

A ROADMAP OF IPR ON MSMEs FOR SUSTAINABLE DEVELOPMENT

Sowmya.D.N 1

Research Scholar

DOS & R in Commerce

Tumkur University &

Associate Professor

Dept. of Commerce and Management

Seshadripuram Academy of Business Studies

Dr. P Paramashivaiah 2

Professor

DOS & R in Commerce

Tumkur University

Tumkur- 572103

ABSTRACT: Sustainability is already taken a key position for development of any country. In the developing countries the transformation is not simple to assess a country's socioeconomic level. Current situation of the country can be shift for next level by MSMEs. Research and Innovation should be vigorously taken by MSMEs for development. With the lot of complications IPR will be the real GEM for MSMEs to reach global standards and contributes to economic sustainability. IPR is a gamut where it touches every lucks and corner of the business in holistic development perspective. Over a time of 7 years GoI initiated number of schemes like Make in India, Digital in India, Start-Up India and Stand-up India and continued with present Aathmanirbhar Bharath which aim to range 5trillion economy and sustainability. The various sectors in MSMEs have its own challenges and opportunities, in this regard MSMEs adapt and adopt flexible innovation strategies and focus towards attaining Intellectual Property Rights. This paper investigates and reveals the status of IPR in MSMEs and contribution of IPR to build strong sustainable development county. This paper collects the opinion from selected MSMEs on IPR by focusing on different sections. This paper is based on primary, secondary data and interaction with experts and entrepreneurs. Analysis is done by considering 22 respondents with using Descriptive, Correlation and ANOVA as statistical tool. This paper also makes an attempt to draw out the viewpoint about sustainability as well as holistic development.

Key Words: Government Policies, Innovation, IPR, MSMEs, Opportunities and Sustainability.

1. INTRODUCTION:

1.1 INDIAN MSMEs SECTOR

Despite achieving extraordinary and steadily rising economic growth in recent years, India still confronts several challenges in establishing appropriate job prospects for people, particularly

the younger population. The youth now account for over 35% of the population, and the Indian workforce is predicted to grow to approximately 600 million by 2022, up from the current estimated 473 million.

India has surpassed the United States as the world's third largest technological start-up. The Central government's main focus is on economic goals, which include making conducting business easier, supporting FDI, job creation, skill development, and entrepreneurship.

According to the MSME Ministry's FY19 annual report, micro-enterprises dominate the MSME sector. India has 6.33 crore MSMEs, of which 6.30 crore, or 99.4 percent, are micro-companies, 0.52 percent — 3.31 lakh are medium enterprises, and 0.007 percent — 5,000 are small businesses.

Indian MSMEs employ about 40% of India's workforce. According to a CII study of over one lakh enterprises, the number of net employment generated in the Micro, Small and Medium Enterprises (MSME) sector in the previous four years was merely 3,32,394, which is 13.9 percent more than the base four years ago. According to the report, only three states, Maharashtra, Gujarat, and Telangana, accounted for more than half of the employment produced during this time period (2015-16 to 2018-19).

Definition of MSMEs:

Revised Classification applicable w.e.f 1st July 2020			
Composite Criteria: Investment in Plant & Machinery/equipment and Annual Turnover			
Classification	Micro	Small	Medium
Manufacturing Enterprises and Enterprises rendering Services	Investment in Plant and Machinery or Equipment: Not more than Rs.1 crore and Annual Turnover ; not more than Rs. 5 crore	Investment in Plant and Machinery or Equipment: Not more than Rs.10 crore and Annual Turnover ; not more than Rs. 50 crore	Investment in Plant and Machinery or Equipment: Not more than Rs.50 crore and Annual Turnover ; not more than Rs. 250 crore

Sources: <https://msme.gov.in/know-about-msme>

The micro, small, and medium-sized companies (MSME) sector contributes considerably to the country's industrial production, employment, and exports. The MSME sector accounts for around 45 percent of India's industrial output and approximately 40 percent of overall exports. The MSME sector is anticipated to employ over 101.26 million people across the country in over 44.77 million units. The MSME sector accounts for around 8% of the country's GDP. The MSMEs sector has consistently outpaced other sectors in terms of growth. There are approximately 6000 items ranging from basic commodities to highly specialised products/services, and the goal of designating MSMEs is to separate them from the rest of industry in order to extend governmental support for exclusive promotion. MSMEs have several financial hurdles, with promoting their product and service being a key one. In this regard IP would be more relevant as a trademark, patent, copyright, GI tag etc. By coining the IPR as main strategy for MSMEs product and Services, MSMEs can be in the path of profitability as well as sustainability.

