

The Role Of IP Policies In Fostering Innovation And Growth For Indian FMCG Startups.

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Abstract

Intellectual Property Rights protect a firm's brand, identity and their creations. IP laws protect these firms from imitation and exploitation and most importantly prevent hindrances from gaining profits from the products they develop. These laws play a very important role in protecting, assisting and promoting synonymous FMCG industries. An in-depth study of the impact of IP legislation on this particular sector will help drive this sector towards growth in international markets.

The issues on IP rights are examined in the context of problems faced by the FMCG sector. Some of these challenges include a lack of awareness regarding the benefits of brand registration under IP laws, information gaps in the word of law as well as administrative lags ranging from application processing to feedback on rejection. This paper has attempted to implore probable solutions that can resolve these problems, for instance, establishing awareness programmes for branding and copyright solutions as well as promoting councils for joint ventures between various types of service firms.

Introduction

This paper is a conjunction point of three parts- existing legislation, the FMCG industry and innovation in startups. All three sections are deeply connected. Startups are synonymous with innovation in the current economic ecosystem and Startups specifically in the industry of FMCG can drive growth within the industry as well as any auxiliary industries dependent on it. Legislation as a booster can incubate that growth to the point that local startups become international Unicorns.

The Fast Moving Consumer Goods (FMCG) industry comprises firms that engage in producing, marketing and distributing goods that are sold quickly and are of relatively low cost. They consist of non-durable household goods and other consumables. The FMCG sector is the fourth largest industry in the Indian economy. In a deeply connected and evolving world that functions on the principles of globalisation, industries, especially FMCG that directly impact the lives of consumers have an unprecedented opportunity to expand their consumer base from one corner of the world to the entire globe. The structure of economies is changing as a result of blending cultures among societies. These changes create a space for the integration of local tastes on a global level, creating a demand-side consumer market. Despite these absolute conditions, FMCG is unable to support the supply side of this market. The challenges for the same are presented at various levels. The aspect of boosting growth within Startups coming up in the FMCG space is focused upon from the legislative perspective- Intellectual Property Rights.

Governments can introduce policies and pass laws to protect home-grown industries, however, protectionist or infant-industry policies are not long-term solutions. The only viable method to ensure the survival of domestic industries is to promote growth. Actions to encourage innovation and drive growth can lead Startups to a global level. IP laws are one such tool for ensuring a flourishing industry. Intellectual Property Rights (IP) are defined as the grant of legal rights to a creator or inventor for their creation or innovation, these rights can be conferred for a certain period and serve to enable the creator to utilise their creation fully. An IP for a common individual might be associated with high technological innovation, while that is a part of it IP also refers to copyrights, trademarks and various marks that signify a specific identity of a brand or company. Trademarks and copyrights under IP laws garner trust and goodwill among consumers, generating brand loyalty for the firms and their products. While IP laws can act as armour and boosters for startups, they come with problems.

Literature Review

The historical criticism faced by intellectual property rights (IPR), particularly patents, and the subsequent shift in perspective towards recognizing their long-term benefits. Despite past opposition, there is now a consensus that IPR is crucial for societal progress, encouraging innovation, and promoting the circulation of creations. The argument is made that individuals, including governments, have a moral obligation to reward creators for their inventions while maintaining a balance with providing affordable technology. (Pundarik Mukhopadhaya et al, 2010)

The National Intellectual Property Rights (IPR) Policy 2016, adopted in May 2016, serves as a vision document guiding the development of IPRs in India. Several achievements have been noted, including the strengthening of institutional mechanisms by transferring the administration of certain acts to the Department of Industrial Policy and Promotion. Backlog reduction measures have led to significant decreases in pendency for patent and trademark applications. Automatic issuance of electronically generated certificates has been introduced. (“National IPR Policy”)

The Fast-Moving Consumer Goods (FMCG) sector is the fourth-largest sector in India, driven by consumer-oriented growth and increased prices, especially for essential products. As of December 2022, the FMCG sector reached a milestone of US\$ 56.8 billion. Forecasts predict a Compound Annual Growth Rate (CAGR) of 27.9% from 2021 to 2027, with the total revenue expected to reach around US\$ 615.87 billion by 2027.

