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A study of Intellectual property rights & corporate law: A complimentary each other

Vibhor Agrawal,
Research Scholar Department of Law
Prof. Dr. Rana Parveen
Faculty Of Law- Shri Venkateshwara University
Shri Venkateshwara University, Rajabpur, Nh-24,
Venkateshwara Nagar, Gajraula, Uttar Pradesh 244236

Abstract

When it comes to today's information-based global competition, businesses of all sizes, both big and little, are looking for ways to tap into external knowledge and resources. Knowledge has become a critical resource for innovation and competitiveness in the global network age, say academics and practitioners alike. For knowledge generation, trust, social capital, and intellectual property management have become more important. The topic of trust and intellectual property is seldom explored at the same time. In asymmetric R&D cooperation, the importance of trust and contracts is discussed in this work. Prior to delving into a case study involving a small company's partnership with a major, worldwide machinery and equipment provider, we conduct an overview of the most recent research on these roles in interfirm cooperation. Research and development collaborations need an in-depth knowledge of contracts and trust relations. Successful cooperation can't be guaranteed by contracts, but contracts may be used to foster mutual understanding and learning, as well as trust. On the topic of asymmetric R&D collaborations, we provide a few suggestions for managers on how to strike a balance between trust and contracting.

Keywords*:* Trust; Contract; Asymmetry; R&D; Collaboration

Introduction

Expertise-based business services (EBS) are referred to as "knowledge-intensive business services." Transactions and outputs are generally intangible in the business. New combinations of information, rather than new combinations of physical artifacts, are the most common sources of innovation. Because of the wide variety of services supplied and the wide variety of information contained within them, it may be difficult to protect commercial services using

traditional means of intellectual property protection such as patents. Service innovations are easy to copy because of their intangibility. In a world where there is a constant fear of copycats, how can companies make the most of their innovation? To be more explicit, how does KIBS handle the protection of their inventions against imitation while selecting among several techniques of IP protection. eight different legal and informal IP protection measures for KIBS are examined. KIBS's usage of a variety of IP protection measures may be better understood by analyzing these combinations and replacements in conjunction with their determinants.

Before recently, there was a lack of non-legal literature on intellectual property (IP) protection. Since the mid-1990s, the situation has radically altered. IPR and its preservation have become more important to both commercial businesses and public organizations like universities, colleges, and research institutes as the relevance of knowledge grows. Intellectual property (IP) security is no longer the sole purview of legal departments; it is becoming a constant source of anxiety for CEOs across a wide range of sectors. This unexpected focus was prompted by the revelation that the value of intellectual property (IP) of a typical corporation increased much higher than the value of its assets in several sectors over the last few years. This gap, even if it has decreased since the stock bubble, nevertheless has a significant impact on investors' decisions. Management and preservation of intellectual property (IP) has become a cornerstone of company strategy in this new economy. Several academic studies have confirmed this. For example, the number of ECONLIT-indexed articles on patents increased from 39 in the years 1981–1984 to 251 in the years 1999–2002, a significant increase. Moreover, there is a growing amount of popular management literature that focuses on intellectual property (IP).

The current poll has to be limited in scope. The scope of intellectual property rights (IPRs) spans from the legal to the economic. For this study, no consideration was given to legal literature or formal economic theories. There is no doubt that intellectual property (IP) is governed by the laws of the land, and empirical research are generally based on theoretical models. The study opens with an overview of developments in the US and worldwide IPR laws leading to the so-called ‘‘patent friendly era’’. As Section 3 demonstrates, the significant rise in the utilization of patents in the United States cannot be ascribed only to improvements in the country's intellectual property laws. When it comes to preserving intellectual property, patents and other IP instruments are frequently more important than their efficacy in stifling competition and creating leverage for cross-licensing. The United States, Canada, the European Union, Japan, and Australia are just a few of the places where intellectual property rights (IPRs)

are discussed in detail in Section 4. Every industry has its own unique needs when it comes to intellectual property (IP) tools, and this is no secret. Section 5 examines IP practices and tactics in information technology and communications, including computers, software, business processes, and Internet applications, after briefly exploring IP in more conventional sectors. It was simply cited to show a few particular issues why patenting in the biological sciences would need its own section. Small businesses are less likely than big ones to employ intellectual property (IP), while multinational corporations (MNCs) are more likely than companies to do so, according to the empirical data reviewed in Section 6.

