1. Define the term Debenture Capital.

A: Debentures are an important instrument for raising long term debt capital. It is a type of debt instrument that is not secured by physical assets or collateral. A company can raise funds through issue of debentures, which bear a fixed rate of interest. The debenture issued by a company is an acknowledgment that the company has borrowed a certain amount of money, which it promises to repay at a future date. Debenture holders are, therefore, termed as creditors of the company. Since debentures have no collateral backing, debentures must rely on the creditworthiness and reputation of the issuer for support.

2. Summarize the Start-ups sectors in India.

A: An entrepreneur has to question the critical questions like whether the product or service solve  existing problems of target consumers and always strive to solve people’s problems and fulfill  their most desirable needs with innovative solutions.

1. Financial Technology (FinTech)

The banking sector is probably the most untapped market in India. The reason is that still, a  majority of the Indian population is without a bank account. This is where Fintech startups can  make a difference. In the last few years, many noteworthy Fintech companies have come up and  brought a much-needed disruption and innovation to this conservative sector.

One of the most noticeable changes in the Fintech sector happened in recent years is the  Government’s enthusiasm to make India a cashless economy. As a result, a plethora of cashless  payment technologies such as internet banking, mobile-driven POS, and digital wallets, have  been launched and successfully restructured the financial sector.

When it comes to funding, Fintech has been the most preferred investment choice for venture  capitalists and individual investors for quite some time now. With the entry of global players like  Google, Amazon, Uber, and PayPal, India’s Fintech sector is all set to experience a massive  revolution, especially when it comes to digital payments.

2. Healthcare Technology (HealthTech)

Access to quality healthcare is still a challenge in most parts of India. No doubt, technology  advancements have grown by leaps and bounds in the last decade, a majority of the hospitals,  doctors, and pharmacies still prefer urban areas to set up their operations.

Healthtech startups are a promising business idea in this scenario. In the last few years, many  health tech companies have tried to bridge this gap by making healthcare services accessible to  all parts of the country. And they have succeeded to a large extent.

Today’s health tech entrepreneurs are thinking beyond traditional healthcare services like  diagnostics, medicine delivery, and enterprise etc. New health tech startups are more focused on  solving prevailing healthcare issues and addressing the root cause of health issues with the help  of technology. The solutions may lie in the form of timely diagnosis, reducing mental stress,  recognizing and preventing genetic disorders, and improving consumer lifestyle to name a few.

With the help of cutting-edge technologies, health tech startups ensure the easy accessibility to  up to date medical records, history of genetic disorders, and lifestyle choices for effective and  timely treatment. Some of the startups in this space are Care24, Practo, Healthkart, 1mg,  DoctorInsta, Liberate, Potea, Pharmeasy, and Zoctr, among others.

3. Logistics

Foreign investors are the driving force behind India’s logistics startups. To make them stand out,  new startups in this sector are increasingly focusing on implementing new and innovative  technologies to create better and more effective solutions that can fix the existing flaws in the  supply chain.

For instance, data collection and real-time tracking can be made more efficient with the help of  the Internet of Things (IoT). Additionally, machine learning and artificial intelligence can be  used for route optimization.

4. Enterprise Technology

Enterprise tech has been transforming businesses in India and making them more efficient,  productive, and profitable by introducing them to ERP management and SaaS technologies.  Numerous small and medium enterprises have successfully leveraged SaaS and other advanced  techniques to optimize their processes.

Some of the leading startups in this space are Freshworks and ZOHO. Inventory management  and accounting startups have also made some significant advancements in the last couple of  years.

5. Consumers Services

Food and grocery delivery services have been among the hottest startup sectors in India for  almost five years now. Food delivery unicorn Zomato has generated a revenue of whopping $206  million for the FY 2018-19. On the other hand, global players like Flipkart, PayTm, and Amazon  have already entered into the food retail and grocery delivery market.

Some of the leading Indian startups in the food delivery space are Zomato, Ubereats (now  acquired by Zomato), and Swiggy while the biggest names in grocery delivery are Big Basket,  Amazon, and Grofers, to name a few.

3. Define the break-even point in a project.

A: **Break**-even point analysis is a measurement system that calculates the margin of safety by comparing the amount of revenues or units that must be sold to cover fixed and variable costs associated with making the sales. In other words, it’s a way to calculate when a project will be profitable by equating its total revenues with its total expenses.

* Break-even Point in units = fixed costs/ (unit selling price- unit variable cost)  Fixed cost

= --------------- X Expected prodn. in nos. Nos.

 Contribution

BEP (% of installed capacity) = (Fixed cost / contribution) x Expected

Capacity utilization in the year.

 Fixed cost

BEP (in Rs.) = --------------- X Expected sales realization in the year

 Contribution

Contribution = sales realization – variable cost

4. Describe in brief the scope of Intellectual Property

A: The scope of IP rights is broad; two classification modes are used to determine whether IP is  copyright or Industrial Property. Industrial properties include patents or inventions, trademarks,  trade names, biodiversity, plant breeding rights and other commercial interests. A patent gives its  holder the exclusive right to use the Intellectual Property for the purposes of making money from  the invention.

