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IP PROTECTION INITIATIVES FOR MSME INDUSTRIES**Introduction**

The research paper aims to explain the Intellectual Property Rights (IPRs) available to an individual, or a group of individuals, brands, companies, organisations, etc and along with that the relevance of the same with the reference to the Micro, Small, and Medium Enterprises (MSME) prevalent in Indian economy. After going through the research paper, one would be able to understand the significant Intellectual Property Rights (IPRs) and the initiatives undertaken with the objective of awareness of the mentioned rights in the the Micro, Small, and, Medium sized (MSME) Industries.

What are Intellectual Property Rights (IPR)?

Intellectual Property Rights are basically legally conferred rights which are established to provide protection to the inventors or creators, or for appearance of scientific developments, artistic works, etc.

Intellectual Property Rights may be classified into the following -

Patent - A patent aims to protect an invention from being sold, or used by any other person/party without approval from the true inventor. A patent right owner has a right to commercialise his patent with the due course of law including the sale or purchase of the patent, or providing a license to a third party on terms made with consensus ad idem of the parties entering in the said contract. The said right is valid for twenty years from the date of filing.

Trademark - This type of intellectual property right aims to protect a distinctive sign of any brand or company, from being used and exploited by any of the third parties, as it helps to potential as well as existing customers to differentiate between the companies/brands and also enables them to identify the same easily and appropriately. The logo of Kentucky Fried Chicken (KFC) is an ideal example as it is registered as a trademark under the law of intellectual property rights.

Copyright - This type of intellectual property right aims to protect only tangible i.e., ones in physical existence from being used or exploited by any unauthorised person. This gives the copyright owner an exclusive right to possess, sell, reproduce, publish, etc. This does not cover 'ideas' as they are intangible in nature. This may be any piece of art, or any work of music or drama.

Trade secrets - This type of intellectual aims to protect the processes, strategies, formulas, or practices undertaken by a business or a company, which provide them an edge over their competitors.

Database - This type of intellectual aims to protect the integral parts of a database. This basically means the protection of the information itself and not its form of expression. In some or the other way it is similar to copyrights.

Design - This type of intellectual aims to protect the outer appearance, look, or style of an object. Internal design elements or functionality of a product is not covered under this.

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What is the Micro, Small, and, Medium (MSME) Industries?

The criteria for classification of any industry/enterprise as being a micro, small or a medium industry has been amended by virtue of a notification dated June 1, 2020. The Ministry of Micro, Small, and Medium Industries with the virtue of its powers conferred by sub section (1) read along with sub section (9) of the Section 7 of Micro, Small, and Medium Industries Enterprises Development Act, 2006 has hereby provided the following criteria for classification of Micro, Small, and Medium enterprises as follows -

¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/627956/IP-Rights-in-India.pdf

Where investment in plant and machinery does not exceed one crore rupees and turnover does not exceed five crore rupees, the same shall be considered a micro industry/enterprise

Where investment in plant and machinery does not exceed ten crore rupees and turnover does not exceed fifty crore rupees, the same shall be considered a small industry/enterprise

Where investment in plant and machinery does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees, the same shall be considered a medium industry/enterprise

The sector has emerged as a highly vibrant and dynamic in the Indian economy.

Now moving on the most important aspect as well as the ideal behind undertaking this research.

Understanding the IP Protection initiatives for MSME Industries

As it is a well-established fact that conventionally industries heavily relied on physical assets but with time the increasingly relevance of the IPRs, they (IPRs) have becoming a determining factor for the growth and bottom line of the enterprises. They prove to be a massive protection/protective force for the inventors/creators.

There is no doubt in saying that the Micro, Small, and Medium enterprises have played a huge role in the growth of the Indian economy but it is a harsh fact that the awareness of the Intellectual Property Rights has not been up to the mark. The Government of India (GOI) has taken various steps to promote and facilitate the knowledge regarding the same by bringing in amendments to laws, digitalising filling of applications, enhancing the IPR offices and many more.

