

A STUDY OF ADVANTAGES OF INTELLECTUAL PROPERTY RIGHTS FOR BUSINESS

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Abstract: Intellectual property refers to creations of the inventions; literary and artistic works; and symbols, names and images used in commerce. Intellectual property rights are like any other property right. They allow creators, or owners, of patents, trademarks or copyrighted works to benefit from their own work or investment in a creation.

This paper also deals with the history of IPR, objectives & types of IPRs. Intellectual property rights (IPR) have been defined as ideas, inventions, and creative expressions based on which there is a public willingness to bestow the status of property. IPR provide certain exclusive rights to the inventors or creators of that property, in order to enable them to reap commercial benefits from their creative efforts or reputation. There are several types of intellectual property protection like patent, copyright, trademark, etc. Patent is a recognition for an invention, which satisfies the criteria of global novelty, non-obviousness, and industrial application. IPR is prerequisite for better identification, planning, commercialization, rendering, and thereby protection of invention or creativity. Each industry should evolve its own IPR policies, management style, strategies, and so on depending on its area of specialty.

Keywords: Intellectual Property Rights; Patents; Indian Patent Office; Copyright; Trade Secrets

INTRODUCTION: Intellectual property (IP) is a category of property that includes intangible creations of the human intellect. There are many types of intellectual property, and some countries recognize more than others. The most well-known types are copyrights, patents, trademarks, and trade secrets.

The main purpose of intellectual property law is to encourage the creation of a wide variety of intellectual goods. To achieve this, the law gives people and businesses property rights to the information and intellectual goods they create, usually for a limited period of time. This gives economic incentive for their creation, because it allows people to profit from the information and intellectual goods they create. These economic incentives are expected to stimulate innovation and contribute to the technological progress of countries, which depends on the extent of protection granted to innovators.

OBJECTIVES OF THE STUDY:

- 1) To Know the Importance of intellectual property Rights.
- 2) To Study the various type of intellectual property Rights.

THE IMPORTANCE OF INTELLECTUAL PROPERTY RIGHTS:

Intellectual property rights entities to have exclusivity over their innovative new or original products, their creative designs and their brands. The exclusivity creates an appropriate incentive for investing in improving their competitiveness. A company builds strong goodwill with consumers, by its trademark.

The brand acts as corroboration of quality and is a source of certain products or services which are extremely valuable. Trademark or brand is considered to be a direct reflection of the owner by clients or customers. Copyrights are an exceptionally valuable asset for creative and software companies, media and film industry as this protection aids the companies in maintaining their business in cut-throat competition. It is a widely known fact that Intellectual Property provides a strong position when it comes to entering into business partnerships.

The asset class of Intellectual Property generates revenue for business entities through licensing, franchising, sale of protected products or services. In case of a merger or acquisition protected IP assets increase the value of business significantly. The importance of Intellectual Property is evident in export markets as well. Protected Intellectual Property assets can be exported abroad or franchising agreements can be sought with foreign companies. It is pivotal to note that the top organization in the world which have been ranked in billions namely, Apple, Microsoft, Blackberry have developed a powerful revenue stream because of their extensive IP assets. Maximum benefits can be reaped through a strong IP portfolio which can be used to increase revenue through licensing stream.

The rapid rate of development, globalization, advancement of technology, increase in commercial activities, development of international business and last but not the least increase in knowledge has made the business entities perceive the importance of Intellectual Property assets and its stipulation in the growth of business.

TYPES OF INTELLECTUAL PROPERTY:

1) PATENT:

Patents are one of the most important types of IPR. It is defined as "A government authority or license conferring a right or title for a set period, especially the sole right to exclude others from making, using, or selling an invention." When individuals or organizations invent or come up with a new way of doing something, they approach the patent office, give them details about the product or process, and get protection for their 'property' for a fee. This is justified because these individuals invest years and extensive resources developing something, and would like to be compensated for their efforts. Patents act as an incentive for inventing new products and processes and form an integral part of a culture of innovation and growth. Patent protection is given only for a limited period, say 10 or 20 years.