In 2022, urban areas accounted for 65% of the annual FMCG sales, while rural India contributed over 35%. The sector is divided into three main segments: household and personal care products (50% of

sales), healthcare (31-32%), and food and beverage products (18-19%). These segments significantly influence the nation's economic landscape. (“FMCG Industry in India: Trends, Challenges, Solutions [2023]”)

This paper further explores how IP policies can induce growth by promoting innovation and R&D in startups within the FMCG sector. Challenges and recommendations for the same have been studied.

Overview of the FMCG Industry in India

The growth of the FMCG industry in India can be credited to growing consumerism driven by increased income, changing lifestyles and easier access to goods. While the FMCG industry is growing domestically at a rapid pace, it has the potential to capture global markets.

I. Current Domestic Ecosystem

The FMCG Industry is the fourth-largest sector in India with a valuation of \$179.84 Bn in 2022 and the healthy growth over time can also be credited to the growing young population and increasing brand awareness, leading to an estimated of \$1007.45 Bn by 2029¹. FMCG India is unique as it encompasses several products ranging from OTC Pharmaceuticals to consumer electronics. Therefore this space is dominated by firms with different product categories.

The growth of the FMCG sector can be credited to the development of e-commerce in both urban and rural sectors. Growth in e-commerce has led to greater accessibility of products, providing a wider range of products and prices increasing consumer engagement. Value augmentation within the products can be observed as a result of numerous Government schemes, support from auxiliary industries and complementary goods. Factors such as technology and transport connectivity have further helped the FMCG sector.

II. Problems within the FMCG Industry

While FMCG has the prospect of greater growth, various factors hinder its path. The points mentioned below are regarding further growth and do not pertain to structural weaknesses.

¹ “Indian FMCG Market - Industry Analysis and Forecast (2023-2029).” *maximise market research*, <https://www.maximizemarketresearch.com/market-report/indian-fast-moving-consumer-goods-fmcg-market/29038/>. Accessed 6 December 2023.

a. Market Penetration

FMCG startups as well as long-established brands have primarily focused on capturing urban populations with slow and steady moves to attain rural market share. India has a consumer gold mine in the form of an untapped rural market. Without taking away from the potential of rural consumer bases, firms, especially from the start-up ecosystem, need to turn their attention towards global markets. With growing globalisation, cultures are being adapted from various nations paving the way for the exchange of consumer items as well. The Indian urban market will soon reach saturation and thus without provisions for capturing alternative bases, the FMCG sector in India will experience a slowdown.

b. Counterfeiting

Counterfeit items are fake or unauthorised products of the original product. They are generally cheaper than the product of the original brand and thus have consumer popularity, often they mimic the original brand so well that they successfully confuse the consumer. Counterfeiting can be damaging to both the firm producing it as well as the consumers because of its low quality and harmful effects.

Damage caused by counterfeit items can severely harm the firm's brand image and goodwill developed. Often the manufacturer replicates the logo, colour schemes and packaging of the original brand. These products create a major concern for all entities involved.

c. Lack of Brand Image on a Global Level

Currently, in the context of global branding, Indian FMCG firms have only adapted to global trends rather than building brand names in foreign markets. Numerous papers have shown a correlation between brand equity and business performance. A lack of brand equity in the global market will lead to significant pushback in attaining profitable business in Global markets. This problem is amplified by a lack of focus on brand equity by Indian FMCG brands in markets other than their existing base.

d. Involvement of Unorganised Sector

The unorganised sector has made a major contribution to the Indian economy as a whole and more so to the FMCG sector, right from manufacturing to transport. However, there is a low level of compliance since they don't fall under the purview of governance. There are many problems associated with the functioning of the unorganised sector, human

rights concerns and low quality of products to begin with. The unorganised sector needs to gradually be converted into an organised sector to ensure adherence to safety and other laws. Reliance of the FMCG industry on the unorganised sector can help balance sheets but will not prove to be sustainable in the long run.