1.2 IPR STATUS IN INDIA

Intellectual property and its importance to MSMEs are not commonly recognised. In the early phases of a knowledge-driven economy, intellectual property rights (IPR) provide a substantial contribution to sustainability and development. Almost every day, new goods, brands, and unique designs enter the market as a consequence of ongoing human invention and creativity. MSMEs serve as auxiliary units to big enterprises, and this sector contributes significantly to the country's socioeconomic growth. MSMEs are not focused on IPR due to a lack of understanding, ignorance, and other technological obstacles; as a result, MNCs and other large-scale companies may mimic the distinctive process or approach of their MSMEs counterparts. To consolidate MSMEs' weaknesses and defend their distinctive goods and services from huge and multinational corporations. There is a huge opportunity for MSMEs to acquire IPRs, Government incentives to MSMEs in getting patents and identify and analyze the number of MSMEs applied and acquired IPRs with the help of government incentives.

Intellectual Property Rights (IPR) are described as "a right that a person or an organization has to have exclusive rights to utilize its own plans, ideas, or other intangible assets for a particular length of time." Copyright, patents, trademarks, traditional knowledge, and trade secrets are all examples of intellectual property rights." The rationale behind

intellectual property is to stimulate innovation without fear of a competitor stealing the idea and/or taking credit for it.

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	2019-2020
Patent	5,978 (14,316)	6,326 (20,429)	9,847 (30,271)	13,045 (47,695)	13,813 (38,961)	23257 (49351)
Designs	7,147 (7,226)	7,904 (8,023)	8,276 (8,332)	10,020 (1,07,88)	8,037	14,529
Trade Marks	41,583 (83,652)	65,045 (1,16,167)	2,50,070 (2,90,444)	3 00 913 (5,55,777)	3,11,078 (3,70,015)	3,36,000 (3,84,725)
Geographical indicator	20	26	34	25	22	31
Copyrights	Transfer of Copyrights to DIPP / CGPDTM in 2016-17			19,997 (39,799)	18,026	21,179

(Sources: <https://www.bananaip.com/ip-news-center/2019-intellectual-property-statistics-in-india-up-up-and-away/>)

2. REVIEW OF LITERATURE:

2.1 AWARENESS ABOUT IPR

- **Raj Ankush Soshte (2020)** Using secondary data, the study report focused on the value of IPR for MSMEs. It is necessary to be aware of intellectual property rights (IPR) in order to strengthen MSME. Despite the fact that the government has taken several initiatives, MSME are still unaware about IPR.

- **Sowmya and Paramashivaiah, (2020)** by adopting and adapting the IPR by MSMEs can build the brand for its products and services which may leads to market enhancement and sustainability. Through descriptive analysis, Anova and t-test of the primary data analyzes by the authors it concludes that R&D and innovation is mandatory for sustainability in any crisis by MSMEs.

2.3 POSSIBILITIES AROUND IPR TOWARDS MSMEs

- **Isita Lahiri and Monojit Banerjee (2019)** here author emphasis on the role branding of Indian MSMEs needs to be in the holistic approach as the hitches of MSME branding are multi-layered and multifarious. For the Indian MSME sector enterprises to be

sustainable in the long run, integrated strategies must be devised, with marketing and branding being critical considerations. Author concludes the accomplishment of the paper objectives by convenient sampling was used to select 61 MSME firms and from these a total of 193 respondents were chosen for data collection.

2.4 INSTITUTIONAL SUPPORT TO BOOST UP MSMES TOWARDS IPR

- **Chiruvoori Ravivarma¹, Dama Bhuvankumar² (2018)** through the secondary data here author described that their challenges faced by MSMEs and need institutional support to overcome the challenges. Here researcher also mentioned the Institution which gives assistance to acquire the IPR for MSMEs.

