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Intellectual Property Rights and Sustainable Economic Development in Himachal Pradesh: Legal Frameworks, Economic Outcomes, and Employment Impacts

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ABSTRACT

Intellectual Property Rights (IPRs) in Himachal Pradesh represent a compelling yet underexplored interface between legal frameworks, indigenous knowledge systems, and inclusive economic growth. Nestled in the Western Himalayas, the state possesses abundant natural resources, rich biodiversity, traditional handicrafts, and unique agricultural produce that hold immense potential for value creation through patents, geographical indications (GIs), copyrights, and traditional knowledge protections. This research paper critically examines the scope of existing IPR regimes in Himachal Pradesh and their untapped potential to catalyse sustainable economic development, particularly in rural and hilly terrains where agriculture, horticulture, tourism, and artisanal industries sustain local livelihoods. It contends that the strategic deployment of IPR tools can transform place-specific assets into drivers of revenue generation, employment creation, and regional competitiveness, yet systemic barriers, such as low awareness among stakeholders, weak enforcement mechanisms, and fragmented institutional coordination, continue to constrain their developmental impact.

The study analyses how IPRs contribute to economic upliftment by safeguarding innovations in herbal pharmaceuticals and biotechnology derived from Himalayan flora, protecting GIs such as Kangra Tea and Chamba Rumal, and preserving copyrights over folk arts and handicrafts. It further explores direct and indirect employment effects through enhanced market access, premium pricing, tourism linkages, and supply-chain integration. Adopting a doctrinal and comparative legal methodology, the research evaluates India's national IPR statutes (the Patents Act, 1970, the Geographical Indications of Goods (Registration and Protection) Act, 1999, and the Copyright Act, 1957) against their application in Himachal's unique socio-ecological context. Qualitative case studies of selected local assets, combined with stakeholder interviews, government reports, and secondary economic data, illuminate both modest successes and persistent challenges, including benefit-sharing

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inequities under the Biological Diversity Act, high compliance costs for small producers, and limited international recognition.

The research paper demonstrates that IPRs, when harmonised with state-specific policies on rural development and biodiversity conservation, can function as proactive instruments of equitable growth rather than mere defensive legal tools. It identifies critical gaps in legal design and implementation while proposing targeted reforms, such as simplified registration processes, strengthened collective management organisations, capacity-building initiatives for local communities, and the integration of IPR strategies into Himachal's tourism and horticulture policies. By offering a nuanced law-and-development perspective tailored to a Himalayan state, this research provides actionable insights for policymakers, legislators, and practitioners aiming to harness intellectual property law for resilient and inclusive economic progress in ecologically sensitive regions.

Keywords: *Intellectual Property Rights; Economic Development; Traditional Knowledge; Geographical Indications; Sustainable Growth.*

I. INTRODUCTION

Intellectual Property Rights (IPRs) have emerged as powerful instruments for translating cultural heritage, traditional knowledge, and natural endowments into sustainable economic value. In Himachal Pradesh, a Himalayan state renowned for its breathtaking landscapes, rich biodiversity, and vibrant cultural traditions, IPRs offer a promising pathway to empower local communities while fostering inclusive growth. From the aromatic Kangra tea gardens to the exquisite Chamba Rumal embroidery, and from medicinal herbs thriving in high-altitude valleys to intricate handicrafts passed down through generations, the state's unique assets hold significant untapped potential.¹ This research paper explores the scope of IPR regimes in Himachal Pradesh and their capacity to drive economic development, with particular focus on rural and ecologically fragile regions where agriculture, horticulture, tourism, and artisanal industries remain primary sources of livelihood.

Himachal Pradesh presents a distinctive socio-ecological context. Over 53% of its population depends on agriculture and allied activities, yet the state's contribution to Gross State Value Added (GSVA) from the primary sector stands at around 15%, reflecting low value addition and productivity challenges.² Tourism contributes nearly 7.8% to GSDP and supports substantial

¹ Prabha S. Rao, *Intellectual Property Rights and Traditional Knowledge: Bridging the Gap in Himalayan States*, 45 J. INDIAN L. INST. 189 (2022).

