components should be mentioned in the proposals which needs approval of competent authority.

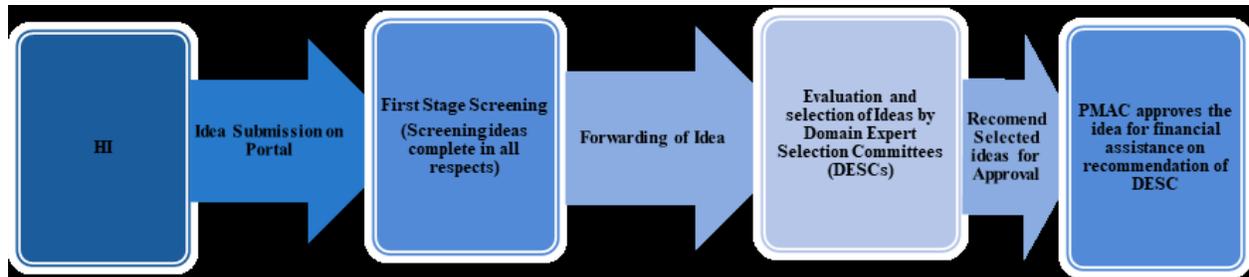
Q.17 Who is approving authority of any proposals seeking financial assistance?

Ans: Project Monitoring and Advisory Committee (PMAC) headed by DC(MSME) is the final authority for approving proposal as per guidelines of scheme

Q.18 Who will examine the proposals initially and what will be flow of proposals?

Ans: **Process Flow**

The ideas submitted by the applicants will undergo following stages:



Q.19 Who are eligible for Plant and Machinery?

Ans: HI to which minimum two or more than two ideas have been approved under the Incubation component of MSME Innovative Scheme are eligible to take benefit for procurement and installation of relevant plant and machines including hardware and software etc. in BI for R&D activities and common facilities for incubatees of BI. The financial assistance will be applicable for procurement of Plant and Machinery for development of those specific approved ideas. HI will submit its proposals for approval as HI, for seeking assistance for capital grant through online MIS which will be examined initially by Implementing Agency (IA) in 15 days. After its initial scrutiny, IA will recommend it to O/o DC (MSME), New Delhi. A committee at Domain Expert Selection Committees (DESC) will further examine and recommend eligible proposals to O/o DC (MSME) for final approval of PMAC.

Q.19 What is the role of PMU?

Ans: A Project Monitoring Unit (PMU) shall be setup in the O/o DC (MSME) to take care of facilitation, implementation and monitoring of the scheme involving Implementing Agencies as per directions of PMAC.

Q.20 Who will be Implementing Agencies (IAs) under the scheme?

Ans : All MSME-DFO/TCs will act as implementing agency (IAs).

Q.21 Can Incubatee /HI monitor the status of proposal any time?

Ans : Yes, status of application/proposal can be seen on MIS and outcome of proposals will be communicated to applicant through online MIS.

Q.23 What is the URL for online submission of proposal?

Ans: <https://my.msme.gov.in/inc/>

DESIGN COMPONENT

Q 1. What is the objectives of Design component?

ANS. The objective of this component is to bring Indian manufacturing sector and Design expertise/ Design fraternity on to a common platform. It aims to provide expert advice and cost-effective solution on real time design problems for new product development, its continuous improvement and value addition in existing/new products.

The Design scheme will help MSMEs to avail advice on all aspects of design. It helps MSMEs realize and achieve their design-related objectives. This specialist advice will be provided by experienced designers for new product development as well as enhancing existing product portfolio.

Q 2 . What are the broad activities of MSME Innovative scheme?

Ans. The Design scheme is divided in two major parts, viz., Design Projects and Design Awareness Programme.

- a. **Design Project** - To facilitate MSMEs to develop new design strategies and or design related products through interventions and consultancy.
- b. **Design Awareness Programme:** The objective is to create general awareness and sensitization about the value and power of design for businesses through seminars, talks, workshops etc. The purpose of these activities is to sensitize MSMEs about the usage of design/innovation in various facets of their industry.

Q.3 . What is the financial assistance under the scheme?

