AN ANALYSIS ON STRENGTHENING IP-BACKED FINANCING IN INDIA AND COMPARISON WITH ASIAN MODELS

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ABSTRACT

Intellectual Property serves an important role in the society. It is not just a mere legal right, but a substantial economic asset to a nation. These intangible assets, namely the patents, copyrights, trademarks, trade secrets, industrial designs, geographical indications contribute to the IP holder by enabling access to finance. Most companies require capital and finance to develop themselves. Due to the evolving IP era, companies now hold both tangible and intangible assets. Companies felt the need to maximize those intangible assets through identification, protection, valuation and leverage of such IP assets, which became to known as IP asset management. These assets are also utilized to increase access to credit. The strategic use of this assets to acquire fund can help the IP firms to achieve a better position in the market, which is known as IP Financing. This mechanism enables Small and Medium enterprises (SMEs) and Startups to raise funds as they potentially holds certain intangible assets on their own. Successful models highlights the potential of this mechanism. There are various components involved in IP backed financing ecosystem. IP Insurance and IP Exchange are two such important components. Despite the benefits that can be acquired from these components, IP Financing has its own set of barriers such as information asymmetry, lack of secondary markets for trading IP and lack of professionals, which undermines the value of this mechanism. India is also susceptible to such barriers. Regardless of having the National IPR Policy of 2016 which has an objective of commercialization of IP for the benefit of investors & IP holders, the concept has not ripen its benefits at the fullest. In contrast, certain other Asian countries have a better mechanism and institutional framework that utilizes the IP backed financing in its complete sense. This study intends to understand what constitutes IP backed financing, especially how IP insurance and IP Exchanges offers advantage to the economy of a nation. It also aims to analyze the different mechanisms used to secure IP finance by other Asian countries, particularly with China, Hong Kong and Singapore. By such comparison, the institutional or legal barriers or lack of efficient schemes or government support can be tackled by incorporating other better practices into Indian IP backed financing ecosystem.

Keywords: Intellectual Property, IP asset management, IP – backed financing, IP Insurance, IP Exchange.

STATEMENT OF PROBLEM:

Intellectual Property is a viable economic asset that can be used for IP financing. However, the presence of various challenges to the IP financing such as lack of awareness and confidence in the secondary trading platform or the IP stock exchange, regulatory issues in IP insurances, low liquidity of IP assets restricts the potential of IP backed financing in India. India is yet to have a comprehensive and operationalized legal procedures and laws in order to realize the value of IP. Meanwhile, other Asian countries namely China, Hong Kong and Singapore have advanced their position in this regard, from whom India can draw inferences.

REVIEW OF LITERATURE:

1) Duff & Phelps (2019)[1] discusses the regulatory environment across the world in regard to IP backed financing. The literature is relevant to the study as it helps in understanding the subject matter of IP backed financing. It also shows that the area is at a development stage and has not been utilized in maximum, along with the scope of IP financing in various fields like Pharmaceutical industry, Telecom sector, Technology industry and Gaming industry. A point of reference can be made by analyzing the difficulties faced by India in detail.

2) Unlocking IP – backed Financing Series: Country Perspectives China's Journey (2024)[2] analyzes the practices and legal framework for IP financing in China. It shows the diverse ways in which China met the requirements of the innovators and how it met the interests of stakeholders in the market, along with its history and development of the IP financial services, which is relevant here. A point of reference can be made by referring to the IP Exchange system as well.

3) Unlocking IP – backed Financing Series: Country Perspectives Singapore's Journey (2023)[3]

[1] *IP – Backed Financing: Using Intellectual Property as Collateral,* DUFF & PHELPS - CIIIPR (Dec. 2019), https://ciiipr.in/pdf/CII-Duff-%26-Phelps-Report-on-Using-IP-as-Collateral-2019.pdf.

[2] WIPO, *Unlocking IP – backed Financing Series – Country Perspectives: China's Journey,* WIPO INTERNATIONAL (2024), https://www.wipo.int/edocs/pubdocs/en/wipo-pub-rn2023-46-en-country-perspectives-china-s-journey.pdf.

[3] WIPO, *Unlocking IP – backed Financing Series – Country Perspectives: Singapore's Journey,* WIPO INTERNATIONAL (2023), https://www.wipo.int/edocs/pubdocs/en/wipo-pub-rn2023-58-en-unlocking-ip-backed-financing-country-perspectives-singapore-s-journey.pdf.

provides for the role of IP assets in aiding the growth of Singapore's economy. The literature is relevant as it speaks about the robust development of IP financing in the country. It also mentions certain schemes like IP Financing Scheme, Enterprise Financing Scheme – Venture Debt Programme for access to credit through the intangible assets. Mentioning about some more real life examples could have been added.