New modes of communication, such as new computer software, the Internet, biotechnology, and other new technologies, are only a few examples. Product or service in each of these sectors refers to a piece of intellectual property, whether it's an algorithm or new technology that improves the efficiency of routers and servers, or a new understanding of genetic profiling that aids in the application of gene therapy products to cure sickness. Over the next ten years, it will be critical to establish policies that will allow for a more equitable distribution of wealth. markets to prosper in light of this intellectual property upheaval. Conventional antitrust enforcement policies in these new domains are being challenged, to put it more precisely. It has become more necessary for countries and businesses to create, market, and most crucially, harness the economic advantages from scientific and technology (S&T) advances in order to prosper. In order to safeguard their investments in new ideas, companies often rely on IPRs like patents and copyrights. Governments have used them for centuries as legal weapons to promote industrialization and economic progress. A temporary monopoly on use of an invention is granted to the inventor by IPRs, which safeguard investments in innovation. This ensures that the innovator's profits are not slashed and that the motivation to develop remains strong. IPRs, on the other hand, may increase the price of new technology and limit its accessibility by making it more difficult to copy. As a result, other companies may be discouraged from making modifications to the original idea, which might impede future technological advancement. The preservation of the original idea may also delay the new technology's productivity-enhancing impacts in economic activity. Because IPRs represent a contradiction between the goals of fostering technical innovation and promoting the fast spread of new technology and technological knowledge, they are intrinsically problematic. Competing interests in R&D and non-R&D-intensive enterprises, as well as in industrialized, newly industrialized, and developing nations, are reflected in these conflicting goals. A compromise

must be struck between conflicting aims when drafting IPR laws, and governments have typically acknowledged this at least tacitly, and each country has built its own national IPR systems to achieve this goal. Note that IPRs largely fall within the purview of national courts in this context (i.e., the protection offered to an innovation is governed by the laws of the nation in which the innovation is made, used, or sold). To put it another way: a patent granted by the United States Patent and Trademark Office protects exclusively in the United States. When doing business in another nation, a corporation must apply for and get protection against infringement of intellectual property rights (IPR) in that country. The laws of that nation also give less protection than those in the United States when it comes to intellectual property rights (IPR). Despite the existence of international treaties on intellectual property rights, no particular rights are established by them. To guarantee that overseas innovators have the same rights as indigenous inventors in any particular country, existing international accords are all that is required.

Review of literature

(Maskus 1998) studied "the role of intellectual property rights in encouraging foreign direct investment and technology transfer that was discovered and As the twenty-first century draws to a close, the worldwide system of intellectual property rights (IPRs) is experiencing significant transformation. Several nations in the developing world have recently tightened their intellectual property (IPR) laws. For example, the North American Free Trade Agreement (NAFTA)2 and the EU's Partner- ship Agreements with many Eastern European and Middle Eastern countries3 are both focusing heavily on intellectual property rights (IPR). The Multilateral Agreement on Trade-Related Aspects of In-Telecall Property Rights is the most significant of these accords (TRIPS). Current and future members of the World Trade Organization (WTO) must establish and implement robust, non-discriminatory minimum standards of intellectual property protection under the principles of the TRIPS agreement".

(Blomqvist, Hurmelinna, and Seppänen 2005) studied "Playing the collaboration game right balancing trust and contracting Research has shown that both big and small organizations are trying to use external expertise by cooperating with enterprises with complementary knowledge and resources in today's global competitive atmosphere. Knowledge has become a critical resource for innovation and competitiveness in the global network age, say academics and practitioners alike. For knowledge generation, trust, social capital, and intellectual property management have become more important. The topic of trust and intellectual property is

seldom explored at the same time. In asymmetric R&D cooperation, the importance of trust and contracts is discussed in this work. Prior to delving into a case study involving a small company's partnership with a major, worldwide machinery and equipment provider, we conduct an overview of the most recent research on these roles in interfirm cooperation. Research and development collaborations need an in-depth knowledge of contracts and trust relations. Successful cooperation can't be guaranteed by contracts, but contracts may be used to foster mutual understanding and learning, as well as trust. On the topic of asymmetric R&D collaborations, we provide a few suggestions for managers on how to strike a balance between trust and contracting".

Conclusion

Profitable innovation management is a difficult topic to master. Emerging frameworks, on the other hand, may help managers focus on the basics. A growing body of research shows that the appropriability regime and strategy are profoundly influenced by technological innovations and intellectual property rights (IP). In this article, we demonstrate how the corporate environment may be handled so that innovators can reap the benefits of innovation. Large and small companies alike may exert influence on the appropriability regime and industry structure at different points in time. Scholars and business leaders may use the framework to broaden their perspectives on technology strategy. Innovations may benefit by releasing technology into the public domain rather than keeping it private, for example. Promoting modularity may also be useful in certain cases, especially if one keeps control and expertise over the systems integration role. Modularity may be advantageous and dangerous at the same time. We're only just beginning to grasp the nuances of balancing these competing interests. When intellectual property is not considered in isolation, it is most like property. Despite the fact that the "resource" has a different character than the ordinary resource under property law since it is nonrival, the narrative is far from over. IPR may be considered as a sophisticated coordination issue that solves the difficulty of attributing output to sources. The law of accession in regular property law confronts this issue the most directly. In the intellectual property arena, a variety of people work together to create something that may be claimed to be owned by the general populace. To achieve both restitution (rewarding improved contributions) and avoid complicated assessments, we are ready to violate existing property rights in a recognized owner or the general public, respectively.

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