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The Role of Intellectual Property Rights in Promoting Innovation and Startups in India: A Management Perspective

JHALAK SHUKLA

Introduction

In today's fast-moving business world, innovation is the fuel that drives startups forward. But having a brilliant idea is not enough — protecting that idea is equally important. This is where Intellectual Property Rights (IPR) come in. IPR gives legal protection to inventions, brands, designs and creative works, so that startups can safely turn their ideas into profitable businesses.

From a management perspective, IPR is not just a legal formality. It is a powerful business tool that helps startups attract investors, build brand value, and grow sustainably. In India, where the startup ecosystem has become one of the largest in the world, a good understanding of IPR can make the difference between a company that survives and one that scales globally. This blog looks at how IPR supports innovation and startup growth in India, the current legal framework, real-life examples, and practical tips for young entrepreneurs.

Understanding IPR and Its Types

Intellectual Property Rights cover four main areas that matter most to startups:

- **Patents** protect new inventions and technical solutions.
- **Trademarks** protect brand names, logos and slogans.
- **Copyrights** safeguard original creative works like software code, websites and marketing content.
- **Designs** protect the unique shape or appearance of a product.

These rights give the owner exclusive use for a certain period, so competitors cannot simply copy the idea. For a startup, this protection means they can focus on building the business instead of worrying about imitation.

The Legal Framework in India

India has a well-developed IPR system. ¹The Patents Act, 1970 (amended several times), ²the Trade Marks Act, 1999, the Copyright Act, 1957 and the Designs Act, 2000 form the backbone. The government also launched the ³National IPR Policy in 2016 with the tagline “Creative India, Innovative India”. This policy aims to make IPR registration faster and more startup-friendly.

In recent years, the government has introduced several reforms. The time taken for patent examination has significantly decreased, and the “Startup Intellectual Property Protection” (SIPP) scheme offers up to an 80% rebate on filing fees for recognised startups. These steps show that India is serious about balancing strong legal protection with ease of doing business.

How IPR Promotes Innovation and Business Growth

From a management point of view, IPR works as a strategic asset in three big ways.

First, it helps startups attract funding. Investors feel more confident when they see that the core technology or brand is legally protected. Many venture capital firms now insist on proper IPR due diligence before investing.

Second, IPR builds brand value and market position. A strong trademark makes it easier for a startup to stand out in a crowded market. For example, the quick-commerce startup Blinkit built its brand around a catchy name and logo that is now protected, giving it a distinct identity.

¹ The Patents Act, 1970, No. 39, Acts of Parliament, 1970 (India) (as amended).

² Trade Marks Act, 1999, No. 47, Acts of Parliament, 1999 (India).

³ National Intellectual Property Rights Policy, 2016, Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.

Third, IPR encourages continuous innovation. When founders know their hard work is protected, they are more willing to invest time and money in research and development. This creates a healthy cycle of innovation and growth.

Real-Life Examples from Indian Startups

Several Indian startups have used IPR smartly. Ola and Oyo have registered multiple trademarks and copyrights for their apps and branding. Pharmaceutical startups like BDR Pharmaceuticals have secured patents for new drug delivery methods, helping them compete with bigger players. Even small D2C brands selling handmade products are now registering designs and trademarks to protect their unique packaging and identity.

These examples show that IPR is not only for big tech companies — it is equally useful for early-stage startups across sectors.

Challenges Faced by Indian Startups

Despite the progress, many startups still face hurdles. The cost and time involved in filing IPR applications can be high for bootstrapped founders. There is also a lack of awareness — many young entrepreneurs do not realise the importance of IPR until a competitor copies their idea. Moreover, the enforcement of rights in case of infringement remains slow in Indian courts.

These challenges sometimes make startups feel that IPR is “too complicated” or “only for big companies”. This mindset needs to change.

Practical Management Strategies

Here are some simple, practical tips that every startup founder or manager should follow:

1. Conduct an IPR audit early — identify which ideas, products or brands need protection.
2. File for provisional patents or trademarks as soon as possible instead of waiting for the perfect product.
3. Use the government’s ⁴SIPP scheme and other fee rebates to keep costs low.

⁴ Startup Intellectual Property Protection (SIPP) Scheme, Office of the Controller General of Patents, Designs and Trade Marks (as updated 2025).

4. Include IPR clauses in founder agreements and employee contracts to avoid future disputes.
5. Treat IPR as part of your overall business strategy, not as a separate legal task.

When management teams view IPR this way, it becomes a growth driver rather than a cost centre.

Conclusion

Intellectual Property Rights play a crucial role in nurturing innovation and helping startups grow in India. By providing legal protection, attracting investment, and building long-term brand value, IPR turns creative ideas into sustainable businesses. While challenges remain, the government's continuous efforts and the success stories of Indian startups clearly show that a balanced approach to IPR can create a win-win situation for innovators, investors and the economy.

For young entrepreneurs and management professionals, understanding IPR is no longer optional — it is an essential skill. Those who treat IPR as a strategic management tool today will be tomorrow's market leaders.