RESEARCH OBJECTIVES:

1) To analyze the legal concept and institutional framework of IP backed financing in India

2) To examine the challenges present in IP backed financing in India, especially in relation to IP insurance and IP stock exchange

3) To compare the present situation of IP backed financing in India with China, Hong Kong and Singapore.

4) To suggest suitable measures in order to optimize the potential of IP assets present in India

HYPOTHESIS:

IP backed financing subsists as an untapped potential in India. The current situation shows that it is at its infancy stage. However, the absence of legal & institutional framework to support IP backed financing acts as an obstacle to the efficient development of the same in India. There is a chance to equip India better by referring other Asian models like Hong Kong, China.

RESEARCH QUESTIONS:

1) What is IP backed financing and its relevance in the economy?

2) What are the legal and institutional barriers in promoting IP backed financing in India, specifically related to IP insurance and IP stock exchange?

3) What is the position of other Asian models in providing IP backed financing compared to India?

4) What measures can be adopted by the Government of India so as to innovate the use of IP assets?

RESEARCH METHODOLOGY:

This paper adopts Doctrinal method of research by analysing the legal and institutional framework regarding IP – backed Financing and its related components of IP Insurance and IP Exchanges. This paper also undertakes a comparative analysis on the frameworks of IP Financing and its nuances in foreign jurisdictions like China, Hong Kong and Singapore, where such an analysis is only possible by understanding the concepts in its original structural framework. This study collects data from secondary sources such as news articles, books and periodicals, WIPO reports.

CHAPTERIZATION:

CHAPTER 1 – INTRODUCTION TO IP BACKED FINANCING

IP backed Financing:

Intangible asset value has increased to US $ 80 trillion in 2024, which is 13 times more when compared to 1999. The Intangible assets are now accounting up to 90% of the value of companies as per S&P 500, which is a stock market index of 500 largest public companies in USA. The total investments of intangible assets has considerably overtook physical tangible assets, since 2008. These kind of intangible assets is very useful for the small and medium businesses in any country, as they thrive upon what they create or invent and the sale of such creation or invention. It is very important to look upon these small and medium sized enterprises (SMEs) as they constitute 90% of the total businesses in the whole world. In order to develop themselves and make profit, they require capital first. Being a SME, the businesses does not hold any physical asset and thus, they struggle to acquire finance through traditional methods like loan through tangible collateral like equipment, machinery, real estate or inventories. Lack of capital will thwart the ability of SMEs to gain market power. No capital means that these companies or businesses are left to strangle in the competitive market. This will lead to businesses not able to realize their potential to strengthen innovation and promote competition in the market[4].

[4] WIPO, *Moving IP Finance from the Margins to the Mainstream,* WIPO INTL., (last accessed on Mar. 08,

IP finance utilizes the intellectual property and its related intangible assets to secure funds for the growth of business. IP finance can be broadly used in the following four ways:

a) Direct collateral - It can be used as a direct collateral where IP is used as security or a pledge to get a loan.

b) Securitization – IP is used as underlying asset to provide securities in the capital market. Simply, IP assets or rights to their projected revenues (say, for example, Royalties gained through IP) are placed in a Special Purpose Vehicle (SPV) which converts it as securities and that can be listed in the capital market. The SPV isolates the risks involves in the IP assets of the companies or enterprises.

c) Sale and Leaseback – IP is sold to a specialized investor for immediate funding. Then, the original IP owner is allowed to use the IP through license, that is, the one who sold the IP is the licensee now. Later, at the end of specified term or end of license period, the original IP owner is allowed to retain or buy back the IP for a pre – determined price.

d) Venture debt – In this method, IP is used to secure a loan where the business will pay interest until it repays the loan. Additionally, a warrant for equity in the company is also granted by the business / company to the lender[5].

IP Insurance

IP Insurance is a part of IP finance, especially used in collaterals. IP insurance works like a traditional insurance and the only exception is that insurance is granted to the intangible assets here. The intangible nature of IP assets makes them susceptible to liquidity and volatility challenges, thereby making them risky to use as collateral for loans. This will lead to hesitation to give loans by the lenders due to risk of default. This is where IP Insurance acts as a risk management tool. It ensures that lenders can provide credit to IP holders as there is insurance that risks will be mitigated if the IP holder is not able to pay back. IP Insurance is all about the assurance that it provides to the lenders.