III. Unique Selling Points for the Industry

The FMCG industry in India has a multitude of unique selling points that can turn the sector into “the largest sector” in the country. The role of IPR is to enhance those selling points by driving growth powered by innovation. Some advantages that the FMCG sector enjoys that can be further assisted by IPR policies are mentioned below.

a. Arsenal of Products

Firms in the Indian FMCG sector offer a wide range of products in every category. India is an overwhelmingly large and diverse market, and this attribute allows for R & D of nuanced and varied products, a place where there is something for everyone.

Paper Boat, a company that started with nostalgic drinks and also provides snacks and fruit juices, Boat - a primarily audio devices company has expanded into a range of personal-care electronics, Mamaearth- newly launched in the Indian stock market and started as an online skin-care product company, and now has brick-and-mortar shops that provide an extensive line of beauty, skin-care and baby products.

This arsenal of products can cater to demand or several types of markets at the same time, reducing dependence on the popularity of one product, constantly maintaining retail-shelf presence, meeting evolving trends and creating a defence against economic fluctuations.

b. Access to Raw Materials

India is still an agrarian economy, this also implies that the majority of agriculture-based raw materials required can easily be procured locally. This local sourcing of materials ensures frequent quality checks, the need for complex supply chains, strong structural support at primary levels as well as protection from global geopolitical crises as well ensuring customizable, consistent supply. With rapid development in agriculture, metal, mining, and allied sectors access to raw materials to start-ups will become more efficient, significantly reducing the input costs.

c. Presence Across the Value Chain

This aspect is related to the two attributes mentioned above. Since FMCG companies produce and market several products developed primarily from raw materials procured from within the country, the entire process from buying the materials to loading the product onto the store shelf, this industry generates additional value across the entire supply chain.

Value is created as raw materials like grains, mined ores, plastic pellets, etc are bought and sent for processing, these processed materials and their by-products are further traded to be turned into finished products. The value generated at each stage creates employment and equipment. Along with these benefits, it leads to the promotion of sustainable practices, risk management, distribution network optimization and better collaboration with suppliers.

d. Presence of Capacity for Expansion

The size of the Indian consumable market is that of a behemoth and thus firms growing at rapid speeds can substantially increase production within a comparably shorter period. Domestically, while companies start by capturing urban markets to enter rural markets, greater capacity for expansion is an essential condition.

In terms of both working capital as well as production units, Indian FMCG sectors have an advantage in terms of a growing number of credit lines and Government PLI schemes to provide liquidity for funding expansion. The presence of sub-contractors and other manufacturing-linked industries enables both outsourcing production as well as increasing in-house manufacturing units.

Current IP Policy in India

Legislation surrounding Intellectual Property Rights in India is not a new concept, there have been a series of reforms. The most important one came in 2016. The National Intellectual Property Rights (IPR) Policy was adopted in 2016 by the Department for Promotion of Industry and Internal Trade (DPIIT); this department falls under the Ministry of Commerce. The primary mission of the policy is “Creative India; Innovative India”.

As the mission statement suggests, the purpose of this legislation is to promote entrepreneurship by fostering creativity and innovation. A vibrant and dynamic entrepreneurial ecosystem will propel the nation on a balanced development path, enhancing socio-economic and cultural development. Socio-economic development means improved healthcare access and ensured food security without trading off environmental protection. A comprehensive and balanced IPR policy is essential to lead the country on a path of holistic development over boosting economic growth.

