



Relevance of IPR in Small Businesses

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ABSTRACT: Small businesses in India have always been one of the major occupations in rural as well as urban terrain and they are major source of income for the middle class group. As urbanization has increased the demand for the small services like grocery shops, bakeries, vegetable shops, laundry shops, juice centers, sweet shops, small hotels etc. Majorly the urban population is a mix of all the classes of people but a considerable portion is occupied by the middle and low income group, which has resulted in requirement of small services, and retail shops. As of a result of which the small businesses mushroom in the different localities, in different sizes so that they can cater to all the segments of consumers. Small business organizations contribute to the economy significantly by distributing the finished goods to the ultimate consumers, and they also create jobs in smaller units. The large business organizations contribute to economy by creating jobs in a bulk, economies of scale. The large scale organizations have the accessibility to hire legal professionals like legal advisers and naturally they give the suggestions on legal aspects for a smooth conduct of the business. In this context large or medium sized organizations have proximity to legal protection for their inventions, design, copyrights, trademarks etc, and they consciously protect their rights by patents or trademark and so on. In this article we have made an attempt to understand the extent of application of IPR in small and micro businesses.

KEY WORDS: IPR, Patents, copyrights, trademarks, industrial design, small enterprises.

INTRODUCTION

Small businesses in India have always been one of the major occupations in rural as well as urban terrain and they are major source of income for the middle class group. As urbanization has increased the demand for the small services like grocery shops, bakeries, vegetable shops, laundry shops, juice centers, sweet shops, small hotels etc. Majorly the urban population is a mix of all the classes of people but a considerable portion is occupied by the middle and low income group, which has resulted in requirement of small services, and retail shops. As of a result of which the small businesses mushroom in the different localities, in different sizes so that they can cater to all the segments of consumers. Small business organizations contribute to the economy significantly by distributing the finished goods to the ultimate consumers, and they also create jobs in smaller units. On the other hand in the same geographical location the large organizations like IT companies, small scale manufacturing industries, large scale manufacturing industries also contribute in the business population. These large business organizations contribute to economy by creating jobs in a bulk, economies of scale. The large scale organizations have the accessibility to hire legal professionals like legal advisers and naturally they give the suggestions on legal aspects for a smooth conduct of the business. In this context large or medium sized organizations have proximity to legal protection for their inventions, design, copyrights, trademarks etc, and they consciously protect their rights by patents or trademark and so on. The element of Intellectual property rights are not the cup of coffee for every organization especially small scale and micro businesses due to various reasons. The reason might be lack knowledge on the process of registering, being unaware about availability of legal infrastructure, or being ignorant, or lack of awareness. That can be the core reason that the small business enterprises have not availed the provisions under IPR though it is applicable to all the businesses. So In this research article we will be making an effort to understand degree of awareness of IPR in small businesses like small hotels, retail shops, bakeries, vegetable shops, fruit shops, barber shops, beauty parlors etc.

Another dimension of this research article is Intellectual property rights. As we all know that IPR is an advantage given to the inventor recognizing his hard work and his innovative thoughts and rewarding him in the form of a royalty or commission etc. IPR is a legal framework which protects the rights of an inventor from being copied or taking advantage of his methods or ideas, processes etc for a particular period of time, so that it encourages other inventors also to come with new inventions. Inventions are



basic determinants of technology and economy, since inventions are primary elements of the technology and business or economy is the one which helps the inventions to reach the common man by commercializing.

BACKGROUND OF THE STUDY

Entrepreneurship is the crux of any economy; any economy which is in the main stream, always has entrepreneurship as one of the major contributor to the economy. Especially country like India which is a country of agriculture, gradually entrepreneurs are also applying their skills in search of their livelihood. Some identified communities majorly found in Gujarat, Rajasthan and Andhra Pradesh were into entrepreneurship by profession and they also carried it like a legacy. But due to changing phase of education, mass media, changes in social structure, urbanization, and industrialization has resulted in massive changes in society and it has led to growing knowledge about entrepreneurship. Now the entrepreneurship is not only meant for any particular community but it is slowly crossing that glass ceil that entrepreneurship is meant only for certain communities. Entrepreneurship in India and in many other countries has a different dimension and it has a lot of identifiable differences also because of various social dimensions. Entrepreneurship in other countries has its own form in which they perceive and conduct their business. But in India entrepreneurship has always been seen as matter of risk, or a profession which fetches uncertain and irregular revenue and the society has also seen the entrepreneurs indifferently. This is one of the basic or primary differences and trait of Indian society.

