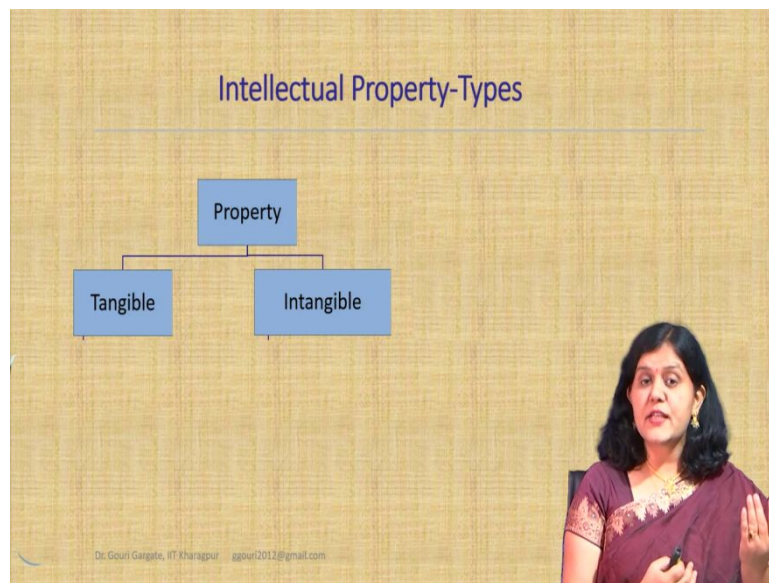


**Entrepreneurship and IP Strategy**  
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**Indian Institute of Technology Kharagpur**  
**Lecture 03**  
**What do you understand by IP?**

Welcome all. Welcome to the course Entrepreneurship and IP strategy. This is lecture 3. What do you understand by IP?

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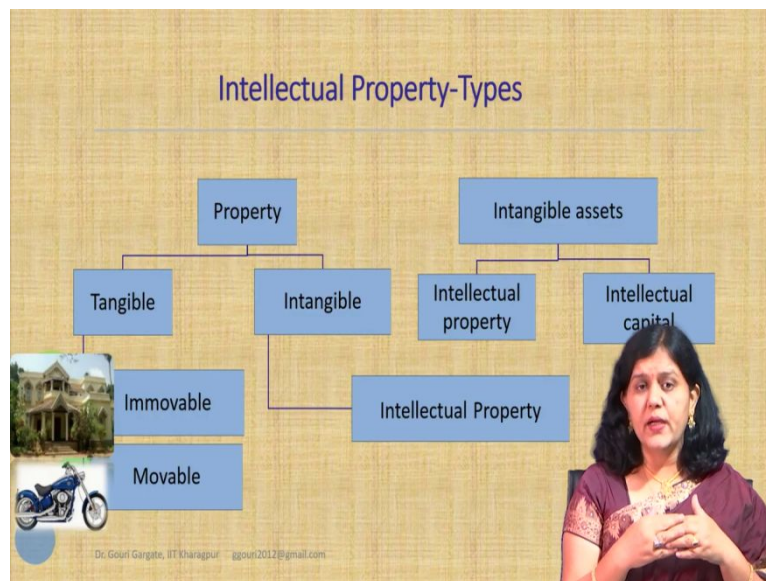


Now, when we see the word Intellectual Property or IP few things pop up in your mind. That what do you understand by property? What do you understand by tangible property? What do you understand by intangible property? What do you understand patent? What do you understand by copyright? What do you understand by trademark?

So, we will try to see what these different types of properties are? And what these different types of an intellectual properties are? So, starting with say this, property. When we are talking about property, we divide property into two types. That is tangible property and intangible property. When they say tangible property what do you understand? It is something which you can touch, which you can see by your eyes.

So, that is something which you can touch, you can see that is what we call as tangible property. What do you understand by intangible? Intangible is something which you are not able to see by your eyes and this is something you cannot touch. So, that something which you cannot touch we call it as intangible property.

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Now, moving further when we say that there are the intangible assets. That is another terminology, a parallel terminology or different terminology is there. Property, and we are talking about intangible assets. Now, when we say intangible assets? Two words are intangible and assets.

So, assets you understand that this is something when you buy certain thing for a future investment or you anticipate that okay, if I invest some amount of money in particular thing probably I am getting benefit after few years. That is a some future benefit is there. And that we call that we are creating assets.

Now, we are talking about intangible assets. So here, you are investing something intangible in nature and that is acting as a asset for you. And that intangible assets are divided into again two types. That is intellectual property and intellectual capital. Now, we are not going into details of Intellectual capital much but we will talk more about a Intellectual property.