I. Description of New IP Policy

The New IPR Policy was designed with seven specific objectives. These objectives are elucidated using stages to be implemented by the mentioned nodal Department or Ministry.

a. Objectives of the policy

1. IPR awareness: Outreach and Promotion- policies that are not utilised have no purpose, therefore an important objective of this policy is to ensure adequate awareness among all sections of the society regarding the need and benefits of IPRs.
2. Generation of IPRs- In a country as diverse as India, pools of scientific and technological talent can be found in every corner. To convert this pool of knowledge into an IP asset, comprehensive baseline surveys and IP audits across sectors are suggested to devise and facilitate targeted programmes.
3. Legal and legislative framework- While current laws are compliant with the Doha Declaration on the TRIPS Agreement, legislation is reformed to protect the interests of rightful owners of IP with the larger public interest. It also aims at protecting the vast knowledge base from misappropriation.
4. Administration and Management- An efficient and balanced IPR system stands on the foundation of a well-equipped, user-friendly and competent administration. A smoother operation by Offices of IPR can greatly influence the generation and commercialization of IP assets.
5. Commercialization of IPR- IPRs can make a positive impact on society when their economic value reaches the IP owner and people who utilise the IP. After a successful generation, it is important to bridge the gap between idea and execution, one of the ways to facilitate it is by connecting investors and IP creators as well as other stakeholders.
6. Enforcement and Adjudication- Legislation surrounding the protection of IPR can only be successful when it ensures safeguarding against, penalising, discouraging and resolving disputes against IPR infringement. For this purpose use of State police forces,

Dispute Resolution mechanisms and other measures to check counterfeiting and piracy are mandated.

7. Human Capital Development- Human beings generate and utilise IPR, hence its creation heavily depends on strengthening human resources. This is to be carried out using institutions aimed at training, research and skill-building focused on IPRs.

b. Implementation

In India, IP is overseen by many laws, rules and regulations which fall under the jurisdiction of various Ministries and Departments. The implementation of legal provisions has to be carried out in a manner that prevents overlapping, conflicts or inconsistencies. Efficient administration can be carried out only through coordination among authorities responsible for administering the laws. IPs transcend fields and boundaries, this requires a multifaceted study and negotiations in the national public interest.

The present IP policy is designed to act as a strategic tool for national development rather than just some guiding rules. To ensure the fulfilment of its objectives, the Department of Industrial Policy and Promotion will act as a nodal point of coordination and regulation. For implementation-specific Ministries with the involvement of State Governments and public and private stakeholders.

II. Analysis of the Law

The New IPR Policy, 2016 has its set of achievements, issues and areas for improvement. Achievements include a significant reduction in filing backlog by 1,39,274 on 31.10.2018 from the previous 1,97,934 on 31.3.2016, while the numbers are looking up they certainly are not enough given the size of the country and therefore rapid ramping up of facilities and personnel is required. Patent and Trademark filings have also increased by nearly 7% in FY 2018-2019 and 28% respectively. Another great step towards an infallible IPR is the establishment of an IPR Enforcement Toolkit for Police to detect and successfully capture violations of IPR violations.²

The New IPR Policy, 2016 is on a path of evolution based on experiences and drawbacks in terms of receiving MoUs and filings as well as improving the country's ranking on several forums. One of the biggest concerns regarding the New IPR Policy

² "National IPR Policy." *PIB*, <https://pib.gov.in/Pressreleaseshare.aspx?PRID=1557418>. Accessed 9 December 2023.

is it does not address the distribution between corporations and communities equitably. Primarily the one-size-fits-all approach can cause disequilibrium between public interest and IP, there is also a lack of awareness on various aspects as well as financial support to engage in lengthy and expensive IPR processes.

III. Shortcomings

1. Data Exclusivity- There is a demand for a Data Exclusivity Law by several MNCs that have raised issues against the unjust commercialization of data submitted to the Government for market launch approval application, causing a data handling conflict.
2. Development of an Anti-Competitive Market- A 'only-patentee' policy can cause a violation of rights for other stakeholders involved. A more balanced approach is required to ensure the anti-competitive market environment is not generated.
3. Exclusion of Informal Sector- While the new National IPR aims to impact all sectors of society and the economy, the informal or unorganised sector is often left behind in these policies. This includes overlooking creativity and innovation that is generated in the informal sector.