For SMEs, IP insurance is crucial as it provides various benefits. If a default occurs where the

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2026, 11.32 AM), https://www.wipo.int/edocs/pubdocs/en/wipo-pub-rn2025-7-en-moving-ip-finance-from-the-margins-to-the-mainstream.pdf.

[5] *Supra* note 1, at 6.

IP holder is not able to pay back to the lender or the IP loses its value at that particular time or that IP cannot be sold for the anticipated rate, then IP insurance will cover the loss of IP holder, thereby preventing loss to lender. Similarly, when a IP infringement or legal dispute arises, IP insurance also covers the legal costs and court fees, thereby ensuring the IP value not being lessened by legal battles[6].

IP Stock exchange

An IP Exchange or IP stock exchange is a platform for financial exchange between inventors and corporate bodies, with contributions from universities, corporates and laboratory IP owners, where IP can be traded based on the market based principles instead of tedious legal process and litigations and is governed by rules which governs the sale, purchase or hedging of IP. Functions of IP Exchange includes:

a) Constructing a bridge between people and commercial entities/companies for trading IP Rights.

b) Bring about buying, selling, licensing of IP such as patents, trademarks, copyrights and industrial designs

c) Connecting users for the purpose to meet or trade online

For an IP to be traded in the IP Exchange, it has to be converted into tradable instruments called as Unit License Rights (ULRs). It is like a contractual license which grants the ULR holder (sponsoring IP holder) to list and sell his IP and anyone interested can buy or sell it in units, which is similar to buying or selling shares in the share market. For example, a patent of car airbag sensor is listed on the stock exchange with ULR of 60,000 units. This means that purchaser of that patent can have the right to use that patent for 60,000 units of cars. If he buys only 50, then he can use it only for 50 cars. There are trustworthy mechanism and process to list an IP, thereby preventing frauds. The ULRs will be first available in the primary market, which is a direct dealing between IP holder and purchaser. Then ULR can also be available in

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[6] Caldwell, *Protecting High-Value IP Portfolios: The Role of IP-Backed Financing Insurance for Lenders,* CALDWELLLAW (June 20, 2024), https://caldwelllaw.com/news/protecting-high-value-ip-portfolios-the-role-of-ip-backed-financing-insurance-for-lenders/#:~:text=In%20an%20era%20where%20intellectual,more%20about%20IP%2Dbacked%20lending.

the secondary market, where interested 3rd parties will buy it from the purchaser[7].

CHAPTER 2 – POSITION OF IP BACKED FINANCING IN INDIA

The then Department of Industrial Policy & Promotion (DIPP) being the nodal department for IPR, designed the National IPR Policy in 2016, which complies with the Agreement on Trade – Related Aspects of Intellectual Property Rights (TRIPS). The National IPR Policy has 7 major objectives which includes IPR awareness – outreach and promotion, Administration & management and Commercialization of IP rights. Thus, the policy aims at securitizing IP assets to utilize them as collateral for commercial development. It also provides financial support through banks, angel funds, venture capital funds and crowd funding mechanisms for the sake of development and commercialization of IP assets. Also, it mentions that the Cell for Intellectual Property Rights Promotion and Management (CIPAM), a professional body created by DIPP, has to undertake a study to scrutinize the possibility of creating an IPR Exchange in India[8]. Therefore, the Federation of Indian Micro and Small & Medium Enterprises (FISME) established IPR Exchange (IPRXCHANGE or IPRX) in India, supported by Prosperity Fund of British High Commission in India. It is expected to provide an opportunity for IP holders to showcase their IPs to potential investors, trading or resale of purchased or licensed IP, transparent and reasonable pricing mechanism, promoting innovations. It also advertises the existence of these much IPs to the public[9]. Despite these, there are no records of showing the success rate of this IPR exchange and no reports of the functioning and active participation of the platform in facilitating exchange of IP.

In addition, there is no mention of IP insurance in the National IPR Policy.

CHAPTER 3 – CHALLENGES FACED IN IP BACKED FINANCING IN INDIA

Generally, IP financing faces the following challenges, namely

a) Valuation of IP assets

b) Lack of understanding of IP backed financing by investors and lenders, along with IP

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[7] *Supra* note 1, at 17.

[8] Government of India, *National Intellectual Property Rights Policy 2016,* DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION, (2016).

