The Indian Journal for Research in Law and Management
Open Access Law Journal – Copyright © 2026
Editor-in-Chief – Dr. Muktai Deb Chavan; Publisher – Alden Vas; ISSN: 2583-9896

This is an Open Access article distributed under the terms of the Creative Commons Attribution-Non-Commercial-Share Alike 4.0 International (CC-BY-NC-SA 4.0) License, which permits unrestricted non-commercial use, distribution, and reproduction in any medium provided the original work is properly cited.

IP RIGHTS AND STARTUPS: HOW WELL INDIA'S IP ECOSYSTEM ACTUALLY SERVES EARLY-STAGE COMPANIES

~ Mohit Kumar

1) ABSTRACT

This project is a analysis of Indian Intellectual property ecosystem, it aims to answer a simple question that has been plaguing the Indian Judiciary and the people of India, India has multiple acts such the trademark act 1999, the patents act 1970, the copyright act 1957, and many others, however despite this India ranks remarkably low on International IP Index, to be exact India is [1]ranked 42nd out of a total of 55 countries, with a overall score of 38.64 percent, this International IP Index is released by U.S Chamber Of Commerce's Global Innovation Policy Centre, This index benchmarks the global economies on how robust, protective, and effective their intellectual property frameworks are.

This project focuses on finding the core of this issue, we will be analysing the IP framework of India and we will compare its structure with countries like US and Singapore, in this project we will be discussing factors such as cost of patenting and litigation involving IP, how much time does it take for approval of a patent or trademark, and other important factors like awareness of IP rights and its enforcement in India.

We will compare cases as well to better illustrate the point of this project, all the data of this project comes from secondary sources such as articles and surveys and this project focuses on the gaps that exists in the Indian IP system.

We also found at the end of the project that although India has a robust IP legal framework, there are major structural and enforcement gaps, and schemes like Startup India may have

[1] *US Chamber of Commerce Global Innovation Policy Center, International IP Index (12th edn, 2024).*

increased the number of Startups in the country but that does not mean that these startups can thrive in the Indian market.

Keywords: Startup India, Intellectual Property Rights, Patent Enforcement, IP Accessibility, Early-Stage Startups.

2) INTRODUCTION

India has a large number of intellectual property related acts, specifically for the protection of companies and their intellectual property rights, the patent act has existed since 1970, the copyright act since 1957, the trade marks act came into force in 1999, and then there many more acts for protection of many types of different IP's such as the designs act, the geographical indication of goods act, the protection of plant varieties and farmers rights act and the semiconductor integrated circuits layout act.

The aim of listing these acts is to show that India not only has a robust IP protection system, but also one and that it regularly amends these acts to keep them up to date with a rapidly changing market.

However, despite the existence of these act's the real startup boom came in India after the year 2016 when Start Up India scheme came into effect, in India the department for promotion of industry and internal trade better known as DPIIT, keeps track of official government recognized startups to be exact when a startup meets the governments definition of an eligible startup, they are issued a DPIIT number which acts a proof that they are startup recognized under Start Up India scheme.

Now if we look at the numbers from the different years we will see how India grew over time, in 2016 India had 471 DPIIT recognized startups, by June 2022 this number [2]grew to 72,993 if we look at this increase in a statistical manner then it is roughly a 15,400 percent increase, over a course of six years bur October 2025 DPIIT had given recognition to over 1,97,692 companies under Startup India scheme and by mid-2026 that figure has [3]crossed 2.36 lakh, with more than 55,200 new startups recognized in FY26 alone, this startup ecosystem has already created over 21.11 lakh direct jobs so far by estimation, these numbers are official

---

[2] *Som Parkash (Minister of State, Ministry of Commerce & Industry), Reply to Unstarred Question, Rajya Sabha (22 July 2022), as reported in 'Rise in Recognised Startups from 471 in 2016 to 72,993 in 2022' Deccan Herald (22 July 2022).*

[3] *Press Information Bureau, Ministry of Commerce & Industry, 'India Crosses 1.97 Lakh DPIIT-Recognised Startups; Over 21.11 Lakh Direct Jobs Created' (Press Release, 2 December 2025) https://www.pib.gov.in/PressReleasePage.aspx?PRID=2197662 accessed 29 September 2026.*

DPIIT recognized counts sourced from replies in parliament, the growth over the course of 10 years, and the overall growth rate has been flagged by the government as the fastest annual expansion since the scheme's inception.