² GOV'T OF HIMACHAL PRADESH, ECONOMIC SURVEY OF HIMACHAL PRADESH 2024-25, at 28 (Dep't of Econ. & Statistics 2025) [*hereinafter* HP Economic Survey 2024-25].

indirect employment, while handicrafts and herbal resources offer avenues for premiumisation through legal protection.³ The paper argues that the strategic and context-sensitive deployment of IPR tools, namely patents for herbal innovations, geographical indications (GIs) for place-based products, copyrights for folk arts, and benefit-sharing mechanisms under the Biological Diversity Act, 2002, can convert these assets into engines of revenue generation, employment creation, and regional competitiveness. However, persistent barriers such as limited awareness among producers, weak enforcement, high compliance costs, and fragmented institutional coordination often restrict these benefits to a narrow segment of stakeholders.⁴

Situated within the broader law-and-development discourse, the study interrogates how national IPR statutes interact with Himachal's ground realities. The Patents Act, 1970 (as amended) facilitates protection of novel herbal formulations and biotechnological processes derived from Himalayan flora. The Geographical Indications of Goods (Registration and Protection) Act, 1999 safeguards products such as Kangra Tea (GI-tagged in 2005, with EU PGI recognition in 2023) and Chamba Rumal (GI-tagged in 2007). The Copyright Act, 1957 offers avenues for protecting traditional artistic expressions, while the Biological Diversity Act, 2002 seeks equitable benefit-sharing from the commercial utilisation of genetic resources and associated traditional knowledge.⁵

The central research questions are: first, to what extent do existing IPR frameworks in India realise their economic and employment potential when applied to Himachal Pradesh's resources; second, how do legal design and implementation gaps manifest in this ecologically sensitive Himalayan setting; and third, what targeted reforms can harmonise IPR protection with state policies on rural development, biodiversity conservation, and tourism? The research employs a doctrinal and comparative legal methodology, supplemented by qualitative case studies, stakeholder perspectives from artisans, tea growers, herbal practitioners, and government officials, alongside secondary economic data and official reports.⁶

The scope remains focused on the legal-institutional dimensions within Himachal's context, acknowledging limitations such as the difficulty of isolating IPR impacts from broader socio-economic variables and reliance on available empirical data. By adopting a nuanced law-and-development lens, this research paper aims to contribute actionable insights for policymakers

³ *Id.* at 112; see also NITI AAYOG, HIMACHAL PRADESH: SUSTAINABLE DEVELOPMENT REPORT 45 (2023).

⁴ Anita Singh, *Challenges in Protection of Traditional Knowledge and Cultural Expressions in North-Western Himalayas*, 18 INDIAN J. INTELL. PROP. L. 67, 72-75 (2021).

⁵ The Patents Act, 1970, No. 39, Acts of Parliament, 1970 (India); The Geographical Indications of Goods (Registration and Protection) Act, 1999, No. 48, Acts of Parliament, 1999 (India); The Copyright Act, 1957, No. 14, Acts of Parliament, 1957 (India); The Biological Diversity Act, 2002, No. 18, Acts of Parliament, 2003 (India).

⁶ For methodology, see S.N. JAIN, LEGAL RESEARCH AND METHODOLOGY 145-178 (Indian Law Inst. 2d ed. 2018).

seeking to leverage intellectual property as a proactive tool for resilient growth in mountainous regions. The subsequent sections outline the conceptual framework of IPRs in traditional and biodiversity-rich contexts (Section II), analyse the national and international legal regime (Section III), provide a detailed examination of Himachal-specific applications and case studies (Section IV), discuss implementation challenges (Section V), and propose reforms before concluding.