An invention is itself a new creation, process, machine or manufacture. Having copyright does  not give you the exclusive right to an idea, but it protects the expression of ideas that are  different from a patent. Copyright covers many fields, from art and literature to scientific works  and software.

Even music and audio-visual works are covered by copyright laws. The duration of copyright  protection exists 60 years after the death of the creator. In other words, an author’s book is  copyrighted for his entire life and then 60 years after his death. Unlike patent laws, there is no  requirement of the administrative process in copyright laws.

5. Recall Intellectual Property Rights.

A: Intellectual property rights are a common type of legal IP protection for those who create. These  rights, however, have actually contributed enormously to the world, in particular economically.

Many companies in a variety of industries rely on the enforcement of their patents, trademarks,  and copyrights, while consumers can also be assured of quality when they purchasing IP-backed  products.

The purpose of intellectual property rights is to encourage new creations, including technology,  artwork, and inventions, that might increase economic growth. Intellectual property rights  increase the incentives for individuals to continue to produce things that further create job  opportunities and new technologies, while enabling world to improve and evolve even faster.

According to The U.S. Chamber of Commerce’s Global Innovation Policy Center:

• Intellectual Property Creates and Supports High-Paying Jobs

IP-intensive industries employ over 45 million Americans and hundreds of millions of other  people worldwide. The average worker in an IP-industry also earns about 46% more than his or  her counterpart in a non-IP industry.

• Intellectual Property Drives Economic Growth and Competitiveness

America’s IP is worth approximately US$6.6 trillion, which is more than the nominal GDP of  any other country in the world. IP-intensive industries account for over 1/3– or 38.2%– of total  U.S. GDP. 52% of all U.S. merchandise exports are related to IP, and this amounts to nearly  US$842 billion.

6. Define the Star-Up policy.

A: The Startup India Scheme is an initiative of the Government of India in 2016. The primary  objective of Startup India is the promotion of startups, generation of employment, and wealth  creation. The second edition of the exercise was launched in 2019 and has now been completed  with active participation of 22 states and 3 Union Territories.

7. Explain in detail the elements of Project Formulation.

A:  Project formulation divides the process of project development into seven distinct and sequential  stages. The stages are

1. Feasibility analysis

2. Techno-economic analysis

3. Project design and network analysis

4. Input analysis

5. Financial analysis

6. Social cost-benefit analysis and

7. Project appraisal

1. Feasibility analysis: -

The purpose of analysis is to examine the desirability of investing in pre-investment studies. For this  purpose, examine the project idea in the light of internal and external constraints. Internal constraints  are the limitations of the project sponsoring and project implementation body. External constraints are  due to the characteristics of the environments.

 When a project idea is taken up for development, three situations arise, appear to be a) feasible  b) not feasible c) available data may not be adequate for arriving at a reasonable decision which requires  additional investment and time.

2. Techno-economic analysis: -

It is concerned with the identification of the project demand potential and the selection of the optional  technology which can be used to achieve the project objectives. Project demand is a critical determinant  of the optional size of the project. Project size in its own turn determines the technology which will be  appropriate to a particular project situation.

 Technology includes methodology or the process where technical operations are not involved.  Market analysis has to be followed by a detailed search for alternative technologies which can be used  to achieve the project objectives.

 Techno-economic analysis gives to the project individuality and sets the stage for detailed design  development.

3. Project design and Network Analysis: –

Project design defines the individual activities and their inter–relationship with each other. This is most

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Start-up Entrepreneurship (OE 701 ME) VII sem.

inter–relationship with each other. This is most conveniently expressed in the form of a network diagram. This is concerned with the development of the detailed work plan of the project and its time profile.

4. Input Analysis:

It concerns with what the project will consume both during the construction phase as also the  normalization phase.

The objective is to identify and quantify the project inputs and to assess the feasibility of a  sustained supply of these inputs all through the effective life span of the project. Inputs are material  and human resources.

Input analysis considers the recurring as well as non–recurring resources requirements of the  project and evaluates the feasibility of the project from the point of view of the availability of these  resources.

5. Financial analysis: -

It concerns itself with the estimation of the project costs, project operating costs and project funds re quirements. It also involves the appraisal of financial characteristics of the project, so as to  establish the merits and demerits of the project as compared to other investment opportunities. A large  number of financial analytical aids developed are: present worth technique, the cost volume–profit  analysis and ratio analysis. The uncertainties have to be taken into account.

6.Cost Benefit analysis: –

The cost–benefit analysis takes into account not only the direct costs and benefits which will accrue to  the project implementing body but also the total costs which all entities concerned with the project will  have to bear and the benefits which will be enjoyed by all such entities.

