

A STUDY OF INTELLECTUAL PROPERTY RIGHTS AND ITS IMPORTANCE FOR E-COMMERCE

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Abstract :

The intellectual property rights (IPR) are invisible in nature. In current scenario of business, IPR is the very important point in global trade practices. IPR provides ownership to inventor or creator for their valuable invention or creation. IPR boost energy to the innovative environment by giving economic benefits to creator or inventor whereas the lack of IPR awareness and its ineffective implementation may create difficulty for the economic, technical and societal developments of nations.

Now a days e-commerce frequently involves the sale of goods and services that are dependent on IP and its licensing. Valuable terms traded online must be safeguard by technological security measures and IP laws, or entire firm risk being ruined by theft or piracy. This paper highlights the history of IPR in E-Commerce. IPR knowledge and its proper implementation is very necessary for any nation. Protection for any innovative work such as music, choreography, test, graphic design etc. cannot be revoked by anyone at all as it is not owned by anyone in particular. Intellectual property rights play a significance role in smoothing E-Commerce transaction.

Keywords : Intellectual property rights, E-commerce, copy right, patents, trademark.

Introduction :

Intellectual property (IP) is the term generally used to describe exclusive rights pertaining to creative works. Intangible assets including innovations, literary and artistic works, designs, phrases, symbols, and images can be protected under IP law. This protection is made possible by various IP rights, including patents, trademarks, designs, and copyright (for more information, see the section "Types of Intellectual Property Protection Rights"). These rights allow their owners to profit financially or gain recognition from their inventions or creations.

E-commerce means electronic commerce, is the practice to buying and selling goods and services on online platform like Amazon, Alibaba, Zomato, Ola etc. It involves transactions between consumers, businesses or both using digital platforms like websites, mobile apps and social media. E-commerce also sale goods or services based on licensed intellectual property. Music, photos, graphics, software, content, and so many other sorts of intellectual property can all be transferred through an e-commerce platform in the domain of digital goods. IPR is extremely critical in each of these situations since it's important to safeguard the items' worth. Tools like intellectual property laws and technology security measures are used to provide the



protection. IPR in e-commerce is particularly important since IP theft can potentially kill an online firm if it is prevalent.

Review Of Literature :

Punam Kumari (2018). Ideas, innovations, and creative expressions on the basis of which there is a public desire to grant the status of property are referred to as intellectual property rights (IPR). In order for the inventors or developers of that property to profit commercially from their creative endeavours or reputation, IPR grant them specific exclusive rights. There are various forms of intellectual property protection, including trademark, copyright, and patent.

Sreeragi R. G. (2021). It must be filed for granting rights in accordance with local laws in order to obtain privilege over innovations. The current study investigates the various types of intellectual property and how long registered inventions will be legally protected.

Dr.Arun Gaikwad (2020). The history, goals, and several IPR kinds are also covered in this paper. Ideas, innovations, and creative expressions on the basis of which the public is ready to confer the status of property are referred to as intellectual property rights (IPR). In order for the inventors or developers of that property to profit commercially from their creative endeavors or reputation, IPR grant them specific exclusive rights.

Ming Yang (2018). In order to prepare for the advent of the big data era, this article analyses numerous key issues relating to intellectual property protection in the e-commerce environment and makes recommendations for building an e-commerce intellectual property protection supervisory system.

Andriamirado Rakoto (2018). E-commerce is now of utmost importance to the global economy. In fact, whether they are emerging or established nations, the majority of the world's nations have a platform for conducting electronic transactions on the internet. This paper tries to highlight some important aspects of intellectual property rights protection in online trade.

Ravi Kiran (2016). In this article, the author discusses how the pharmaceutical industry has adapted culturally to IPR techniques and how this has affected the company's expansion both domestically and internationally. The research done for this article establishes the status of IPR in certain businesses, and the findings show a definite upward trend while also highlighting the need for more industry-wide awareness and IPR implementation.

Rindu Rika Gamayuni (2015). In this study, the author describes the path analysis of the relationship between intangible assets, financial policies, and financial performance to the firm value at going-public companies in Indonesia from 2007 to 2009. Although they have a positive and considerable impact on financial performance ROA and firm value, intangible assets have little impact on financial policies.

