Government of Jamaica

Project: Support to Jamaica Intellectual Property Office for Strengthening the Intellectual Property Ecosystem to Increase Innovation, Competitiveness and Growth in Jamaica

Consultancy Services for Capacity Building in Intellectual Property Valuation

Request for Expressions of Interest

The Government of Jamaica has received financing from the Caribbean Development Bank (CDB) in an amount equivalent to US$149,900.00 towards the cost of the Project and intends to apply a portion of the proceeds of this financing to eligible payments under a contract for which this invitation is issued.

Payments by CDB will be made only at the request of the GOJ and upon approval by the CDB and will be subject in all respects to the terms and conditions of the Financing Agreement. The Financing Agreement prohibits withdrawal from the financing account for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of the CDB, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations. No party other than the GOJ shall derive any rights from the Financing Agreement or have any claim to the proceeds of the Financing.

The Jamaica Intellectual Property Office (JIPO), the Executing Agency now wishes to procure consultancy services for Intellectual Property Valuation Capacity Building.

The objective of the consultancy is to develop through a process of research and capacity building an enhanced framework for IP monetization which can be leveraged in Jamaica. This Consultancy will develop valuation guidelines for IP assets in Jamaica and conduct training activities in valuation in order to help fill a key gap in the IP ecosystem for IUP commercialization and collateralization in Jamaica.

Further details can be found in the attached Terms of Reference.

The duration of the assignment is expected to be for a period of eight months.

The maximum funding allocated to this consultancy is US$75,000.00.

JIPO now invites interested eligible individuals or consulting firms to submit Expressions of Interest for the provision of these consultancy services.
Consultants shall be eligible for this consultancy if:

(a) in the case of a body corporate, it is legally incorporated or otherwise organized in an eligible country, has its principal place of business in an eligible country and is more than 50 percent beneficially owned by citizen(s) and/or bona fide resident(s) of eligible country(ies) or by a body(ies) corporate meeting these requirements;

(b) in the case of unincorporated firms, the persons are citizens or bona fide residents of an eligible country; and

(c) in all cases, the consultant has no arrangement and undertakes not to make any arrangements, whereby any substantial part of the net profits or other tangible benefits of the contract will accrue or be paid to a person not a citizen or bona fide residents of an eligible country.

Eligible countries are member countries of the CDB.

The attention of interested Consultants is drawn to paragraph 1.9 of the CDB’s Guidelines for the Selection and Engagement of Consultants (2011) setting forth the CDB’s policy on conflict of interest.

In the assessment of submissions, consideration will be given to technical competence, qualifications and experience, local and regional experience on similar assignments, financial capability and existing commitments. All information must be submitted in English. Further information may be obtained by emailing info@jipo.gov.jm.

Electronic copies of the Expression of Interest must be emailed to info@jipo.gov.jm. The subject of the email should be “Expression of Interest – Consultancy Services for Capacity Building in Intellectual Property Valuation”. The deadline for receipt of Expressions of Interest is Sunday, February 9, 2020 at 4:00pm EST.

The selection method shall be Consultants’ Qualifications selection. Therefore, following the assessment of submissions, applicants shall be assessed and compared, and the best qualified and experienced applicant shall be selected. Only the selected applicant shall be asked to submit a combined technical and financial proposal and, if such proposal is responsive and acceptable, be invited to negotiate a contract. GOJ reserves the right to accept or reject late applications or to cancel the present invitation partially or in its entirety. It will not be bound to assign any reason for not selecting any applicant and will not defray any costs incurred by any applicant in the preparation and submission of Expressions of Interest.
1. **BACKGROUND**

1.01 The Jamaican economy continues to show signs of a gradual recovery, led by tourism and construction activity amidst weakness in agriculture and mining, and a deceleration in manufacturing. An accommodative monetary stance contributed to buoyant credit growth, coinciding with improvements in doing business and an increase in consumer confidence. The medium-term outlook remains strong, as ongoing reforms support both higher investment and improved productivity growth. However, key downside risks such as macroeconomic and/or weather-related shocks, policy reversal of the structural reforms, and high crime can derail growth prospects.

