

ENTREPRENEURSHIP-MERGING INNOVATION AND INTELLECTUAL PROPERTY RIGHT

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ABSTRACT

Entrepreneurship is an innovative, unique and creative action to the environment and a capability to identify, initiate and take step for utilizes a fiscal prospects. An entrepreneur is a trendsetter who presents something novel to existing system which is not commonly used. Entrepreneurship is an action toward things that are usually different in compare to in the regular course of business.

A traditional businessman who works in a regular manner is not an entrepreneur. Innovation leads to the vibrant that oversees the interaction between industry, science and society.

This paper focuses on the concept of entrepreneurship and innovation and also contains the role of intellectual property rights in India. This paper defines different kinds of IPR which helps to save all the rights of idea of the owners. This paper contains examples of entrepreneurs who brought innovations with their ideas and also focuses on the inventions in products/services which facilitate the business for survival and development in current global market place.

Keywords: Entrepreneurship, Innovation, Intellectual Property Rights

1. INTRODUCTION

1.1 Entrepreneurship

When we are talking about entrepreneurship development the basic question comes in mind is-Firstly what is the term Entrepreneurship? And secondly who is an entrepreneur?

The answers to this question are even simpler than these above questions itself. An entrepreneur is a someone who builds up a new thought, idea or design and who having the capability of taking risk for setting up an venture to create a something from his idea which suits according to customer needs.

In other words, "An Entrepreneur" is an owner and an administrator of the business enterprise who earns monetary benefits through initiative or risk taking abilities. Entrepreneur is responsible for any transformations or modifications happened in the business or in the organization.

All business men are not entrepreneurs?

Consider a man who stands by the roadside and who is selling the same type of food which is commonly available, from the similar utensils or containers, and may not have been capable to modify his standard of living to any significant level. Such a man may be a business man but he is not an entrepreneur. On the other side entrepreneur is a business man who does not feel satisfaction with his/her performance and thus always finds ways to develop and grow.

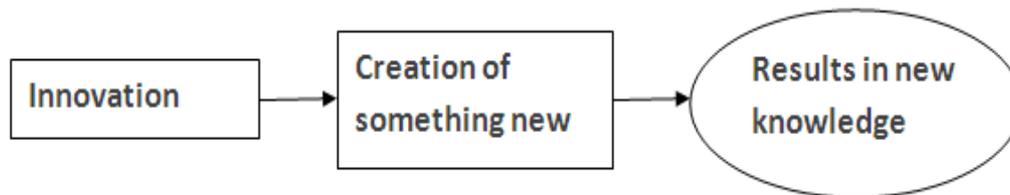
1.2 Innovation

Innovation may be:

- Initiating a process which is new and has not yet been experimented and commercially exploited.
- Introducing a novel product which is not familiar for the customers.
- Commercialize a new quality in an existing product, locating a new source of raw material or semi finished product that was not exploited earlier.

Innovation is "a new creative activity or change".

Though, innovation usually defines to the construction of better or more valuable products, procedures, mechanisms, or ideas that are established or acknowledged by marketplaces, government systems and society. Innovation is different from invention generally it indicates a extensive positive modification as compared to incremental changes.



1.3 Importance of Innovation in Entrepreneurship

Any business trade is essential to the economy. Without the participation from it our financial market would not survive. One of the important inputs in any economic development of a country is entrepreneurship. More the entrepreneurship activity betters the development. Entrepreneurship is the most important part of any national economy and it affects more to a developing economy like India. The parts of development are:

- Taking to higher rate of economic growth by creation of value.
- Speed up the process of industrial use of the factors of production
- Creation of employment opportunities.
- Diffusion of economic activities to various sectors of economy and identifying new opportunities of growth
- Superior Social changes
- Development of the standard of living of various weaker sections in the society
- Bring socio political change in the society.
- Develop technological know-how
- Entrepreneurship act as a change agent to meet the requirements of changing markets and customer preferences
- Develop a culture of achievement orientation.

Innovation is not important only for entrepreneurship. As individuals, we all work as innovators by solving our problems in our daily lives by create our own solutions.

