



IPRs For Economic Growth

This article is based on [Expand the study of IPRs](#) which was published in The Hindu BusinessLine on 28/09/2021. It talks about the issues associated with the IPRs regime in India and its impacts on Indian Economy.

Recently, the Department Related Parliamentary Standing Committee on Commerce presented its 161th report, the **Review of the [Intellectual Property Rights \(IPRs\) Regime in India](#)**.

The Committee, in its interactions with different organisations, was informed about the **absence of any study undertaken** by India to analyse the economic impact of IPRs on its GDP, growth of industries, generation of employment, trade and commerce, etc

At many places, the committee notes and compares the Indian system with other foreign jurisdictions. It also outlines the need for India to follow/consider/emulate the policies of the US or the EU.

In this context, the IPR regime study is important in order to understand the impact of the IPR ecosystem on the economy.

Need of IPR Study

- **To Know IPR Contribution to Economy:** It is a fact that most countries undertake studies on how much IPRs contribute to their economies. Also, countries undertake studies on how much is lost when inflexible IPRs affect access to healthcare.
- **Expensive Healthcare Expenses:** IPR studies are especially important in India where healthcare expenses are soaring and the cost of some medications is beyond the reach of common people.
- **Valuable Contribution of IPRs on Economy:** A study of [Organisation for Economic Cooperation and Development \(OECD\)](#), namely, 'Policy Complements to the Strengthening of IPRs in Developing Countries, 2010' states that
 - 1% increase in trademark protection increases [Foreign Direct Investment \(FDI\)](#) by 3.8%;
 - 1% improvement in patent protection increases FDI by 2.8%; and
 - 1% improvement in copyright protection increases FDI by 6.8%.
- **Encouraging Foreign Exchange:** It is of the opinion that strengthening IPRs in India would also spur economic development by encouraging foreign exchange inflow thereby increasing productivity and generation of employment opportunities in the country.

IPR Associated Issues in India

- **Low Number of Patents:** In the year 2019, only 24,936 (~25000) patents were granted in India which is considerably low as compared to 3,54,430 and 4,52,804 patents granted in the U.S. and China respectively.
 - Also, the rate of increase in the number of patents in India has not been very impressive

compared to that seen in U.S. and China.

- **Counterfeiting and Piracy:** IP crimes including counterfeiting and piracy are the rising threats to IPRs which should be regulated and deftly handled by taking appropriate measures.
- **Data Exclusivity:** Foreign investors and MNCs allege that Indian law does not protect against unfair commercial use of test data or other data submitted to the government during the application for market approval of pharmaceutical or agro-chemical products. For this they demand a Data Exclusivity law.
- India continues to remain on the United States Trade Representative's (USTR's) [‘Priority Watch List’](#) for alleged violations of intellectual property rights (IPR).
 - In its latest **Special 301 report** released by the United States Trade Representative (USTR), the US termed **India as “one of the world’s most challenging major economies”** with respect to protection and enforcement of IP.

Way Forward

- **Role of State Government:** The State Governments could play the role of constructive partners in evolving a strong IPR regime by formulating their own strategies and policies within the broad framework of India’s policy on IPR.
 - They should actively participate in evolving policies that focus on **sensitizing people on significance of IPRs**, encouraging **innovation in educational institutions** and establishing **State level Innovation Councils, enforcement of IPR laws** and **curbing IP crimes**.
- **Participation of Civil Society:** It is important to incorporate suggestions from members of civil society, who have become important and invested levers in India. They have relentlessly highlighted the welfare interventions of development.
- **Encouraging NGOs:** NGOs associated with craftsmen, artisans and those working in hilly and tribal areas may be engaged in spreading awareness about IPR to the target group.
 - Also, necessary tool kits for promoting IPR may be provided to facilitate them in training.
- **IPR Facilitation Centers** should be established in **Tier-I, Tier-II and remote regions** of the country with a focus on enhancing the awareness of MSMEs, small businessmen and traders.
- **Promoting Scientific Temperament:** The training programmes and workshops being organized by the Department (especially for MSMEs, small tradesmen, local artisans) should be oriented towards inculcating scientific temperament and knowledge about identification of novelty in their products and protection of such novelties as IPRs;
- **Review of IPR Policy Should be Undertaken:** The re-assessment of the policy is imperative in the wake of new and emerging trends in spheres of innovation and research which requires concrete mechanisms to protect them as IPRs.
- The **relevance and utility of cutting edge technologies** such as Artificial Intelligence (AI) and machine learning would increase manifold in the present world
 - A separate category of rights for AI and AI related inventions and solutions should be created for their protection as IPRs

Conclusion

For a country at the crossroads of development such as India, a keen eye on balancing economic development with welfare issues is important to create a level of sustainability. An efficient and equitable intellectual property system can help all countries to realize intellectual property’s potential as a catalyst for economic development and social & cultural well-being.

Drishti Mains Question

The Intellectual Property Rights (IPR) regime is important in order to understand the impact of the IPR ecosystem on the economy. Discuss.

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