1.02 Both the Government of Jamaica (GOJ) and the private sector share the view that any strategy geared towards accelerating economic activity within the economy must include improving access to credit, especially for MSMEs. Commercial banks are the dominant providers of credit within the Jamaican financial system. However, as is the case in many other CDB BMCs, access to commercial bank-mediated credit remains constrained by a number of factors. These factors include relatively tight lending standards enforced by high collateral requirements; poor credit information, which makes it difficult to conduct credit risk assessment; high interest rates as well as legal systems that favour large businesses and those with property. Although there are a number of specialised institutions geared towards providing financing to MSMEs, such as micro-finance institutions and credit unions, they are also constrained by information asymmetries and the high costs of repossession of nontraditional collateral.

1.03 This situation is compounded in the case of the creative industries and innovation driven ventures. Many creative and innovative business models are based on original and innovative Intellectual Property (IP). However, this intangible asset can make it difficult to gauge the value of the product or service before it goes to market, or build a consistent track record necessary to demonstrate the viability to future investors. Commercial banks are reluctant to grant loans to such intangible asset based firms for three main reasons:

(a) there is no methodology/guidelines in place to value IP assets or how to treat it on their balance sheets;

(b) many creative innovators and firms do not have historical transactions to document their revenue streams; and/or

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1/ The national definition for MSMEs in Jamaica was created in July 2011. Microenterprises in Jamaica are defined as enterprises that employ five persons or less and have an annual turnover not exceeding $10 million (mn). Small enterprises employ between six and 20 persons and have an annual turnover of between $10 mn and $50 mn. Medium-sized enterprises employ between 21 and 50 persons and have an annual turnover of between $50 mn and $150 mn (Ministry of Industry, Investment and Commerce, 2012).

2/ Intellectual property (IP) refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce. IP is protected in law by, for example, patents, copyright and trademarks, which enable people to earn recognition or financial benefit from what they invent or create. By striking the right balance between the interests of innovators and the wider public interest, the IP system aims to foster an environment in which creativity and innovation can flourish: (World Intellectual Property Office).
there is a perceived difficulty in the ability to recoup finances should there be a default on the loan.

1.04 Firms, especially small firms, also tend to be reluctant to register patents and instead resort to alternative IP competitive strategies (such as trade secrets) that in turn result in undercapitalisation of intellectual assets leading to hurdles for the development of capital venture markets. Further, only 5% of Jamaican firms surveyed by the 2013 PROductivity, TEnchology and INnovation survey (PROTEqIN) indicate having successfully filed for IP rights in the last three years, with the majority of surveyed firms with IP rights being women-owned firms. The lack of awareness of the benefits of registering and valuing IP assets, limited know-how on IP asset valuation, deficiency in IP monetisation culture amongst both academia and private sector, and a limited support framework for innovation and IP commercialisation contribute to low IP filing rates.

1.05 JIPO was established on February 1, 2002 as a statutory authority under provisions of the Jamaica Intellectual Property Office Act of Jamaica, with the mandate to establish and administer a modern and effective IP system, which is to be a catalyst for international competitiveness, facilitating economic growth and national development. Its goal is to create a robust ecosystem for IP in Jamaica to attract investments in high-grossing industries that will facilitate the growth and competitiveness of the local economy, thereby enabling Jamaicans to benefit from the three critical areas that are necessary for a strong IP environment: protection, income generation and enforcement.

1.06 JIPO is responsible for the administration, registration and protection of IP: copyrights, trademarks, patents, designs and geographical indications, and there is a dedicated unit within the institution for each of these types of assets. JIPO also serves as advisor to and representative of the GOJ on IP matters, at the national, regional and international level. In carrying out its mandate, JIPO has a public education programme, with ongoing outreach to schools, tertiary institutions, and IP holders/stakeholders through presentations, seminars and an annual IP week. As Jamaica’s representative to the World Intellectual Property Organisation (WIPO), JIPO also collaborates with WIPO to provide seminars in Jamaica on various IP-related topics.