2.5 CONTRIBUTION OF MSMES IN GROWTH OF INDIAN ECONOMY

- **Subina Syal(2015)** here author demonstrate through secondary data that the MSME sector is the 'engine of growth' for developing countries and discussed about Employment opportunities, Infrastructure Development, Testing laboratories, Foreign direct investment policy, De-reservation, Competitive technology, Export promotion within the MSME sector.

2.6 ADVANTAGES OF IMPLEMENTATION OF IPR

Lalith (2015) here authors express the benefits of IPR skill and social development were noted, as well as the fact that IPR supports fair commerce and that efficient enforcement of IPR stimulates economic progress. The purpose of intellectual property is to provide economic benefits and recognition to creators and inventors with the goal of reducing poverty, stimulating creativity and skills, exploring growth and trade, providing low-cost health care, ensuring food security, improving access to educational systems, benefiting traditional knowledge holders, and exceeding holistic development.

3. RESEARCH METHODOLOGY

3.1 This study determines the subsequent Research questions/ Research Gap.

1. What is the opinion of MSMEs towards sustainability with IPR?
2. Challenges and Opportunities for MSMEs to go for IPR.
3. How MSMEs will be benefited by IPR for economic sustainability?

3.2 RESEARCH OBJECTIVES:

1. To learn what respondents think about IPR and MSMEs.
2. To investigate the variables determining the long-term viability of MSMEs with IPR.
3. To know the view of respondents on Aatmanirbhar Bharath /Vocal for Local.

3.3 HYPOTHESIS:

- H1: IPR influence on MSMEs and its Sustainability.
- H2: Is there is any significant difference in the opinion of the respondents on IPR in MSMEs with regard to internal and external factors.
- H3: There is significant impact Aatmanirbhar Bharath /Vocal for Local in post COVID era on MSMEs and IPR.

3.4 METHODOLOGY:

The research is both exploratory and descriptive. In order to analyse and interpret the data, primary sources were used to collect information, and a questionnaire survey was distributed to 22 persons in Bangalore (Entrepreneurs). The data is gathered using purposeful sampling strategies. This research is both descriptive and exploratory. It tends to describe the significance and influence of IPR and MSMEs in MSMEs (Entrepreneurs) perception as responders in building MSMEs through IPR by enhancing with vital understanding of IPR by the relevant economic sustainability stake holders. **Statistical tool:** Descriptive analysis, ANOVA and Correlation is used to prove the hypothesis and to interpret the data. The study was limited to Bangalore only. All the core questions are in Likert scale with a five-point scale is used to collect data.

3.5 SAMPLE UNIT:

The sample unit for the study is determined from the respondents' occupation, age, educational degree, and gender. Textile, manufacturing, information technology, and a few service industries are examples of MSMEs.

3.6 METHODOLOGY OF RESEARCH

- Literature review on LMS Design of questionnaire Validation of questionnaire by academicians and practitioners
- Refinement of the questionnaire by adding academics' and practitioners' perspectives

- Obtaining authorization and making an appointment for personal interviews with practitioners based in and around Bangalore, India.
- Data collection using questionnaires and interviews with practitioners.
- Data analysis and deriving conclusions

4. DATA ANALYSIS AND INTERPRETATION:

4.1 DESCRIPTIVE STATISTICS

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Competition in the market influences your firm to adopt Innovation practices	22	1.00	5.00	4.1818	1.00647
Age of the firm influences the firm to adopt Innovation practices	22	1.00	5.00	3.6818	1.21052
Size of the firm influences the firm to adopt Innovation practices	22	2.00	5.00	3.9091	.97145
Education Qualification of entrepreneur influences the firm to adopt Innovation practices	22	1.00	5.00	3.5455	1.29935
Experiences of the entrepreneur influences to adopt Innovation practices	22	1.00	5.00	3.7727	1.10978
Voice of the customer influence us to adopt Innovation practices	22	1.00	5.00	3.9545	1.29016
Industry eco-system will influence us to adopt Innovation practices	22	3.00	5.00	4.4545	.67098
Innovation practices are perceived as too risky in our firm	22	1.00	5.00	4.0000	1.19523
Innovation proposals are welcomed in our firm	22	1.00	5.00	3.6364	1.39882