Significance of the study :

The majority of businesses worldwide consider their intellectual property to be a much more valuable asset than any physical property they may hold. This is due to the fact that intellectual property laws shield businesses against unfair competition as well as the disclosure



of their trade secrets. The primary goal of intellectual property legislation is to promote the production of several different intellectual goods. To do this, the law grants individuals and organizations ownership rights to the knowledge and intellectual products they produce, typically for a finite amount of time. Because it enables people to make money from the knowledge and intellectual products they produce, this provides an economic incentive for their creation. Depending on the level of protection provided to innovators, these economic incentives are anticipated to encourage innovation and advance technology in countries. The modern digital economy makes the importance of IPR in E-commerce particularly obvious. In addition to preserving the creator's labor, the existence of regulations and procedures that govern the operation of IP laws has promoted new creations. The law forbids people from stealing intellectual property (IP) and utilizing it for their own financial gain without compensating the inventor for their labor and ingenuity. This study concentrates on the importance of intellectual property rights in E-commerce.

Objectives of the study :

- To comprehend the history and overview of intellectual property rights.
- To know the role of intellectual property rights in E-Commerce.
- To identify the e-commerce components covered by IPR.
- To Study the various type of intellectual property Rights.

Research methodology :

In order to achieve the above objectives information was collected from the secondary sources readily available. Various reports, research papers, case studies regarding role of intellectual property right were referred to, apart from numerous journals and articles. The in-depth analysis of various literature had helped the authors to frame the idea about intellectual property rights and its significance for e-commerce. This research paper is descriptive and conceptual in nature. It is descriptive in the sense that it tries to identify various characteristics of research objectives and it is conceptual since it examines literature review of past studies conducted in these fields.

Discussion :

History of intellectual property rights :

The history of intellectual property rights in India, including patents, trademarks, and copyrights, dates back to the British colonial era. The Patents and Designs Act of 1856 was the first formal patent legislation in India, allowing inventors exclusive rights for new inventions and designs. The Trademarks Act was first introduced in India in 1940, based on British law, to protect distinctive signs and symbols. Copyright law in India has its roots in the Copyright Act of 1914, modeled after the British Copyright Act of 1911. After gaining independence, India continued to develop its intellectual property framework. The Patents Act of 1970 was a landmark reform that shifted the patent system towards promoting indigenous innovation and public interest. The Trademarks Act of 1999 replaced the earlier legislation, providing more comprehensive protection for trademarks and service marks. The Copyright Act of 1957 was amended several times to keep pace with international standards and technological



advancements.

In recent years, India has strengthened its intellectual property regime to comply with international agreements, such as the TRIPS Agreement. The Patent (Amendment) Act of 2005 extended patent protection to pharmaceutical products, and the Copyright (Amendment) Act of 2012 addressed digital piracy and online copyright issues. The Trademarks Rules of 2017 streamlined the trademark registration process.

Today, India's intellectual property framework aims to balance the protection of creators' rights with public interest, promoting innovation, creativity, and economic growth. The country continues to evolve its laws and regulations to address emerging challenges and opportunities in the field of intellectual property.

Intellectual property rights and e-commerce :

1. Patents :

In the field of e-commerce and online business get a lot of incentives from patents. Patents facilitate licensing, outsourcing, agreements, and the development of tactical alliances in e-commerce. Patents not only provide protection in capturing and creating new ideas for an E-Commerce business, but they also increase the sales of your items by granting them special qualities that set them apart from other online competitors. Patent is one of the form of IPR. E-commerce businesses can patent unique solutions, such as payment processing system, logistics management or AI-powered recommendation engines, to gain a competitive edge. E-commerce businesses operating globally must navigate different patent laws and regulations in various countries.

2. Copyrights :

Copyrights are crucial in the current digital era for protecting the information and creative work on websites. Because of the fast digitization, the owners of the copyrights seek copyright protection to stop any illicit distribution or copying of their works that are displayed online. Additionally, a variety of technological safeguards, including encryption and watermarking, can be employed to protect the intellectual property rights of online enterprises. Copyright describes the rights given to authors, painters, musicians, and other creators for their "original" works of creativity or to performers, artists, and broadcasters for the associated rights. Copyright regulations are monopolistic rights just like patent laws. Any literary, musical, dramatic, artistic, or architectural work created by the author is granted the exclusive right to be sold, published, and reproduced.

