

The Intellectual Property Rights – What do Indians perceive?

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Intellectual Property protection plays a key role in gaining competitive advantage for achieving higher economic growth in a Market driven economy. Intellectual Property is actually concerned with ethical and moral values of people in the nation; their attitudes, behaviors and the awareness about different Intellectual Property Issues. Public awareness is an imperative to leverage economic development of growing nations like India where still, there is a huge imbalance in per capita income and rate of poverty and illiteracy is quite high. In order to achieve better economic growth, most of the developed nations are stressing upon public education and awareness with respect to Intellectual Property Rights. It has been proven from the study that most of the Indians today, are unaware about IP rights and thus are involved in infringement of these rights. Although they accept that IPR protection can bolster the overall development of Indian economy.

Field of research: Intellectual Property Rights

1. Introduction

Intellectual Property Issues have gained a special importance in today's global business scenario. Companies worldwide are implementing new strategies to use Intellectual Property Rights as the unbeatable tool to achieve competitive advantage. 'Intellectual property' refers to the legal rights owned by individuals and Organizations in inventions, designs, goods and other creations, produced by intellectual activity in the industrial, scientific and artistic fields. These Rights are to protect the creators and ensure that they will benefit from their originality and effort. Where companies are putting huge resources on protection of their Intellectual Property Rights, countries like U.S.A, U.K, Germany and Hong Kong are emphasizing more on public awareness and are having most successful IP Systems in the world. India, the second highly populated country in the world is also on its way to -

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strengthen its IP System. But still there is lack of awareness amongst general masses - the final consumers. The study throws light on patterns of awareness, attitudes and behaviors pertaining to IP Rights amongst Indians.

2. Literature Review

Intellectual property crime (IPC) is the counterfeiting and piracy of trade marked and copyrighted products and services as specified in UK IP crime report 2007. It is mentioned in the article written by Saha. R. titled Management of Intellectual Property Rights in India that Intellectual property rights (IPR) have become important in the face of changing trade environment which is characterized by the following features namely global competition, high innovation risks, short product cycle, need for rapid changes in technology, high investments in research and development (R&D), production and marketing and need for highly skilled human resources.

Counterfeiters emerge and thrive where there is low literacy level, low purchasing power, low consumerism level, high unemployment rate, nexus between counterfeiters and law enforcers, slow judiciary process and loopholes in laws and its enforcement (Harvey, 1988, Bush et al, 1989, Olsen, et al, 1992, Wee et al, 1995, Chaudhry, et al, 1996, Cordell, et al, 1996, Jacobs, et al 2001, Bazerman and Jason, 2003, Cunningham, 2003). Counterfeiting and piracy are linked to organized crime, cause economic harm, defraud consumers, constitute unfair competition to legitimate business, and can pose a danger to public health and safety. (IACC white paper 'the negative consequences of international Intellectual Property theft: Economic harm, Threats to the public health and safety and links to organized crime and Terrorist Organizations' January 2005. Counterfeit manufacturers, especially in the emerging economies, get attracted to the business as they find little risk for a large profit, low probability to get caught, low conviction rates, less penalty if convicted (Dubey 1994), simple technology to produce and consumer ambivalence (Kaikati and LaGrace 1980).

3. Research Methodology

The survey is conducted from December 1st 2008 to March 26th 2009 in the following 5 cities of India:

North region: Delhi; South region: Mumbai; Middle region: Bhopal; East region: Jaipur; West region: Guwahati.

The data was collected personally from 30 individuals in each city through a well designed questionnaire. In order to investigate random perceptions of Indian masses regarding IPRs, 50 online questionnaires were also distributed all over India via website www.freeonlinesurveys.com. In total, 150 individuals in 5 cities and 50 individuals across the India, aged 15 and above were successfully enumerated. The response rate was 89.2%. The samples are selected through simple random sampling method.

4. Analysis of Survey Findings

To achieve the purpose of research, the data was divided into four sub groups – sex, age, education attainment, and monthly personal income. The bivariate analysis was done and Chi-Square Test was adapted to test whether there is significant difference between the opinions of people in different sub-groups.

The study has been divided into two parts: 1) The common perceptions - awareness, behaviors and attitudes of Indian masses regarding Intellectual Property Rights and 2) effect of four factors sex, age, education attainment and income over their perceptions and behaviors. Details of distribution of factors in the sample are discussed in table 1.

Table 1. Details of distribution of factors in the sample

| S.no. | Factors | Number of individuals in the sample. |
|-------|--|--------------------------------------|
| 1 | <i>Sex distribution in the sample</i> Males Females | 126 74 |
| 2 | <i>Age distribution in the sample</i> Less than 30 30 to 50 50 and above | 74 97 29 |
| 3 | <i>Education attainment distribution in the sample</i> Primary and below Secondary Tertiary and above | 53 89 58 |
| 4 | <i>Income distribution in the sample</i> Below Rs.10000 Rs.10000-Rs.20000 Above Rs.20000 | 78 86 36 |

5. Results

results of the survey conducted across India are surprising. It is quite interesting that only 32.0% Indians have correct knowledge about ‘what IP rights refer to?’