Yet this scale of registration growth has not been matched by a corresponding rise in IP filings among these entities. The DPIIT-recognized numbers show that it has become a lot easier for startups to register themselves and secure their status as a company however, these numbers don't show or reflect a deep utilisation of the Indian IP protection system.

This leads us to the core hypothesis of this project "India's legal framework is structurally sound but structurally inaccessible to early-stage companies; the gap isn't in the law design, but in the cost, time, and awareness barriers that keep startups from actually using it" This hypothetical statement would explain the despairing gap between the booming startup ecosystem and actual.

3) LEGAL FRAMEWORK AS IT EXSISTS

India's IP regime rests on three main acts the [4]Patents act 1970, The Trade mark act 1999, and The Copyright act 1957. These acts are heavily supplemented by Startup India scheme after 2016 for example the scheme, offered services like expedited examination provisions, SIPP and fee rebates.

The patents act 1970 governs patentability in India, requiring inventors satisfy different requirements for registration of a patent mainly things like novelty, inventive step, and industrial applicability, the act was amended a total of three times in 1999, 2002 and 2005 to achieve TRIPS compliance, transitioning India from a process patent to product patent regime with a uniform 20 year term, now India focuses on the innovation of inventions and actively promotes it, [5]section 3(d) functions as an anti-evergreening filter requiring new forms of known substances to demonstrate enhanced therapeutic efficacy, basically it stops the company's from acquiring patents for doing minor work to already existing inventions, unless the new addition changes the original invention pretty much in its entirety, sections 3 and 4 enumerate non patentable subject matter, including agricultural products and atomic energy.

The trade marks act 1999, and the copyright act 1957, were amended alongside the patent act during the TRIPS agreement and negotiations to strengthen IP enforcement in India, the

[4] *Patents (Amendment) Act 1999 (India); Patents (Amendment) Act 2002 (India); Patents (Amendment) Act 2005 (India).*
[5] *Patents Act 1970, s 3(d) (India).*

copyright act under which India's Berne Convention membership ensures cross border recognition of copyrights, it also protects artistic and literary creations, [6]Berne Convention establishes the principle of "national treatment" meaning under this convention member countries must grant the same copyright protections to foreign creators as they do to their own citizens, without requiring formal registration.

Trademarks protect identifiable signs distinguishing enterprises and can be licensed, bought, or sold, a trademark is essentially any sort of mark or indication which helps a consumer identify the source of the product; It can be anything, a combination of colours, sounds, or even a normal mark.

The [7]SIPP (Scheme for Facilitating Startups Intellectual Property Protection), introduced in 2016, facilitates protection of patents, trademarks and designs for qualifying startups through expedited examination, lower fees, and access to empanelled facilitators, basically it is specific sub scheme under Startup India that additionally pays for professional facilitator, who are in simple layman language patent and trademark agents, this scheme also used to pay the fees for patent filing and other processes, the agents also drafted and prosecuted the start-ups' application, at zero cost to the founder.

Over 425 patent facilitators and 606 trademark facilitators were empanelled to provide free of charge services to startups, recognized startups received an 80 percent rebate on patent filing fees and 50 percent rebate on trademark filling fees, this rebate covered the majority costs of companies that they spent on patent filling and the money saved was reinvested into the business.