IV. Global Policies

a. Global Organization IPR Agreements

1. World Intellectual Property Organization (WIPO)- it is a specialised agency of the UN. It works to synthesise the IP laws of different nations. It was initially established to officially overlook IP matters of different member nations of the UN, today it is a part of the cooperative agreement with the World Trade Organization.
2. Trade-Related Aspects of Intellectual Property Rights (TRIPS)- TRIPS is an agreement within WTO. It is considered to be an extremely comprehensive multilateral agreement on IP. This agreement is a legal address of the importance of IP for trade, it also highlights the necessity for a balanced IP system. TRIPS is responsible for assisting in facilitating nations in achieving their domestic policy objectives without causing disturbance in the global trade ecosystem, it is even the basis for resolving international IP conflicts.

b. IPR Law Overview in Different Nations

1. United States of America

In the USA the Office of Intellectual Property Enforcement (IPE) works towards effective protection and enforcement of IPR around the globe, for this purpose, the IPE teams work with U.S. ambassadors and diplomats serving

worldwide to safeguard the interests of American rights holders through representation. IPE also actively works to prevent access to counterfeit and pirated goods and large resources are allotted to protect IPR for economic development. They aim to stimulate the creativity of inventors and artists alike wherever they may be.³

2. China

China follows the rule of territoriality when it comes to IP protection, this means that IPR acquired under one country's law can only be protected and valid within the borders of that country with the exception of international conventions or bilateral or multilateral agreements. Chinese authorities have established a new national IP appeals court to ensure faster conflict resolution in IP cases.

They also practise a “first-to-file” when it comes to registration of IP, which entails that the entity to first register IPR will hold exclusive rights regardless of the original user.⁴

3. Switzerland

IPR laws in Switzerland primarily focus on patents for inventions and its target audience includes various stakeholders such as Multinational Enterprises, Small and Medium Enterprises, Startups, Universities and others. The primary aim is to assist in commercialising innovations through well-designed enforcement policies. To facilitate innovation Swiss Government provides several grants and subsidies as well as channelling education policy to channel patent-worthy innovations. The Swiss Federal Intellectual Property Office is also credited with the development of the Swiss Federal Patent Court.

The Role of IP in FMCG

IPR includes a range of creations and not just technological patents that are commonly assumed. IP assets play an essential role in propelling the FMCG sector on a path of growth through several aspects. Some of them are mentioned below.

³ “Intellectual Property Enforcement - United States Department of State.” *State Department*, <https://www.state.gov/intellectual-property-enforcement/>. Accessed 10 December 2023.

⁴ “Intellectual Property Protection in China - China Guide | Doing Business in China.” *China Briefing*, <https://www.china-briefing.com/doing-business-guide/china/company-establishment/intellectual-property-protection>. Accessed 10 December 2023.

I. Trademarks

A trademark can be a symbol, word, or combination of the two that is used to identify as well as distinguish one firm's goods or services from another's. Trademarks in the FMCG sector help in ensuring brand recognition among consumers, brand recognition also promotes brand loyalty. Trademarks result in product differentiation and ensure legal protection. For FMCG companies, trademark registration and marketing play a very important role in global expansion by creating a distinctive identity. The case of Oriflame India Pvt. Ltd. can be observed, here Oriflame filed a claim against an Amazon seller for selling its products online without permission, a claim of costs, damages and a prohibition of selling their products without approval was made.⁵

II. Copyrights

Copyrights generally refer to the protection of originally created works of authorship, for instance, literary works like stories and poems or artistic works such as paintings, designs, and even music can be registered under copyrights. For the FMCG sector copyrights extend to packaging and labelling, Tiffany & Co.'s iconic Turquoise colour for example, or advertising content such as the girl on Nirma washing powder's packaging, printed material and product literature are also included in copyrights. A case of copyright infringement is the case of Hawkins Cookers Ltd. VS Magicook Appliances Co. where Hawkins filed a copyright infringement case against Magicook for using its registered copyrights in its pressure cooker line without permission. The court had ruled in favour of Hawkins Cookers Ltd.⁶

