



The Process of Innovation: Case Studies in Developing a Competitive Environment

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Case Study: India Development Center

- MSIDC: Began about 10 years ago in Hyderabad. Currently ~1500 employees engaged in product development across all MS business divisions
- Perspective of the MD for MSIDC
 - Innovation and investment encouraged by some key government policies including:
 - Incentives for Export Oriented Units (EOUs) such as duty exemptions and tax holidays
 - Investments bringing down connectivity costs
 - Innovation could be further spurred by:
 - Extending EOU-like incentives to smaller, India-focused enterprises and startups. Currently a tough environment for entrepreneurs
 - More clarity on IP rights and enforcement
 - Build-out of electricity and connectivity to rural areas



Case Study: IP Ventures

- Microsoft invests over \$7 billion annually in R&D
- The investment in innovation has generated a large IP portfolio
- **IP Ventures Overview**
 - IP Ventures was set up on 2005 in order to commercialize R&D from Microsoft's research labs, applied-research/incubation centers and internal IT departments through the formation of new ventures and equity participation in existing ventures.
- **Goals**
 - Create strong partnerships with entrepreneurs and growing technology companies in US, Europe, China, India and ROW
 - Integrate ventures into Microsoft's partner ecosystem to generate product pull-through wherever possible
- **Benefits from:**
 - Predictable IP regimes for protection and enforcement
 - EOU-like incentives for startups