4) THE BARRIERS OF IP ECOSYSTEM

If we take a look at existing literature on the internet, then we will see that the literature splits this accesses gap into four linked barriers – first is upfront cost, second would be timing patent or trade mark grant, third is awareness of the founder and company's themselves and lastly the fourth is enforcement capacity of IP law, the strongest pattern is that India had created startups

[6] *Harpreet Singh Grover, 'Intellectual Property Rights for Researchers – Savoring Your Fruits' (2025) 29 Journal of Indian Society of Periodontology 3.*

[7] *Aynampudi Subbarao, 'How India Reduced Patent Approval Period from 80 Months to 8 Months' (SSRN Working Paper, 17 September 2020) https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3694424 accessed 29 September 2026.*

friendly IP subsidies and fast track mechanisms, however early stage firms still face substantial practical frictions in using them effectively and properly.

4.1) COST BARRIER

Patenting was always and it remains a multi stage case commitment, not a one-time filling fee that you can pay and register, even where official rebates exist, founders still bear many kinds of different costs such as drafting, prosecution, maintenance, and often specialist advisory costs, these costs are especially hard on seed – stage firms and company's which prioritize product development and customer acquisition.

India offers an 80 percent patent fee rebate under Startup India scheme for recognized startups but that does not remove professional drafting costs and since march 31st 2026 the SIPP scheme which used to offer free facilitators by government has expired and all professional drafting costs will be bared by the company and firms themselves now, early stage ventures face a resource commitment liability from patenting that can hurt short term financial performance, basically it is a firm future financial obligation that they will have to fulfil, moreover costs of patenting are higher when firms need multiple jurisdictions, because patent rights are territorial and require separate fillings.

4.2) TIME BARRIER

Time is the sharpest mismatch between the patent system and startup operating cycles since startups generally prioritize their time One India focused review reports an that average patent grant time is [8]around of 48 months, far longer than countries like China or US where the average time is 22 months, while another report documents reforms intended to compress approval periods though expedited examination for startups under Startup India scheme.

When a grant period is too long it delays start to erode start up growth, survival, access to capital and future innovation, in India slow examination and approval is repeatedly identified as a reason for low domestic patenting and weaker incentives for resource constrained firms, since firms who are already resource constrained cannot afford to spare the time for a 48 month approval period, the commercialization gap is worse in short cycle technologies where patent value capture is more sensitive to fast moving markets, if a patent takes 48 months to be approved it is heavily possible that its value will be significantly reduced by the time it is

[8] *Igor Nikolic, 'Incentivising Innovation and Technology Commercialisation in India' (2021) 5 Science, Technology & Public Policy 105.*

approved or another it is possible that market demand and dynamics could have shifted in the very same time further reducing the value of the product, a example of this would be mobiles or textiles industry where consumer demand and market changes where quickly depending on the trend, in situations like these a 48 month approval period is a huge liability for company's and firms that specialise in these short cycle technologies.

4.3) AWARENESS AND CAPACITY BARRIER

awareness is improving among the companies and founders, IP laws are well known but it is uneven and often [9]shallow, founders commonly recognize that IP protection is important and they also recognize what kind of patent or trademark they need to file, however their understanding and practical knowledge is severely lacking when it comes to matters like when to file, how to navigate claims and prior art searches, or which support schemes they can actually use and are available to them.

Awareness about patent filling and trademark filling and benefits of IP protection is mostly present in metropolitan city's the firms and company's in such cities are well aware of the benefits that are bought by IP protection, startups used have accesses to support infrastructure, including free facilitators under Startup India scheme and SIPP which are broad government start up schemes meant to encourage innovation, however particularly SIPP scheme and the benefits of free facilitators was [10]terminated on 31st March 2026, creating another hurdle for new budding firms and companies, and awareness of government programs alone does not necessarily translate into protection intent, suggesting capacity and execution gaps beyond mere scheme visibility; even if awareness is there, if the firm or company does not have the capacity to apply, then awareness means nothing by itself.