III. Protection from Unpermitted Reproduction

Aspects of IPR such as Watermarking and Digital Signatures as well as Online Platforms and Digital Rights Management along with trademarks and copyrights can protect a firm and its products from unpermitted reproductions. Counterfeiting can harm a firm, its product as well as consumers who utilise it. The recent raid on a counterfeit manufacturing facility that illegally produced Lakme products. The search

⁵ IN THE HIGH COURT OF DELHI AT NEW DELHI Reserved on : 30 May, 2019 Date of decision : 8 July, 2019 + CS (OS) 410." *LiveLaw*, 8 July 2019, https://www.livelaw.in/pdf_upload/pdf_upload-362046.pdf. Accessed 25 November 2023.

⁶ Mukerjee, S. "Hawkins Cookers Ltd. vs Magicook Appliances Co. on 13 September, 2002." *Indian Kanoon*, <https://indiankanoon.org/doc/330218/>. Accessed 24 November 2023

was carried out after the legal manufacturing plant complained about infringement of their patented brand name.⁷

IV. Driving Innovation

A well-defined IP policy with an efficient administration system can encourage R&D in the FMCG sector by ensuring the protection of innovative ideas and products. Having a safeguard for the creations firms are more likely to invest in R&D as well as try to explore more markets. These protected intellectual assets can greatly influence a company's visible competence attracting both investment and talent pools. A wide-range of products derived from a firm's innovation lab can make the firm more resilient and adaptive in both the short and long run. Innovation protected by IP policies can make a firm's product line-up more vibrant and balanced ensuring lasting growth.

V. Mergers and Acquisitions

IP assets can attract investment for FMCG firms, and holding intellectual rights can impact a company's valuation as well, making it an attractive entity for mergers and acquisitions. In the process of an acquisition, a target company's IP portfolio is taken into consideration for its positive value-adding quality. IP portfolio is also an indication of the firm's strong R&D abilities. Trademarks and copyrights that have garnered brand strength and recognition make a firm a profitable choice of partner in mergers. IP policies can facilitate licensing opportunities, providing a chance to earn greater revenue for the firm as well as multiplying economic opportunities for licensing partners. For instance, Godrej Consumer Products agreed to acquire the FMCG sector of Raymond Consumer Care. This acquisition was put forth as the latter is a leading player in the deodorants and sexual wellness segment in India. The deal came along with several trademarks of products such as Park Avenue, KS, KamaSutra and Premium.⁸

⁷ Jha, Anuja. "Delhi Police busts fake 'Lakme' cosmetics factory, owner arrested." *India Today*, 8 August 2021, <https://www.indiatoday.in/cities/delhi/story/police-busts-fake-lakme-cosmetics-factory-owner-arrested-1838257-2021-08-08>. Accessed 9 December 2023.

⁸ Madhukalya, Anwasha. "Godrej's Rs-2825-crore acquisition of Raymond's consumer goods biz under DGGI lens: Report." *Business Today*, 30 October 2023, <https://www.businesstoday.in/latest/corporate/story/godrejs-rs-2825-crore-acquisition-of-raymonds-consumer-goods-biz-under-dggi-lens-report-403715-2023-10-30>. Accessed 25 November 2023.

Challenges

I. Lack of Awareness

India despite being an ocean of resources and talent, India falls behind in terms of patent and trademark registrations. It is only after experiencing counterfeiting or illegal reproduction of packaging and logos do companies realise the need for trademarking their creations, by then what awaits them is a lengthy legal battle. Lack of awareness regarding the need and procedures to register their creations under IP policies can significantly hinder the growth of firms especially start-ups since they are in the beginning stages of development.

II. Access to Information

The New IPR Policy, 2016 is a legislative framework for promoting patenting, trademarking and related activities. However, understanding legal nuances and procedures is not viable for every individual or entity trying to file under IPR laws. Although there are officially appointed individuals who assist and guide people with the same, there is a lack of access to this information. More than often people choose to opt out of filing for patents and trademarks because there is a lack of understanding regarding a starting point for procedures as well as an absence of a representative for support.