1.4 Innovative Entrepreneur

"Innovative entrepreneurship may cover what's been tried and has failed in the past, for example. There are really two parts that go into innovative entrepreneurship; one is the invention –coming up with a new idea for a good or service. But the other is successfully converting that idea into a product or service and commercializing it.

In that sense, an electric car that really worked and was well-adopted by consumers would be an innovation. Even though electric cars have been produced (invented) before, they have yet to be successfully commercialized.

Villages in India have spending power, but they also have some unique problems. What this combination has done is to stoke entrepreneurship among professionals aiming to offer solutions and tap into the rural opportunity. Tweaking technology is also making it possible for startups to offer new applications that suit rural consumers. It is the scale of the opportunity that is drawing scores of entrepreneurs to rural India. We take a look at five entrepreneurs who have are offering unique solutions.

Literature Review

Intellectual Property (IP) systems can be critical in helping new ventures transform their innovation potential and creativity into market value and competitiveness. Effective IP systems can facilitate access to finance and the development of markets for technology, both of which help innovative entrepreneurship. Such systems also provide incentives to invest in R&D and innovation, and can encourage technology co-operation with firms, universities and PRIs. IP systems need to fully take into account the new roles played in the economy by patents and other types of IP, and in particular how they relate to innovation (e.g. the increasing use of patents in opportunistic litigation).

There is a perceived relationship between size and stalls due to general lack of innovation. Jeff Herman suggested that it can be attributed to a diminished ability of managers to "'personally' drive innovation and competitive advantage.

Today's highly dynamic business world needs new innovations and discoveries. Innovative entrepreneurship involves building a new business from scratch based on a completely new idea or offering something new within an existing ecosystem to fix a problem. We look at the world's cutting-edge entrepreneurs and their innovations that could bring significant changes to the world around us.

There is extensive research done to understand the effect of entrepreneurship on economic development but there is limited research that looks into the effect of economic development and other measures on entrepreneurship mostly limited to developed economies. Leff (1978) Development of banking institution that allows firms to obtain formal finance promoting entrepreneurship. Also the improvement in the flow of communication among firms, reduced cost of gathering information and facilitating the diffusion of technological and managerial expertise promote entrepreneurship. King and Levine (1993) they found that financial system affect the entrepreneurial activity that affects in four ways (a) financial system choose the most promising projects after evaluating (b) financial system help in

mobilizing of funds (c) financial system allow investor to diversify the risk associated with uncertain innovative activities (d) financial system reward to engage in innovation relative to confirmation of existing knowledge. Better financial system stimulates foster productivity growth and growth per capita output. They suggest that government policies toward financial system may have an important causal effect on long term growth. Smallbone and Welter (2001) Entrepreneurs contribute to economic development in terms of job creation, innovation and external income generation depending upon priorities and different stage of market reform. The authors suggested direct support to SMEs to overcome immediate difficulties to strengthen their potential for development and growth. Liu, BurrIDGE, and Sinclair (2002) Investigated the causal links between trade, economic growth and inward foreign direct investment in china. With quarterly data long run relationship found between growth, export, import and FDI. The author finds bidirectional causality between economic growth, FDI and export which reinforce open door policy. Alfaro et al (2004) They examines the links between FDI, financial market and growth considering that financial agents either take up entrepreneurial activity or use wealth to get returns by working for company in the FDI sector. Better financial market provides incentive for FDI. They found that FDI plays important role in the economic growth. Carland and Carland (2004) studied the impact of entrepreneurship on employment and economic development of United States. They found that firms with less than twenty employees have greatest impact for the decade of 1990's. they suggested that the firm has great potential for future economic development. Also, economic policy changes should be specifically to boost entrepreneurship. Agosin and Machado (2005) assesses the extent of FII in crowding in or crowding out domestic investments with a panel data of three decades for the developing regions of Asia, Africa and Latin America, they found that FDI has nothing to do with domestic investments for sub period and sub areas. With more analysis they found that FDI was found to crowding out domestic investment particularly in Latin America. FDI was found to be unfavorable to crowd in domestic investment. Wennekers et al (2005) found a U shaped relationship between entrepreneurial dynamics and level of economic development. They suggested that for advanced countries incentive structure should be improved while developing nation should exploit economies of scale, foster FDI and promote management education. Naudé (2008) Entrepreneurship has important role to play in fostering from a predominantly traditional / agrarian economy to modern economy. With innovation driven growth productivity is increased in advanced countries. Self-employment, startup and credit market determine quantity and quality of entrepreneurship. They found that low entrepreneurial activity contribute to economic stagnation and even developmental gap.