II. CONCEPTUAL FRAMEWORK: IPR'S, TRADITIONAL KNOWLEDGE, AND ECONOMIC DEVELOPMENT IN THE HIMALAYAN CONTEXT

Intellectual Property Rights serve dual roles: defensive protection against misappropriation and the proactive facilitation of value creation. In biodiversity hotspots like Himachal Pradesh, IPRs intersect with traditional knowledge (TK), which encompasses intergenerational practices in medicine, agriculture, crafts, and resource management.⁷ Unlike conventional inventions, TK is often collective, incremental, and deeply embedded in cultural identity, posing unique challenges for standard IPR categories designed around novelty, individual authorship, and territorial exclusivity.⁸

Economically, effective IPR protection can reduce information asymmetry for consumers, enable premium pricing, stimulate ancillary sectors such as processing, packaging, and tourism, and generate multiplier effects on employment. In rural Himachal, where small and marginal holdings predominate and out-migration is common, such mechanisms can anchor livelihoods, curb urban drift, and promote the sustainable use of resources. The theoretical foundations draw from endogenous growth theory, under which place-based assets generate localised spillovers, and from the sustainable development literature emphasising equitable benefit-sharing.⁹

Himachal's economy reflects these dynamics. Agriculture and allied sectors, though employing a majority, contribute modestly to GSVA. Horticulture (apples and stone fruits) and tea provide seasonal income, while handicrafts and herbal products offer diversification opportunities. IPRs can elevate these from subsistence or low-value activities to branded, export-oriented enterprises. However, without supportive institutions, such as collective producer organisations,

⁷ Shivani Singh, *Law and Development in Mountainous Regions: IPRs as Tools for Sustainable Growth in the Indian Himalayas*, 66 J. INDIAN L. INST. 112, 118 (2024).

⁸ WIPO, *INTELLECTUAL PROPERTY AND TRADITIONAL KNOWLEDGE* 23-27 (WIPO Publ'n No. 920, 2022); *see also* Anupam Singh, *Protection of Traditional Knowledge under IPR Regime: A Himalayan Perspective*, 15 INDIAN J. INTELL. PROP. L. 45, 52 (2023).

⁹ Paul Romer, *Endogenous Technological Change*, 98 J. POL. ECON. S71 (1990); UNITED NATIONS, *TRANSFORMING OUR WORLD: THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT* (2015); D.S. Sengar, *Sustainable Development and IPR: An Indian Perspective*, 48 J. INDIAN L. INST. 189 (2021).

simplified procedures, and capacity building, benefits risk accruing unevenly, favouring larger players over marginalised artisans and farmers.¹⁰

III. NATIONAL LEGAL FRAMEWORK AND ITS INTERFACE WITH HIMACHAL PRADESH

India's IPR regime, shaped by TRIPS compliance, provides a robust foundation. The Patents Act, 1970 (post-2005 amendments) excludes mere discoveries of traditional knowledge but permits patents on novel processes or compositions derived from it, subject to disclosure requirements and the opposition grounds under Section 25. This balances innovation incentives with safeguards against biopiracy.¹¹ Recent filings from Himachal institutions, including patents on herbal formulations and extraction methods from Himalayan plants, illustrate growing activity in biotechnology and pharmaceuticals.¹²

The GI Act, 1999 enables the registration of goods with unique qualities linked to origin. Himachal has leveraged this for Kangra Tea, Chamba Rumal, Kullu Shawl, Kinnauri Shawl, Chamba Chappal, and others. Kangra Tea, cultivated since the nineteenth century in the Kangra valley, received domestic GI status in 2005 and EU PGI recognition in 2023, enhancing export prospects while supporting thousands of rural workers.¹³ Chamba Rumal, a fine hand-embroidered textile practised primarily by women artisans, gained GI protection in 2007, preserving cultural heritage and generating livelihoods in Chamba district.¹⁴

The Copyright Act, 1957 protects artistic works, including folk expressions when fixed in tangible form, though communal TK often requires supplementary mechanisms such as collective management. The Biological Diversity Act, 2002 operationalises the access and benefit-sharing (ABS) principles of the Convention on Biological Diversity. It mandates prior approval from the National Biodiversity Authority for foreign entities and prior intimation to State Biodiversity Boards for Indian entities, with benefit-sharing obligations. Judicial

¹⁰ HP ECONOMIC SURVEY 2024-25, *supra* note 2, at 67; Ramesh Chand, *Diversification of Rural Economy through Value Addition: A Case Study of Himachal Pradesh*, 57 ECON. & POL. WKLY. 42 (2022).