III. Aversion to Expansion

Many firms- seasoned players and startups in the Indian FMCG sector have shown an aversion to expansion. Many firms rather than trying to capture rural and global markets prefer to continue increasing market share and experimenting in their target sections. This could be due to various factors ranging from company philosophy to insufficiency of means to expansion. Assistance can be provided to those who fall in the latter category with services such as industry-specific consultation seminars and support of forums that can expedite formalities for an entire section of the industry.

IV. Time Lag in Feedback

India has a diverse and increasing population, as a result, any administrative office in the country is buried under a pile of work, including offices responsible for granting IP

rights. Often when firms apply for trademarks, copyrights or patents they experience a significant delay in the process of application; if their application gets rejected, feedback on the same takes a longer time to reach the applicants. This time lag at every step of the procedure can cause a significant loss of time and fund resources, discouraging the filling of further IP assets.

Recommendations

I. Focus on Brand-Building

The registrations of brand logos and packaging protect the brand's identity, making it useful in promoting brand image. Conducting workshops for companies based on ROC and GST data on needs and basics for brand building is recommended. The target audience can also be found by distributing informative leaflets in banks along with current account forms. For Start-ups an established brand identity can also translate into investments and attracting various types of resources. Incentives such as subsidies for the costs of filing of trademarks and copyrights can be provided as well and promotion of such copyrighted brands through Government channels can also be offered to encourage the filing of copyrights and trademarks.

II. Promotion of Geotagging and Identification Mechanisms

Geotagging is defined as the mechanism of appending geographic coordinates to a physical good; it can even be applied to media content. In the FMCG sector geotagging can play an important role by allowing customers to differentiate between original products and counterfeit. The Indian Government assigned the Geographical Indication (GI) tag to Saffron that is cultivated and harvested in the highlands of Jammu and Kashmir. This GI assured consumers that they were buying authentic Saffron from Kashmir rather than Irani Kashmir repackaged as Kashmiri.⁹

It is recommended that the adoption of GI, as well as other identification tools like QR codes, be promoted as not just marks of authenticity but also to create an interactive system with consumers to enable the implementation of more innovative marketing

⁹ "India International Kashmir Saffron Trading Centre (IIKSTC)." *India International Kashmir Saffron Trading Centre (IIKSTC)*, <https://gikashmirsaffron.com/content/6/GI-Tag-Kashmir-Saffron>. Accessed 25 November 2023.

strategies and receive real-time feedback on products. On the other hand, Geotagging and QR codes can help with combating counterfeiting.

III. Encouraging Patenting of Rural Products

In a world of mass-produced, one-type-for-all commodities, the products produced by rural sectors are more individualistic, indigenous and sustainable in more than one. However, rural-produced products are an easy target for imitation and misuse of information. A way to protect the identity and sanctity of these products while providing the credit their creators deserve is essential to patent their styles, manufacturing techniques, and even those techniques that have been passed down as heritage. Patenting their unique aspects will bring them recognition both domestically and nationally. After patenting these products can also be marked using GIs.

WTO and several countries have laws that allow a form of protection by identifying Traditional Knowledge that has existed in a particular community or society, this identificational protection is granted as a form of Traditional Cultural Expression, they are identified as traditions and practices that have passed through generations and are now an integral part of the community. It is 'Sui Generis Protection of TK and TCE' under IP laws. Examples of it include Peru - Law No. 27811 of 24 July 2002, which is aimed at the "Protection regime for the collective knowledge of indigenous peoples derived from biological resources" and Malaysia: Act 634 (2004) on the Protection of New Plant Varieties. Enforcement of such laws in India can prove to be very useful in terms of protecting indigenous products and manufacturing techniques.¹⁰

The recommended way to promote patents from rural areas is subsidising the costs of patenting, assigning a team or individuals who will ensure end-to-end procedure and creating awareness regarding the effect of patenting on their livelihood, especially in terms of receiving royalty payments that will be eligible to receive in times of pattern or technique sharing. Workshops can be organised in rural areas through governance nexus such as Panchayats and other local governing bodies that explain the details of IPR and resolve issues that might arise for the same.