2) TRADEMARK:

A trademark is a distinctive sign which helps the consumers in identifying the source of particular goods or services. It can be in the form of text, word, numeral, phrase, symbol, design, signature, smell, shape, color, sound, packaging, texture or combination of any of these elements. The intent behind a unique trademark is that the consumer can associate the specific mark with the manufacturer of goods or service providers in case of services. It helps in ensuring the customers that the goods are of a certain quality and type. It also creates goodwill or reputation for that manufacturer or service provider. e.g. when a consumer looks at a new product with this symbol below, he can easily understand that the particular product belongs to Apple Inc. This is the power a symbol can create and earn goodwill for the trademark owner.



A family name TATA is used for branding by the Tata group of companies. Symbols also gain importance like the golden arches symbol of McDonald's. Now, if a mark is registered in a particular class in the name of one trademark owner, the same mark can be registered for a different set of goods in another person's name. E.g. Nike Inc. is the owner of well-known 'NIKE' mark for shoes, clothing and sporting equipment. Whereas, Nike Corporation has registered the mark 'NIKE' for hydraulic lifting jacks and other heavy machinery. However, a company or an individual may protect his mark in all classes if he chooses to do so.

3) COPYRIGHT:

Copyright refers to the rights granted to creators, authors, artists, and composers for their 'original' creative work or to performers, artists, and broadcasters for the related rights. Like patent laws, copyright is also a monopolistic right. Copyright gives exclusive right to sell, publish and reproduce, any literary, musical, dramatic, artistic or architectural work created by the author. Thus, the kinds of works which are covered by copyrights are innumerable and include books, stories, novels, poems, plays, newspapers, magazines, advertisements, movies, computer programs, databases, musical compositions, songs, choreography, videos, paintings, drawings, photographs, sculpture, architecture, maps and technical drawings.

4) TRADE SECRET:

Trade secrets are an important aspect of IPR law. As the name suggests, it refers to the secrets of a business, which helps it gain an economic advantage over others. In case the trade secret is leaked, the business may suffer numerous losses and irreparable damage to reputation. Trade secrets can be in the form of confidential information, data, formula, composition, process, design, method or compilation or combination of one or more, which should remain with the business alone.

Trade secrets are accorded protection without any registration. Unlike patents, where all the claims and processes enter the public domain as soon as the patent application is filed, it is not possible to follow the same process with trade secrets. A formidable example of the same is the recipe of Coca-Cola. It is a fact that the recipe of Coca-Cola was never patented, as it would cause the recipe to be leaked. The officials of Coca-Cola are so particular about it that it is said that the two employees who know the recipe, only know one half of it each and no one knows the recipe as a single piece of information

5) INDUSTRIAL DESIGNS:

In a legal sense, an industrial design constitutes the ornamental or aesthetic aspect of an article. An industrial design may consist of three dimensional features, such as the shape of an article, or two dimensional features, such as patterns, lines or color. In principle, the owner of a registered industrial design or of a design patent has the right to prevent third parties from making, selling or importing articles bearing or embodying a design which is a copy, or substantially a copy, of the protected design, when such acts are undertaken for commercial purposes.

Industrial designs are applied to a wide variety of products of industry and handicraft items: from packages and containers to furnishing and household goods, from lighting equipment to jewelry, and



from electronic devices to textiles. Industrial designs may also be relevant to graphic symbols, graphical user interfaces (GUI), and logos.

6) GEOGRAPHICAL INDICATIONS:

A geographical indication (GI) is a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin. In order to function as a GI, a sign must identify a product as originating in a given place.

A geographical indication right enables those who have the right to use the indication to prevent its use by a third party whose product does not conform to the applicable standards. For example, in the jurisdictions in which the Darjeeling geographical indication is protected, producers of Darjeeling tea can exclude use of the term "Darjeeling" for tea not grown in their tea gardens or not produced according to the standards set out in the code of practice for the geographical indication.

CONCLUSION:

To conclude our discussions on IPRs, specifically patents, trademarks, copyrights, and trade secrets, we wish to emphasize that these IPRs are financial assets. Not merely registration, but meticulous protection of IPRs will lead to the indispensable road to economic growth.

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