[9] Binny Kalra & Raunaq Kamath, *World Trademark Review – Establishment of an IP stock exchange in India,* ANAND AND ANAND (Aug. 02, 2017), https://www.anandandanand.com/wp-content/uploads/2017/08/Establishment-of-an-IP-stock-exchange-in-India.pdf.

holders as well

c) Hesitation to use IP as collateral by Regulators

d) Less attractiveness due to high transaction costs

e) Less liquidity of IP assets[10]

India is not free from the above challenges as well. India is still only at its nascent stage with regard to this IP financing. There is no structured and developed framework for IP Insurance in India. Though the insurance sector is governed by the Insurance Act of 1938 and other allied insurance acts, regulated by the Insurance Regulatory and Development Authority of India, there is no specific provisions or schemes for IP insurance in India. Therefore, Indian SMEs do not possess the option to have specialized IP insurance and lack a professional and legal ways to get IP insurance[11].

Even with regard to IP stock exchange or IP exchange, India has only a platform to initiate transfer of IPs and license & assignments. The IPRX provides a primary venue that facilitates an IP holder to list out his terms and conditions for license or franchise or assignment, but it does convert IP into ULR and thereby does not involve a publicly traded IPR. In simple terms, there is no separate IP stock exchange that facilitates conversion of IP into securities that can be listed in a specialized IP exchange market where anyone can buy the shares, not only the interested person.

However, the existing laws allow creditors to consider IP as security or property, that serves as legal basis for IP backed financing. The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act of 2002 includes intangible assets as property, thereby enabling asset reconstruction companies, that is, to accept IP as collateral[12].

The best example of using IP as collateral in India is the issuing of loans to the Kingfisher airline by a consortium of 14 banks whose head was State Bank of India in 2009 based on the

[10] *Supra* note 4.
[11] Martand Nemana, *Intellectual Property Insurance: A Future gamechanger?,* MONDAQ (Aug. 24, 2016), https://www.mondaq.com/india/trademark/521588/intellectual-property-insurance-a-future-gamechanger?
[12] The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, § 2 (1) (t), Act No. 54 of 2002 (India).

trademark of Kingfisher, which was worth around INR 3406 crores at that time[13]. Until that scenario, it was not common for Indian banks to provide collateral to IP holder based on the IP. Using the trademark, the Kingfisher airlines received around INR 4000 crore. Unfortunately, this precedent was a failure as Kingfisher Airlines went into collapse and its brand value, that is, its trademark had eroded due to loss of trust in the airline and its negative publicity[14].

However there are some case studies which proves that IP backed financing has potential in it. The CII and Duff & Phelps report says that a large public listed company that manufactures pharmaceutical, medicinal, chemical and botanical products in both India and foreign nations received loans which was secured against a portfolio of brands relating to prescription and non – prescription drugs & consumer products by a bank in India in 2018. Also, an ayurvedic product manufacturing company received loans by providing its prominent hair care brand as collateral from a bank in India in 2018[15].

CHAPTER 4 – COMPARATIVE ANALYSIS WITH OTHER ASIAN MODELS

Position of IP Insurance and IP stock exchange in China:

China has improved its IPR system where it understands the role of IP finance to boost its economy further. Since 2011, China's National Intellectual Property Administration (CNIPA) has been promoting patent insurance, which has become an effective means for companies to mitigate risks relating to their intellectual properties. To achieve their goal, CNIPA has completed an enterprise demand study, provided training and workshops to create an understanding of the benefits of patent insurance, optimized their business processes and increased the visibility and awareness of patents through a media campaign. Consequently, some companies have begun purchasing IP insurance and have improved their ability to identify and manage risks associated with IP. CNIPA also partnered with insurers to improve the overall standardization of the patent insurance process, create uniform operating procedures and enhance their level of service.

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[13] *Case studies: Successful IP – Backed Financing Deals,* AVON RIVER VENTURES (Feb. 21, 2024), https://avonriverventures.com/case-studies-successful-ip-backed-financing-deals/.

[14] Pritha Mitra Dasgupta & Maulik Vyas, *Kingfisher trademark high on brand recall but low on brand valuation,* ET TIMES (Mar. 12, 2016, 05.00 AM), https://economictimes.indiatimes.com/news/company/corporate-trends/kingfisher-trademark-high-on-brand-recall-but-low-on-brand-valuation/articleshow/51366949.cms.

[15] *Supra* note 1, at 27 & 28.