1.07 GOJ, as outlined in its Vision 2030 Development Plan has developed a MSME and Entrepreneurship Policy framework. The policy document outlines plans to inter alia promote the on-lending of funds to entrepreneurs who do not possess traditional collateral. Towards this end, work is in progress on the development of a Secured Transactions Framework, by GOJ, under the supervision of the Minister responsible for Information, Telecommunications and Special Projects, which will amongst other things, allow borrowers to pledge moveable property in a manner that establishes and preserves

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4/ The Inter-American Development Bank (IDB), in collaboration with Compete Caribbean (CC) Partnership Facility, launched the PROTEqIN survey in Barbados, Belize, Jamaica, Guyana, Suriname, Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines, The Bahamas and Trinidad and Tobago. The survey captures information on firm performance, finance, gender of ownership and management, innovation, use of productive development programmes, and issues related to management style, innovation, and crime.

5/ “WIPO, established in 1967, is the global forum for IP services, policy, information and cooperation. It is a self-funding agency of the United Nations, with 191 member states, with a mission to lead the development of a balanced and effective international IP system that enables innovation and creativity. WIPO provides a policy forum to shape balanced international IP rules for a changing world; global services to protect IP across borders and to resolve disputes; technical infrastructure to connect IP systems and share knowledge; cooperation and capacity-building programmes to enable all countries to use IP for economic, social and cultural development; and a world reference source for IP information.”
property rights.

The Role of Moveable Assets

1.08 In addition to the Secured Transactions Framework, GOJ has granted licenses for the operation of two credit bureaus in an effort to increase the supply of credit. Both initiatives are necessary but not sufficient for sustainable credit expansion. In order to fully exploit the benefits of the improved lending infrastructure, it is necessary to fully develop non-traditional lending arrangements, including incorporating moveable assets as security for credit.

1.09 To move towards solving this issue of accepting IP as a category of moveable assets, in 2013, GOJ with the support of IDB through its programme CC and other development organisations, enacted the Security Interest in Personal Property Act (SIPPA) and established the National Collateral Registry to provide increased access to credit for MSMEs and entrepreneurs. SIPPA was designed to facilitate the use of a more expansive range of collateral instruments in secured lending, thereby improving access to credit, particularly for those without more traditional forms of security.

1.10 The four fundamental principles of SIPPA include:

(a) creation of security interests in any form of personal property (tangible or intangible, present or future);

(b) clarification on priorities among the different claims by creditors with respect to the secured property;

(c) registration of security interests in personal property; and

(d) enforcement by creditors of property rights in the secured property in an efficient manner.

Support by GOJ and the International Donor Community

1.11 There has also been increasing interest from GOJ and other stakeholders to support the development of the secured transactions framework in Jamaica and to complement the establishment of SIPPA. These interventions include:

(a) the drafting of the new Patents and Designs Act;

(b) the amendment of the Trade Marks Act and the Copyright Act;

(c) the review and upgrading of SIPPA and the collateral registry - currently being undertaken by the World Bank/International Finance Corporation;

(d) the drafting of guidelines by BOJ for commercial banks with respect to the treatment of IP assets on their balance sheets;

(e) a review by the Development Bank of Jamaica (DBJ) of its Voucher for Technical Assistance (VTA) programme;

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6/ Patent and Designs Act is expected to be enacted by December 2018.
entrepreneurs who operate businesses in all the traditional industries as well as those operating in emerging industries qualify for assistance under the programme. Traditional industries are agriculture, agro-processing, tourism, energy, manufacturing, mining, and services while emerging industries include animation and information technology), which includes support for patent registration; and

targeted interventions focused on protection of IP assets being undertaken by the Caribbean Export Development Agency.

Notwithstanding the efforts by GOJ and its stakeholders, as of January 2018, less than 1% of all registered assets were movable assets, including IP\(^7\). This low level of registration can be attributed to a general lack of awareness of SIPPA and the collateral registry, and more importantly, it indicates that there remains several key gaps in the IP ecosystem in Jamaica.

It has been recognised that a well-developed IP ecosystem to support competitiveness and growth on a national level should focus on the following aspects:

(a) IP Creation - a critical mass of innovative firms or individuals creating IP assets, patents, trademarks, copyrights, and registering Intellectual Property Rights (IPRs). The promotion of research and development in both the public and private sector and universities, with government incentives to do so.

(b) IP Protection and Enforcement - A proper legal regime for the protection and enforcement of IPRs.

(c) IP Human Resources - Technical experts (legal, accounting etc.) in IP protection and enforcement, patent drafting, patent litigation etc., including valuation experts who can value IP assets.