Idea is to evaluate the project in terms of absolute costs and benefits rather than in terms of  apparent costs and benefits.

7. Pre–investment Appraisal: –

It is the process of consolidating the above i.e., feasibility analysis, techno–economic analysis, Project  design and network analysis, input analysis, financial analysis and social cost–benefit analysis so as to give  the investment proposition a final and formed shape.

The sum total of the pre-investment appraisal is to present the project idea in a form in which  the project sponsoring body the project implementing body and the outside agencies can take an invest ment decision regarding the proposals.

8. Discuss in detail the concept of Patent and Patent Document.

A: PATENT:

An invention is a new solution to a technical problem and can be protected through Patents  protect the interests of inventors whose technologies are truly groundbreaking and commercially  successful, by ensuring that an inventor can control the commercial use of their invention.

Patent law recognizes the exclusive right of a patent holder to derive commercial benefits from  his invention. A patent is a special right granted to the owner of an invention to the manufacture,  use, and markets the invention, provided that the invention meets certain conditions laid down in  law. Exclusive right means that no person can manufacture, use, or market an invention without  the consent of the patent holder. This exclusive right to patent is for a limited time only.

An individual or company that holds a patent has the right to prevent others from making,  selling, retailing, or importing that technology. This creates opportunities for inventors to sell, trade or license their patented technologies with others who may want to use them.

The criteria that need to be satisfied to obtain a patent are set out in N and may differ from one  country to another. But generally, to obtain a patent an inventor needs to demonstrate that their  technology is **new** (novel), **useful** and **not obvious** to someone working in the related field. To  do this, they are required to describe how their technology works and what it can do.

A patent can last up to 20 years, but the patent holder usually has to pay certain fees periodically  throughout that 20-year period for the patent to remain valid. In practice, this means that if a  technology has limited commercial value, the patent holder may decide to abandon the patent, at  which point the technology falls into the public domain and may be freely used.

To qualify for patent protection, an invention must fall within the scope of the patentable subject  and satisfy the three statutory requirements of innovation, inventive step, and industrial  application. As long as the patent applicant is the first to invent the claimed invention, the  novelty and necessity are by and large satisfied. Novelty can be inferred by prior publication or  prior use. Mere discovery ‘can’t be considered as an invention. Patents are not allowed for any  idea or principle.

The purpose of patent law is to encourage scientific research, new technology, and industrial  progress. The economic value of patent information is that it provides technical information to  the industry that can be used for commercial purposes. If there is no protection, then there may  be enough incentive to take a free ride at another person’s investment. This ability of free-riding  reduces the incentive to invent something new because the inventor may not feel motivated to  invent due to lack of incentives.

PATENT DOCUMENT:

Patent information is the name we give to the technical information you find in patent  documents, plus legal and business-relevant information about them.

Patent documents consist of:

• a first page comprising basic information, such as the title of the invention and the name of the  inventor

• a detailed description of the invention indicating how it is constructed, how it is used and what  benefits it offers compared with what already exists

• drawings

• claims containing a clear and concise definition of what the patent legally protects

Patent documents contain information which can be vital to a broad variety of professions. These  range from technical developers and researchers to legal advisers and business strategy  managers.

Patent information can be helpful in many ways.

*To find out what already exists and build on it*

• If a technical problem is faced, there is no better way of finding out what solutions are  already available than by looking at patents.

*To keep track of who's doing what*

• Technical details of research being carried out by competitors may well appear first in a  patent document, long before the product reaches the marketplace.

• By monitoring patent documents, it can help to keep an eye on business competitors or  even locate potential partners.

• Use patent information to identify patents that are no longer in force and can be freely  used. Finally, by watching patent publications, helps to spot trends in technology or the  market at an early stage.

*To avoid infringing other people's patent rights*

• Before a new product or service is launched, make sure that someone else’s patent is not  infringed. Patent information helps in the above ways.

9. List the advantages and disadvantages of Start-Ups.

A: There are a variety of advantages to working for a Startup. More responsibility and opportunities  to learn are two. As startups have fewer employees than large, established companies, employees  tend to wear many hats, working in a variety of roles, which leads to more responsibility as well  as opportunities to learn.

Startups tend to be more relaxed in nature, making the workplace more of a communal  experience, with flexible hours, increased employee interaction, and flexibility. Startups tend to  also have better workplace benefits, such as nurseries for children, free food, and shorter  workweeks.

The work at startups can also be more rewarding as innovation is welcomed and managers allow  talented employees to run with ideas with little supervision.

One of the primary disadvantages of a startup is increased risk. This primarily applies to the  success and longevity of a startup. New businesses need to prove themselves and raise capital  before they can start turning a profit. Keeping investors happy with the startup's progress is  critical. The risk of shutting down or not having enough capital to continue operations before  turning a profit is ever-present.