Intellectual property (IP) contributes enormously to our national and state economies. Dozens of industries across our economy rely on the adequate enforcement of their patents, trademarks, and copyrights, while consumers use IP to ensure they are purchasing safe, guaranteed products. We believe IP rights are worth protecting, both domestically and abroad.

Intellectual property rights have been recognized on the foundation of economic viability and entrepreneurship. Concernment of copyright also provides for economic entrepreneurship in certain industries in particular in the creative industries including the media. Perhaps, law of copyright developed in the lines of development of creative industry and the media. Copyright which was once considered not as a commercially viable right has become significant contributor to the commercial entrepreneurship in the creative industry and the media. The growth of various winds of media such as print media, electronic media film media and the digital media have contributed vehemently in realizing the commercial entrepreneurship in copyright. In the contemporary world, when we analyze the fabric of creative industry and observe the nuts and bolts of activities of the media, one can understand the significance of copyright and the important role that it plays in these sectors. It is argued that more than scientific, technological or creative contribution; it is the commercial viability and the economic entrepreneurship that drives the intellectual property rights regime. Infact, the basic justification for the conferment of intellectual property rights including copyright is largely dependent on the entrepreneurship flavor of these rights. In this background, the current chapter examines the economic justifications of intellectual property rights and the commercial entrepreneurship of copyrights.

2-Research methodology

2.1 Objectives of the study

- a) To study entrepreneurship and innovation
- b) To study role of the innovative entrepreneur in economy.
- c) To study the role of Intellectual property rights in India

I have used descriptive research design. Data has been collected from secondary sources.

3. Findings of the Study

3.1 Role of Entrepreneur for Socio-Economic Development

Entrepreneurs have always been partners in economic progress. All that the society is presently enjoying as gift of civilization-related to food, fashion, cloth, shelter, transport, entertainment etc. are the contribution made by some entrepreneurs, at some point of time, in some part of world. In our ancient literature, an entrepreneur is referred as “Udyami” and considered as the ‘starting point’ or spark of human civilization.

Entrepreneur supplement and compliment economic growth of the economy in the following ways-

- Entrepreneur’s efforts to mobilize the capital results in motivating investors to divert their idle savings in the industrial enterprises.
- Entrepreneurs play an important role to reduce the unemployment problem in the country and pave the way for economic development.
- The increasing number of entrepreneurs helps in dispersal of economic power into the hands of many people. Hence setting up of a large number of enterprise helps in weakening the evil effects of monopolies.
- The efforts of entrepreneurs to set up small scale industries, offer goods at lower prices to the consumers and increase variety in their consumption.

3.2 Intellectual Property:

Intellectual Property is the Property, which has been created by exercise of Intellectual Faculty. It is the result of persons Intellectual Activities. Thus Intellectual Property refers to creation of mind such as inventions, designs for industrial articles, literary, artistic work, symbols which are ultimately used in commerce. Intellectual Property rights allow the creators or owners to have the benefits from their works when these are exploited commercially. These rights are statutory rights governed in accordance with the provisions of corresponding legislations.

Intellectual Property Rights:

Intellectual Property rights allow the creators or owners to have the benefits from their works when these are exploited commercially. These rights are statutory rights governed in accordance with the provisions of corresponding legislations. Intellectual Property rights reward creativity & human endeavor which fuel the progress of Human kind.

Intellect	Property	Right	Examples
Idea	Invention and innovations	Patent	Lipitor Drug of Pfizer (cholesterol lowering medication) Cytovene of Roche (Antiviral)
Idea	Expression (Fixed on a medium)	Copy right	Advertising Material, Manuals, Pamphlets, Brochures, packaging style etc.
Idea	Aesthetic look, new shape & Configuration	Industrial Design	Shape of Digital Audio player, Shape of printer, Shape of Tractor, Look of TITAN wrist watche
Idea	Source Identifier	Trade mark	BSNL, BATA, Coca-Cola, Swaraj, Preet Agro
Idea	Source Identifier	Trade dress	Packaging Style- Kurkure, Odonil, Dettol Soap Packaging

The intellectual property is classified into seven categories i.e.

