

# **INTELLECTUAL PROPERTY PORTFOLIO MANAGEMENT**

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Welcome friends. So, we are discussing about role of filing of your IP in multiple locations. We are looking for answers of two questions what to keep in your portfolio and where to keep your portfolio and we already discussed that there is no global patent. However, to facilitate your protection in different locations we have two possible ways one is Paris Convention and another is PCT.

We discussed that the Paris Convention can be useful when you want very fast protection in only one country or in those countries which are not part of PCT signatories. There are a few countries, for example, our neighbor Pakistan. Pakistan is not a signatory of PCT. And for example, if you want protection in Pakistan, then the only route available to you is Paris Convention. So, sometime it is because of these constraints also you can decide between the Paris Convention and the PCT.

Otherwise majority of international filing is happening through the PCT route. Now, when we were discussing these things in our last session, we discussed some good data that how PCT filing or you can say international filing is happening in India and from India and at the global level. So, we are going to discuss these three different types of trends in today's session that which type of companies are filing patents in India, international filing, what type of organizations in which sector Indian companies are filing global patents. and rest of the world how they are transacting with respect to international filing.

Now as we know that PCT is improving and in India also few years back there was very little awareness about global filing, international filing in India and in fact in one of the sessions, we already discussed that in 2014 in India we granted only around 4000 patents and now in 2024 we are touching 70000 plus marks. So, there is a significant increase in

domestic patents. So, when the scenario was so dim for domestic patents in India it is very difficult to go for international patents or international filing from India.

But fortunately, some awareness is happening in 2016 in India we got national IPR policy and this national IPR policy became very important in increasing the awareness about IP related matters. And one of the objectives of this national IPR policy to make India IP savvy nation. And under that now PCT filing, global filing is also happening in India. Now through this PCT filing our Indian companies are able to take global protection that we already discussed. Another very important thing because

capital required and many Indian companies continuously suffer because of capital issues. So, we are very cost-sensitive country and therefore, this PCT route also gives you the advantage of low cost of filing because you are going for only single examination, single publication. We discussed in one of the sessions that there is an international phase and in that international phase you automatically get the benefit of examination, publication, etc. And you need not to go for paying the cost again and again, which happens in case of the Paris Convention.

So, therefore, the low cost is a major advantage of PCT, which is very much beneficial for developing nations like India. It also streamlines your application process. Because single application which you are filing to ISA that is considered across the all signatory nations. Otherwise, if you go to different countries separately there are different forms and they may require different annexes that will create more complications. So the process becomes much simpler and in fact it is quite possible if you are slightly aware you yourself can file your application for foreign filing.

access to international market few years back we were not so global markets now we all know supply chains we are becoming global supply chains you are procuring raw material from a different country manufacturing in a different country and market in a different country so obviously you will require protection in all those countries which are part of your business activities And therefore, with global filing you are able to get access and not only access, but protection also. So, that is also a benefit or the reason for increasing the IP activities on the international level from Indian organizations. Very few companies were there at the global level from India. to name a few like TVS, Bajaj, etc.

These were the companies that were operating in the international markets from India. But now, even startups are also doing their business in the global market. So, therefore, it is a very important thing that how you are protecting at the global level. And also, we

discussed that when you are going for fire and filing, you get collaborators. When you get collaborators, these collaborators help you access the international market.

And obviously, with more collaboration, more access to market, more access to grant, it will help you in technological advancements and economic growth. So, all these things are helping India, since I am talking only in India's context. So, I am taking the name of India but any country will take the benefit of all these reasons if they are going for foreign filing and considering the importance. Like many Indian companies these days they are going to African areas. African countries are very important market for large number of Indian organizations.

Some of the Indian organizations are going to Latin American companies also. countries also. So, all these unexplored markets are attractive markets for many Indian organizations and before they go there, they want to keep protection for their IP. So, that is the reason IP at the international level from India is also increasing. You can see this data here.

Now, from 2018-19, 2020-23. though if you see this data you will not find much change because the number is fluctuating somewhere around plus minus 1000. But when you see the number that how individual IP at the global level is reducing and the IP done by the organizations legal entity that is increasing, it was 630 in 1890 and in 2022-2023 this number has increased to 746. So, this is an important finding that now organizations because they see business interest they are going for global filing and individuals they have realized that this is a cost.

So, global filing PCT or after that the national phase it requires huge investment also. So, it is a cost. So, therefore, individuals are not getting the number is decreasing from 336 to 263 while in the same period organizations, companies their number is increasing with respect to international filing and this is partially because of more startups. Here the role of startups are also there, which are increasing, which are contributing in this global filing.

There are large number of manufacturers in China, many of the Indian companies getting their products manufactured in China. So, obviously before you give your design to your manufacturer in China, you need to protect your design. your invention in the Chinese markets otherwise it will be easy to copy in the China and the manufacturers they will duplicate your product and they may send it to some other developing nations. So, therefore, when Indian companies are getting their products manufactured in China they

certainly need to protect their product before they give their designs, their inventions to the local outsourced manufacturers.