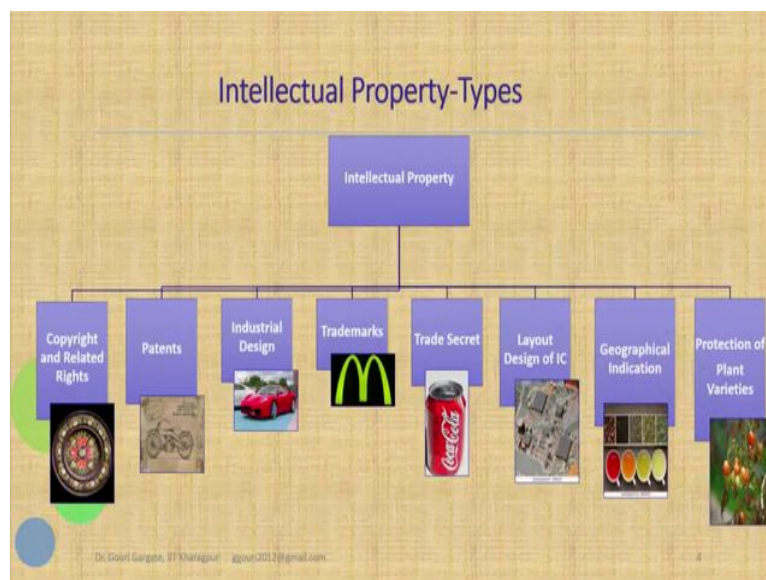
But to give you a little feel about intellectual capital, I will just give you a few examples of Intellectual capital. That is, there is Human Capital, Structural Capital, or the Affective Capital, Cognitive Capital, Conative Capital, Organizational Capital. So, these six types majorly what we can say which form a Intellectual capital and that Intellectual capital forms innovation capital and that innovation capital is responsible for creation of inventions or innovations.

So, in short, Intellectual capital contributes to create a Intellectual property. Now, what do you understand by Intellectual property then? So here in Intellectual property, you can see two types. Immovable property and movable property that is types under Tangible and Intangible, you are seeing a Intellectual property.

Immovable and movable by seeing this slide only you can understand immovable property is something which is not moving. Movable something which is you are able to move from one place to other place. So, we will not go in details of that property types. But we will now concentrate on Intellectual property.

So when we say Intellectual property what do you understand by a Intellectual property? Something intellectual is there. And through that intellect property is created. Simple. If we analyse that word, so a property which is created by a creative mind, we are calling it as an intellectual property.

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Moving further now, these are the different examples or different types of Intellectual property. Probably, you have heard this few types like trademark, patent especially or copyright or trade secret. So these types you probably have a, sometimes you have probably seen in the news or magazines and probably you have heard this trademark, for example, Google trademark.

It is getting a value of something like 44 billion dollars. Something like that probably you have heard, so or you might have heard that okay one patent and that entrepreneur by using

that single patent you have created a business and now he have earn something like hundred crores. Probably you have heard such kind of stories. So, we will just see what these different kinds of a IP or a different types of a Intellectual property are.

So, we will start with the copyright. In the copyright or related rights, if you see this kind of a Intellectual property, where will it be important? If any entrepreneur is working in a domain of a publishing industry and film industry copyright is like a indispensable there. You should take care of your copyright if you are in that particular industry or that's it.

Second type is like a patent. Where it will be very important if you are so much of technology driven, if some sector, so for example, mechanical engineering related or something like civil engineering obviously if some new technology you are implementing or in medical technology, bio-technology, pharma industry so these are the sectors where what we can say inventions and innovations are very important. Obviously, patent will be the most important type of IP in that particular sector or that particular domain.

Industrial design, where it will be important? It is something which is very important when it comes to marketing. So, for example, if you enter into a mall or in the say Walmart or something like that shop, big malls or shop or something like that. You get attracted by certain products.

You just choose some products based on the appearance. Right? Or suppose you are sitting and in front of your, you are on a road and if you see some particular car is going so if suppose Maruti car goes or Mercedes Benz goes, Rolls Royce goes, you just observe that and you, by seeing only you understand, oh, this is Maruti. Or this is Rolls Royce or this is say, Mercedes.

So the thing is just by look, by appearance you just judge. Okay, this is something related to this brand or this business. So this is something that design is like important in that marketing aspect it is very, very important. There is a special subject like self-management and that kind of courses are there which will take care only that how consumer can be attracted towards a particular product based on the appearance.

Then the next type you are very well versed with that is like a trademark. You, if I say something like Bata, Tata, Reliance, Bank of India, State Bank. So, if certain words come

you just relate it with a something. So, for example if Tata comes you will immediately remember that Tata cars are there. Tata salt is there. Or Tata hospitality services are there.

You immediately relate with that thing. When I talk about Bata, you immediately imagine that Bata showrooms, footwear related business and the quality of that particular thing. So, similarly if you are in academic institute if somebody says MIT or IIT, we immediately relate to oh, IIT Industrial Institute of Technology then what will be the quality and all that thing.

So, it is like a one word, one symbol. It gives recognition and gives idea about the particular what we can say the business or the organization or the quality or product range something like that information immediately recollect. So, that is what the trademark is.