The 2017 State Council's Opinions on Strengthening the Innovation-driven Development Strategy and Further Promoting Entrepreneurship and Innovation aimed to provide patent pledges and for insurance companies to give guarantee insurance for SMEs. Additionally, in November 2019, the Opinions on Strengthening the Protection of Intellectual Property Rights expressed the government's support of insurance companies to produce new products such as overseas IP infringement liability insurance, patent enforcement insurance and cover for losses from patent infringement. These policies all illustrate that the government is actively supporting the growth of IP, through the creation of innovative IP products, development of more robust risk prevention mechanisms, and assistance to the marketplace to perform well. IP securitization initiatives were also trialed in regions of Guangdong-Hong Kong-Macao Greater Bay Area and Hainan Free Trade Port.

Article 444 of the Civil Code of People's Republic of China says that a pledge on the proprietary right is created on the IP only at the moment of its registration and a once pledged, it cannot be transferred or licensed without permission from pledgee (creditor) and if pledgee allows such transfer or license, the proceeds goes to pay off the debt to pledgee or into an escrow account for safekeeping it[16]. There is no separate law or policy for IP exchange in China.

Position of IP Insurance and IP stock exchange in Hong Kong:

Hong Kong is the only place where there is a dedicated IP Exchange system known as the Hong Kong IP Exchange Limited (HKIPEX). Although being a Special Administrative Region of China, Hong Kong has its own legal systems. The purpose of HKIPEX is to serve as a platform to facilitate the transaction and trading of IP assets while minimizing risks. HKIPEX provides an online platform for buyers and sellers to conduct their IP business via three distinct trading mechanisms.

The first trading mechanism is the *IP Flea Market* which allows for IP Rights with a market value of between HK$ 1000 and HK$ 5 million to be transacted, where listing of IP takes place after audit and then buyers / sellers will review it and buy it, in the HKIPEX website. The HKIPEX platform supervises compliance with fairness, legal and payment integrity issues. The *Financing Platform for IP Projects* is the second method of funding startup businesses in order

[16] *Supra* note 2.

to help them commercialize their innovative ideas. Funding will come from different sources, such as loans, equity investments, mortgages against IP and the use of convertible debt. All projects will go through a detailed verification, prior to being made public for investment.

The *Standardized IP Product* (SIPP) mechanism allows for the conversion of large amounts of intangible assets into standardized and easily tradable units. This allows multiple investors the opportunity to invest in high-value IP projects (US$ 25 million) that may otherwise require large amounts of personal capital to fund.

Trading of different IP types is possible with HKIPEX, which allows for trading of patents, technologies, copyrights, trademarks, or designs. Another major platform for IP is the AIPEX (Asia IP Exchange) of the Hong Kong Trade Development Council. The AIPEX is a global database used to connect owners of IP and their purchasers. AIPEX currently hosts more than 25,000 listings and supports the trade of IP (patents, copyrights, trademarks, and registrations) globally. All sorts of IP especially, patent and technologies, copyrights & cultural assets and trademarks & brands. There is no mention of IP Insurance in this system.

Position of IP Insurance and IP stock exchange in Singapore along with the schemes:

Singapore is a nation that is trusted for its robust legal framework in protection of IP and commercialization of IP. The success of IP financing in Singapore is due to consideration of every stakeholder involved in an IP backed financing such as public – private partnerships, governmental & financial institutions, IP valuers and IP brokers. The major initiative behind successful IP financing in Singapore is the IP Financing Scheme (IPFS) which was brought by the Government of Singapore in April 2014. The government accepts 80% of the loan loss risk of the IP backed loans given by Participating Financial Institution (PFIs) and other financial institutions. Initially, only patents were allowed to be given as collateral but in 2016, registered trademarks and copyrights were included as well. The PFI allowed flexibility in interest rates and a maximum of $100 million can be granted. There were no restrictions as how to use the loan. Only the IP valuation cost at the beginning of the process for IPFS application was to be bore by the companies. However, the scheme was ceased in 2018, due to high upfront valuation costs, absence of secondary markets for IP assets.

But, it doesn't mean that Singapore has stopped IP backed financing. There is the Enterprise Financing Scheme – Venture Debt (EFS – VD) by Enterprise Singapore that aims to support high growth of the innovative firms possessing intangible assets, which grants SDG 8 million per applicant[17]. In 2021, Singapore launched Singapore IP Strategy 2030 (SIPS 2030) focuses to strengthen the position of Singapore as global hub for IP activities and transactions, help in the growth of innovative enterprises and to develop good jobs and skills in the IP. Currently at its second phase, the SIPS 2030 is working to modernize IP frameworks and to improve valuation of IP and then help companies to unlock the potential of IP[18].