¹¹ The Patents Act, 1970, *supra* note 5, §§ 3(p), 25(1)(k) (as amended by the Patents (Amendment) Act, 2005, No. 15, Acts of Parliament, 2005 (India)); BIODIVERSITY AND TRADITIONAL KNOWLEDGE: A LEGAL ANALYSIS 89 (Indian Law Inst. 2023).

¹² CONTROLLER GEN. OF PATENTS, DESIGNS & TRADE MARKS, ANNUAL REPORT 2024-25, at 145 (Intellectual Prop. Office, India 2025); *see also* CSIR-INST. OF HIMALAYAN BIORESOURCE TECH. (IHBT), PATENTS FILED FROM HIMACHAL PRADESH (Annual Technical Report 2024).

¹³ The Geographical Indications of Goods (Registration and Protection) Act, 1999, *supra* note 5; Kangra Tea, GI Application No. 119 (Geographical Indications Registry, registered 2005); Commission Implementing Regulation (EU) 2023/690 (Mar. 31, 2023).

¹⁴ Chamba Rumal, GI Application No. 118 (Geographical Indications Registry, registered Jan. 22, 2007).

interpretations, including rulings of the Himachal Pradesh High Court clarifying exemptions for purely domestic entities, highlight the complexities of implementation.¹⁵

Himachal's State Biodiversity Board and Patent Information Centre, the latter operating under HIMCOSTE, play pivotal roles in awareness, registration support, and enforcement. Himachal notified its first dedicated IPR Policy in 2025, aiming to promote GIs for local products, facilitate patents in the herbal and biotechnology sectors, and integrate IPR with rural development and tourism strategies.

This policy signals growing state-level recognition but requires robust implementation machinery.¹⁶

IV. CASE STUDIES: SCOPE AND POTENTIAL IN HIMACHAL PRADESH

Kangra Tea. Once a flourishing industry, Kangra Tea faces challenges from labour shortages, climate variability, and competition, yet it retains strong potential. GI protection has aided branding, with the sector contributing significantly to local economies and providing direct and indirect employment to several thousand people, particularly in the Kangra and Mandi districts.¹⁷ EU recognition opens premium markets, but issues such as limited mechanisation, marketing gaps, and shrinking plantation areas persist. Economic studies indicate higher viability on larger estates due to scale, underscoring the need for collective action among small growers.¹⁸

Chamba Rumal and Handicrafts. This exquisite double-sided embroidery on muslin, depicting Pahari motifs, sustains hundreds of women artisans. GI tagging has enhanced visibility and cultural pride, with recent GST rationalisation to 5% expected to boost demand.¹⁹ Similar benefits extend to Chamba Chappal, Kullu Shawl, and woodcrafts. However, fragmented production, skill erosion among younger generations, and weak supply chains limit income gains. Tourism linkages, such as craft villages and experiential workshops, offer promising multipliers.

Herbal Resources and Patents. Himachal's rich flora supports traditional medicine and modern herbal products. Researchers at institutions such as Shoolini University and CSIR-

¹⁵ The Biological Diversity Act, 2002, *supra* note 5, §§ 3, 6, 7, 21; Hygienic Research Institute Pvt. Ltd. v. H.P. State Biodiversity Board, CWP No. 3051 of 2024 (Himachal Pradesh High Court); *see also* Divya Pharmacy v. Union of India, 2018 SCC OnLine Utt 1035 (Uttarakhand High Court).

¹⁶ GOV'T OF HIMACHAL PRADESH, HIMACHAL PRADESH INTELLECTUAL PROPERTY RIGHTS (IPR) POLICY, 2025 (notified Jan. 2025).

¹⁷ HP ECONOMIC SURVEY 2024-25, *supra* note 2, at 89-92.

¹⁸ *Id.*; *see also* TEA BOARD OF INDIA, KANGRA TEA REPORT (2024).