Then, you go towards the trade secret. This is something very-very important kind of intellectual property in any business. Because you have to remember know-how or tacit knowledge when we are talking about that particular thing, in every business there is some or the other know-how is there. Some or the other basic knowledge is there. Which is like a kept as a secret, which is known to only few people and that is like making your business special because of that particular know-how or that particular what we can say the process, it can be a process, it can be a customer list, it can be a certain kind of a activities.

So, these all things which will give you or the business value that particular thing is called as a trade secret. And Coca-Cola is the most hyped or a most known example of a trade secret you know that. Then there are other few other types of IP but when you are talking about entrepreneurship, I will say these first five types, these are very, very important.

So if you are starting entrepreneurship trademark is what we can say that you will have some name and that name is acting as a trademark here. I am just what we can say superficially connecting it and giving you the relation and how you are related as entrepreneur with this IP. I am just giving you the little idea about that particular thing. If you are creating some technology driven product, obviously patent is very-very important and that will give you competitive edge.

If you are having, giving or offering some product, it may be online product, it may be something like actually tangible product which you are offering, obviously you will have some kind of appearance, some kind of packaging kind of thing, all these things you are giving to that particular product. At that industrial design will be very-very important for.

If you giving that your product range and all that thing, with every product you may have some manual and that manual will act as a copyright. That will give you, you have to take care of the copyright kind of thing when you are talking about, if you are in film industry or publication industry then copyright is a important, that is a major chunk of the IP which you will deal with.

Trade secret, this is something you are always, you will always have in your business. And you have to take care of the trade secret, you have to keep the confidentiality about that trade secret. Now, few other types IP's are there. Maybe you are not able, you may not be directly connected but you should know that okay these are the few other types of IP.

So, these are of a layout design of integrated circuit. Now, what is that exactly? You are aware of about Texas Instrument. Now, if you see that particular integrated circuit layout design is there. And for that dedicated Act is enacted. But, I will say that this Act is not that much what we can say explored. Mostly, people or businesses are following patent for that particular integrated circuit layout design. You have listened but that dedicated Act is there. There are a few, there are a few reasons why people are not following but this is one of the IP and dedicated Act is there.

Then geographical indication is there. This is something very, very important or when we are talking about India because we have, what we can say a good range of geographical indications and few examples are Darjeeling Tea, Kolhapuri Chapal, Solapuri Chhadar, Kashmiri shawl or West Bengal, it is connected with Rasgullah. Tirupati Laddoo. So there are n number of examples which talk about the geographical indication and you are well aware about the Basmati case and so.

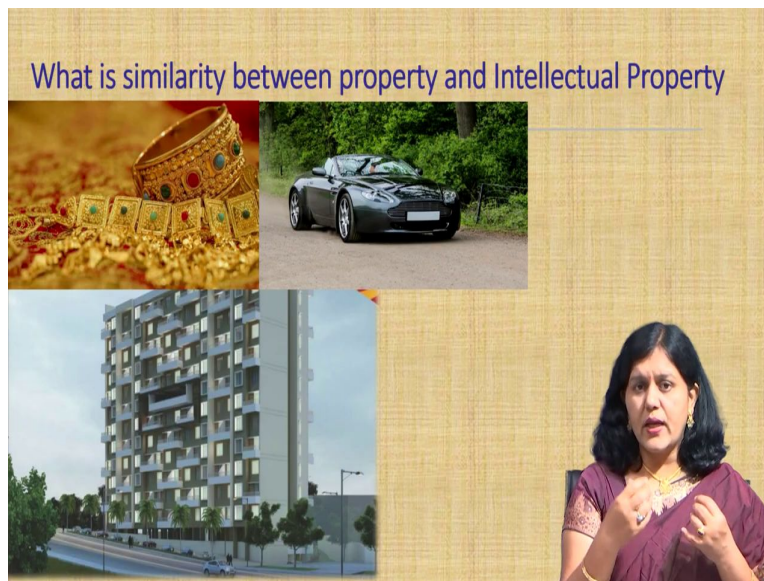
So, the thing is that this is something regional speciality that, because of trade, the production or because of that particular region, that particular qualities are, what you can say you find in that particular product and you immediately relate when I have taken certain names, you immediately gone to that particular region and that is the regional specificity. And therefore it is called geographical indication.

And the next type is like Protection of Plant Varieties and Farmer's Right. Probably, if you are in agriculture business then probably this can be a one of the important IP you have to look into. And here what you can say the different types of plant varieties are taken into

consideration because plant is not patentable. Seeds are not patentable according to Indian Patent Act section 3.

And therefore for that protection if any innovative things are happening in that particular domain, obviously we have a separate Act that is a Protection of Plant Varieties and Farmer's Right. So, when we say the Intellectual property these are the major type of IP as an entrepreneur as I have already told you first five types will be very-very important for you. And slowly as the course progresses, we will go in a detail of each and every type and we will give you idea about how this IP are like indispensable. Already, if you are in entrepreneurship activity already you have IP with you and you have to identify that okay which IP already I am owning and how should I go for protection of that particular IP.