3. Trademark :

In the online platform trademark play a very important role and e-commerce to develop a brand image by expanding or selling the enterprises. A registered trademark also makes it simpler to file lawsuits and initiate legal processes against companies that online infringe on your company's intellectual property. A trademark is a recognizable symbol that aids consumers in determining the source of specific goods or services. It can take the shape of text, words, numbers, phrases, symbols, designs, smells, colors, shapes, sounds, packaging, textures,



or any combination of these things. The purpose of a distinctive trademark is to enable consumers to connect a certain mark with a particular manufacturer of goods or service provider in the case of services. It aids in assuring the clients that the products are of a particular type and quality.

IPR play a circular role in development of E-commerce platform. E-commerce grows very vastly in the coming years due to fast development of internet, technology, its related infrastructure across all the economies.

Four different ways of IPR more effective in the progress of E-commerce :

1) Safeguarding the business interest of companies :

The rules of IPR protects a company as well as its entities from all forms of unfair competition. In the modern world of digitized economies, absence of IPR laws do lead to IPR related malfunctioning and infractions – which result in stolen forms of software to design to creative works like music as well. These stolen versions could be distributed worldwide rapidly without the due compensation being paid to the original developers of all these things. But businesses can safeguard their important functioning by IPR in E-commerce.

2) Safeguarding vital ingredients :

IPR laws safeguard the important digital as well as technology related assets or ingredients of any E-commerce related company. These vital ingredients could be network, could be processors, connectivity – everything. These are all important ingredients for efficient internet connectivity as well as helpful in efficient functioning of E-Commerce.

3) Safeguarding Goods, Services and Getting rights of patents :

Licensing of goods, services and their relevant patents are the normal foundation for all E-commerce related industries. Majority of E-commerce firms and industries prefer outsourcing the creation of a few ingredients or share their technologies through license agreements because these need numerous forms of technologies for generating a single good or service.

4) Preservation and holdings of patent and trademark :

The most important asset for a company operating in the e-commerce industry is intellectual property. A portfolio of patents and trademarks that they normally possess are always handy to the valuation of the company. Thus, these patents, portfolios, and trademarks are safeguarded by IPR rules in e-commerce for the growth and development of the company.

IPR is very helpful for growth of E-commerce industries. But in India IPR is very neglected in E-commerce because it is protecting invisible asset as well as it is difficult to understand. It is necessary for the owners of E-commerce industries to safeguard their industries by the help of relevant IP laws. Following are E-Commerce areas that could well be covered by IP rules.

1. Patent and various utility models cover or give safeguard to technologies, search



- engines, online platforms, etc.
2. Depending on an economy's rules and regulations of IPR, specific software is protected under the Patent Law or the Copyrights Act and it incorporates safeguarding coding used by websites.
 3. Website designing, written documents graphics, videos protected by copyright laws or IPR.
 4. Companies can use economy - based IPR laws for safeguarding their database.
 5. IP rules provide safeguard shield to all forms of online elements –beginning from webpages and extending up to graphics – by means of different IP rules in different economies.
 6. In India, IPR regulations are effective in creation, development as well as step-up in the numbers of E-commerce industries.

Conclusion :

In digital practice and operations intellectual property laws are very imperative. IPR guide businesses in preserving and protecting their business operation as the online retail market expand rapidly at global level. IPR owners are able to claim a portion of the company's revenues because of IP rights in e-commerce. Hence, E-commerce activities are safe by IPR. Intellectual property rights can be implemented with a focus on features which are unique and unavailable to others, successfully enabling E-commerce activity in the public domain.

The legal protection of intellectual property rights promotes strength in the use of intellectual property, which helps not only in licensing, contracting, and outsourcing but also in developing new concepts and forming strategic alliances, all of which improve sales and e-commerce operations by introducing features which rivals cannot offer. This promotes healthy competition in online business and generates income for the rightful intellectual property owners. Because of this, intellectual property protects e-commerce and promotes economic justice.

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