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PROSPECTIVE AREAS OF INTELLECTUAL PROPERTY RIGHTS IN INDIAN PHARMACEUTICAL COMPANIES

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ABSTRACT

Intellectual Assets has become the pre-eminent resource for creating economic wealth. Intellectual Assets has contributed to the creation of whole new types of businesses and ways of doing business. In the Knowledge based industries many firms have large amounts of Intellectual Assets such as brand names, patents or employees' expertise. These assets represent a substantial portion of the Market Value of a firm. But the Accounting Standards worldwide are yet to grip with the reality that those investments in Intellectual Assets are 'Capital' investments, and not 'Current' expenses. Consequent to such a treatment, there can be potentially large effects on profitability or book values of many firms. These consequences raise the question whether Stock prices reflected in the Market Value of the firms fully incorporate the value of Intellectual Assets. This study has greater scope due to the increasing level of importance given by Indian Pharmaceutical companies in getting their IP Protection and numerous problems faced by them in every stage and the cost involved.

Keywords: Intellectual Property Rights, Patent, Research & Development, Clinical Trials, Copyrights, Generic Drugs etc.

INTRODUCTION

Since Liberalization, Indian Pharmaceutical industry is growing in its own speed [1].

Business growth Strategies are also formulated by different Pharmaceutical companies [2]. In

viewing the opportunistic areas and prospective areas, the researcher has identified the following areas and obtained the opinion from Pharmaceutical units [3]. The total numbers of Indian Pharmaceutical Companies those who are having Research and Development facilities and also having Intellectual Property Rights for the past five years consecutively are take for this study [4, 5]. There were 69 such pharmaceutical Indian companies in India. Census Survey was employed to survey all 69 pharmaceutical companies [6, 7]. But the researcher was able to gather information from 62 Indian pharmaceutical companies. It was taken as final size for this study and study was carried out [8, 9].

- a. IP development
- b. Opportunity for market expansion
- c. Increase in the value of the company
- d. Chances for collaborations
- e. Competitive Advantage
- f. Increase in the International market coverage
- g. Ability to mobilize fund for expansion

The researcher has requested the respondents to rank the above mentioned factors. Based on the ranking, Weighted Arithmetic Mean was computed for all prospective areas listed [10]. The processed are listed in the following **Table 1**.

Table 1: Prospective areas for Indian IPR

Prospective Areas	Ranks							
	I	II	III	IV	V	VI	VII	VIII
Business growth Strategies	26	12	5	6	3	7	2	1
IP development	6	9	11	8	3	14	6	5
Opportunity for market expansion	23	15	7	2	1	5	3	6
Increase in the value of the company	4	3	4	7	10	9	20	5
Chances for collaborations	3	5	6	1	16	18	7	6
Competitive Advantage	24	9	6	5	7	4	4	3
Increase in the International market coverage	22	7	16	6	5	2	3	1
Ability to mobilize fund for expansion	6	5	14	11	8	9	6	3

Source: Primary data

Table 2: Total and Mean Score of various prospective areas related to IPR

Prospective Areas	Total Score	Mean Score	Rank
Business growth Strategies	390	6.29	I
IP development	288	4.65	VI
Opportunity for market expansion	372	6.00	III
Increase in the value of the company	224	3.61	VIII
Chances for collaborations	238	3.84	VII
Competitive Advantage	367	5.92	IV
Increase in the International market coverage	384	6.19	II
Ability to mobilize fund for expansion	296	4.77	V

Source: Primary data

Business growth Strategies (6.29), Increase in the International market coverage (6.19), Competitive Advantage (6.00), Opportunity for market expansion (5.92) and Ability to mobilize fund for expansion (4.77) are the core prospective areas in Indian Pharmaceutical industry for IPR. IP development (4.65), Chances for collaborations (3.84) and Increase in the value of the company (3.61) are least prospective areas for Indian pharmaceutical companies in IPR.

CONCLUSION

It is obvious that management of IP and IPR is a multidimensional task and calls for many different actions and strategies which need to be aligned with national laws and international treaties and practices. It is no longer driven purely by a national perspective. IP and its associated rights are seriously influenced by the market needs, market response, cost involved in translating IP into commercial venture and so on. In other words, trade and commerce considerations are important in the management of IPR. Different forms of IPR demand different treatment, handling, planning, and strategies and engagement of persons with different domain knowledge such as science, engineering, medicines, law, finance, marketing, and economics. Each

industry should evolve its own IP policies, management style, strategies, etc. depending on its area of specialty. Pharmaceutical industry currently has an evolving IP strategy. Since there exists the increased possibility that some IPR are invalid, antitrust law, therefore, needs to step in to ensure that invalid rights are not being unlawfully asserted to establish and maintain illegitimate, albeit limited, monopolies within the pharmaceutical industry. Still many things remain to be resolved in this context.

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