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So, moving further, if you are well versed with these types of IP I will go further and we will see what do you understand by property and intellectual property. What similarity is there? Because this intellectual property subject is like, like little bit, probably you will feel, oh this is little bit new subject, how can I relate it with the, what I know. So, here are the examples. You are well aware about jewellery, car, flat.

So, if you want to relate this property and a intellectual property, there is a very good what we can relationship between this property and intellectual property. There is a similarity. Simple thing. Few things which you should remember when we are talking about Intellectual

property is that any Intellectual property you consider it is first time in the world, first time in the world. You just remember it perfectly.

Novelty is a much, much, much important when we are talking about IP. You take copyright, you take patent, you take industrial design, you take trade mark. Novelty aspect is the most important aspect when we are talking about Intellectual property. So, the thing is that, and novelty is not limited to say India. It is like a world novelty. It should be first time in the world that kind of quality or that kind of criteria is there when we are talking about IP.

Now, how you can relate that? If you want to take a flat suppose in that particular building what-what procedure you will follow. Just think what procedure you will follow? You will check what are my requirements, right? So, you will based on your requirements and specification, you will select a particular flat. After that what will you do? That you will check the first important thing that you do is like the legally whether that flat is, what we can say is the title is clear or not? That you check.

So, similarly when you are doing a IP related activity you will check that whether really whatever I am doing, whether it is a novel in the world or not. You have to check that. So we in patent, if it is patent related we call it as a search report. In flat related, if you are purchasing a flat you ask for a search report from the lawyer. You say that okay, you check that whether, check the search report.

Bank ask you about the search report and also ask about the valuation when the loan is to be disbursed. That kind of things are completely means this kind of activities you generally follow when you are buying a property. Same thing you have to do with the Intellectual property. You will check novelty and then you will check that, okay novelty is done. What then you do?

You create one agreement, a document where the owner is, the owner name is there. It may, that owner maybe a builder, that maybe a previous owner, whatever it may be. And then you are like a buyer. So similarly when you are talking about registration of a intellectual property. Where you are doing registration here there are dedicated patent officers. Trade mark registry is there. Industrial design office is there. And there you are registering your IP and here, you have to write down the specification about your IP and that document there is a certain format in that format you are submitting it to government. And then you are giving certain amount of statutory fee. You are giving stamp duty or registration fee when you are



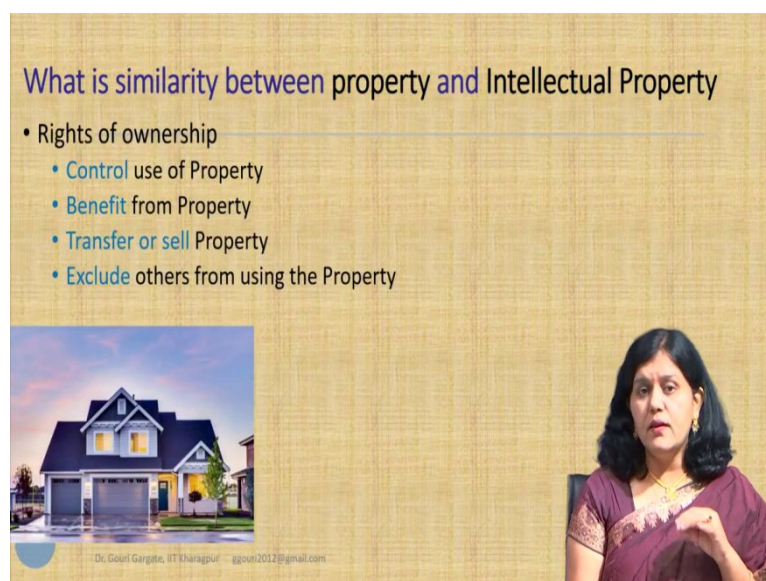
buying a flat. Similarly here, you are giving a statutory fee to our government and in that what we can say return of that you are getting a security that okay this is your property, intellectual property.

You are the owner of that particular property and now after registration if you follow that particular criteria and examination woes or the way land you get grand for that patent or that trademark registration, examination you passes with all that phases, then you own that particular property. So, same thing is there. Here, search report, registration, stamp duty or registration fee and ownership.

Same thing here, novelty check, then documentation, submission to the patent office or trademark office or industrial design office, registration fee, that application fee and then the registration or ownership with you. Same thing happen with cars also. Same thing you do with jewel, jewellery so here also whatever type of IP is there except trade secret which is, there is no any law in India or you are not making it public.

All other types of IP you have to register with a certain that government offices in your area, that jurisdiction is fixed. All details you will come to know slowly and accordingly you will have to go for that particular registration and getting the ownership of your IP. Ok So, this is what you can understand.