Long hours are characteristic of startups as everyone is working toward the same goal—to see  the Startup succeed. This can lead to high-stress moments and sometimes compensation that isn't  commensurate with the hours worked. Competition is also always high as there tend to be a  handful of startups working on the same idea.

|  |  |
| --- | --- |
| **Pros** | **Cons** |
| More opportunities to learn | Risk of failure |
| Increased responsibility | Having to raise capital |
| Flexibility | High stress |
| Workplace benefits | Competitive business environment |
| Innovation is encouraged |  |
| Flexible hours |  |

10. Discuss in detail various forms of Intellectual Property.

A: Intellectual property is the backbone of the corporate world. Possession of rights over  intellectual property allows for several advantages such as growth in market share, profit  making, leveraging etc. They are necessary in today’s world to maintain creativity and  growth. The Cambridge Dictionary defines intellectual property as “someone’s idea,  invention, creation etc. that can be protected by law from being copied by someone else”.  These are legal rights that allow exploitation of one’s creation.

The basis of intellectual property rights is that whosoever came up with the idea or invention  or creation should have sole control over its use since it is his hard work. They recognize the  commercial value of these rights. Intellectual property rights in India are guaranteed are Acts  such as Patent Act, 1970, Trademarks Act, 1999, Indian Copyright Act, 1957 and Designs  Act, 2000. These Acts provide protection to the author or inventor or owner of the  intellectual property and allow for remedies in case of his work being reproduced without his  permission

The subject of intellectual property is very broad. There are many different forms of rights that  together make up intellectual property. IP can be basically divided into two categories, that is,  industrial Property and intellectual property. Traditionally, many IPRs were collectively known  as industrial assets.

It mainly consisted of patents, trademarks, and designs. Now, the protection of industrial  property extends to utility models, service marks, trade names, passes, signs of source or origin,  including geographical indications, and the suppression of unfair competition. It can be said that  the term ‘industrial property” is the predecessor of ‘intellectual property”.

i. Copyright

ii. Patents

iii. Licensing

iv. Trademark

v. Industrial design

vi. Design rights

vii. Trade Secrets

viii. Transfer of Technology

***i. Copyright***

**Copyright** protects artistic expressions like music, films, plays, photos, artwork, works of  architecture and other creative works. The term “creative works” is defined very broadly for  copyright purposes, such that copyright may be used to protect functional texts such as user  guides and product packaging as well as works of art.

Copyright law deals with the protection and exploitation of the expression of ideas in a tangible  form. Copyright has evolved over many centuries with respect to changing ideas about creativity  and new means of communication and media. In the modern world, the law of copyright  provides not only a legal framework for the protection of the traditional beneficiaries of  copyright, the individual writer, composer or artist, but also the publication required for the  creation of work by major cultural industries, film; Broadcast and recording industry; And  computer and software industries.

It resides in literary, dramatic, musical and artistic works in ”original’ cinematic films, and in  sound recordings set in a concrete medium. To be protected as the copyright, the idea must be  expressed in original form. Copyright acknowledges both the economic and moral rights of the  owner. The right to copyright is, by the principle of fair use, a privilege for others, without the  copyright owner’s permission to use copyrighted material. By the application of the doctrine of  fair use, the law of copyright balances private and public interests.

***ii. Patent***

**Concept of Patent**

An invention is a new solution to a technical problem and can be protected through Patents  protect the interests of inventors whose technologies are truly groundbreaking and commercially  successful, by ensuring that an inventor can control the commercial use of their invention.

Patent law recognizes the exclusive right of a patent holder to derive commercial benefits from  his invention. A patent is a special right granted to the owner of an invention to the manufacture,  use, and markets the invention, provided that the invention meets certain conditions laid down in  law. Exclusive right means that no person can manufacture, use, or market an invention without  the consent of the patent holder. This exclusive right to patent is for a limited time only.

An individual or company that holds a patent has the right to prevent others from making,  selling, retailing, or importing that technology. This creates opportunities for inventors to sell, trade or license their patented technologies with others who may want to use them.

The criteria that need to be satisfied to obtain a patent are set out in N and may differ from one  country to another. But generally, to obtain a patent an inventor needs to demonstrate that their  technology is **new** (novel), **useful** and **not obvious** to someone working in the related field. To  do this, they are required to describe how their technology works and what it can do.

A patent can last up to 20 years, but the patent holder usually has to pay certain fees periodically  throughout that 20-year period for the patent to remain valid. In practice, this means that if a  technology has limited commercial value, the patent holder may decide to abandon the patent, at  which point the technology falls into the public domain and may be freely used.

To qualify for patent protection, an invention must fall within the scope of the patentable subject  and satisfy the three statutory requirements of innovation, inventive step, and industrial  application. As long as the patent applicant is the first to invent the claimed invention, the  novelty and necessity are by and large satisfied. Novelty can be inferred by prior publication or  prior use. Mere discovery ‘can’t be considered as an invention. Patents are not allowed for any  idea or principle.