- (1) Patent
- (2) Industrial Design
- (3) Trade Marks
- (4) Copyright
- (5) Geographical Indications
- (6) Lay out designs of integrated circuits
- (7) Protection of undisclosed information/Trade Secret according to TRIPs agreements

Examples of Successful Innovative Entrepreneurs

EVOMO Research & Advancement - Abhinav Kumar CEO, EVOMO

Based in: Ahmedabad

USP: Aims to replace non-licensed local transport vehicles

Funding: Rs 5 lakh from NID

What it does: Designs and makes low cost rural utility vehicle

As a young automobile engineer Abhinav Kumar dreamt of joining a professional racing team. But a casual visit to rural Uttar Pradesh, where he saw a range of locally manufactured vehicles being used to ferry people and goods, changed the 27-year-old's career ambitions realized there was consumer demand for a transport vehicle that was both affordable and reliable. He. Soon he quit his job at auto-parts maker, Sona Koyo Steering Systems to set up his own venture, Evomo, in 2010.

Ampere Vehicles

Based in: Coimbatore

What it does: Makes electric bikes

USP: These bikes are used for local distribution by small entrepreneurs

Target Revenue: Rs 100 crore in the next four years

Funding: Rs 20 crore from Forum Synergies and Spain's Axon Capital In Coimbatore, electric-bike maker Ampere Vehicles is selling thousands of bikes Coimbatore, electric-bike maker Ampere Vehicles is selling thousands of bikes being used by retailers to distribute water and milk in villages. Founded in 2008 by Hemalatha Annamalai, computer engineer, the company is expected to reach revenue of Rs 100 crore within the next four years.

Innovator Entrepreneur tries to find new technologies, products and markets. He increases the productivity of various resources. The entrepreneur stands at the centre of the whole process of economic development. He conceives business idea and puts them into effect to enhance the process of economic development. Thus entrepreneur is an agent of progress in the society. The reason for the slow progress of Indian economy during the first four decades of independence is that the Indian entrepreneur has been shy. That is why; the government has launched and speeded up several schemes of entrepreneurial development and small industries. It is now widely accepted that the entrepreneurs are needed in developing countries for rapid economic development.

Dhirajlal Hirachand Ambani

An Indian business tycoon known as Dhirubhai Ambani who established Reliance Industries with his cousin in Bombay. He placed in The Sunday Timelist of top Fifty Business personalities in Asia. Ambani took Reliance Industries public in 1977, and by 2007 the combined fortune of the family was \$60 billion, making the Ambanis the second richest family in the world. Ambani died on 6 July 2002.

Jamsetji Nusserwanji Tata

Indian pioneer industrialist, Mr Jamsetji Tata founded Tata Group, India's biggest multinational company. He founded what would become later as Tata Group of Companies. Jamsetji Tata is renowned as "Father of Indian Industry". Now Tata group expands their business in various areas. His contribution for national economy is a landmark.

Azim Hashim Premji

He is an Indian pioneer Industrialist and chairman of Wipro Limited, directing the corporation through four decades of diversification and growth to emerge one of the top Indian entrepreneurs in the software industry. According to Forbes, during 1999-2005 he was the richest Indians and at present he placed fourth richest Indian .He has listed twice among the most Influential personalities by TIMES.

4.CONCLUSION

According to the rising population of the globe, the pattern of need and requirement of the world has also developed through the years. To maintain the ever rising demand and supply of products, correct entrepreneurship abilities and innovation are more needed.. Thus, innovation and Entrepreneurship is the need of hour and needs to be adopted by one and all business enterprises. There are compelling reasons for an entrepreneur to be well informed about legal aspects of business and how to enhance business opportunities by proper choices. The Intellectual property rights use as license which needed to protect the business ideas and also that the entrepreneur will not infringe on others. Licensing is also important means of starting a new business using the well known product of other company. The written agreements or the contracts have become necessary in all commercial deals in any enterprise. Thus Entrepreneurship is a process which initiates with innovative or novel idea and protect it with intellectual property rights before execute this in production or operation.

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