(d) IP Monetisation - Proper IP framework to support monetisation of IP including financial institutions willing to accept IP assets as collateral, a secondary market for IP assets, and a functioning secured transactions system (legislation and collateral registry).

(e) IP Operational structure-an agency (Intellectual Property Office) tasked with IP public education, registration, IP training and IP protection.

It is against this background that JIPO is seeking a Grant from CDB to further strengthen the IP ecosystem in Jamaica, with targeted support to strengthen IP monetisation and collateralisation.

2. OBJECTIVE

The primary objective of this consultancy is to develop valuation guidelines for IP assets in Jamaica and to conduct training activities in valuation in order to help fill a key gap in the IP ecosystem for IP commercialisation and collateralisation.

\(^7\) Under the Voucher for Technical Assistance (VTA), micro, small and medium-sized businesses which operate in the productive sectors may receive vouchers in various denominations to be used to access business support services provided by accredited Business Development Organisations.

3. **SCOPE OF CONSULTANCY**

3.01 The services included in the current assignment are to be conducted in accordance with generally accepted international standards and professional practices acceptable to the CDB and JIPO. The scope of services is understood to cover all activities necessary to accomplish the objectives of the consultancy, whether or not a specific activity is cited in the Terms of Reference. A participatory and consultative approach is to be encouraged in the conduct of the services. The services provided will involve, but not be limited to, the following tasks:

**Development of Valuation Guidelines**

(a) Review existing valuation methodologies, international best practices.

(b) Consult relevant actors in the IP ecosystem to understand the Jamaican context.

(c) Drawing on the information in (a) and (b) develop valuation guidelines for the different types of IP assets and which will be used as part of the valuation training.

**Training**

(d) Develop training materials and conduct two, three-day workshops in valuation for at least 25 IP stakeholders (bankers, accountants etc.).

(e) Design, administer and summarise results of pre- and post training questionnaires to IP stakeholders and valuators in order to gauge learning and training results.

(f) Develop training materials and conduct two, five-day workshops to train a cadre of 10 valuators.

4. **INPUTS**

4.01 JIPO will provide the consultants with all relevant documentation and relevant contact personnel within the selected Ministries and institutions to facilitate the completion of the consultancy.

4.02 The Consultants will be responsible for other logistics including organisation of interviews with relevant stakeholders and duty of care for individuals undertaking the work.

5. **QUALIFICATIONS AND EXPERIENCE**

5.01 The Consultants should possess these qualifications:

(a) At least ten years’ professional experience in valuation of IP assets and at least five years’ experience in designing and delivering IP valuation training to a variety of IP stakeholders.

(b) An advanced degree in Law, Accounting, Economics or other relevant field.

(c) Previous experience with multilateral institutions, international financial institutions or bilateral donors is preferable.
(d) Previous related assignments in the Caribbean would be desirable.

(e) The ability to work independently and manage multiple tasks effectively. Excellent written and oral communication skills are required, including the ability to synthesise key issues, draw lessons and make evaluative assessments to inform management decision-making.

(f) Fluency in English is required along with knowledge of Microsoft Office Suite.

6. **LOCATION AND DURATION**

6.01 The Consultants will require a preliminary visit to JIPO to garner background information that will facilitate subsequent fieldwork to be undertaken. The consultancy is not expected to exceed twelve (12) weeks.

7. **DELIVERABLES AND REPORTING REQUIREMENTS**

7.01 The Consultants will be required to submit/undertake the following:

(a) An Inception Report should be submitted within one week of commencement of the consultancy. The Report should detail the methodology to be used to capture pertinent information and a work plan and schedule for undertaking the consultancy and should be submitted for approval. JIPO will provide comments on the Report and the Consultants shall incorporate those comments in a final Inception Report and submit same to the CDB and JIPO within three days after receipt of comments.

(b) A Draft Report covering activities undertaken in relation to Component II of the Programme, inclusive the Valuation Guidelines, Training Curriculum and Evaluation report for the six capacity building workshops, submitted to CDB and JIPO by the Consultants within two months of commencement of the consultancy.

(c) A Final Report incorporating comments provided on the Draft Report submitted to CDB and JIPO by the Consultants within three days after receipt of comments.