The purpose of patent law is to encourage scientific research, new technology, and industrial  progress. The economic value of patent information is that it provides technical information to  the industry that can be used for commercial purposes. If there is no protection, then there may  be enough incentive to take a free ride at another person’s investment. This ability of free-riding  reduces the incentive to invent something new because the inventor may not feel motivated to  invent due to lack of incentives.

**Patent Document**

Patent information is the name we give to the technical information you find in patent  documents, plus legal and business-relevant information about them.

Patent documents consist of:

• a first page comprising basic information, such as the title of the invention and the name of the  inventor

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Patent documents contain information which can be vital to a broad variety of professions. These  range from technical developers and researchers to legal advisers and business strategy  managers.

Patent information can be helpful in many ways.

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• Use patent information to identify patents that are no longer in force and can be freely  used. Finally, by watching patent publications, helps to spot trends in technology or the  market at an early stage.

*To avoid infringing other people's patent rights*

• Before a new product or service is launched, make sure that someone else’s patent is not  infringed. Patent information helps in the above ways.

**Invention Protection**

An invention can be protected as a trade secret or through a patent. Many businesses use trade  secrets to protect their know-how.

8

• In addition to recognizing and rewarding inventors for their commercially successful  technologies, patents also tell the world about inventions. In order to gain patent  protection for their invention, the inventor must provide a detailed explanation of how it  works.

• A patent is a private right that is granted by a government authority. It only has a legal  effect in the country (or region) in which it is granted. So inventors or companies that  want to protect their technology in foreign markets need to seek patent protection for  their new technologies in those countries.

**Granting of Patent**

A patent is **an exclusive right granted for an invention**. To get a patent, technical information  about the invention must be disclosed to the public in a patent application. The patent owner may  give permission to, or license, other parties to use the invention on mutually agreed terms.. **Filing:** applicants choose a submission category – i.e., national, regional or international – and  file an application. The initial filing is considered the “priority filing” from which further  successive national, regional or international filings may be made within the ‘priority period’ of  one year, in accordance with the Paris Convention for the Protection of Industrial Property. **Formal examination:** the patent office ensures that all administrative formalities have been met,  that the relevant documentation has been included in the application, and that all associated fees  have been paid.

**Prior art search:** in many countries the patent office carries out a search of the prior art – all  relevant technological information publicly known at the time of filing the application. Using  extensive databases and expert examiners in the specific technical field of the application, a  ‘search report’ is drafted that compares the technical merits of the claimed invention with that of  the known prior art.

**Publication:** in most countries, the patent application is published 18 months after the priority  date; i.e., after the date of first filing.

**Substantive examination:** if a prior art search report is available, the examiner checks that the  application satisfies the requirements of patentability – that the invention is novel, inventive and  susceptible to industrial application, compared to the prior art as listed in the search report. **Grant/refusal:** the examiner may either grant the patent application without amendments,  change the scope of the claims to reflect the known prior art, or reject the application. **Opposition:** many patent offices allow third parties to oppose the granted patent within a  specified period on the grounds that it does not satisfy patentability requirements. **Appeal:** many offices provide the opportunity for an appeal after the substantive examination or  after the opposition procedure.

**Rights of a Patent**

Right to patent: The right to the patent belongs to the true and actual inventor, his heirs, legal  representatives or assigns. If two or more persons have an invention jointly, the right to the  patent belongs to them jointly. Patent, is a legal document granted by the government giving an  inventor the exclusive right to make, use, and sell an invention for a specified number of years.  Patents are also available for significant improvements on previously invented items.

In India, the patent holder is provided with the right to manufacture, use, sell and distribute the  patented product. In case the invention is a process of production, the owner of the patent has the  right to direct the procedure to the other person who has been authorized by the patentee.

Patents are **territorial rights**. In general, the exclusive rights are only applicable in the country  or region in which a patent has been filed and granted, in accordance with the law of that country  or region.

How to get Patent rights in India?

**Steps for application of patent**

1. Step 01: Invention disclosure

2. Step 02: Patentability search

3. Step 03: Decision to file an application for patent

4. Step 04: Patent drafting

5. Step 05: Filing the patent application

6. Step 06: Request for examination

7. Step 07: Responding to objections (if any)

8. Step 08: Grant of patent.

***iii. Licensing***

Licensing is a major aspect of Intellectual property. A licensing agreement is a partnership  between an intellectual property rights owner, known as the licensor, and another who is  authorized to use such rights, known as the licensee, in exchange for an agreed payment, known  as royalty. There is no transfer of ownership involved.

Licensing is a contract between a minimum of 2 parties wherein the licensor agrees to allow  the licensee to share the rights enjoyed by the former subject to consideration by the latter. In an  intellectual property license, the licensee is permitted to use the intellectual property, however it  is subject to conditions and payment of consideration. Since it is a contract, it must satisfy all the  essential mentioned under Sections 10 and 11 of the Indian Contract 1872, i.e., the contract must  be between person who are major, of sound mind and not disqualified from contracting under  any law and there must be free consent of parties, with a lawful object for a lawful consideration

The three major types of intellectual property licensing are:

1. Exclusive License: This type of license involves the exertion of intellectual property rights of  the licensor by the licensee to the exclusion of all, including the licensor. Thus, only the licensee  is authorized to use the intellectual property.