SCOPE OF THE STUDY

Though India has massive population of 1.38 billion and though India is the youngest country in the whole world with highest population who come under the age of 25 to 35 but that is probably the cause of having unemployed youth across the country irrespective of region. In fact the nation like which has second most population which was supposed to be strength but it has turned out to be a weakness. But its not too late to revive the nation, it can be achieved through conscious, organized and combined efforts of the people, Government, educational institutes. The tool through which the problem of unemployment can be rooted out is entrepreneurship. Why India has not been an entrepreneurial country is because of lack of education and most of population still relies on agriculture for their living, and it has generally caused poverty, lack of education, innocence amongst people. Even the farmers whose basic occupation was agriculture have developed an aversion for agriculture for their generation, and they have developed a negative attitude for the agriculture.

The gradual shift from agriculture to industries has taken quite a long time but it is growing at a slower rate, no business organization which is established now has started with huge amount, instead they all have started from scratch, in this context we are trying to understand the applicability of Intellectual property rights and its role in small businesses. So the crux of the economy is in entrepreneurship. And generally entrepreneurship begins with a small investment and slowly it graduates in to large business organization, in this context we must understand that small business units are the one who have all the potential to transform themselves in to giants along with that they also can significantly influence the society. It also to be understood that majority of the population who have knowledge about IPR think that its only patent which comes under IPR and because of this lack of complete knowledge they are unaware about the other elements of IPR like copyrights, trademarks, industrial designs and geographical indicators. Probably geographical indicators are the least applied provision of IPR.

It is surprising to know that in the whole world China is the nation who has highest number of rights in IPR and it amounts to 40% of total IPR grants. Even in 2020 the highest number applications have come from china followed by USA, and it is also sad to know that India is not even in the top ten in the list. Is it because of lack inventions? Or lack of knowledge? No it not so. It is all because lack of knowledge on IPR, significance of IPR, lack of knowledge on applicability? That is not the reason, it is all because lack of awareness. Highest lack of awareness is in small business owners and small farmers It is all because they still have an assumption that IPR is meant for only for scientific inventions and you need to have a bigger invention scientifically that you can apply for any IPR, they still have an assumption that it only about patents.

In this article we are making an effort to assess degree of awareness and application of IPR in tiny and small businesses in India so that we can understand the role of IPR in small businesses. This study is limited to small shops like grocery shops, sweet shops, juicy centers, small hotels who are known for their unique tastes, bakeries, gift shops, cosmetics shops, tailoring shops, vegetable vendors, barber shops, tea shops, etc