4.4) ENFORCEMENT BARRIER

enforcement is where formal IP rights fail in their role the most, although they exist in theory their application in practical world needs to mirror the provisions written in the statue, several papers converge and show that litigation is lengthy, costly, and structurally tilted toward larger firms with deeper legal budgets and deeper pockets and power, so many startups cannot

---

[9] *Ananya Mishra, 'IP Protection in Indian Startups: Are Entrepreneurs Aware Enough?' (2026) 8(3) International Journal for Multidisciplinary Research 1.*

[10] *Shilpi Saurav Sharan and Huda Jafri, 'The SIPP Scheme: What Its Expiry Means for Startups' (SS Rana & Co, 26 May 2026) https://ssrana.in/articles/the-sipp-scheme-what-its-expiry-means-for-startups/ accessed 29 September 2026.*

credibly threaten a bigger firm or company with a suit even after securing a patent, this is a systematic failure and a issue that has been quite a long old friend of Indian IP ecosystem.

In India, patent infringement cases can take up to average of 10 years before they are resolved and a judgement is passed by the court, and commercial court reforms have not fully solved this delay, this delay is still a major reason for the gap between written provisions and their practical application, internation evidence shows why startups hesitate to even file a suit in the first place, patent litigation fees can reach well above [11]millions of dollars, and high enforcement costs often push smaller firms to settle cheaply and many a times they are forced to suffer injustice because they cannot keep up with bigger firms, this enforcement gap also hurts the overall competition in the market, litigation risk can itself distort innovation incentives by lowering R&D returns and tighten financial constraints, if a company feels that litigation costs far exceed the benefits of innovation then it in essence kills the soul purpose of Startup India scheme.

5) COMPARATIVE ANALYSIS OF INDIAN IP

India offers startup specific filing relief, as we have concluded so far that India offers mechanisms like fee rebates and even expedited filing of patents and trademarks, but compared to countries like the US and Singapore, our country gives less practical support after company's and firms have completed their filing and during commercialization stage.

The comparison between India and other countries breaks into three linked questions – first, what filing relief is being offered when the initial stage of filing is going on; second, how IP-friendly is the overall act; and third are the post-filling finance and enforcement mechanisms available to the firms.

India and its IP ecosystem provide meaningful filing relief initially for startups; it offers an 80 per cent rebate in patent filing, a and a 50 per cent trademark rebate, and some other support benefits such as expedited examination for eligible startups under the scheme.

India relief however is only strongest when at the application stage, not in the later stages like commercialization, R&D linked tac support that company's initially receive appears to increase after the firm has completed DSIR registration, department of scientific and industrial research gives official recognition to company in house R&D units, and recent reviews and papers

[11] *James Bessen and Michael J Meurer, 'The Private Cost of Patent Litigation' (Boston University School of Law Working Paper No 11-45, Fall 2012).*

describe Indias patent processes as burdened and afflicted by bureaucratic red tape, lengthy approval processes and limited IP awareness.

When we contrast India IP with [12]US patent and IP system, the contrast is not that software patents are easy over there, but that software startups operate inside a more developed doctrinal and procedural system, in simple words they have a better structure and foundation, US law is interesting in the way that it treats AI inventions as patent eligible when they are framed practical applications, overall US patent filling system gives earlier filling dates to applications and applicants which gives them a earlier promotion and approval opportunity, in a straight parallel comparison Indias domestic climate appears less supportive overall, with only 36 percent resident share of fillings and much lower filling volume in total.

The clearest gap between India and other countries is that after a patentable idea exists, India still relies heavily on tangible collateral and physical collateral assets, and lending against [13]intangible assets is below 5 per cent overall, meaning many in India, even today in the age of AI, refuse to recognize Intangible assets as collateral.

A very big example of this would be Singapore, which pairs IP policies with government-backed loans, and they also offer a large amount of loans against Intangible assets; not only that, Singapore also has a robust IP protection system and even more efficient enforcement of IP, unlike the weaknesses that are noticed in the Indian IP system.