Masai company, a global footwear industry based in Switzerland obtained a patent in 2008 for a footwear that supports the body system and it became a hit. But counterfeit products were made, due to which the company was pushed to bankruptcy. The company was acquired by a Singaporean Shoe retailer and distributor. The CEO of the company, Mr, Andy Chaw, approached a multinational bank and acquired a seven figure loan using the IP as collateral in 2016[19]. Masai company was the first company to acquire such loan under the IPFS scheme. The company spent 25% of loan for protecting its IP, 10% for administrative fees in IP registration, 50% for Research and Development and 15% for advertisement. This is often reported as a successful case of IP backed financing in the world till now.

Singapore also possess IP insurance. It is an insurance policy which grants protection to the underwriter in case of default of loan. There was the Loan Insurance Scheme (LIS) by Enterprise Singapore which issued security against loan defaults and government supported a portion of insurance premium (increased from 50 % to 80%). Though this scheme was made for all kinds of SMEs that even does not have IP, it was utilized by IP rich companies. The Intellectual Property Office of Singapore (IPOS) in association with Llyod's Asia and Antares Underwriting Asia, brought the IP Insurance Initiative for Innovators (IPIII) which provides an insurance policy to enterprises who gets a trademark or patent or registered design in Singapore to cover the legal costs for IP infringement cases or to defend their IPs[20].

LIMITATION:

Being a developing area of focus, IP – backed financing, by way of IP Insurance and IP

[17] Andre Toh, *Unlocking IP-backed financing in Singapore,* WIPO MAGAZINE (Dec. 10, 2021), https://www.wipo.int/en/web/wipo-magazine/articles/unlocking-ip-backed-financing-in-singapore-42263.
[18] Edward NG, *Second Phase of the Singapore IP Strategy 2030,* MARKS&CLERK (Mar. 4, 2026), https://www.marks-clerk.com/insights/news/102mlmg-second-phase-of-the-singapore-ip-strategy-2030/#:~:text=In%20today's%20digital%20and%20knowledge,and%20underutilized%20in%20commercialisation%20efforts.
[19] *Supra* note 12.
[20] *Supra* note 3.

Exchange, does not consist of publicly available research articles and studies made by researchers or legal experts. Each framework has better things to adopt, but no framework is complete in itself and none is without flaws. Since this is a doctrinal study, expert opinion from relevant institution or resource person has not been incorporated in this study. Also, IP financing is a very broad concept that include IP Insurance, IP Exchange, IP valuation, IP Securitization and so on. This study only focused on the first two categories.

CONCLUSION & SUGGESTIONS:

Different systems in different nations in Asia provides that IP backed financing is growing at a promising rate. Though IP Insurance and IP exchange is not present in any of the nations compared above, including India, each nation provides a robust framework in at least one of the two methods. IP insurance in Singapore and China inspires other nations to have a dedicated IP insurance mechanism that can elevate the risks associated with IP assets and its financing. IP stock exchange as provides by HKIPEX or AIPEX shows how IP can be traded, securitized and financed through primary or secondary markets.

India should also consider upgrading its National IPR Policy of 2016. It is not that there are no provisions or policies are dedicated for IP financing in India. It is only that they are not effective. India should combine the features of IP exchange from Hong Kong and IP insurance from China and Singapore. Following are some of the suggestions that could make India as a leading nation for IP finance:

a) The IP Exchange Platform in India – the IPRXCHANGE or IPRX can be updated to function as a platform of secondary market. Detailed plans and IP valuation mechanisms must be adopted to convert IP assets into ULR.

b) A regulatory framework that governs IP insurance can be created as a separate wing under the Insurance Regulatory and Development Authority of India (IRDAI)

c) The Government of India can undertake a small portion of risks from the insurance of such IP assets. Insurance companies, majorly, private insurance companies can be encouraged to cover the liabilities that can arise in IP asset management.

d) The Government should provide IP valuation guidelines in relation to the IP insurance and Ip stock exchange methods. Proper guidance must be granted to the stakeholders involved, by experts and professionals.

e) Government initiatives under the National IPR Policy must be expanded to promote IP backed financing in India, where access to credit and technology should be availed in a streamlined and non – tedious process.

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