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# IPR: How Does it Aid for Human and Economic Growth?

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## ABSTRACT

*In this digital era, man invented and developed so many things by using his intellects. The growth of technology and scientific innovation led to the development of the countries, initially which were significantly less developed. Intellectual property rights play an essential role in the protection of these technological and scientific developments. Intellectual property rights protect the hard work of the individuals who worked day and night to develop that particular device or product. There are chances of infringement of your ideas, innovations, research, and developments, etc. So you must have IP rights for your creation; with the help of the IP rights, you can sue the other parties who used your ideas, your business information, your innovations for illegal growth without your permission. By this facet, there are many question marks regarding IP rights in technological and scientific developments.*

*This paper has varied aims that have been discussed separately under several heads: firstly, to discuss intellectual property rights and their different kinds? Secondly, to discuss the evolution of Intellectual property rights. Thirdly, how it helped for human and Economic growth? Fourthly, to examine how does Patent pooling helps to generate the Economy? Fifthly, it ends with some suggestive measures, and lastly, it ends with the conclusion.*

**Keywords:** Intellectual Property Rights, Economic Growth, Patent Pooling.

## I. INTRODUCTION

Intellectual property rights are given to the creators to protect their innovations.<sup>2</sup> Intellectual Property rights are granted to safeguard one's creation. They play an essential role in the growth of the Economy and for the development of society. The main aim of the IP system is to keep a proper balance between creativity, innovation, and the protection of rights. They play a prominent role in every division in the commercial sector and have become pivotal for investment decisions. Most of the objects we use in our daily lives, like furniture, perfumes,

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<sup>2</sup> The Copyright Act, 1957,s.2(y).

clothes, devices, etc., did not exist in ancient times. However, they are made by human beings by using their intellectuality. Intellectual property plays a vital role in social and economic development and helps to generate income.<sup>3</sup> Many companies use IP rights like patents, copyrights, trademarks, designs, and trade secrets to protect their company because nowadays, IP is considered a valuable asset of a company.<sup>4</sup>

There are different types of Intellectual Property rights, “which help humankind to protect their inventions for a certain period”. The first and most used IP right to protect inventions is known as a Patent. Patents are used to preserve humankind's creations, which helps gain exclusive rights over that invention to the creator subjected to certain exceptions. The second foremost used IP right is a trademark. It is used to protect the brands and logos of the companies and aid in recognizing the brand in the commercial sector. It helps to form a distinctiveness of the brand from other competitors in the market. The following IP right is a trade secret. It is used to protect any process or blueprint, or recipe that has a commercial value in the retail sector that is confidential or insider information of a company that the trade secret can protect. Copyright is used to preserve the art and literature works of the individuals. Industrial designs are used to protect the designs of the products, devices, and machines. A geographical indication is used to protect the products which have a unique geographical indication and possess certain rich qualities to that genesis. Suppose anybody wants to use the IP rights. In that case, he/she must compulsorily take permission from the creator of that invention if they use those inventions without the inventor's consent, leading to the infringement.

## II. EVOLUTION OF THE IP RIGHTS

Granting IP rights is not a new concept; it can be traced back to the Roman Empire, where kings used to grant monopolies to cooks for exploiting new dishes.<sup>5</sup> In the 14<sup>th</sup> century, the Venice government passed a statute granting prerogatives to the individuals who invented machines to speed up producing silk. Later on, these prerogatives and protection rights were awarded to the owners who created new machines and devices. For protecting intellectual property rights, the first legislation was made in the areas of patents.<sup>6</sup>

In Great Britain, the queen used to give royal grants to the creators for their invention, and

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<sup>3</sup> Role of IPRs for the social and economic development of the APEC region, <https://www.mofa.go.jp/policy/economy/apec/symposium/sympo0305/session1-3.pdf>, (last visited on July 8, 2020).

<sup>4</sup> The different types of IP protection and why are they important, Inquartik, available at: <https://www.inquartik.com/inqintellectualpropertyrights/> (last visited on July 9, 2020).

<sup>5</sup> *Curtis Reid v. Clarice B. Covert*, 354 U.S.1 (1957).

<sup>6</sup> Elizabeth Verkey, *Law of Patents* 2 (Eastern Book Company, Lucknow, 2005).

these royal grants are for a period of one year. *Davoll et al. v. Brown*<sup>7</sup> court held that by giving ownership rights to the creator, “we could protect the creators IP rights and stated that granting these rights helps encourage art and innovation”. Moreover, according to Article 1 of French law, all the discoveries are considered the author's properties. In the 15<sup>th</sup> century, “the statute of monopolies came into the picture to give exclusive rights to the creators to enjoy the fruits of their inventions”. Later on, slowly, the world got to know the importance of granting IP rights, leading to an increase in the countries' employment and Economy.