2. Sole License: In this license, while the licensee is permitted to use the intellectual property,  the licensor is also authorized to use the property, however, such rights cannot be transferred to  any third party. Only the licensor and licensee may exercise these rights.

3. Non-Exclusive License: This license allows for the licensee to exercise the rights as well as  the keeping open the scope for the licensor to exercise the rights and licensing these rights to any  other third party.

Generally, licenses are a combination of these types such as giving a license for intellectual  property for exclusive rights only in a particular geographic area.

Further, the World Intellectual Property Organization broadly categorizes intellectual property  licenses under:

1. Technology License Agreement: In this license, the licensee is permitted to exercise rights  related to patents, utility models or know-How’s protected by a trade secret owned by the  licensor. The licensee is, thus, authorized to use the technology under certain conditions.

2. Franchise or Trademark License Agreement: Trademarks are a way of distinguishing the  goods and services of one enterprise from another. The franchiser has usually gained reputation  for his trademark and via a license agreement, authorizes the franchisee to make use of the  trademark under certain conditions like maintaining the quality of goods and services since the  goodwill of the trademark is at stake. The franchisee may provide financial resources or his own  expertise.

3. Copyright License Agreement: Copyrights are granted over creative works such as music,  cinematograph films, artistic works etc. In order for them to be reproduced and published by  others, there must be copyright license agreement between them authorizing the licensee to  exercise rights over the copyright owned by the licensor.

***iv. Trademark***

Trademarks are signs that are capable of distinguishing the goods or services of one enterprise  from those of others. Trademarks are indispensable tools in today’s business world. They help

companies expand their market share and they help consumers identify the products they want to  buy in a crowded market place.

A trademark is a badge of origin. It is a specific sign used to make the source of goods and  services public in relation to goods and services and to distinguish goods and services from other  entities. This establishes a link between the proprietor and the product. It portrays the nature and  quality of a product. The essential function of a trademark is to indicate the origin of the goods to  which it is attached or in relation to which it is used. It identifies the product, guarantees quality  and helps advertise the product. The trademark is also the objective symbol of goodwill that a  business has created. Trademarks are another familiar type of intellectual property rights  protection. A trademark is a distinctive sign which allows consumers to easily identify the  particular goods or services that a company provides. Some examples include McDonald’s  golden arch, the Face book logo, and so on. A trademark can come in the form of text, a phrase,  symbol, sound, smell, and/or color scheme. Unlike patents, a trademark can protect a set or class  of products or services, instead of just one product or process.

Any sign or any combination thereof, capable of distinguishing the goods or services of another  undertaking, is capable of creating a trademark. It can be a combination of a name, word, phrase,  logo, symbol, design, image, shape, colour, personal name, letter, number, figurative element  and colour, as well as any combination representing a graph. Trademark registration may be  indefinitely renewable.

***v. Industrial design***

It is one of the forms of IPR that protects the visual design of the object which is not purely  utilized. It consists of the creation of features of shape, configuration, pattern, ornamentation or  composition of lines or colours applied to any article in two or three-dimensional form or  combination of one or more features. Design protection deals with the outer appearance of an  article, including decoration, lines, colours, shape, texture and materials. It may consist of three

dimensional features such as colours, shapes and shape of an article or two-dimensional features  such as shapes or surface textures or other combinations.

***vi. Design rights***

Design rights protect the shape and form of a product, i.e., what it looks like (whereas  the *functionality* of a product – how it works – is protected by a patent). Companies invest a  great deal of time and money in coming up with new and attractive designs that seduce  consumers into buying their products. Design is now widely recognized as a key determinant of  commercial success.

***vii. Trade secrets***

Trade secrets can be used to protect the “know-how” of a business. Essentially, laws relating to  trade secrets mean that some people (e.g., a company’s employees) may have a legal duty to  keep certain information confidential. Trade secrets are the secrets of a business. They are  proprietary systems, formulas, strategies, or other information that is confidential and is not  meant for unauthorized commercial use by others. This is a critical form of protection that can  help businesses to gain a competitive advantage.

An invention can be protected as a trade secret or through a patent. Many businesses use trade  secrets to protect their know-how, but there are downsides in doing this. From the company’s  point of view it may be risky because once information is disclosed legitimately (e.g., if someone  else works out how an invention works), it will no longer be protected. And from a public  interest viewpoint, trade secrets are less beneficial than patents because they do not involve any  sharing of technical information.

