



The Role of Intellectual Property Rights in Economic Development

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Abstract

The property that is developed by the human mind and by human intellect is called Intellectual Property. In present times rights attached to intellectual property are becoming very important and valuable. In India, the Government have been providing well-established administrative services and Judicial frameworks.

Intellectual property rights played an important role in the overall growth of a country. Intellectual property laws are different in all countries. In many developed countries, successful planning and strict enforcement of intellectual property rights have a huge contribution in their economic growth. IPR promotes innovation which leads to economic growth. Creation of innovation is the primary activity of each and every business in the world nowadays. The countries are now promoting their businesses through providing the importance to IPR laws.

Intellectual Property rights have a great impact on the financial growth of a nation. The growth in economic development can be positive and negative through the impact of IPR. It is very important to protect the interest and rights of people to evolve in innovation and creation which is directly linked to the development and growth of the country.

The most developing economies like India must focus on raising productivity in the market. India has always been known for its outstanding services to the rest of the world. Innovation requires a great amount of investment but has an important role in investment. We have examples of developed countries like USA, Japan and China in which the rate of development increased by 5 times after the implementation of Intellectual property laws.

Some drawbacks are also associated with IPR as sometimes it restricts the use of right of technology in the best suitable way. The person or organization who is holding rights sometimes misuses their rights. On the ground of monopoly, they can charge higher prices of their rights.

This article will signify the role of Intellectual Property rights in the economic growth of a country. This paper will also study the pros and cons of relationship between IPR and the economy.

Keywords: Intellectual property rights, IPR laws, economic growth, financial growth.

Introduction

The property that is developed by the human mind and by human intellect is called Intellectual Property. In present times rights attached to intellectual property are becoming very important and valuable. In India, the Government have been providing well-established administrative services and Judicial frameworks.

Intellectual property rights played an important role in the overall growth of a country. Intellectual property laws are different in all countries. In many developed countries, successful planning and strict enforcement of intellectual property rights have a huge contribution in their economic growth. IPR promotes innovation which leads to economic growth. Creation of innovation is the primary activity of each and every business in the world nowadays. The countries are now promoting their businesses through providing the importance to IPR laws. IPR confer a limited right on the creator/producer or his administrator who uses his creation item for a limited time frame. For a country's development Intellectual Property Rights are critical.

Intellectual Property Rights

Any creation of any person or group of persons which is useful for the society and also economically important for the creator called intellectual property and the rights given to any creator to protect this property are called Intellectual property rights. These rights are provided by legal process within any country with a certain time period and conditions. There are various types of intellectual property rights:

Copyrights: copyright rights are given to creating works in the field of literature, art and education by a creator as a book, movie and musical picture etc. In India this right lasts for entire life span of the creator and up to 60 years after his death. During this period his work cannot be used without the permission of the creator. After this period these rights become public. Copyright solely protects the expression of an intellectual creation, whereas the ideas or methods advanced in the title can be freely copied. It is applicable to literary, artistic and scientific works.

Trademark: The name of a service organization for product and the art associated with the name like logo or any slogan etc. is called trademark and trade mark are protected by rights so that they can be used by the same organization and a distinctive identity of that institution remains. Example: any product of a company, name etc. are protected under trademark. They may not be used by any other person or organization.

Trade Secret: When in the process of production of a product, some specific properties are produced in that product by mixing a substance and that quality increases the importance of production, then this particular substance and process of production called a trade secret.

Industrial design; This right protects the design of a product which includes the size, color and composition of the product. For example, apple's smart phone iphone's home button is protected by this right. Therefore, no other smart phone company can use this design.

Patent: A patent is a right granted on an industrially significant invention. It is given in any country with fixed time limit and conditions. No other person may use the invention for the duration of the patent without the permission of the creator. The term of the patent in India is gradually 20 years. After this the invention becomes public. To qualify for patent protection, inventions must be new, non-obvious, and commercial. The patent system is one of the oldest forms of Intellectual Property Right's protection

Geographical Indication: Any natural or manmade product which importance is due to a particular geographical place or some traditional process, this product is called a geographical indication. Such products are protected by providing geographical indication tag. Due to this tag, the economic importance of a product increases. In India, this system is governed by the Indian geographical indications and commodities act 1999. In India, this tag has been given to the Darjeeling tea, black rice from Manipur, chooli oil from Himachal Pradesh and black cumin, Kashmiri saffron etc.

Scope and Need of Intellectual Property Rights

Intellectual property rights played an important role in the overall growth of a country. Intellectual property laws are different in all countries. In many developed countries, successful planning and strict enforcement of intellectual property rights have a huge contribution in their economic growth. IPR promotes innovation which leads to economic growth. Creation of innovation is the primary activity of each and every business in the world nowadays. The countries are now promoting their businesses through providing the importance to IPR laws.

Intellectual Property rights have a great impact on the financial growth of a nation. The growth in economic development can be positive and negative through the impact of IPR. It is very important to protect the interest and rights of people to evolve in innovation and creation which is directly linked to the development and growth of the country.

