

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 518
TO BE ANSWERED ON: 06.02.2019

PUBLIC PROCUREMENT POLICY

518. SHRI K. ASHOK KUMAR:

Will the Minister of Electronics & Information Technology be pleased to state:-

- (a) whether it is true that the Government has mandated giving preference in all public procurement policies to locally produced cyber security products where intellectual property rights are owned by companies or start-ups incorporated in India;
- (b) if so, the details thereof;
- (c) whether it is also true that though intellectual property registration is not mandatory in India, a firm claiming benefit should have the right to use and commercialise the product without third party consents, distribute and modify it; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI S.S. AHLUWALIA)

(a) and (b): Yes, Sir. Government has issued a notification on 2.7.2018 entitled “Public Procurement (Make in India) Order 2018 for Cyber Security Products”. The notification defines local supplier as :

“A company incorporated and registered in India as governed by the applicable Act (Companies Act, LLP Act, Partnership Act etc.) or startup that meet the definition as prescribed by Department of Industrial Promotion and Policy (DIPP), Ministry of Commerce and Industry Government of India under the notification G.S.R. 364 (E) dated 11th April 2018 and recognized under Startup India initiative of DIPP.

and

Revenue from the product(s) in the India and revenue from Intellectual Property (IP) licensing should accrue to the aforesaid company/Startup in India. The entity claiming benefits under the Public Procurement Order 2017 in addition to being an Indian registered/ incorporated entity, and supplying products should satisfy the conditions of IP ownership.”

(c) and (d): Yes, Sir, intellectual property registration is not a compulsory criteria as it is not necessary to register to exercise copyright in India. In this case, IP ownership rights would need to be substantiated by adequate proof, such as:

(i) adequate documentation evidencing ownership (evidenced by supporting proof such as documentation related to development but not limited to IP assignments, shrink wraps, license agreements, click wraps); or

(ii) IP registrations.
