Establishment of an IP stock exchange in India

Thought Leadership • August 31, 2017

Binny Kalra and Raunaq Kamath discuss the benefits of an IP Rights Exchange all set to be launched in India as part of the National IPR Policy, in World Trademark Review. As part of the new national IP rights policy, India is set to get its own IP rights exchange (IPRX), like the United Kingdom and Hong Kong. The Federation of Indian Micro, Small & Medium Enterprises (FISME) supported by the British High Commission had previously initiated a portal for this purpose at www.iprexchange.in. The new IPRX will, however, be operated under the aegis of the Ministry of Science and Technology through the National Research Development Corporation which suggests that it will be more centralised, comprehensive and effective. This is a promising development for both IP holders and potential purchasers which have agreed there is a need for a centralised forum for purchasing, selling and licensing intellectual property. At present, the absence of an effective centralised marketplace to purchase, sell or license intellectual property creates a situation where licensees must be identified by right holders and approached with a proposal. Similarly, businesses which require acquisition of intellectual property to legitimise their operations may not have easy access to or even knowledge of the existence of the relevant intellectual property. In such a situation, the licence may be valued in an arbitrary manner with the resulting negotiations being unsuccessful. Where the parties cannot reach a consensus on the terms of a transaction or licence, right holders often resort to litigation in order to restrain the other side from using their intellectual property. While these proceedings may culminate in a compromise where the violator eventually agrees to take a licence from the right holder, such litigation increases the burden on the courts. *This article was first published in World Trademark Review's WTR Daily August 2017.*

RELATED PRACTICES

PATENTS