The most developing economies like India must focus on raising productivity in the market. India has always been known for its outstanding services to the rest of the world. Innovation requires a great amount of investment but have an important role in investment. We have examples of developed countries like USA, Japan and China in which the rate of development increased by 5 times after the implementation of Intellectual property laws.

Role of Intellectual Property Rights in Economic Development

IPR influence the procedures of monetary improvement and its development is mind- blowing and obsessed with various factors. The aim of IPR is to encourage right holders to place their innovations and ideas on the market so as to foster the widespread circulation of latest technology for the event of the economy.

There are various stages of development like GDP growth and human capital development, imitative activities and technological development, etc. on which the effectiveness of IPR on economic process in numerous countries depends. In general, mostly the innovations are produced in high income countries thanks to different R&D activities and protection of IPR further encourages for innovations by allowing the innovations to earn handsome returns from their inventions. All told middle-income countries, material possession rights positively affect the economic process but this effect is a smaller amount than that of high-income countries, which can follow from to the actual fact that the extent of protection of IPR in these countries is incredibly poor.

Moreover, among the middle-income countries, each entity is different in terms of its economic structure with divergent IPR. Therefore, these middle-income countries may be two categories, i.e., upper middle-income countries and lower middle-income countries. In upper middle-income countries, IPR are alleged to have positive impact on economic process. On the opposite hand, in lower middle-income countries, IPRs have only moderate effect on economic growth due to poor protection of property rights. In low-income countries, this effect further weakens.

Relation between IPRs and Economy

Now, this is often economical to use new creation and idea because it directly affects the fabric cost of the merchandise. So, it's important to stay updating the technology and therefore the innovation. If there'll be an honest IPR statute to shield the interest of the people then it'll discourage others to use the identical. Not only a decent law but enforcement of that law is vital too. There's no good in having a strict law if it can't enforced properly. The loopholes and weak laws are often misused and can be exploited which is able to result in less innovation. Now IPR provides exclusive rights to the owner or creator of the property. The owner can decide the fair value may sell them to anyone. A healthy return to developers will encourage him to create new innovations and likewise, we are able to promote innovation. But this right also can be exploited by the owner, the person or company can charge far more than the monetary value. This prerogative can create a monopoly within the market.

Positive Impact of property Rights in Economy

A country like India which is one in all the foremost developing economies within the world must specialize in raising productivity within the market. India is thought for outstanding services to the remainder of the globe. Innovation always need investments, that's required a good amount of investment, which are expensive but this investment have a very important role. We've got samples of developed countries like USA, Japan and China within which the speed of development increased by 5 times after the implementation of belongings laws. There are some theories that include that IPR has an adverse effect on the economy. As an example, in China within the 1980s, Chinese innovative enterprises were negatively suffering from trademark infringement. The local companies started exploiting the well established company by making counterfeited products and by launching them within the market. Copyright violations have the same impact. In countries where copyright laws are weak pirate firms start exploiting the law and therefore the market. Though copies of low-quality or pirated would be available within the market. The technological development will directly affect the economy. Property laws provide incentives for the producers and consumers to take a position within the market. This quality is vital for safeguarding the interests of the purchasers. The fake products of beverages, food products, cosmetics and medicines are often hazardous to customers. After the introduction of Trade-Related property rights (TRIPS) the market started changing. The IPRs began to provide space for operation and opportunities to the businesses for innovations. Private sector has also started investing in research and development. After the implementation of TRIPS, the amount of patents filled in India has increased.

Drawback of IPR on Economic Development

Sometimes the downside of IPR is it restricts the technology to be utilize within the simplest way. The one that hold IPRs sometimes misuses their rights. They will charge still as they require because under IPR protection the innovation can not be utilized by the competitors. The foremost important factor for the event of an economy is competition. The spirit of competition keeps check balance on price and similarly as on the standard of the merchandise. IPRs laws create a monopoly within the market. IPRs law like copyright, trademark and patents are creating barriers for the competitor to use the innovation. Competition makes sure that producers must consider the benefit and satisfaction of the client, because if the client isn't satisfying then he or she's going to shift to other competitors within the market. The producers can charge any price and it can directly affect the patron and thus the market. This can be often the law of demand that if the value is high then the demand are low. But this law doesn't apply when there is a monopoly within the market.

The consumer will get no other options and should buy the merchandise at the value determined by the producer. Thanks to competition, the producer cannot charge rather than the monetary value.

Conclusion

In the system of material possession rights various inquiries emerge about the effect on possibilities of monetary development. There are two significant reasons to enhance the advancement process. First one is to start out with, numerous factors influence the event of manners that may command the effect of TRIPS and Second, the monetary hypothesis brings up that licensed innovation rights could have plenty of consequences for development both in some positive and a few negative manner. Protected invention is a vital for each business, particularly those contributed huge totals of money towards innovative work so on make one among a form of items and administrations. Some drawbacks are related to IPR as sometimes it restricted the employment of right of technology within the best suitable way. The person or organization who is holding rights sometimes misuses their rights. On the bottom of monopoly, they will charge higher process their rights. An evaluation of the significance of material possession rights in economic activity in developing countries is constrained by the indirect way within which these rights influence economic behavior and since data on intellectual-property-related transactions is scattered and infrequently difficult to interpret.

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