

NEW PRODUCT DEVELOPMENT: ISSUES OF INTELLECTUAL PROPERTY RIGHTS

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ABSTRACT:

For a new product to get into market , it needs to go through various stages wherein some stages are innovative and requires protection, such protection can be done with the help of Intellectual property rights and as such IPR protects the ideas,it leads to issues regarding the ownership of such ideas and may lead to delay in introduction of new product.

OBJECTIVES OF THE STUDY

1. To raise the issues and challenges of new product development without IPR
2. Importance of IPR in new product development process

NEW PRODUCT DEVELOPMENT - IPR

The eight stages or process or steps involved in the development of a new product are as follows:

- Idea generation.
- Idea screening.
- Concept testing.
- Business analysis.
- Product development.
- Test marketing.
- Commercialization.
- Review of market performance

Idea Generation and Idea Screening –IPR

The new product development evolves from Idea Generation and that the idea should be treated as 'trade secret' and involves the technical drawings also which should be either patented or trade marked.

IPR – Tax Advantages

Expenditure incurred on research and development of new products can be treated as deferred revenue expenditure and the same can be written off in 10 years equally yearly installments from the year in which it is incurred

Concept Testing Stage – IPR

As this stage is important, it is necessary to ensure that the competitor have no vital information regarding the product which may erode the competitive advantage in it.

As in the concept testing stage, the testing may be carried on with the help of focus groups or questionnaires, the vital information about the product may get leaked and can the company can lose the competitive advantage.

Patent – issues with limitation of time

The patent has life span of 25 years after that the concept can be used by anyone, in order to overcome such situation, company's may apply for another source of IPR to protect.

For Example

The case of Aspirin is a good example. Developed in 1897, the drug was patented in 1899 by the Bayer Company. Knowing that patents have a limited duration, the Bayer Company embarked upon promoting a trademark for its new product. When the Aspirin patent expired, the company continued to benefit from the sale of the product through its established trademark Aspirin

Commercialization – IPR

IPR helps the company or the inventor to introduce the new product on a large scale by giving the necessary funding. The company/inventor requires large investment for the new product.

For example, Mr. Chester Carlson invented xerography in 1938 and patented it in 1942. It then took him five years to find the necessary funding to take the product to market. In 1947, the Haloid Company acquired the license to his basic xerographic patents. The first xerographic copier, Model A, was introduced in 1949. It would

be fair to say that Mr. Carlson would not have been able to market the invention without external investment, and that the patent he held contributed significantly to Haloid's decision to support the invention.

RESEARCH METHODOLOGY

The methodology adopted in the study is doctrinal. Doctrinal study includes analysis of research articles, books, reports, treaties, conventions, Statutes, mass media like news papers, Journals, Periodicals, Bulletins, Websites and cases decided by courts.

CONCLUSION

IPR plays an important role in the new product development and brings out many advantages right from protecting the trade secrets to the funds needed for marketing of new product

REFERENCES

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