In our firm, we seek innovative ideas from our internal sources only	22	3.00	5.00	4.3636	.65795
We promote innovative ideas in our firm	22	1.00	5.00	4.1818	1.00647
In our firm, we are keen on sourcing ideas from external sources also	22	1.00	5.00	3.6818	1.21052
In our firm, Employees are rewarded for proposing new ideas	22	2.00	5.00	3.9091	.97145
Policies of government influences us to adopt innovation practices	22	1.00	5.00	3.5455	1.29935
Technological advances influence us to adopt innovation practices	22	1.00	5.00	3.7727	1.10978
Competition drives us to adopt Innovation practices	22	1.00	5.00	3.9545	1.29016
Our Employees are the driving force to adopt Innovation practices in our firm	22	3.00	5.00	4.4545	.67098
In our firm, Employees are not hesitant to speak about new idea for better performance	22	1.00	5.00	4.0000	1.19523
It is that businesses and customer understand to know the importance of IP	22	2.00	5.00	4.0909	1.01929
IPR is must for sustainable economic growth India	22	1.00	5.00	3.8636	1.20694
Research and innovation will help KVIC for sustainable development	22	4.00	5.00	4.4545	.50965
Coining the IP as main strategy by MSMEs can get better Profit	22	1.00	5.00	3.9091	1.19160
The use of IPR will give a boost to performance of the MSME sector.	22	1.00	5.00	3.5909	1.40269

In the Era of this digitalization the IPR will help the MSME to tap the doors of online platforms	22	1.00	5.00	4.0909	1.06499
IPR integration with MSME will create a window for the growth of Indian economy through increase in exports	22	1.00	5.00	3.8182	1.33225
Indian MSME sector would lead to the global market in future	22	3.00	5.00	4.2727	.76730
The IPR would bring up the advantage to grab the market position	22	1.00	5.00	3.7727	1.37778
Government initiatives towards IPR is recommendable	22	1.00	5.00	4.1364	.94089
The protection Patents, copyrights, trade secrets, and other forms of new MSME innovation are required to understand the process.	22	1.00	5.00	3.8182	1.33225
The branding of Indian MSME through IPR acts and protection as a key gate way	22	2.00	5.00	4.1818	.95799
The local brand can be a global brand through IPR, is the strategic decision for economic sustainability	22	3.00	5.00	4.4545	.67098
The motto of Aatmanirbhar Bharat that is vocal for local which leads to reach Global will give a spirit of competition and the IPR play a major role here	22	1.00	5.00	3.5909	1.33306
Valid N (listwise)	22				

4.5 INFERENCES:

1. From the above table we can understand that IPR will give a boost to performance of the MSME sector. It is proved that the IPR will boost the performance of the MSME sector as its approximate mean value is more than 4. Hence, many of the respondents agree to this phenomenon.
2. From the above table showing that the age of the firm influences the firm to adopt Innovation practices. As its approximate mean value are more than 4, with minimum and maximum of 1 and 5 respectively and standard deviation 1.21052. Hence, many of the respondents agree to this concept.
3. The above table is evident that size of the firm influences the firm to adopt Innovation practices. The fact is that most of the respondents agree to this as the mean value is 3.9 and the standard deviation is 0.971.
4. The digitalization of IPR will help the MSME create massive online platforms. It is witnessed that the IPR create a way MSME sector to tap the online markets.
5. The integration of IPR would be able to expand exports and contribute to the Indian economy, as most respondents agree and have a favorable outlook on exports.
6. Due to the current situation MSMEs shown the interest that, there is a need for the protection of new innovations of the MSME by the IPR etiquettes.
7. The statistical tool proves that the Motto of Athmanirbhar Bharat that is vocal for local which leads to reach Global will give a spirit of competition and the IPR would be the major contributor in this aspect.
8. The aim of Vocal for local and local to global the IPR will lead as the brand to attract the customers.
9. From the above table it clears that IPR has the significant influence on the MSMEs and lead to economic sustainability.
10. *The descriptive statistics of above determinants depicts that the mean value of the determinants is greater than 3.5 hence majority of the respondents agree that these parameters have the impact of implementation and sustainability of IPR in MSMEs.*

4.2 CORRELATION

Correlations			
		Sustainability	IPR
Sustainability	Pearson Correlation	1	.918**
	Sig. (2-tailed)		.000
	N	22	22
IPR	Pearson Correlation	.918**	1
	Sig. (2-tailed)	.000	
	N	22	22
**. Correlation is significant at the 0.01 level (2-tailed).			