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It is found from the study that only 27.0% Indians believe that buying pirated CD/DVD/VCD has infringed IP rights. 30.5% Indians perceive that buying a genuine CD and then convert to MP3 has infringed the IP rights. 32.0% Indians consider buying counterfeit goods has infringed the IP rights, whereas 29.5% Indians think a businessman putting a famous foreign trademark on his product has infringed the IP rights. Only 22.5% Indians consider a student photocopying the whole reference book for the purpose of revision has infringed the IP rights.

As far as awareness regarding IP legislation in India is concerned, 49.5% Indians are aware about the legislation on protecting copyrights in India. 48.0% Indians are aware about the legislation on protecting trademarks in India. 43.5% Indians are aware about the legislation on protecting patents in India. It is surprising that only 4.0% Indians are aware about the legislation on protecting designs in India. In total 36.25% Indians are totally aware about the IP legislation in India.

Regarding behavior of involvement in IP infringement, the study shows that 67.0% Indians often / sometimes / seldom photocopy the whole book. 57.5% Indians admitted to be involved in downloading music / movies / games / e-books / from internet without paying the fee. Interesting fact is that, 82.0% Indians accept that they often / sometimes / seldom buy counterfeit products.

When the respondents are asked about pirated or counterfeit products which people bought the most, 60.5% believed music CD/ movie DVD or VCD, 12.0% believed clothing and accessories, 15.0% considered computer software and 1% considered games, 6% believe photocopy book, .50% said toys / stationary / accessories, 3% believe watches, whereas 1% Indians think that there are other pirated or counterfeit products which people bought the most.

To the question about the reasons for not buying the pirated or counterfeit products, 3.5% Indians feel no need to buy / not interested in pirated or counterfeit products, 8% said poor quality of counterfeit products, 2.5% feel immoral / wrong to infringe other's IP rights, .50% thinks genuine goods' quality guaranteed, 1% feel fear of violation of IP laws, 2% considered it affect the own image, .5% think genuine goods are in better quality, .50 opted genuine goods have become cheaper, 1% believed it is detrimental to India's economy. .50% feels it is detrimental to India's law and order.

Regarding the appropriate channel of awareness, 64% Indians said TV advertisement, 17% said newspapers / magazines, 8.5% said radio program, 5% said advertisement on bus, and 3.50% said internet is the best option.

In the study 57.5% Indians consider it very necessary to protect IP rights, 28.5% consider it quite necessary whereas 5.50% consider it quite unnecessary and 1.50% considers it not necessary at all. For 5.50% Indians it was hard to say or they did not know anything in this regard.

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Regarding the reasons why it is necessary to protect IP rights, 27.5% Indians find it to protect the interest of inventors / encourage creativity, 17% find it to protect the interest of manufacturers / genuine IP right owners, 9% opted for the sake of morality / incorrect to infringe IP rights, 7.50% find it to ensure fairness, only 2% have found it to protect India's international image, whereas 2.50% believed it to fight against those infringed the IP rights. Lastly 7.5% Indians find it is necessary to enhance India's long-term economic development.

Out of those who do not think it necessary to protect IP rights, 10.5% Indians think it is because genuine goods are too expensive, 2.50% think because lower price of genuine goods will fight against infringement and .50% thinks because manufacturers / genuine IP owners are making too much money.

In case of perceived reasons for IP infringement activities, 27.5% Indians accept the cheaper price of pirated / counterfeit products / genuine goods are too expensive, 17.5% accept greediness / improper public mentality / lack of self discipline, 12.5% believed that unethical businessmen are reaping excessive profits, 12.5% find too much supply of pirated / counterfeit products / easy to buy, 4.50% accept poor awareness of protection of IP rights / inadequate education and 8.0% consider inadequate enforcement of laws. .50% Indians agree the fact that genuine goods are too easy to be pirated, 1.0% accepts good quality and variety of pirated products and 4.50% believed it is due to inadequate government propaganda. For 7.50% Indians it was hard to say anything about this question.

It is found that 56% Indians feel that government play the important role in improving the situation of IP rights infringement in India, 27% believed it can be improved by the general public, whereas 12% Indians accept that education institutions play the dominant role in this situation, 2% Indians feel that situation can be improved by the efforts of copyright owner.

When Indians are asked about whether the protection of IP rights could help the development of local creative industries, 32.5% Indians found it very helpful, 27% found it quite helpful, 15% considered it average, 4.5% think it not quite helpful. 1.5% found not helpful at all, whereas 16.5% Indians did not know anything in this regard.