And that type of wisdom is now coming into our Indian companies. And in fact, this becomes a very important point also. In the current business environment, outsourcing is a very important phenomenon. Organizations outsource some of their non so value adding activities or those things which are not the core competence of the organization.

Many Indian organizations they have competency in R and D activities, they are developing new products, but they do not want to create a setup for manufacturing of those products because it requires lot of capital investment. So, many Indian R&D organizations new product development activities, they are outsourcing manufacturing to Chinese organizations. It is a common phenomenon. A very popular Indian brand, some of you must be using that brand for this class also, Boat.

It is a very popular Indian brand. Now, Boat used to design all its wearables in India, but before COVID, their 100 % manufacturing was happening in China. So, they had to protect all their inventions in China to minimize the scope of copying or unauthorized use of their designs. But now another wisdom is coming because when they are outsourcing the manufacturing to other nations a lot of

Scope of copying was there because prosecuting in those country will be a costly affair. So, what they are doing as part of their business which was 100 % outsourced in other countries. Now, around 70 % presently is in house in India and only 30 percent is manufactured in other countries. So, when you are getting the nuances of international business, you take decisions either to protect to use your IP in your own country and develop the relative facilities to facilitate your business interest.

So, boats example is a very perfect example of your IP portfolio management and accordingly linking this portfolio with your business strategy. Then we can also discuss the examples of some of the popular companies which are doing a lot of filing from India in other countries. As I already mentioned TVS motor company is one of the leading organization automobile companies in two wheeler sector and since TVS has a lot of market in African countries and therefore, they became one of the top filers from India in case of global filing.

CSIR is a R&D organization. It has multiple labs in the country and they are primarily into various research and development activities. So, because of the mandate of the

government of India, they also do lot of PCT filing, but they do PCT filing in collaboration of some of the person, some of the organization in those nations. Because CSIR on its own cannot do the business and let me also again say you that we do not do PCT or we do not do international filing just for the sake of global patents.

We should have a clear-cut business mandate in those countries. We should have possible markets, we should have possible competitors or some kind of supply chain interest in those countries, then only we should go for foreign filing. Otherwise, it is a very wrong choice in my portfolio management to go for PCT international filing without having any direct business benefits. Hindustan Petroleum Limited is another Indian company which is doing a lot of global filing because they are also having a lot of supply chain in the international arena. They are outsourcing lot of crude oil.

They are into petroleum products. And where they have huge business interests in various Gulf countries, Russian areas, They have an interest in Latin American areas also. So, for that purpose, they are also among the top filers of PCT in India. If you look over a period of time, this is a detailed graph that mentions the filing of applications from India.

Now, in 1989, 1999, 2000, there was a slightly bad period. when dip in the patent filing when India joined the PCT. So, at that time there was a sudden decline from around 9000 to 5000. But since then continuously patent filing is increasing in India and India is therefore now coming among the top 15 countries We saw the fastest growth in PCT filing in 2023.

So, now because of the global interest coming from India, we are doing lot of PCT filing and you can see the there is a sudden increase in number from 2012 - 2013, 2014 and all this period. You can also relate this to the business environment because when the environment is positive, you actually can do business with so many global organizations when there is a exchange of work between you and your partners in other countries when you can go to global markets all these things actually facilitate the global filing of your inventions and that is the reason we see that how this is a huge jump from around 17,500 to close to 43,500. So, it is a significant jump more than two times and now consistently we are hovering around 45,000 to 50,000 between that range India's PCT filing is happening and it is continuously increasing.

And the important lesson out of this that more and more companies in India looking to become a global organization. So, in our IP portfolio apart from what type of IP assets you are having, you also need to consider PCT or in fact, global filing as a important

question always. Whether I am going for global filing or not going for global filing, that is one important reason all the time. Now, other situations also.

Now, different companies are also filing in India and you see. The top companies which are filing in India for their foreign patents these are companies like Qualcomm, Samsung, Huawei, Ericsson, Microsoft etcetera. So, up to this point you see these are the companies organizations and by seeing their names you can understand that in India most of the patents which are done by foreign companies are in the area of communication, information technology, electronics because India is one of the fastest growing market for mobile devices. We are one of the fastest markets for IoT devices.

And these organizations Qualcomm, Samsung, Huawei, Philips, Ericsson, Microsoft etc. They are doing their lot of R&D efforts in the field of communication technology, information technology, mobile technology, IoT etc. And it is a very very huge competitive market. All the companies in the world are looking to protect their inventions in this field. part of the world and therefore it becomes a direct answer to the question that which is the major interest in Indian market and electronics and communication is the major interest in the Indian market.

