

“Influence Of Intellectual Property On Start-Ups With Special Reference To Bengaluru”

Dr. Sowmya D N^{1*}, Dr. P Paramashivaiah²

^{1*}Associate Professor and HoD, Commerce Seshadripuram Academy of Business Studies Kengeri Satellite town- 560060 drsowmyasharath23@gmail.com

²Senior Professor and Dean DOS&R in Commerce Tumkur University Tumkur

Abstract:

In the ever-changing of global market start-ups are the main engines for the progress of the economy and growth. In interest to meet the modest verge in the aspects of technology, and innovation, an ecosystem leads economic growth in a market-driven economy. IPR is incredibly important for the expansion of the economy, particularly in nations like India. It is believed that the industry, especially Indian start-ups, has to comprehend and pay more attention to IPR. Indian government launched the National IP policy-2016 with the intention of giving awareness about IP and making IP and IP processes mandatory. Indian start-ups require more education, guidance, and resources to safeguard their intellectual property. Most nations have developed policies for implementing robust IPR protection to support their businesses and trades. This paper emphasizes that Indian businesses, especially start-ups, are not in recognizing the importance of intellectual property rights and using them as a competitiveness-boosting business strategy. Being a start-up capital of India as well as Asia Bengaluru is not a favourite for the generation/creation of IP. This paper focus on challenges and opportunities faced by Bengaluru with special locus to start-ups and IP by considering and analyzing the primary and secondary data with statistical tools.

Keywords: Bengaluru, Challenges, Intellectual Property rights, Opportunities, Policies, Start-ups.

Introduction:

Intellectual property rights (IPR) has become important phase in the changing trade environment which is characterized by global competition, high innovation risks, short product cycle, need for rapid changes in technology, high investments in research and development (R&D), production and marketing and need for highly skilled human resources. Irrespective of what product an enterprise makes or what service it provides, likely being used regularly and creating a great deal of intellectual property.

Due to changing global scenario, the concerns towards IPR have received prominent place with respect to Start-ups. IPR protection plays a key role in gaining competitive advantage in terms of technological gains for achieving higher economic growth in a market driven economy. It is felt that IPR requires greater understanding and attention by the industry, particularly the Start-ups in India. The Indian Start-ups needs more information, orientation and facilities for protecting their intellectual powers and Increase their IPR status. While majority of the countries have adopted strategies for implementing strong IPR protection for strengthening their industries and trades. Indian industries, particularly the Start-ups are lagging behind in recognizing the importance of IPR and adopting IPR as a business strategy for enhancing competitiveness.

Review of Literature

- **Satish and Rajmohan (2020)**, here authors observed about, there's an urgent requirement for reengineering practices that can bring positive change in START-UPS. The author predicted that by employing sample t-test and statistical techniques, START-UP entrepreneurship may increase by about 11%, and as a result, employment is likely to increase by about 10% by the year 2020. People have more entrepreneurial views as a result of the industrialization's rapid rise. In the current environment, new company owners are encouraged particularly by START-UPS sectors or Start-up programs.
- **Damodaran, Anitha Botta, and Jyothi Ganiger (2018)** Bengaluru is the only city that received a rating beneath 20, according to authors, according to the ranking of the global start-up ecosystem for 2017. It is evident from the analysis of both primary and secondary data that the government of Karnataka's strategy on SMEs, startups, and IPR is intended to promote sustainable growth. Bengaluru is the contender to attain significant IP position inside the nation because to its strong entrepreneurial ecosystem, efficient research and development, and industry and academia/institution interaction.
- **Akriti Jain and Rinki Singh (2019)** The Indian government's National Innovation System (NIS) has made steps to support the business climate and broadly inclusive IPR protection and creation, notably by startups and SMEs. A 2019

research by Garima Sodhi, Akriti Jain, and Rinki Singh (CIRC) found that only a small percentage of SMEs and start-ups are aware of IPR. Even said, the IT sector, which encompasses Fintech, IoT, etc., still has the bulk of start-ups in India. The majority of SMEs and startups face several issues and challenges when it comes to maintaining and registering intellectual property, according to the study's findings.