In case whether the Indians consider the protection of IP rights could help the overall development of India's economy, 38.5% Indians think it is very helpful, 36.5% think it is quite helpful, 11.0% said it is average, 3.0% believed it is not quite helpful, 1.50% think it is not helpful at all. For 4.0% Indians it was hard to say anything.

Lastly when it was asked that whether it is necessary for the government to put more resources in protecting IP rights in the long run, 39.0% Indians find it definitely necessary, 36.0% find quite necessary, 7.0% think not quite necessary,

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1.50% considered not necessary at all. 4.5% Indians did not know anything / it was hard to say anything for them to this question.

After thorough investigation it has become clear that there is the relevance of four factors of sex, age, education attainment and income on the perceptions and behavior of Indians.

Table a show that on basic knowledge of IPR, there is no relevance of sex and monthly personal income whereas Indians of age group 30-50 are much more aware than their counterparts and hence there is the relevance of age. Level of education attainment also affects the knowledge of IPR as the perceptions and behaviors vary considerably. It is quite clear from the table that higher the attainment of education, the higher the awareness is. In total, 200 Indians responded out of which there were only 64 correct responses. 32% Indians are rightly aware about what IPRs refer to.

Table a. Knowledge about Intellectual Property Rights - Bivariate analysis

| | Sex | | Age | | | Education Attainment | | | Monthly Personal Income | | |
|---|-------|---------|--------|---------|------|----------------------|------|-------------------|-------------------------|---------------|---------|
| | Male | Fem-ale | < 30 | 30 - 50 | > 50 | Primary or Below | Sec. | Tertiary or Above | < 10000 | 10000 - 20000 | > 20000 |
| | (%) | (%) | (%) | (%) | (%) | (%) | (%) | (%) | (%) | (%) | (%) |
| Aware (at least one correct answer) | 31.7 | 32.4 | 27 | 36 | 31 | 9.4 | 40.4 | 72.4 | 26.9 | 33.7 | 36.1 |
| Not aware (no correct answer or declared "don't know") | 68.2 | 67.56 | 72.9 | 63.9 | 68.9 | 90.6 | 59.5 | 27.6 | 73 | 66.2 | 63.8 |
| Sample | 126 | 74 | 74 | 97 | 29 | 53 | 89 | 58 | 78 | 86 | 36 |
| Value of chi - square | 0.01* | | 3.34** | | | 45.4** | | | 1.31** | | |

* Value of chi square with 1 degree of freedom at 95% level of confidence.

** Value of chi square with 2 degrees of freedom at 95% level of confidence.

In case of awareness regarding infringement of IPRs, The percentage of correct Indians is 28.3. Table b reveals that there is no relevance of sex but there is the great effect of education attainment. Impact of age and income is also found after analysis.

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Table b. Awareness about infringement of Intellectual Property Rights- Bivariate analysis

| | Sex | | Age | | | Education Attainment | | | Monthly Personal Income | | |
|-----------------------|-------|--------|--------|---------|------|----------------------|------|-------------------|-------------------------|---------------|---------|
| | Male | Female | < 30 | 30 - 50 | > 50 | Primary or Below | Sec. | Tertiary or Above | < 10000 | 10000 - 20000 | > 20000 |
| | (%) | (%) | (%) | (%) | (%) | (%) | (%) | (%) | (%) | (%) | (%) |
| Aware | 29.4 | 28.7 | 25.6 | 31.9 | 29.2 | 7 | 25 | 55.8 | 22.7 | 24.2 | 55.1 |
| Not Aware | 70.5 | 71.2 | 74.3 | 68 | 70.7 | 92.9 | 74.9 | 94.1 | 77.2 | 75.7 | 44.8 |
| Sample | 110 | 59 | 359 | 470 | 140 | 257 | 431 | 281 | 378 | 417 | 174 |
| Value of chi - square | 0.05* | | 3.88** | | | 161.2** | | | 69.2** | | |

* Value of chi square with 1 degree of freedom at 95% level of confidence.

** Value of chi square with 2 degrees of freedom at 95% level of confidence.

As far as awareness regarding legislation on protecting IPRs in India concerns, only 36.25% Indians are totally aware. Education attainment of Indians strongly affects the level of awareness. Table c represents that there is the relevance of age and monthly personal income too. There is no relevance of sex in this regard.