REVIEW OF LITERATURE

- 1) In an article authored by Dr Nalla bala kalyan titled “A Study on Intellectual Property Rights (IPR) For Micro, Small and Medium Enterprises in India” states that over the past fifty years, the small-scale sector has contributed more to the socioeconomic development of the nation. Because of their contribution to output, export, employment, flexibility, competitiveness, innovation, providing cost-effective solutions, and promoting sustainable development, MSMEs are of enormous strategic importance to the Indian economy. This paper's main goal is to investigate how IP benefits Micro, Small, and Medium Enterprises. IPR is necessary for MSMEs in order to prevent rivals from copying or closely copying a company's products or services; to develop organizational identity; to raise market value of the company; and to reach new markets.
- 2) In another article written by Dr. P. Paramashivaiah and Sowmya D. N titled Role of intellectual property rights for transformation of msmes in post covid-19 era The preservation of intellectual property rights has been crucial for MSMEs to achieve unparalleled success, thanks in large part to globalization and technological advances. IPR promotion encourages research and development and serves as a model for creativity and economic development. Even if there is still a lack of information and facts concerning IPR in India, the community needs more assistance and education to obtain IPR. IPR for an invention is crucial for the growth and protection of MSMEs. MSMEs can generate a variety of options for holistic growth and support for the Atmanirbhar if research and innovation are conducted continuously in all areas.
- 3) In an article written by Pankaj C Patel and Joan A Pearce titled “The survival consequences of intellectual property for retail ventures” state that the importance of patents for technological businesses has been extensively established, it is still unknown if patents, copyrights, or trademarks can help retail businesses increase their chances of survival. An important study topic for both the retailing and entrepreneurship literatures is whether investment in intellectual property might increase the likelihood of survival for retail businesses given their substantially lower survival rate. Retail enterprises had a lesser likelihood of surviving, according to a sample of 585 retail and 2406 non-retail operations from the Kauffman Firm Survey. Patents, trademarks, or copyrights boost a retail venture's chances of survival in comparison to non-retail companies. The results have consequences for how intellectual property resources are allocated in retail businesses.
- 4) In another article written by Suriyan, K. (2021). Titled “Awareness of Intellectual Property Rights and their Importance”. Intellectual property rights (IPR) give the creator or developer the sole right to use their priceless invention or work. Under the contemporary scenario of globalization, IPR is the topic of transnational economic activity and lifestyles worldwide. These rights enhance the creative environment by providing the creator or designer with recognition and financial rewards, but ignorance of IPR and its improper use can inhibit the country's economic, technological, and sociological advancements.

Statement of the problem

Small businesses help the market by distributing the goods and services to ultimate consumer, and these firms are helping the large production houses in selling the goods to end user. The large business houses are aware of the Intellectual property rights and they can afford to protect their unique ideas applied in businesses and that gives them competitive edge in the market. But small and very small businesses are unaware of IPR. There is misconception in the small business owners about IPR that, its only patents, and they are meant for only scientific inventions.

It has to be noted that there awareness about patents, copyrights, trademarks, geographical indicators, trade secrets industrial designs, are also applicable to businesses which we see around us. So because of lack of awareness they are not able to apply them and take advantages of the provisions of IPR. It is a conscious effort to understand the degree of awareness about IPR and to create a awareness of relevance of IPR in Small and very small businesses.

Objectives

1. To assess the awareness of IPR in very small and micro, small businesses.
2. To know the extent of application of IPR in small Businesses
3. To understand the role of IPR in small businesses



Research design

It is a fundamental research where we have collected data through secondary sources. The majority of the data has been fetched through online sources and published research articles. No specific statistical tool has been applied in the research simple analysis is followed to draw the inference.

Data analysis and interpretation

In the retail sector (small businesses), innovation not only flourishes but also sets the trailblazers apart from the competition. For example One such innovator that has been steadfastly pushing the envelope is Amitoje India, a leading producer of point-of-sale (POS) display stands, showroom fixtures, and racks. This innovative company obtained a crucial patent in 2023, setting new standards for the retail display industry. This patent's distinguishing feature, which offers a novel twist on the standard tale, is an inventive technique that grants fold ability to units independent of the material used in construction. The versatility and adaptability of Amitoje India's proprietary folding display mechanisms, which can change to fit any material—wood, metal, plastic, or paper—underscores the company's dedication to these qualities in the POS display sector. Maniraj Singh Juneja, a notable alumni of the Massachusetts Institute of Technology (MIT) and the Indian Institute of Technology (IIT), Delhi, is responsible for the organization's significant advancements in innovation. His unwavering quest of quality has given Amitoje India an innovative culture, which is reflected in the company's proprietary folding display mechanics. Compared to conventional display stands, these mechanisms provide a number of advantages, such as simplicity in installation, increased durability, and ease of movement. The impact of the unique technology from Amitoje India goes beyond simple operational effectiveness. It represents a paradigm shift in favor of economic and environmental retail solutions. The units' flat shipping design significantly lowers the carbon impact, decreases transportation damage, and significantly lowers logistical expenses. In addition to establishing new norms for the industry, these developments have helped the firm attract an extraordinary clientele of over 700 national and international companies. Amitoje India's cutting-edge products have earned the trust of well-known companies like Pidilite, Dabur, Wipro, Himalaya, and Dr. Reddy's as well as major multinational corporations like Coca-Cola, PepsiCo, ITC, Parle, Kellogg's, Mars, Patanjali, Wow Cosmetics, and Bombay Shaving Co.