The Karl Pearson correlation analysis made it depicts that there is (0.92) High Positive correlation with impact of IPR and sustainability of MSMEs and there is significant relationship with impact of IPR and sustainability of IPR in MSMEs.

Correlations			
		IPR	Aatmanirbhar
IPR	Pearson Correlation	1	.947**
	Sig. (2-tailed)		.000
	N	22	22
Aatmanirbhar	Pearson Correlation	.947**	1
	Sig. (2-tailed)	.000	
	N	22	22
**. Correlation is significant at the 0.01 level (2-tailed).			

The Karl Pearson correlation analysis made it depicts that there is (0.95) High Positive correlation with impact Aatmanirbhar Bharath on IPR and there is significant relationship with impact Aatmanirbhar Bharath on IPR in MSMEs.

VARIABLES	P VALUE
AGE OF THE FIRM	0.00

SIZE OF THE FIRM	0.00
INITIAL INVESTMENT	0.00
SERVE OF PRODUCT	0.00
FACTORS INFLUENCING TO ADOPT THE INNOVATION	0.00

In order to determine whether the opinion of the respondents differ on the internal and external factors of company the ANNOVA tool was used and it is statistically proven that there is significant difference in the opinion of the respondents as p value is less than 0.05. hence the alternative hypothesis is accepted.

5. SUGGESTION AND CONCLUSION:

To meet global suitability, it is critical to increase MSMEs through IPR in the future for sustained economic success. The incorporation of IPR will be able to improve exports, generate brand value, and contribute to the Indian economy. The Micro, Small, and Medium Enterprise (MSME) sector is considerable and plays an important part in the Indian economy. It is critical to assist and educate MSMEs in order for them to make effective and efficient use of resources, as well as to keep up to date on the newest methods and technology, as well as government legislation. Manufacturing sectors, particularly MSMEs, must focus on critical facilitators of innovation in order to compete globally. Atmanirbhar-vocal for local may be achieved via continual innovation, successful brand building, smart use of digital platforms, and IPR awareness. IPR may be easily obtained as a result of innovation (Patent, Copyrights, GI tag, Trademarks, Traditional Knowledge etc.). These innovations enhance the brand image or global identity of our MSMEs' products and services. In this case, these goals can be achieved through the effective and efficient use of a digital platform. MSMEs may establish CRMs and meet a larger number of clients and customers by using a digital platform. The digital platform plays an important part in the Vocal for Local strategy by improving and simplifying supply chain management. The days are not far for Micro, small and medium enterprises (MSMEs) will be the most effective sector, enhance the growth of India and set as an example for holistic development. Through innovation, MSMEs enhanced their performance in terms of market share and a diverse variety of goods and services. All MSMEs should do a comparison with industrialised nations. In terms of IPR strategy, the government should take appropriate steps

for MSMEs. In each industrial location, the relevant authorities should begin by establishing an IP building hub. As a consequence of continual innovation and growth in all aspects, MSMEs may establish a diverse variety of employment markets, business markets, and other markets, as well as support the current Aathmanirbhar, i.e., "Vocal for Local." IPR protection for the purpose of boosting their industries and trade, Indian businesses, particularly small and medium firms, are falling behind in realising the value of IPR and positively reacting to global developments in the IPR.

It is critical that MSME in India take a proactive approach to the development, protection, and management of intellectual property (IPR) in order to compete in the global market and achieve company success. Further research on the aforesaid subject may be conducted by focusing on samples collected from each industry and evaluating them separately to determine whether the same IPR strategy would be appropriate for economic sustainability.

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