Table c. Awareness regarding legislation on protecting Intellectual Property Rights in India Bivariate analysis

| | Sex | | Age | | | Education Attainment | | | Monthly Personal Income | | |
|-----------------------|-------|--------|--------|---------|------|----------------------|------|-------------------|-------------------------|---------------|---------|
| | Male | Female | < 30 | 30 - 50 | > 50 | Primary or Below | Sec. | Tertiary Or Above | < 10000 | 10000 - 20000 | > 20000 |
| | (%) | (%) | (%) | (%) | (%) | (%) | (%) | (%) | (%) | (%) | (%) |
| Aware | 37.6 | 35.7 | 35 | 34.1 | 50.8 | 17.7 | 30 | 64.9 | 29.6 | 33.1 | 61.7 |
| Not aware | 62.4 | 64.3 | 64.9 | 65.8 | 49.1 | 82.2 | 70 | 35 | 70.3 | 66.8 | 38.2 |
| Sample | 495 | 291 | 291 | 381 | 114 | 208 | 350 | 228 | 307 | 338 | 141 |
| Value of chi - square | 0.26* | | 11.3** | | | 115.9** | | | 46.23** | | |

* Value of chi square with 1 degree of freedom at 95% level of confidence.

** Value of chi square with 2 degrees of freedom at 95% level of confidence.

As far as behavior of involving in infringement of IPRs, it is shocking that 68.8% Indians are found to be involved in such kind of activities. Males are found to be

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more involved than women. Other three factors age, education attainment and income are also having a great impact on such behavior as shown by Table d.

Table d. Behavior of involving in infringement of Intellectual Property Rights Bivariate analysis

| | Sex | | Education Attainment | | | | | Monthly Personal Income | | | |
|---------------------|-------|--------|----------------------|---------|------|------------------|--------|-------------------------|-------|---------------|-------|
| | Male | Female | 30 | 40 - 50 | 50 | Primary or below | Sec. | Tertiary or above | 10000 | 10000 - 20000 | 20000 |
| | (%) | (%) | (%) | (%) | (%) | (%) | (%) | (%) | (%) | (%) | (%) |
| Involvement | 77 | 59.7 | 83.1 | 70.4 | 44 | 32.2 | 85.2 | 80.9 | 78.3 | 73.1 | 51.9 |
| Not involved | 22.7 | 40.3 | 16.8 | 29.5 | 55.9 | 62.7 | 14.7 | 19 | 21.6 | 26.9 | 48 |
| Sample | 383 | 196 | 214 | 281 | 84 | 153 | 258 | 168 | 226 | 249 | 104 |
| Value of Chi-square | 10.8* | 45.3** | | 118.9** | | | 24.8** | | | | |

* Value of chi square with 1 degree of freedom at 95% level of confidence.

** Value of chi square with 2 degrees of freedom at 95% level of confidence.

6. Discussion

India is the nation where there is a huge imbalance in per capita income. A great number of people still are illiterate and live below poverty line. This study reveals that in total, only 31.85% Indians are correctly aware about Intellectual Property Rights, infringement issues and IPR legislation in the country. Whereas in Hong Kong, one of the most focused countries on Intellectual Property matters, the rate is around 96% as shown in the report of survey on public awareness of Intellectual Rights Protection 2008. ² Further, this study is limited to people living in urban areas of India. Rural areas are also required to be studied as poverty and illiteracy rate in these areas is quite higher. This is perhaps the biggest reason why India has become one of the active markets of counterfeit and pirated products.

The study reveals that 86% Indians consider it necessary to protect IP rights. 74.5% accept that protection of IP rights could help the development of local creative industries. 86% Indians consider that protection of IP rights could help the overall development of India's economy. Also, 75% Indians believe that government should put in more resources in protecting IPRs in long run. Indian public require a strong IP system in the country but due to lack of awareness and knowledge, the problem has become detrimental.

There should be more strict and adequate enforcement of laws. In India legal framework for protecting IPRs is there, but it all depends on the public awareness and cooperation. The government, the police, the customs, the people - all these

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resources must work together to make it happen. Continuous public education is required for India's legal framework to succeed in protecting intellectual property rights (IPR). However government organizations like FICCI in India have started focusing on the problem. But as proved by the study, still there is a lot to improve. It was rightly suggested in the APEC Workshop on Effective Strategies for IPR public education that economies need to understand the developmental cycle and over time, deploy appropriate strategies and tactics in their public awareness and education campaigns. They will also need to develop core professional competencies to carry on the work in order to achieve most desired targets.

7. Conclusion

India is one of the fastest growing economies in the world. But still is facing serious problems of counterfeiting and piracy. The main reason considered after the study is lack of awareness amongst Indians regarding Intellectual Property matters. As illustrated from the investigation, most of the Indians are unaware about the concept of Intellectual Property Rights, infringement and IPR legislation in India. Consequently most of the Indians are involved in Intellectual Property infringement activities. In addition, most of the people have positive responses on having appropriate IP protection system in the country and overall development of Indian economy with the help of proper IPR protection. They need creative culture and creative industries. In essence, if the government can put more resources in public education to protect IP rights, the public awareness and attitude towards the protection of IP rights is expected to improve and Indian economy will achieve strength in the near future.

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