The statute of monopolies helped the creators to gain exclusive rights over their creation for 14 years. In the 16<sup>th</sup> century, another statute named the statute of Anne came into force, even this statute provided, “14 years to enjoy the exclusive rights for the creators”, but this statute helped the inventors to renew their protection rights for another 14 years after the expiration of the first 14 years of their creation. This statute mainly concentrated on copyrights to protect the authors' literature work so that they can protect their creations in this way.<sup>8</sup>

In 1883, the Paris convention came into force. This convention is mainly used to protect industrial property. This is the first intellectual property treaty; through this treaty, inventors can protect their invention even if they use it in another country. This treaty created a union to protect industrial property. In 1886, the Berne convention came into force to protect the literature and artistic works like books, scripts, music, songs, etc. This is the second international agreement to protect the copyrights of the authors. Later on, the Madrid agreement came into force to protect the trademarks. At present “World Intellectual Property Organization (WIPO) is the center to deal with IP and technological disputes”.<sup>9</sup>

### III. HOW IP AIDS FOR HUMAN AND ECONOMIC GROWTH?

IP has a tremendous commercial value; that's why it is the main reason for the further development of the innovations. Giving them exclusive rights to the creators strives for them to create and innovate new things. To protect the individual's IP rights, specific laws were created like the patents act, copyright act, trademarks act, industrial designs act, etc. These laws are used to protect the creator's innovation from being infringed. For example, an Asain laboratory is trying to develop a vaccine for the Covid-19, and the Government of that country is funding for the development of the vaccine. If the Asain laboratory successfully develops the vaccine, then that laboratory will appoint a certain number of employees to develop that

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<sup>7</sup> 1 Woodb. & M. 53; 12 Robb, Pat. Cas. 303; 3 West. Law J. 151; Merw. Pat. Inv. 414.

<sup>8</sup> Jeff Williams, The Evolution of Intellectual Property, Law Office of Jeff Williams PLLC, available at: <https://txpatentattorney.com/blog/thehistoryofintellectualproperty> (last visited on July 13, 2020).

<sup>9</sup> *Supra* note 8.

medicine at large. In this way, there is a growth in the employment of the country. At the same time, other countries also show their interest in buying this vaccine, and this leads to developed friendly relations among the nations and leads to development.

The purpose of the IP is to improve economic growth. For instance, the United States IP value is six trillion dollars higher than a country's average GDP value. The individual who is working in an IP company has a 45% higher income when compared to the non- IP company working employee. "The biotechnological sector also IP plays its role by protecting the inventor's innovation".<sup>10</sup> To protect his/her rights, they should prove their invention's innovation and novelty. And to grant a patent for an invention section, it should possess novelty in that creation.<sup>11</sup>

#### IV. HOW DOES PATENT POOLING HELP TO GENERATE THE ECONOMY?

"A patent pool means the patent rights are conglomerated among multiple patent holders". Then that pooled patents are allocated to all the patent holders by paying the licensing fee to the patent holder who poses rights over that patent.<sup>12</sup> Initially, this concept of patent pooling started in European countries.<sup>13</sup>

Pharmaceutical companies enjoy patent protection for their products. The concept of 'patent pooling' is new in India and has primarily focused on having solutions for affordable health care. "One of the objectives of the patent pool is to compile numbers of patents held by various countries to boost development and easy access to medicines for poor people residing in developing countries". According to Section 102 of the Indian Patents Act, 1970, many companies are working as a helping provision for establishing a patent pool that is managed and controlled by the Government in the public interest.<sup>14</sup>

Recently, one Indian Pharma company known as MedChem and Aurobindo Pharma has joined their medicines together to form a patent pool to develop various antiretroviral drugs. This pool will help Aurobindo Pharma company access Gilead company's patented drugs, which has been recently introduced in the pool, and now, Aurobindo Company can manufacture and sell tenofovir (a medicine used to prevent and treat HIV/AIDS and Hepatitis B). In the same

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<sup>10</sup> M.Anulekha, The Role of Intellectual property in Protecting the Biotechnology, Ipleaders, available at: <https://blog.ipleaders.in/ipr-biotechnology/>, (last visited on July 14, 2020).

<sup>11</sup> The Patent Act, 1970, s.2(1)(j).

<sup>12</sup> Robert P. Merges, *Institutions for Intellectual Property Transactions: The Case of Patent Pools*, in *Expanding the Boundaries of Intellectual Property*, Innovation Policy for the Knowledge Society, 123, 129 (Rochelle Cooper Dreyfuss et al. eds., 2001).

<sup>13</sup> Petra Moser, "Patents and Innovation: Evidence from Economic History" 27 *The Journal of Economic Perspectives* 24 (2013).

<sup>14</sup> Indian Patents act, 1970, s.102.

manner, cross-border patent pools also take place for the growth of the Economy. It helps in saving time and money and providing greater access to the information to its pool members. It is nonetheless a life-saver because it helps in delivering life-saving drugs to the under-developed and developing nations. The patent pools can be easily created by the intervention of the Government under the existing law.

## **V. SUGGESTIONS**

First of all, there should be no illegal usage of products or devices. Higher officials who are granting intellectual property rights to the inventors must observe the invention or creation very thoroughly. The conditions of abuse of IPR and violation of competition law like abuse of dominant position, exclusive licensing agreements, tie-ins, duty to supply where access was essential, block booking, royalty stacking, and patent pooling should be clearly defined. Intellectual Property Laws to punish the competition law violators.

## **VI. CONCLUSION**

Intellectual Property Rights are concerned with ideas that produce different innovations, and the credit goes to human intellect and creativity. With the growth of innovation and science, countries would be able to develop their Economy. Patent Pooling is an excellent concept and a solution to many problems in low and middle-income countries where people can't afford and access expensive entities needed for their survival and sustenance. It helps in promoting the development of new technologies and new products. So for the development of countries and Economic growth, intellectual property rights play a vital role.

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