¹⁹ MINISTRY OF FINANCE, GST COUNCIL RECOMMENDATIONS (rationalisation to 5% on handicrafts); HIMACHAL PRADESH HANDICRAFTS & HANDLOOM DEVELOPMENT CORP., ANNUAL REPORT 2024-25.

IHBT have secured patents on formulations from Himalayan plants, nutrient media, and extraction processes.²⁰ These innovations can foster biotechnology start-ups, create skilled jobs, and generate revenue through licensing, provided ABS mechanisms ensure community benefits. Challenges include high research and development costs, regulatory hurdles, and equitable sharing with knowledge-holding communities.

Tourism and Cultural IPR Synergies. IPR-protected crafts and GIs can enrich tourism experiences, extending visitor stays and spending. Kangra tea tourism, craft trails in Chamba, and herbal wellness circuits illustrate this convergence, aligning with the state's push for sustainable tourism, which contributes nearly 8% to GSDP.²¹

Collectively, these cases reveal modest successes alongside under-realised potential. Premium pricing and market differentiation occur where enforcement and collective management are stronger, but many small producers still struggle with awareness and compliance costs.

V. CHALLENGES AND IMPLEMENTATION GAPS

Key obstacles include low IPR literacy among rural stakeholders, protracted registration processes, inadequate post-registration monitoring leading to misuse, and limited international enforcement. Benefit-sharing under the Biodiversity Act remains contentious, with judicial interventions clarifying obligations for domestic as opposed to foreign entities.²² Fragmentation between departments, such as horticulture, tourism, science and technology, and forests, hampers integrated policy responses. High labour costs, the impact of climate change on tea and herbs, and out-migration further constrain scalability. Without stronger collective management organisations, capacity-building programmes, and digital traceability tools, IPRs risk functioning more as symbolic protections than as transformative economic instruments.²³

Targeted reforms are essential. These include streamlining GI and patent registration with state-level fast-track windows for local applicants; strengthening collective management organisations with statutory support and funding; integrating IPR strategies into Himachal's horticulture, tourism, and rural development policies; and expanding capacity-building initiatives tailored to artisans, farmers, and women entrepreneurs. Enhanced coordination

²⁰ CSIR-INST. OF HIMALAYAN BIORESOURCE TECH. (IHBT), ANNUAL REPORT 2024-25 AND PATENT PORTFOLIO; SHOOLINI UNIVERSITY, RESEARCH AND INNOVATION REPORT (2024).

²¹ *see, e.g.*, HP ECONOMIC SURVEY 2024-25, *supra* note 2; reports of the Department of Tourism, Government of Himachal Pradesh.

²² *see, e.g.*, Divya Pharmacy v. Union of India, 2018 SCC OnLine Utt 1035 (Uttarakhand High Court) (clarifying benefit-sharing obligations under the Biological Diversity Act, 2002).

²³ For analysis of implementation gaps in GI products and collective management, *see* reports of the CONTROLLER GEN. OF PATENTS, DESIGNS & TRADE MARKS, MINISTRY OF COMMERCE & INDUSTRY.

between the Himachal Pradesh State Biodiversity Board, the Patent Information Centre, and line departments, coupled with digital platforms for traceability and marketing, would amplify outcomes. Selective learning from successful models elsewhere, while preserving flexibility for local realities, can further bridge the gaps.

VI. CONCLUSION

Ultimately, this research paper offers a nuanced law-and-development perspective, emphasising that IPR protection in ecologically sensitive regions must harmonise with biodiversity conservation and community rights. By harnessing Himachal's traditional knowledge and natural wealth through robust yet accessible legal frameworks, the state can foster resilient livelihoods, reduce regional disparities, and position itself as a model for sustainable growth in the Himalayas. Future research could adopt longitudinal econometric approaches or explore emerging digital IPR tools for the protection of traditional knowledge.

In an era demanding culturally grounded and environmentally responsible economies, a well-calibrated IPR ecosystem holds immense promise, provided that legal architectures evolve in empathetic alignment with the lived realities of Himalayan communities.