Regional indigenous products like Dhaka muslin, Solapur chaddar, China silk, Kanchipuram silk saree, Chanderi sari, Mysore silk, Kullu shawls, Venetian glass, Solapur Turkish towel, etc. are cited as examples of regional markers for cutting-edge workmanship. Novels, reference works for poetry, essays, screenplays, books, pamphlets, magazines, newspapers, etc. are examples of literary and scientific works. musical creations, such as songs, instruments, choirs, soloists, orchestras, etc. Imaginative works include drawings, sculptures, furniture, advertisements, etc. photography: images of people, places, events, or fashion, etc.

FINDINGS

- By taking part in public awareness and outreach initiatives in IPRs, IP offices frequently engage in the distribution of information and knowledge on IPRs to existing and future IP stakeholders regarding IP procedures. On December 8, 2021, the National Intellectual Property Awareness Mission (NIPAM) was launched with the goal of educating one million pupils about the various IPs by August 15, 2022. In these programs as well as workshops and seminars for schools, colleges, enforcement agencies, and other stakeholders, IPO officials frequently serve as subject matter experts.
- In addition to conducting basic training programs for the general public, including students, teachers, MSMEs, startups, etc., RGNIPM frequently organizes specialized training programs for IPO officials, IP professionals, IP managers, etc., either independently or in cooperation with law universities and the World Intellectual Property Organization (WIPO).
- Protection of Innovations: IPR offers small businesses protection for their innovative ideas, products, and processes. Patents can prevent others from using, selling, or profiting from their inventions without permission, giving small businesses a competitive advantage.
- Branding and Trademarks: Trademarks help small businesses establish and protect their brand identity. By registering a trademark, a small business can prevent others from using similar names or symbols that may cause confusion among customers.
- Market Exclusivity: Intellectual property protection can provide small businesses with a period of exclusivity in the market. This exclusivity allows them to commercialize their products or services without competition, which can be crucial for their growth and profitability.



- Value Creation and Financing: Intellectual property assets can increase the value of a small business. By securing patents or trademarks, small businesses can attract investors or potential buyers who recognize the value of protected intellectual property.
- Deterrence of Infringement: Having registered intellectual property rights acts as a deterrent against potential infringement. It allows small businesses to take legal action against any party that uses their intellectual property without permission.
- Licensing and Collaboration: Small businesses can leverage their intellectual property by licensing it to other companies, generating additional revenue streams. Intellectual property can also facilitate collaborations and partnerships with larger businesses, leading to opportunities for growth and expansion.
- It's important to note that the specific findings of an article on the relevance of IPR in small businesses may provide more in-depth and nuanced information on the subject. If you have access to the article in question, I recommend reviewing it to gain a comprehensive understanding of the topic.

CONCLUSION

The IPR is undoubtedly is a legal protection provided by the government for the original creator so that he can take the monetary and non-monetary advantage of his creation. In the prevailing study we could find out various aspects of IPR in the business and it is to be noted that only large scale industries who are fully aware of IPR, and its advantages. But the small businesses, retail business firms are not aware of these provisions. As a result of it though it is relevant to all the types of businesses but they are not taking advantage of it. So we can conclude that, there is a strong need to create awareness amongst the small business owners about its provisions and its benefits so that they will also be able to take the advantages of the IPR and it can contribute to the overall development of the nation.

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