¹⁰"Traditional Knowledge (TK) and Traditional Cultural Expressions (TCEs): An overview of policy and legal issues from an Intellectual." *WIPO*, 24 April 2017, https://www.wipo.int/edocs/mdocs/tk/en/wipo_iptk_cmb_17/wipo_iptk_cmb_17_presentation_2chiarolla.pdf. Accessed 24 December 2023.

IV. Promotion of Export Activities Through Export Promotion Councils

The most efficient way to communicate with a specific industry is through platforms formed within industries that facilitate the exchange of ideas and promotion. The formation of Export Promotion Councils is suggested to facilitate the spread of information as well as put mechanisms of feedback and innovation in place to synthesise the entire sector. These councils can be responsible for engaging in educational activities regarding administrative procedures on exports, registrations and other formalities. These would especially be useful for Startups that are relatively new in the field and require a guiding hand.

V. Promote Joint Ventures with Rural Handicraft Manufacturers and Service-Providing Organisations

There are several stakeholders in the FMCG industry, on one end there are Rural Handicraft Manufacturers, these entities have the right quality and type of products but they lack marketing and chain supply connectors, due to such shortcomings, their products do not reach the right audience and causing the decline and ultimate demise of the craft. On the other, some firms specialise in marketing, logistics, and legalities but do not have a product they can provide.

It is suggested that platforms and forums should be formed that can facilitate collaboration between rural manufacturers and firms that can handle legal formalities, data analysis, documentation, supply, marketing, branding, and all the other aspects of a business. These types of joint ventures can benefit both sides by bridging the gaps that prevent either from capturing local, domestic or global markets.

VI. Ensuring Easier Access

To ensure easier access to information, it is suggested that information on a contact source such as an office be put on various Government websites; GST portal, ICEGATE, and IPR Filing for instance. Posters can be put up in public places like Banks and ITR offices. Allocation of dedicated representatives who act as relationship managers can be appointed to an entity that files under IPR, and these officials can coordinate with concerned departments and filing clients to make the process easier and more organised.

It is recommended that an organisation with a structure similar to Laghu Udyog Bharati be established that specifically targets start-ups under the FMCG sector and allied sectors. The purpose of such an organisation is to guide and provide financial, legal and other types of support to growing firms within the industry. A body designed to assist the FMCG sector can provide customised solutions and present overall better-coordinated requirements to regulatory authorities needed for expansion.

VII. Set-up of Specialized Tribunal

This recommendation is based on an examination of the IPR policies of various nations. The most effective method of promoting filing under IPR policy is to ensure protection in times of violation. A tribunal or conflict redressal mechanism is needed to ensure rights of IP holders are protected. These special courts can comprise legal enforcers specialising in IPR, and external experts from various industries that can be contacted for a thorough understanding of patent, trademark or copyright filed. This will garner trust in the IPR system and significantly reduce the burden on Courts and the overall legal system. At the moment Delhi High Court has a division for IPR Enforcement and IPR complaints have to be filed in civil courts, this system requires an update in the form of a Centralised IPR Court system that can access information and has uniformity in proceedings throughout the country.

Conclusion

Well-developed Intellectual Property Rights that can seamlessly integrate into business strategies can fulfil the ambition of a sector that is evolving into a balanced, vibrant, ever-growing and rapidly improving sector. The sector in concern here is one of India's strengths- the Fast Moving Consumer Goods Industry, while the FMCG sector in India is the fourth largest, it has the potential to be the largest. The untapped gold mine that is the startup ecosystem within the FMCG industry, with supportive administrative policies, can capture global markets just as rapidly as they have conquered the urban and in some cases rural markets. The recommendations mentioned within the paper are outlined with the perspective of turning Indian rural products into symbols of heritage and quality at all levels of society. New IPR Policy with loopholes covered using experience has the potential to achieve this mission.

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