- **Anasua Mukherjee Das, (2016)** The IPR policy also takes into account the interests of developing nations, as stated in its text, which notes "the importance of the Indian pharmaceutical sector in providing access to inexpensive medicines internationally and its transition to being the pharmacy of the world... India has also signed the recently approved Sustainable Development Goals of the United Nations (SDGs). SDG 3 (Good Health and Well-Being) includes convenient and fair access to medications and vaccinations as one of its goals. "3.B Support the research and development of vaccines and medicines for the communicable and non-communicable illnesses that principally afflict poor countries," the target reads. In order to improve the institutional IP portfolios of various creative and innovative businesses and bring them up to par with international norms, the strategy also stresses operational tactics for bolstering IP incubation and facilitation centers. Similar operational goals also exist for the Atal Innovation Mission. Thus, for the first foundation of a comprehensive and favorable innovation ecosystem within the nation, IP awareness and capacity development within the industries, START-UPS (micro, small and medium enterprises), start-ups, R&D institutions, science and technology institutions, universities, and colleges are given priority. India's economic development and technical advancement will have a significant influence on other facets of human development, such as reducing poverty and hunger, while also fostering strong IP-led cultures across the nation.
- **Damodaran, et. al (2018)** The research issue was empirically studied by the writers in this instance. The following goals, according to authors, should be realized by the IPR framework: 1. Effective and efficient patent, trademark, design, and copyright filing and licensing to provide start-ups a boost. 2. The commercialization of the aforementioned IPRs to promote them.

Research Methodology

Research Questions:

- What is the level of awareness about IPR among Start-ups?
- What is the effect of IPR on Start-ups performance?
- Is IPR Boon or Bane to Bengaluru?

Statement of the Problem

Intellectual property rights (IPR) are a basic requirement for becoming a neighbourhood of local as well as global competitive trade, as building a creative atmosphere is almost impossible without IPR understanding and application. It is critical for policymakers to include intellectual property rights (IPR) into the fundamental educational system and to encourage IPR registration by rewarding inventors and producers.

Objectives of the Study

1. To study the awareness and the attitude on IPR in Start-ups.
2. To evaluate the performance of Start-ups through IPR.
3. To analyze the IPR position in Bangalore.

HYPOTHESES:

Hypothesis I: Awareness and attitude toward IPR in Start-ups may vary the outcome.

DATA COLLECTION

This research is based on both primary and secondary data; however, 260 respondents' as primary data collection was prioritized since it is an important aspect in identifying problems and conducting future studies related to IPR awareness.

Testing of Hypothesis

The current study has been undertaken to study the various dimensions of IPR and its impact. The perception of the respondents on awareness and attitude toward IPR are assessed by using various demographic variables.

Hypothesis 1

H0: There is no significant relationship between awareness and attitude towards IPR in Start-ups.

H1: There is a significant relationship between awareness and attitude towards IPR in Start-ups.

To find the relation between Awareness and Attitude towards IPR Karl Pearson's Coefficient of correlation is applied as both the variables are metric.

Table 5.41: Correlation between Attitude and Awareness towards IPR.

		Awareness	Attitude
Awareness	Pearson Correlation	1	.989**
	Sig. (2-tailed)		.000
	N	260	260
Attitude	Pearson Correlation	.989**	1
	Sig. (2-tailed)	.000	
	N	260	260

** . Correlation is significant at the 0.01 level (2-tailed).

From the Correlation Table, it is observed that there exists a significant Strong Positive correlation between Awareness and Attitude towards IPR as the coefficient of the correlation value is 0.989. The correlation is significant at a 1per cent level of significance.

Inference: From the analysis, it is found that there is a Strong Positive correlation between awareness and Attitude towards IPR which infers that as awareness of IPR Increases attitude towards Positive Outcomes of IPR also Increases. Hence null hypothesis is rejected and alternative hypothesis is accepted

Hypothesis 2:

In the present study, four indicators measure the impact of IPR on the Performance of start-up, and the hypothesis of the Performance of start-up about four indicators of the Impact of IPR on the Performance of start-up is carried out by using a single-sample t-test.

H0: There is no impact of IPR on the Performance of start-up.

H1: There is an Impact of IPR on the Performance of start-up.

The opinion on the Impact of IPR on the Performance of start-up is tested by applying a single-sample t-test. Table 2 indicates the information about the results of descriptive statistics, whereas Table 3 presents the results of the independent sample t-test.

Table 2. Group Statistics on Components of Impact of IPR on start-up

Indicators	N	Mean	Std. Deviation	Std. Error Mean
Tap the doors of online Platforms	260	4.2154	.89170	.05530
Creates global market in future	260	4.1731	.81778	.05072
Increase in exports	260	4.3423	.79704	.04943
Protection as a key gate way	260	4.3423	.81618	.05062

The average value of four indicators that measures the performance of start-up is 4.21, 4.17, 4.34, and 4.34. The figure represents the mean value of all these four measures of Performance of start-up. This mean value is compared with the numerical value of 3, to test the Opinion of respondents on indicators that measure the impact of IPR on the performance of start-up.