***viii. Transfer of technology***

The technology transfer relates **to voluntary or non-market transactions by which a firm  gains access to technology developed in another country**. Therefore, policies made to develop  a strong IPR regime can help developing countries gain access to foreign technology. Owing to ever increasing level of competitive intensity, technology has emerged as one of the  major driving forces for large corporates and new-age startups, and has been a key enabler for  majority of the sectors. Innovations in technology are shaping the global economic landscape and  act as a catalyst for knowledge creation, diffusion, and economic development. The rapid  advancements in technology has redefined the companies operate and conduct business across  sectors. In this digital era, technology has become valuable and is likely to be imitated by the  potential infringers, thus reducing the inventor’s incentive to engage in such activities. Besides  this, imitators have cost advantage in relation to innovators unless the innovator’s restricts access  to their innovation through IPR. IPR helps the inventor’s to protect their invention and have the  right to exclude others to make, sell, or manufacture for a period of 20 years. IPRs allow  innovators to gain competitive advantage in the marketplace, thus rewarding them for their  innovative efforts and compensate them for the investments incurred during the research and  development. An adequate and effective IPR protection helps developing countries in growth  and technology transfer, thus reaping rewards for innovation and providing returns in research  and development. While, weak IPR protection leads to technology spillovers by domestic firms  whereas excessive IPR protection leads to inadequate dissemination of knowledge and slows the  pace of growth of innovation. Thus, the choice of IPR depends on the country’s innovation  development and capacity in the long run. Strong IPR protection prevails in the developed  countries having potential innovators to engage in innovate activities, thus boosting the

economic growth. Developing countries should embrace weak IPR protection for rapid diffusion  of knowledge as an importance source of technology development. Providing stronger IPR  protection can lead developing countries to rely on domestic firms that focus on counterfeiting  and imitation while rewards creativity in developed countries. Many countries are strengthening  their IPR regimes to boost research and development, increase innovation and higher long run  growth. On the contrary, IPR holders engage in monopoly activities thus limiting consumer’s  choice. The impact of IPR protection varies differently in different countries and depends on the  level of development and domestic capacity for innovation.

Transfer of technology takes place through formal and informal channels. Some of the formals  channels include trade, licensing, joint ventures, franchising, foreign patenting, and foreign direct  investment (FDI) while the informal channel include imitation and technology spillover. The  technology transfer relates to voluntary or non-market transactions by which a firm gains access  to technology developed in another country. Therefore, policies made to develop a strong IPR  regime can help developing countries gain access to foreign technology .

11. Explain the government of India's Start-up Action Plan.

A : **Startup India Scheme**

Startup India was a campaign that was first addressed by the PM Narendra Modi on 15th August  2015 at Red Fort, New Delhi. This campaign was introduced under the Government of India as  an initiative to develop over 75 startup support hubs in the country.

Highlights of the Startup India Scheme

|  |  |
| --- | --- |
| **Startup India Scheme** | |
| Date of launching | 16th January 2016 |
| Government  Ministry | Ministry of Commerce and Industry |
| Department | Department for Promotion of Industry and Internal  Trade |
| Launched by | Arun Jaitley (Former Finance Minister of India) |

**What is Startup India Scheme?**

Startup India scheme is an important government scheme that was launched on 16th January  2016 with an aim to promote and support the start-ups in India by providing bank finances. It  was inaugurated by the former finance minister, Arun Jaitley.

Organized by the Department for promotion of industry and internal trade, the major objective of  Startup India is to discard some of the restrictive States Government policies which include:

1. License Raj

2. Land Permissions

3. Foreign Investment Proposals

4. Environmental Clearances

The Startup India scheme is based majorly on three pillars which are mentioned below:

1. Providing funding support and incentives to the various start-ups of the country. 2. To provide Industry-Academia Partnership and Incubation.

3. Simplification and Handholding.

**Registration of the Startup can be done only from following types of companies**

1. Partnership Firm

2. Limited Liability Partnership Firm

3. Private Limited Company

**Registration for Startup India**

A person must follow the below-mentioned steps that are important for the successful  registration of their business under the Startup India scheme:

1. A person should incorporate their business first either as a Private Limited Company or  as a Limited Liability Partnership or as a Partnership Firm along with obtaining the  certificate of Incorporation, PAN, and other required compliances.

2. A person needs to log in to the official website of Startup India where he/she has to fill all  the essential details of the business in the registration form and upload the required  documents.

3. A letter of recommendation, Incorporation/Registration Certificate, and a brief  description of the business are some of the essential documents required for the  registration purpose.

4. Since the start-ups are exempted from income tax benefits, therefore, they must be  recognized by the Department of Industrial Policy and Promotion (DIPP) before availing  these benefits. Also, they should be certified by the Inter-Ministerial Board (IMB) to be  eligible for IPR related benefits.

5. After successful registration and verification of the documents, you will be immediately  provided with a recognition number for your startup along with a certificate of  recognition.