6) CASE ILLUSTRATIONS

We will be using two documented cases to illustrate opposite ends of the startup IP spectrum: Tesla, a well-known company, used a layered patent strategy to grow from a startup to an industry leader and a tech giant, while Cyrix was sued by Intel and faced severe business disruption due to litigation costs alone.

6.1) Tesla Case Study

[12] *United States Patent and Trademark Office, 'Revised Inventorship Guidance for AI-Assisted Inventions' (2025) 90 Fed Reg.*

[13] *Ranjit Maurya and Rajesh Singh, 'Unlocking Startup Capital in India's Economy: How Banks Can Leverage Singapore's IP-Backed Financing Model for New Intellectual Property Ventures' (2026) 17 The Scientific Temper 6191.*

[14]Teslas case study demonstrates that startups with limited resources can accelerate their growth by focusing their patents on the interface between core and outsourcing areas, which enabled them to cooperate with companies which hold substantial patent portfolios in complimentary domains, as competitors attempted to catch up while Tesla was in its growth phase, the company took another step which pushed its advantage to another level they increased their In House R&D and filled for additional patents in outsourcing areas, they used multi layered approach by patenting core areas and opening interfaces and then selectively pledged non enforcement for certain patents to avoid litigation, this is a well-documented and quite a clever way which allows startups to build market position while managing litigation risk.

6.2) Intel Vs Cyrix Case

[15]Intel a well-known tech giant in the Industry, sued Cyrix which was a startup which produced Intel compatible microprocessors, this entire lawsuit lasted a year and a half and it showed how not just the verdict of case itself, but also the litigation itself imposes costs on young companies which can leave them entirely crippled, even without a preliminary injunction, even if no preliminary injunction order has been officially issued by the court itself the patent liability many times extend to even those who have used or sold the patented technology without permission even in India, eventually lawsuit itself resulted in a disruption of business, which resulted in huge losses for Cyrix; eventually, the company shut down its operations in 1990.

6.3) Boat Case Study

Boat an Indian audio company was registered in 2013, today its name is well known around the world, [16]Boat filed a suit in Delhi High Court in 2019 against Exotic Mile who were selling audio products under the name ‘Boult’ which sounds similar to Boat, they company alleged that Exotic Mile’s Word Mark, Device Mark and their tagline was deceptively similar to Boat’s own. The Delhi High Court issued a Temporary Injunction against the use of the Device mark and Tagline and the dispute over the Word mark continued through appeal. Separately, Boat also sued Green Accessories for trademark infringement. Delhi High Court issued an order to Green Accessories ordering them to pay 15 Lakh in damages to Boat. This is a prime example

---

[14] Jun Oya and Naoshi Uchihira, 'Intellectual Property Strategy Required for Startups from Joining in a New Business Ecosystem to Growing as Large Companies: A Case Study of Tesla' (2024) 8(2) International Journal of Service and Knowledge Management.

[15] James Bessen and Michael J Meurer, 'The Private Cost of Patent Litigation' (Boston University School of Law Working Paper No 11-45, Fall 2012).

[16] Imagine Marketing Pvt Ltd v Exotic Mile CS(COMM) 519/2019 (Delhi High Court, 21 January 2020).

of how a small Start-up like Boat used IP laws not just for registration but also for litigation, and through its active use of IP laws, the Company defended its marketplace.

6.4) Some More Indian Case's

Another incredible example of multi-layered use of IP laws is [17]Ather Energy: a company founded by two IIT Madras graduates who patented fast-charging connectors for electric scooters. To avoid litigation similar to Tesla's, they released some parts of their patent and kept the Core technology Patents to themselves.

Companies like Boat and Ola in India also leveraged patents and trademarks in order to attract investment and in order to defend their market position, the examples of both Tesla and Cyrix are from united states of America, and through these case study's and through the understanding that we have developed about giant companies we can see that litigation costs are a heavy burden for smaller companies because many times they don't even get a chance to fight their opponents like Intel, their operations suffer severe disruption and financial damage, while on the other hand companies like Tesla and Intel or Ola, Boat or even Zoho in India use IP laws in order to leverage the market and keep their positions secured, they are well aware of their rights and they use these rights in a muti layered and multi-dimensional strategic manner in order to protect their innovations, this is the very reason these companies have been standing for so long in the market and no one has been able to shake their foundations.