Table 3: One-Sample t-Test

	Test Value = 3			
	T	df	Sig. (2-tailed)	Mean Difference
Tap the doors of online Platforms	21.978	259	.000	1.21538
Creates global market in future	23.130	259	.000	1.17308
Increase in exports	27.156	259	.000	1.34231
Protection as a key gateway	26.519	259	.000	1.34231

As compared to the test value of 3, the mean value of all four indicators that measure the Performance of start-up significantly differs and is higher than 3. The t values with 259 degrees of freedom for Tap the doors of online Platforms, Creation of global market, Increase in exports, and Protection as a key gateway are 21.978, 23.13, 27.156, and 26.519 and these t-values are statistically significant since the p-value are 0.000. Therefore, it can be concluded that null hypothesis is rejected and alternative hypothesis is accepted.

Findings:

- From the above analysis, it shows that the reward system or process to employees for their new ideas, creativity, and innovation is considered in the firm which is the major motivating factor for employees. Because 90per cent of the respondents agree that the employees are rewarded for new ideas. This is a motivating factor for all employees to work for the betterment of the industry.
- The above research analysis shows that respondents accepted that the competition in the market will influence the entrepreneur/business to promote innovative practices in the firm which leads to enhanced firm intellectual capabilities. Because 85.8per cent of the respondents agree that competition drives them to adopt innovative practices.
- The Majority of the respondents accept that businesses and customers understand to the know the importance of IPR. 84.6per cent of the respondents agree that coining the IP as the main strategy by start-ups can get better Profit.
- The above study mention that, IPR integration with Start-ups will create a window for the growth of the Indian economy through an increase in exports because 87.3per cent of the respondents accept that in this global era Start-ups should have such strategies to sustain the market.
- Most of the respondents agree that Bengaluru has ample opportunity and has the potential to become an IP hub and enhancement of supply chain.
- There is a Strong Positive correlation between awareness and Attitude towards IPR which infers that as awareness of IPR Increases attitude towards Positive Outcomes of IPR also Increases.

Suggestions:

- The strong quality concern product enjoys a substantial amount of recognition in the view of its potential customer; therefore, it is very much essential to emerging with commercial value through effective IPR strategies.
- By adopting and adapting the IPR i.e., Trademarks, copyrights, patents, taking the advantage of GI tag (Geographical Indication tag), etc., Start-ups can build the brand for its products and services which may lead to market enhancement and sustainability. Integration of the IPR will be able to increase exports and contribute to the Indian economy.
- Due to a lack of understanding, awareness about IPR and other factors as well, Start-ups exporters can encounter challenges protecting their trademarks in other nations. The registration of the trademarks in the exporting nations would be the initial step in this direction.
- It is suggested to the respective authority that proper awareness and effective training should be given to all MSMEs regarding IP management. Because many Start-ups are having a question about what is next after gaining IP status.
- It is proposed that higher education institutions should have an incubation center and need to have an IP Management system with affiliation to Start-ups. And also educational institutions should have continuous interaction with MSMEs to avoid the industry-academia gap.
- To Uplift the Start-ups especially in Bangalore respective authorities should take a keen interest on Start-ups to make start-ups pandemic proof in the future. Because Bangalore (Peenya Industrial area) is declared as Asias' largest MSMEs Industrial area and contributing to the growth of GDP in Karnataka

Conclusion

IP is urgently needed to adapt and adopt an ecosystem to promote economic sustainability and holistic growth. Why do we need to rely on products from other nations when India is endowed with so many traditional and cultural goods? The potential of it can be realised with the right marketing, making India and its communities self-reliant.

References:

1. Anasua Mukherjee Das Current Science, 2016, India releases National Intellectual Property Rights Policy Vol. 111.
2. Garima Sodhi, Akriti Jain & Rinki Singh (CIRC),2019, Technology Start-ups and IP Protection in India, CUTS Institute for Regulation and Competition, Pp-1-36
3. Damodaran A, Anitha Botta, and Jyothi Ganiger ,2018, Integrated Intellectual Property Rights (IPR): Framework for the State of Andhra Pradesh, IIMB-WP N0. 569.
4. Sathish A, Rajamohan S,2019 A Impact of Re-Engineering on Entrepreneurship and Employment in Indian MSMEs, International Journal of Advanced Science and Technology, ISSN-20054238, 22076360, Vol. 29, No. 1, pp. 1196 – 1205.
5. http://www.laghu-udyog.com/ssiindia/MSME_OVERVIEW.pdf
6. www.ipindia.nic.in - Intellectual Property Office, India
7. www.patentoffice.nic.in – Patent office, India <http://copyright.gov.in/> --Copyright Office, India
8. <http://ipr.icegate.gov.in> – Automated Recordation & Targeting for IPR Protection