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**What is similarity between property and Intellectual Property**

- Rights of ownership
  - Control use of Property
  - Benefit from Property
  - Transfer or sell Property
  - Exclude others from using the Property

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Now, once you get the, that ownership what you can do with the, that particular property. What do you do with the flat if you own? You control the use of that particular flat. You go,

you get benefit of that, benefit from that flat. So you may rent it out and you can get in return some X amount so that is some benefit you are getting from that property or you can transfer that to somebody else.

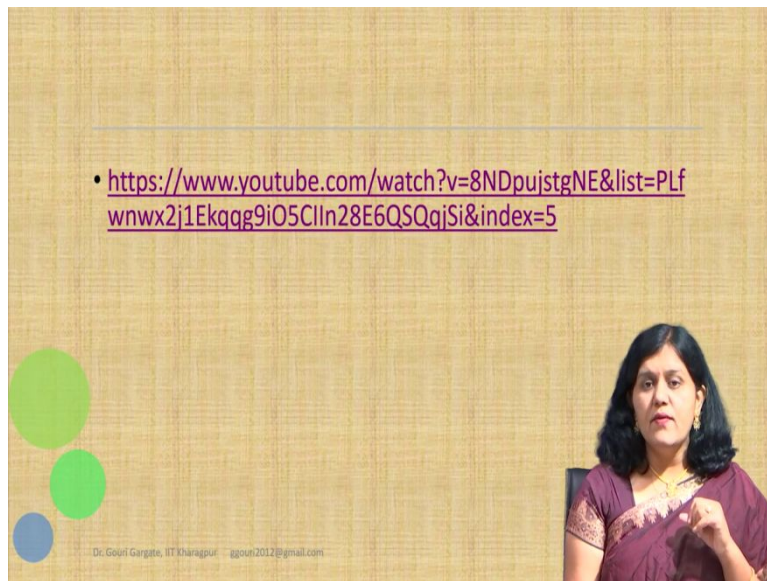
So, if you want you, okay, transfer it to somebody else your friend or relative you transfer the property. You can sell out. So today I will buy the flat and then maybe after two years when the, I get good appreciation I will sell that flat. You can do that particular thing. Or you can exclude others from using property. Who will enter into your flat? That is your decision. No body without your permission is allowed to enter your flat.

So you are doing all these things with you flat or a car or any property. Similarly when you get right over an intellectual property, when you own you are doing same thing. You are controlling use of patent, controlling use of trademark, if you are having the trademark. Obviously if you are entering into entrepreneurship, 90 percent chances are there you will own some trademark. Then, if copyright is there you will not allow to use that copyrighted material. You will not allow anybody to copy your design if your product is having specific design. So, you can do all this. You control your property. You get benefit from your property because this is giving you a monopoly, monopoly for a certain period. So that time lines are there that patent is giving you, what we can say the life of patent is 20 years.

Life of Copyright is author's life plus 60 years so that kind of specific period is there. You are getting that benefit from the property for that particular time. And you can transfer that to your relatives, to your friend. You can sell patent. You can get money after selling that particular patent.

You can exclude everybody from using it that particular what we can say any type of IP. So, it is like your decision who will use that particular property. So same thing like a Intellectual property and property. Whatever you are doing with property, same thing you are doing with a Intellectual property.

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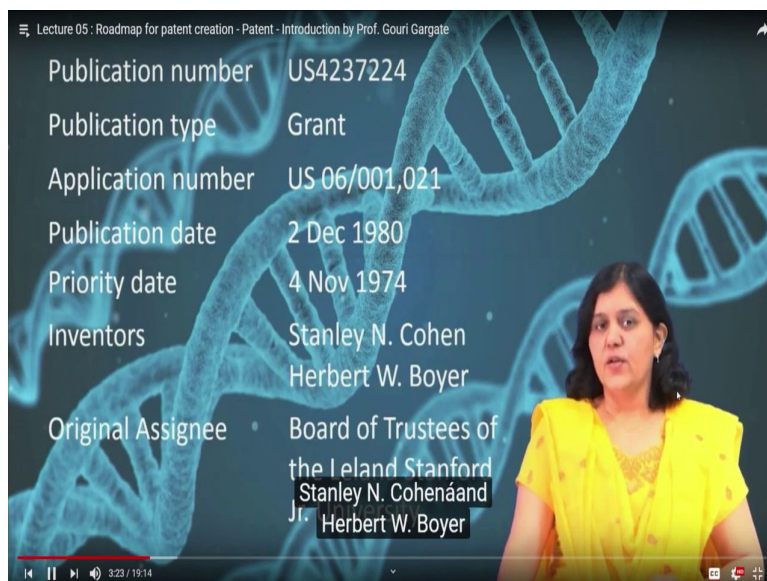
Now here, what I will suggest you to go through this video and you just watch this video. Now, why this video is there? How you have to look into this video? Why we have put this video? The thing is that, we say, that intellectual properties for wealth creation. So here, in this video we have given a case study, one case study is there. Genentec case study is there. So this genetic is started with the one patent. A single patent and it is a very interesting story how exactly that patent is filed and application is done. It is a very good example of academicians entering into the entrepreneurship and creating a wealth started with one patent and the portfolio built up to 11,000 patents. And recently this Genentech is bought by a Roche. So, you can enjoy this case by watching this video.