Intuitively I was thinking that pharmaceutical should be the major attraction but when you see the data it gives you a different picture. that pharmaceuticals is not that important area for foreign filing in India, while electronics and communication is the more important area by the terms of foreign filing in India. When we talk of Indian organizations which are filing international patents, so as I mentioned about CSIR. So, this is a combination of various CSIR laboratories across the country. Another is the public sector company PSU, BHEL.

Then this TCS which is a private organization. This is PSU and this is R&D. So, you see that and then fourth is 4, 5, 6 all these are the private organizations. So, at the top three it is very interesting that you have a variety of companies organizations which are leading India in terms of foreign filing CSIR is a government of India R&D institution BHEL is a PSU and TCS is a private organization in the field of IT IT services and therefore, in India We can say that we have the potential for foreign filing across the sectors.

It covers not only a particular sector. CSIR has inventions in the fields of physics, chemistry, material science, building technology, petroleum and so on. BHEL which is in heavy machinery and other engineering stuff. TCS is in the field of software and IT

services. So, and then TVS motors comes which is in the field of automobile technology, then Tata steels come which is in the field of metallurgy and material processing.

So, we are not giving any particular sector from India, almost all the sectors in India are looking for global filing. So, if you are in India it is quite obvious that irrespective of sector you can have global filing because Indian inventions are becoming popular across the globe. When you see, so we already discussed two aspects that what type of global filing is happening in India and second we discussed that how Indian organizations are filing global patents. WIPO's data now what is happening at the international level that is the third aspect.

So, if I see the WIPO data which is the most authentic data the patents are increasing by 3.5 million at the global level utility models 3 million trademarks by 15.5 million industrial designs 1.5 million. So, across the globe there is a increase in different types of IP activities. If you see the bottom of the slide, it says that patent filing worldwide is growing by 1.7 % in 2022. So, there is a increase in global patent filing, while trademark and industrial design filing activity dropped by 14.5 % and 2.1 % respectively.

Now, patent filing across the globe has reached the 3.46 million mark which is a huge number in itself and this utility model which is you can say a subset of patents which is also growing at the rate of 2.9 % and touching close to 3 million. So, patent and utility models are growing while trademark and industrial design have declined in last one year in WIPO's data. Going further into this data, you will see that the world applications which WIPO office is processing, majority of that is coming from China only. China is a major major contributor to the global patent filing and 85% of the all patent filing occurred in the IPO offices of China, USA, Japan, Korea and EPO.

So, this much data, so China is obviously the most important, but if you put China, US, Japan, Korea and European Patent Office, these are taking care of 85% of global patent filing. And China alone contributes close to just less than 50%, close to 46.8%. So, you can understand that how in a big way China is contributing to the global IP activities.

Because and it is true also. Because China has global business interests. You can travel to the USA. You can travel to the Europe. You can come to the India.

You can go to the Japan. You go anywhere. And all the markets are flooded with Chinese products. So the China has a global business interest that way. And when you have global

business interest, you need to protect your IP, you need to protect your R&D, new products in all these markets.

So, obviously, it becomes important and necessary for Chinese organizations to go for global filing of their IP. And that is why China is the major filer of global patents because it directly collaborates with their business interest. Other countries may not have that type of business interest in every other country of the world. Therefore, their numbers are less. And you see, India is not part of these 85%.

And that means that India's interest at the global level, though we discussed that how the number is increasing. But out of all the numbers India is still not a very significant contributor to the basket of the global IP. But I hope situations will change over a period of time now the same data which we just discussed is presented in a slightly more different form where you can see that China is close to 16 lakh patents at the global level, 1.62 million patent application. Then the office of US, Japan, Korea and European Union.

And these are the important offices which are contributing around 92 % of the total IEP created at the global level. And in fact, India is also appearing in this top 10 countries list. In previous slide, we discussed that how these five offices are contributing around 85 %. And then if I combine

these 10, these are contributing around 91.6 percent and then India also comes into that list. So, but if you see the difference between India and China, you see the difference between India and other countries. So, there is a natural break here, 77,000 and the European Union one lakh ninety-three thousand, and then China is touching one point six million. So, there is a significant gap and therefore, IP strategy, and IP portfolio management for Indian organization becomes very very important.

Consider IP important asset, then only you will be able to take the benefit of your intellectual property, your creation of R&D efforts, new product development at the global level. So, with this, we understood some of the important trends at the global level. We understood the trend at the India level. And in India label we understood that information technology, communication technology, electronics that is the most attraction for the global filing and when we see from India We are unable to identify any particular sector.

We saw that IT related patents are also being filed at the global level. Heavy engineering related patents are also filed at the global level. Automobile sector is also filing and then

R&D organizations are also filing at the global level. So, there is no clear cut you can say sector for which we can say that this is the sector which is dominating from India at the global level. But third important thing which is most important of this session that how China is big brother in the global filing and which is followed by US, Japan, Korea and European Union offices which are contributing around 85 % of the global patent filing.

And with this we come to end of this particular session. Thank you very much.