ANS. Financial Assistance under Design Component

- i. **Design Project** - Financial assistance under this activity will be utilised for engagement of design consultants for design interventions and expenses pertaining to development of prototype/product. For the design projects approved for any MSME, 75% (Micro) and 60% (Small & Medium) of the total project cost will be contributed by Gol up to a maximum of Rs. 40 lakh and the remaining project cost will be borne by MSMEs and deposited to the IA.
- ii. **Student Project** - This component supports design work of bona-fide students by providing financial assistance up to Rs. 2.5 lakh. For the student design projects approved for any MSME,75% of the total project cost will be contributed by Gol up to a maximum of Rs. 2.5 lakh and the remaining project cost will be borne by MSME and deposited to the IA

Q.5. Who can take the benefit of the scheme?

ANS. The beneficiary unit(s) must typically be a registered micro, small or medium enterprises as per the definition in MSMED and should have a valid UAM or Udyam Registration. The manufacturing MSMEs may be a profitable entity preferably in the last 1 year of its operations,

Q 6 . Who will implement the scheme throughout the country?

ANS. The implementing agencies for the Scheme, presently, are:

Indian Institute of Science (IISc), Bengaluru, IITs (Kanpur, Indore, BHU, Roorkee, Ropar, Bhubaneswar), NITs (Tiruchirappalli, Warangal, Silchar, Arunachal Pradesh, Jaipur, Allahabad, J&K, Bhopal, Nagpur, Calicut, Kurukshetra, Surathkal, Raipur).

Q.7. What will be the role and responsibilities of the Implementing Agency (IA)?

Ans. All the proposals received on the MSME Innovative Portal under Design component will be evaluated by the respective IA . Upon receipt of the application, the IA will conduct a preliminary screening and may seek clarification or supplementary information from both the applicant design Consultant/company and applicant MSME.

After screening, IA will submit the application together with its recommendation to Project Monitoring & Advisory Committee (PMAC) for consideration.

Q.8. Who is the Apex Body of the scheme? What are its roles & responsibilities?

Ans : Project Monitoring and Advisory Committee (PMAC) is set-up at the office of AS&DC (MSME), who looks after the Planning, Screening, identification and such other function as deemed fit. PMAC scrutinizes all the proposals received from IAs & approve the eligible proposals along with its recommendations. PMAC have overall responsibility for policy formulation, Scheme implementation and monitoring. It is empowered to take all key decisions related to the Scheme and to approve minor modifications / procedural changes in the guidelines for operational expediency.

Q 9. How the proposals may be submitted ?

Ans. Under MSME Innovative scheme, a MSME Innovative portal has been developed. Now all the proposals/ application will uploaded on the Innovative portal i.e (<https://innovative.msme.gov.in>) under the respective scheme component of MSME Innovative scheme.

IPR COMPONENT

Q- What is Intellectual Property (IP)?

Intellectual property (IP) refers to creations of the mind: inventions, literary and artistic works, and symbols, names, images, and designs used in commerce.

IP is divided into two categories: Industrial property, which includes inventions (patents), trademarks, industrial designs, and geographic indications of source; and Copyright, which includes literary and artistic works such as novels, poems and plays, films, musical works, artistic works such as drawings, paintings, photographs and sculptures, and architectural designs. Rights related to copyright include those of performing artists in their performances, producers of phonograms in their recordings, and those of broadcasters in their radio and television programs.

Q- What are the Types of Intellectual Property Rights?

- ❖ Patents
- ❖ Copyrights
- ❖ Trademark
- ❖ Industrial Designs
- ❖ Geographical Indications
- ❖ Trade Secrets
- ❖ Inventions (patents), trademarks, industrial designs, and geographical indications are referred to as Industrial property.

Q- What is patent?

A patent is an exclusive right granted for an **invention**, which is a **product** or a **process** that provides, in general, a new way of doing something, or offers a new technical solution to a problem. In order to be patentable, the invention must fulfil certain conditions.

Q- What are the Benefits of Patents Registration :

- Exclusive Right- allows to use and exploit the invention for 20 years from date of filling.
- Strong Market position-prevent other from commercially using patented invention thereby reducing competition.
- Higher returns on investment
- Opportunity to license or sell the invention.
- Positive image of enterprise

Q- What is Copy Rights ?