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I am giving you another hint. Check this image. Now? Any guess? Okay. One more hint.

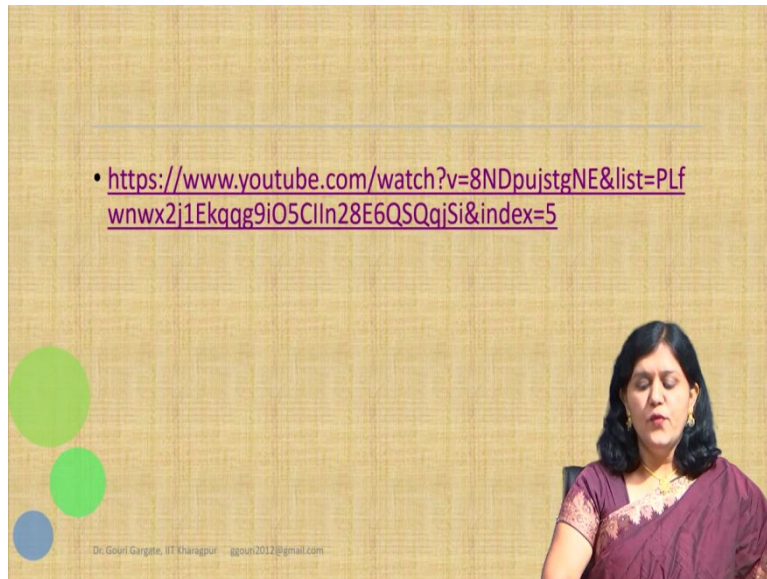
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These are the details of the patent. Now? Yes. They are Stanley Cohen and Herbert Boyer. And the original assignee is board of trustees of the legend, Leland Stanford Junior University. This information on the screen you are seeing is what is publication number, what is publication type. What is application number? What is publication date? What is priority date? Who are the inventors and who is the original assignee? This is standard format to provide an information about a patent. What do you mean by publication number, what do

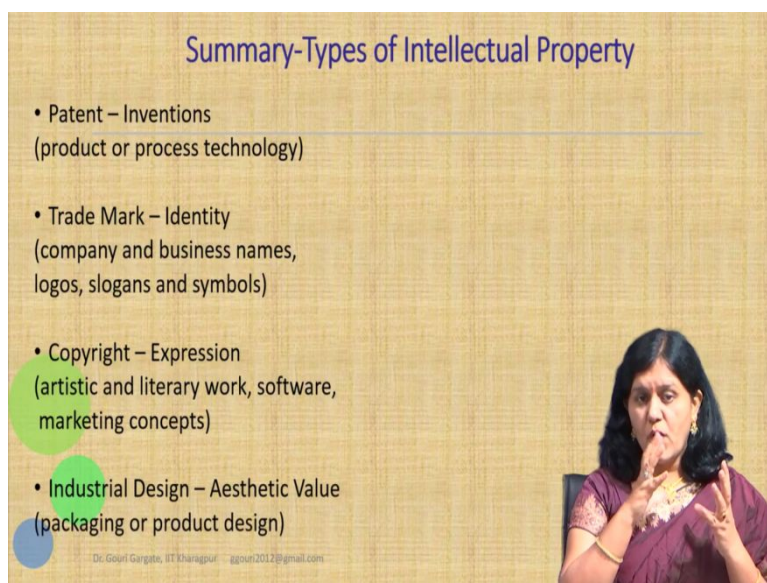
you mean by publication type, application number? All these things we will see when we will go do the modules in this week titled How to read a patent documents?

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We hope that you will enjoy this video. You just go through all the details through this video.

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Now, moving further if you see this types, like whatever types of IP are there, you just see the in one word or in few characteristic are there related to that particular IP. So which are these characteristics You just check this. When we talk about patent, patent is something which is related to invention. So generally any product or a process technology is there.


Product or a process technology is there that generally goes into category means that can be protected by a patent. Inventions and innovations. Please note there is a difference in inventions and innovations but when we talk about the patent type we always say that inventions and there are, there are only product patent and a process patent.

In India, we have these two types of patent. We do not have utility patent. Then trademark, when we talk about trademark what exactly trademark gives. Trademark gives you identity. So company name, business name or logo, slogans, symbols. All these things which are there they form a trademark. So trademark is nothing but a identity.

Then when we talk about a copyright, what Copyright is? Copyright is a expression. There is expression and it is like more related to artistic and literary work, software. Then there are architectural designs are there. Marketing concepts are there. So, all these things form a copyright. So, copyright is a expression. Patent is related to a product or a process. Trademark is related to one word, one some name, that or logo that is giving a identity.

