

Protecting Start-Ups' Intellectual Property (SIPP)

Why in news?

The Scheme for Facilitating Start-Ups Intellectual Property Protection (SIPP) is one of the government initiatives to support the start-up ecosystem.

What is intellectual property?

India ranked 40th in the 2022 edition of the World Intellectual Property Organisation's Global Innovation Index.

- Intellectual Property (IP) refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce.
- Copyrights, moral rights, trademarks, patents, and trade secrets are the 5 most common types of intellectual property.
- IP rights usually give the creator an exclusive right over the use of their creation for a certain period of time.

What is SIPP?

- **Launch year** - 2016
- **Ministry** - Ministry of Commerce & Industry
- **Aim** - To protect and promote Intellectual Property Rights (IPR) of Start-ups and to encourage innovation and creativity among them.
- It facilitate start-ups in filing and processing of their patent, design or trademark application through the assistance of IP Facilitators.
- **Implementation** - The office of the Controller General of Patents, Designs and Trade Marks (CGPDTM) is the implementation agency that bears the facilitation fee.

The office of (CGPDTM), generally known as the Indian Patent Office, is an agency under the Department for Promotion of Industry and Internal Trade that administers the Indian law of Patents, Designs and Trade Marks.

- **Time period** - Originally, the scheme was up to March 2020 but was extended further for a period of 3 years.
- The scheme is further extended for a period of 3 years with effect from 01.04.2023.

How significant is the IPR for start-ups?

*India is now the hub of start-up ecosystem in the world, ranking **3rd** with 90,000 start-ups and 107 unicorn companies worth 30 billion dollars.*

- **Exclusive rights** - Intellectual Property Rights (IPR) gives start-ups exclusive rights to their products, services, or processes which can help them to differentiate themselves from their competitors.
- **Rebates** - Start-ups are provided 80% fee rebate in filing patent applications and 50% fee rebate in filing trademark application under the new rules.
- **Reduction in cost** - The applicant has to bear only the official fee/statutory fee incurred for filing patent and design application. The government will bear all facilitator fees.
- **Fast-tracking of patent applications** - A "Request for Expedited Examination" mandates the Controller to issue the First Examination Report (FER) within 105 days when the expedited examination request is accepted.
- Granting of patents is reduced to less than a year from 5 to 7 years.
- **Tax exemption** - Start-ups will be exempted from income tax for 3 years subject to providing certification from Inter-Ministerial Board (IMB).
- **Relaxation in public procurement norms** - A DPIIT registered start-up may bid for government contracts with fewer eligibility requirements.
- **Self-certification** - Start-ups are allowed to self-certify their compliance under certain labour and environment laws for 5 years from the date of incorporation of the entity.
- **Easy winding up of company** - Start-ups can be wound up within 90 days as against 180 days for other companies.
- **Free assistance** - Start-ups can avail assistance with filing patent, trademark, and design applications from empanelled facilitators free of charge.
- **Investment** - IP can also help start-ups to attract investment and help them expand into new markets.



What are the gaps in SIPP?

- **Lack of awareness** - Many start-ups are not aware of the importance of IP protection.
- **IP infringement** - Lack of IP protection makes them lose out on potential opportunities and expose them to IP infringement.
- **Cost** - The cost of filing patent, trademark, and design applications can be high and be a barrier for some start-ups that are just starting out.
- **Lack of access** - Quality IP services are less accessible in India.

How these gaps in SIPP could be addressed?

- **Awareness initiatives** - The government and industry bodies need to raise awareness about the importance of IP protection among start-ups through workshops, seminars, etc.
- **Monetary assistance** - The Government could provide financial assistance to start-ups by means of grants, loans, etc. to help them to cover the cost of IP protection.

- **Quality services** - The government could work with industry to set up IP clinics, provide training to IP professionals and create a database of IP service providers to improve access to quality IP services in India.

References

1. [Business Line - SIPP: Protecting start-ups' intellectual property](#)
2. [PIB - Scheme for Intellectual Property \(IP\) protection revised](#)