A- Copyright is a legal term describing rights given to creators for their literary and artistic works. The kinds of works covered by copyright include: literary works such as novels, poems, plays, reference works, newspapers and computer programs; databases; films, musical compositions, and choreography; artistic works such as paintings, drawings, photographs and sculpture; architecture; and advertisements, maps and technical drawings.

Q- What are the benefits of Copt right registration ?

- Copyright is the body of law that grants authors, artists & other creator's protection for their literary and artistic creations, which are referred to as Works.
- Copyright protection (other than photographs) is for life of author plus sixty years after his death.

Q- What is Trademarks?

A trademark is a **distinctive sign** which identifies certain goods or services as those produced or provided by a specific person or enterprise.

Q- What are the Benefits of Trademarks Registration :

- Helps consumer identify and purchase a product or service because it's nature & quality, indicated by it's unique trademark, meets their needs.
- Registration of its trademark is prima facie proof of its ownership giving statutory right to the proprietor.
- Trademark rights may be held in perpetuity. The initial term of registration is for 10 years; thereafter it may be renewed from time to time.

Q- What is Industrial Designs?

An industrial design is the ornamental or aesthetic aspect of an article. The design may consist of three-dimensional features, such as the shape or surface of an article, or of two-dimensional features, such as patterns, lines or color. Industrial designs are applied to a wide variety of products of industry and handicraft: from technical and medical instruments to watches, jewellery, and other luxury items; from house wares and electrical appliances to vehicles and architectural structures; from textile designs to leisure goods.

Q- What are the Benefits of Industrial Design Registration :

- Designs can be protected through registration, the objective is to protect new/ original designs so created to be applied or applicable to particular article to be manufactured by industrial process or means.
- The initial term of protection is for 10 years from the date of filing, which can be extended for an additional term of five years. Altogether, the term of design protection is fifteen years from the date of filing.

Q- What is Geographical Indications ?

A geographical indication is a sign used on goods that have a specific geographical origin and possess qualities, reputation or characteristics that are essentially attributable to that place of origin. Most commonly, a geographical indication includes the name of the place of origin of the goods. Agricultural products typically have qualities that derive from their place of production and are influenced by specific local factors, such as climate and soil. Whether a sign is recognized as a geographical indication is a matter of national law. Geographical indications may be used for a wide variety of products, whether natural, agricultural or manufactured.

Q- What is the period of Geographical Indication Registration ?

- India, a GI may be statutorily protected either as a certification trademark under the Trade marks Act,1999 or as a GI under the GI of Goods (Registration and Protection) Act,1999.
- The registration of GI is valid for a period of 10 years after which it may be renewed from time to time.

Q- What are the Trade Secrets ?

Any confidential business information which provides an enterprise a competitive edge may be considered a trade secret. Trade secrets encompass manufacturing or industrial secrets and commercial secrets. The unauthorized use of such information by persons other than the holder is regarded as an unfair practice and a violation of the trade secret. Depending on the legal system, the protection of trade secrets forms part of the general concept of protection against unfair competition or is based on specific provisions or case law on the protection of confidential information.

Q- What are the benefits of Trade Secrets ?

Contrary to patents, trade secrets are protected without registration.

A trade secret can be protected for an unlimited period of time.

A substantial element of secrecy must exist, so that, except by the use of improper means, there would be difficulty in acquiring the information.

Q - What are the activities /Benefits under IPR components of MSME-Innovative Scheme of M/o MSME?

Sl.No.	Activity
a.	Reimbursement of Patent/ GIs/Trademarks/Design
b.	Setting up of 'IP Facilitation Centre for MSME'.

Q- What is the reimbursement amount for Patent / GIs / Trademarks / Design under the scheme?

Indian Patent:-	Upto Rs. 1.00 Lakh
Foreign Patent:-	Upto Rs. 5.00 Lakh
GIs:-	Upto Rs. 2.00 Lakh
Trademarks:-	Upto Rs. 0.10 Lakh
Design :-	Upto Rs. 0.15 Lakh

Q- How to apply for the Patent /GIs/ Trademarks / Design Reimbursement?

It can be applied through online portal i.e. <https://innovative.msme.gov.in/Home/lprIndex> .

Q- Whether there is any centre to support in counselling/ drafting & filing the Intellectual Property Rights?

Ministry of MSME has set up IP Facilitation Centres(IPFCs) for the aforesaid purpose.