Recently, the Cell for IPR Promotion and Management (CIPAM) along with the Department of Industrial Policy and Promotion collaborated to grow and promote the IP culture by hosting seminars/workshops on topics undertaking to expose the international filing procedures, impact of counterfeiting and piracy, using an IPR ideally for growth, etc, with the sole objective of increasing the awareness of the Intellectual Property Rights (IPRs) in the Micro, Small, and Medium industries. The GOI on September 16, 2019 announced a reduction in fee for filling of Intellectual Property Rights (IPRs) by the MSME enterprises. A reduction of 60% in the patents and 50% in the designs, respectively. The original fee for trademark applications

already have a reduction of 50%. The intention behind this is to bring up more and more MSME industries to protect their Intellectual Property Rights (IPRs). Along with this, the Ministry also launched a new scheme which provided for financial assistance up to one lakh rupees in filing applications for patents (domestically) and up to five lakh rupees to patents (internationally) to MSME industries. The scheme also provided for financial assistance up to ten thousand rupees for trademark and two lakh rupees for Geographical Indication (GI) registration. Another significant initiative was the formalisation of Bilateral Patent Prosecution Highway Programme which aims to reduce the period/time of disposal tabs pendency of applications, enhancing and maintaining the standards of granting patents, and providing wonderful illustrations to Indian inventors including the MSMEs to move with a quick examination through the process of their patent applications. In order to increase the number of patents in Japan, the Government of India (GOI) has teamed up with the Japanese Patent Office for a pilot run of three years. this would provide an opportunity to get the patents registered at a much faster rate than before in Japan. The Government of India (GOI) also launched a programme initiated by CIPAM-DPIIT in collaboration with Qualcomm and National Law University (NLU), Delhi titled as “L2Pro India” which stands for ‘Learn to Protect, Secure and Maximise Your Innovation’, on Intellectual Property Rights (IPRs) to enable the innovators/creators and the MSMEs to learn more about the Intellectual Property Rights (IPRs) and enhance the knowledge on the benefit of ownership and protection by virtue of the rights and also entail them in the business models for commercial benefits, as an addition. The said programme has been successfully implemented in France, Italy, Germany, and the United Kingdom and has now gradually been brought in the Indian economy for potential growth and awareness of the Intellectual Property Rights (IPRs) available to inventors and the MSMEs. Another significant step is the specialised training which would be provided to government officials and entrepreneurs to make them aware of the Intellectual Property Rights (IPRs) related issues and under this a financial assistance up to six lakh rupees per programme would be provided and for the long term training programme, financial assistance up to forty five lakh rupees per programme would be provided. The IP facilitation scheme of the Ministry of Micro, Small, and Medium Enterprises also provides for setup of an Intellectual Property Facilitation Centre (IPFC) with a financial assistance up to a sum of rupees 65 lakhs per centre. These programmes may be initiated by prominent industries association or experts in the same.

Achievements of the initiatives

The steps and the schemes undertaken have provided significant result to the Micro, Small, and Medium (MSME) enterprises. Over 27 IPFCs have been sanctioned of which 12 have started functioning, as in February 2020 and with time the numbers have increased at a good pace and significant signs of growth have been seen. Over a hundred awareness programmes, including thirty workshops, 12 short term training programmes have been on record, and many more since then.

Conclusion

It can be concluded that the initiatives undertaken by the Ministry of Micro, Small, and medium industries as well as the Government of India (GOI) in collaboration with significant organizations, universities, and countries has provided commendable results with time and the increasing awareness and the growth of the use of the protection by virtue of Intellectual Property Rights (IPRs) has been a determining factor in the beneficial results of the initiatives undertaken by the authorities.

² <https://msme.gov.in/ip-facilitation-centre-msme>

<https://www.grainmart.in/news/intellectual-property-rights-iprs-scheme-for-msmes/>