Then the industrial design, it is something related to an aesthetic value. It is related to a product design. It is packaging, something which is giving you some attractive or very, what we can say, the thing which is giving a aesthetic value to that particular product. It is a industrial design.

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Summary-Types of Intellectual Property

- Geographical Indication
- Protection of Plant Varieties & Farmers' Right
- A semiconductor layout design-layout of transistors and other circuitry element
- Trade Secret- Know-how

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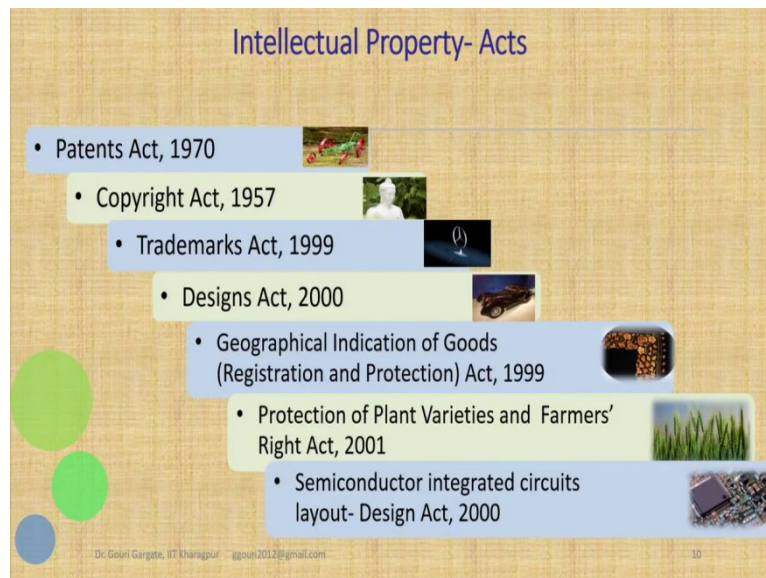
Then the next is like a few types. Other, other type whatever we have did. That geographical indication is there. One more thing I will just try to put here that when we are talking about

geographical indication, please remember that, this is one of the important type of IP. Here, a group of people are associated with that. We will go in little detail of that when we see the geographical indication related details.

Because this can be one of the good, what can we say, business, a group business. Best example I can give here, it is like, there is like a registration, for example, Kolhapuri chappal is there. Then the whole area, they can do the production and they can build up a business based on that. We will go more details on it then maybe see it specifically. Then Protection of Plant Varieties and Farmers' Right is here.

It is more related to, as I already told you, we do not patent, we do not have the facility to patent seeds or plant varieties or horticultural what we can say, horticultural developments so here this is the Act which take care of that particular thing. Then, there is a semi-conductor layout and I have given you details about that also. And that is not much explored. And trade secret is nothing but something know-how. trade secret and every business will have some or other trade secret.

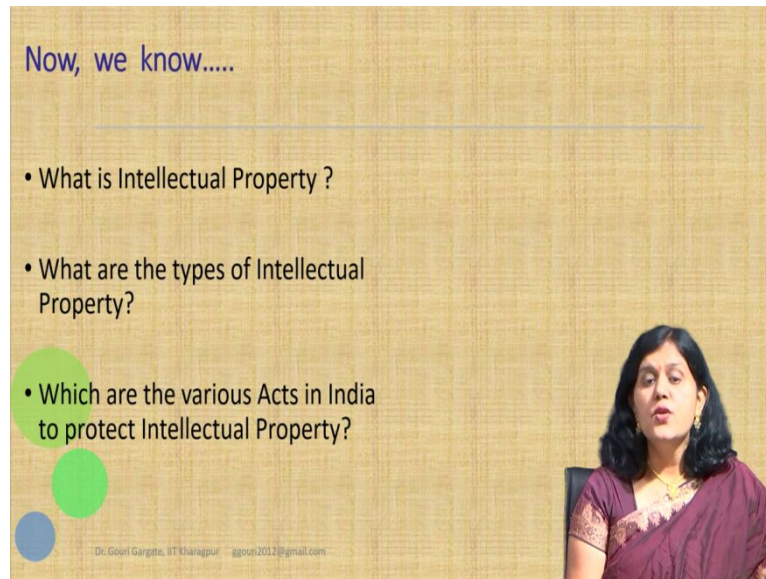
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So, what are the different acts which are there, which are taking care of this particular types of IP? So, if you see here, there are Patent Act, then there is Copyright Act, then there is Trademark Act, then there is a Design Act. So, then there is a Geographical Indication of Goods and that is Registration and Protection Act. Then there is a Protection of Plant Varieties and Farmers' Right Act. There is Semi-conductor Integrated Circuit Layout Design

Act is there. Then there is a Bio-diversity Act is also there. So, when we are talking about these different kinds of Acts, there is a Patent Act, Copyright Act, Trademark Act, Design Act, these are the specific, dedicated acts are there which are taking care of these different type of IP's. So, moving further, this is like statutory provision which is present for a Intellectual property.