*Who is eligible to apply under the Startup India scheme?*

An entity is eligible to apply when:

• It is incorporated as a private limited company or partnership firm or a limited liability  partnership in India

• It has less than 10 years of history i.e. less than 10 years have elapsed from the date of its  incorporation/registration

• The turnover for all of the financial years, since the incorporation/ registration has been  less than INR 100 crores

**Note:** An entity formed by splitting up or reconstruction of a business already in existence shall  not be considered a ‘Startup’.

**Eligibility for Registration under Startup India Scheme**

1. Firstly, the company to be formed must be a private limited company or a limited liability  partnership firm.

2. Secondly, the firms should have obtained approval from the Department of Industrial Policy  and Promotion.

3. Thirdly, it must have a recommendation letter by an incubation.

4. The firm must provide innovative schemes or products.

5. It should be a new firm or not older than five years.

6. The total turnover of the company should be not exceeding 25 crores.

7. Lastly, it should not be a result of splitting up, or reconstruction, of a business already in  existence.

**Benefits of Startup India**

After the launch of the Startup India scheme, a new program was launched by the government  named the I-MADE program which focused on helping the Indian entrepreneurs in building 1  million mobile app start-ups. The government of India had also launched the Pradhan Mantri  Mudra Yojana which aimed to provide financial supports to entrepreneurs from low  socioeconomic backgrounds through low-interest rate loans. Some of the key benefits of Startup  India are as follows:

1. To reduce the patent registration fees.

2. Improvement of the Bankruptcy Code ensuring a 90-day exit window. 3. To provide freedom from mystifying inspections and capital gain tax for the first 3 years  of operation.

4. To create an innovation hub under the Atal Innovation Mission.

5. Targeting 5 lakh schools along with the involvement of 10 lakh children in innovation related programs.

6. To develop new schemes that will provide IPR protection to startup firms. 7. To encourage entrepreneurship throughout the country.

8. To promote India as a start-up hub across the world.

**The following are the other benefits of Startup India:**

Benefits of Startup India Scheme are Simplification of Work, Finance support, Government tenders,  networking opportunities.

• Financial Benefits

• Income Tax Benefits

• Registration Benefits

• Government Tenders

• Huge Networking Opportunities

**1. Financial Benefits**

Most of the startups are patent based. It means they produce or provide unique goods or services. In  order to register their patents, they have to incur a heavy cost which is known as the Patent Cost.

Under this scheme, the government provides 80% rebate on the patent costs. Moreover, the process  of patent registration and related is faster for them. Also, the government pays the fees of the  facilitator to obtain the patent.

**2. Income Tax Benefits**

Startups enjoy a good amount of benefits under the Income Tax head. The government exempts  their 3 years income tax post the incorporation year.

But they can avail it only after getting a certificate from the Inter-Ministerial Board. Also, they can  claim exemption from tax on Capital Gains if they invest money in specified funds.

**3. Registration Benefits**

Everyone believes that incorporation and registration of business are far more difficult than running  it. It is because of the long and complex steps of registration.

Under the Startup India scheme, an application is there to facilitate registration. A single meeting is  arranged to at the Start-up India hub. Also, there is a single doubt and problem-solving window for  them.

**4. Government Tenders**

Everyone seeks to acquire Government tenders because of high payments and large projects. But it  is not easy to acquire the government tenders.

Under this scheme, the startups get priority in getting government tenders. Also, they are not  required to have any prior experience.

**5. Huge Networking Opportunities**

Networking Opportunities means the opportunity to meet with various startup stakeholders at a  particular place and time. The government provides this opportunity by conducting 2 startups fests  annually (both at domestic as well as the international level).

Startup India scheme also provides Intellectual Property awareness workshop and awareness. **Government Measures to Promote Startup Culture in the Country**

1. As part of the “Make in India” initiative, the government proposes to hold one Start-Up  fest at the national level annually to enable all the stakeholders of the Start-up ecosystem  to come together on one platform. You can know in detail about the Make In India  program on the linked page.

2. Launch of Atal Innovation Mission AIM – to promote Entrepreneurship through Self Employment and Talent Utilization (SETU), wherein innovators would be supported and  mentored to become successful entrepreneurs. It also provides a platform where  innovative ideas are generated. Relevant details on Atal Innovation Mission AIM are  available on the linked page.

3. Incubator set up by public-private partnerships (PPP) – To ensure professional  management of Government-sponsored or funded incubators, the government will create  a policy and framework for setting-up of incubators across the country in public-private  partnerships. The incubator shall be managed and operated by the private sector. Read  more on Public-Private Partnership on the link provided here.

• 35 new incubators in existing institutions. Funding support of 40% shall be  provided by the Central Government, 40% funding by the respective State  Government and 20% funding by the private sector for establishment of new  incubators.

• 35 new private sector incubators. A grant of 50% (subject to a maximum of INR  10 crore) shall be provided by Central Government for incubators established by  the private sector in existing institutions.

A Startup India Seed Fund Scheme has been implemented with effect from April 1, 2021. The  scheme aims to provide financial assistance to startups for proof of concept, prototype  development, product trials, market entry and commercialization.