7) RECOMMENDATIONS FROM THE AUTHOR

Through this paper, we have established that India already has a robust IP ecosystem; what it needs to do is focus on factors like cost, time, awareness of founders and enforcement of laws. We already have a huge variety of acts in place for all sorts of different intellectual property; what we need now is implementation.

First, we should focus on the overall costs that are faced by small stage companies, not only cost of filling a patent but also the litigation costs that they face after commercialization, particularly against well established companies who have much more surplus funds compared to these small companies which are just starting, as we saw in case study's before giants like Intel and Tesla can simply exhaust the smaller companies into giving up and closing.

---

[17] *Aakash Jhaveri, Business Standard, 'Ather Energy Opens Up Its Fast-Charging Network to Other EVs' TechRadar", https://www.techradar.com/news/ather-energy-opens-up-its-fast-charging-network-to-other-evs, accessed 29th Semptember 2026.*

Second, another major reason that patent fillings are so low in India is because the overall processes takes around 48 months which is a death sentence for companies which deal in short cycle technologies, since by the time the patent will be approved there is a high possibility market would have already moved on to new one, not only that but litigation and dispute times also need to be cut down if a dispute goes on for 10 years, then smaller. companies, besides exhausting their funds, would also suffer catastrophic damage to their business; even if a judgement is passed in their favour, there would be no point.

Third, awareness the best example of this was case study of Tesla a small startup which used muti layered IP strategy to grow itself into a tech giant, because Tesla was well aware of its rights and laws of IP protection it leveraged those laws and its principles like pledge of no exercise of patent rights to selectively retain its core patents while at the same time due to pledge it avoided litigation for a long time, therefore India needs to make that small companies know their IP rights and they should also know all the means that are available for their for their growth, this also creates healthy competition in the market which prevents monopoly.

Fourth and final issue that we have discussed and that needs to be addressed is enforcement of IP laws, these acts are in place to protect the new and small companies however the balance from the start is always skewed in the favour of well known companies if a company feels that filling cost and litigation costs are not worth R&D investment and innovation then this nation will never get innovations or inventions since poor enforcement kills the soul purpose of IP laws which promotion of innovation and inventions.

Overall what this nation needs is not more schemes like Startup India to make filling of patents or trademarks easier, No that already been achieved what we need is now proper enforcement short filling times, shorter litigation and verdict times, a scheme or some means to help small companies and firms help secure funding for litigation and other matters, one solution to this would be that India starts focusing on increasing loans from banks which can be issued against intangible assets, and finally the government should focus on increasing IP awareness in Tier – 2 and Tier – 3 cities where people are not aware, to increase overall awareness and make sure that no matter how small a company is they get a fair chance to fight in the court for their rights.

8) CONCLUSION

Through this project, we have understood the deep web of connections between startups and intellectual property law. This project analysed that although India indeed has a structurally

sound IP ecosystem, due to multiple factors and barriers such as cost, time, awareness, and enforcement, patent and trademark filings in India remain alarmingly low.

We came to the conclusion that due to the exceedingly long times taken for approval and litigation, and the enormous cost that are incurred by small companies and startups during these times simply result in these startups being forced to quit the market; they eventually come to believe that filling a patent is simply not worth the effort or time.

We also used case studies to explore the importance of IP laws and their awareness in detail; we saw how companies who are aware of their rights not only innovate but also use the laws to leverage the market itself, like Tesla.

At the face value India has a robust set of IP laws however it remains one of the lowest ranked countries on International IP Index, India has a lot to improve in the matters of practical enforcement IP laws and it needs to focus not only on filling and registration of patents and trademarks but also later stages like commercialization, India need make sure that every company gets a fair and equal to fight for their market place.