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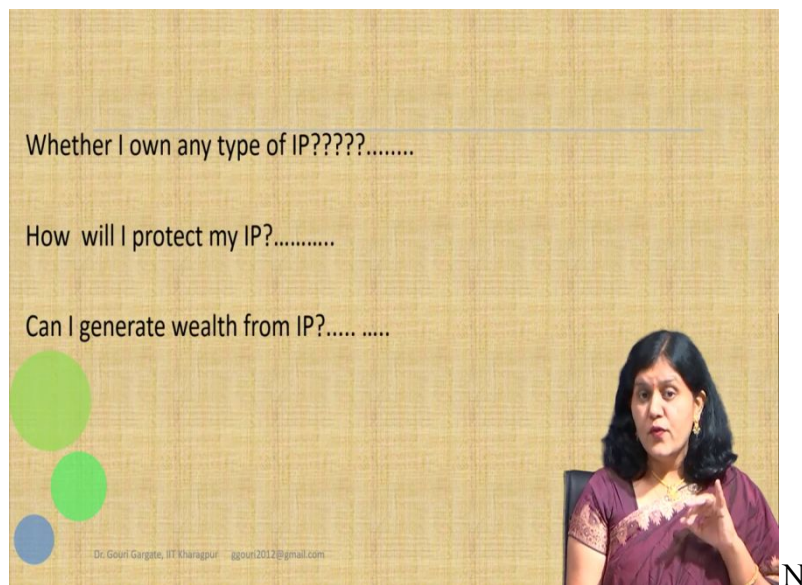


So, if you see this. What we can say the different type of IP's and statutory provision you get a pretty well idea. Oh, this Intellectual property when you enter into that there is a, what we can say, various types are there and every IP is different. So, we cannot use these words interchangeably. And there is a different kind of time period is there that how much time you will get a monopoly when you have a particular type of a IP and how effectively you can use this IP when you are doing your business.

So, we will go more details when we go through the course but now at least you are getting basic idea. Okay, these are different types of IP. So what is different types of IP are there? What are the different types are there? What are the different Acts in India enacted to protect this IP? So that idea you have received.



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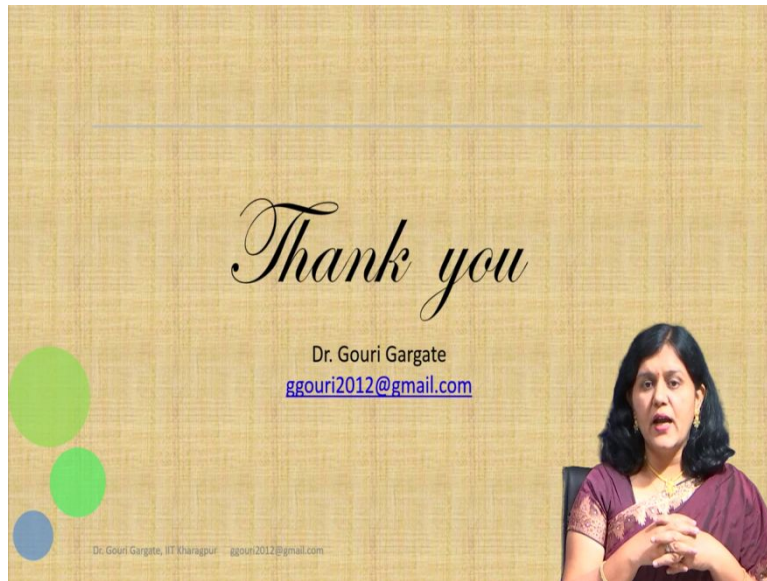


Now, the question comes whether I want any IP? That is important thing. This types of IP's are there. We have to just, as an entrepreneur you just enter and give a thought process, that okay this is my business. These are the particular products I am offering. Or this is the service I am offering. You just think whether I own any type of IP, whether I have a patent, whether I have a copyright, whether I have a trademark. Just think over that particular thing.

If you feel that okay some IP probably I have, you just think next how will I protect it? What is the procedure for that particular thing? So we will give answer to that. How you are going to protect it and how you will detect whether you have any kind of IP so that whether you have a potential IP. When you go through this course you will definitely you get the idea to judge whether you own IP and how you are going to protect it?

Next question very important is that can I generate wealth from IP. Because the important thing is that when we are talking about IP we are talking about a business. IP is like, we are not doing it for biodata or just to show it that okay I have a patent, I have a Copyright. No, we are not doing IP. It is completely like when I have IP, I should generate wealth. So, you have to think how can I generate wealth from this IP. So, that is the next, most important question.

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Once you go through the course probably you will get idea about that all details. So, you please go through the next modules to get the details of that. And thank you. We will meet you in the next session. Thank you.