

International Business
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Lecture - 20
Legal Environment, Legal Protection, Legal Systems, IPR

Hello everyone, I welcome you all to the course of International Business. I am sure you must be going through a very nice time and a good health. In the last lecture we had started with political factors. So, we have been continuing on the various factors that affects international business. So, some of them being for example, the cultural factor then we talked about the political factor right.

So, what are the political factors and how do they affect the business international business so we discussed it. So, we discussed about for example, the political ideologies for example, some countries are communist in nature, some are socialist in nature, some are a capitalist in nature right. So, how these ideologies affect the business entire business spectrum right.

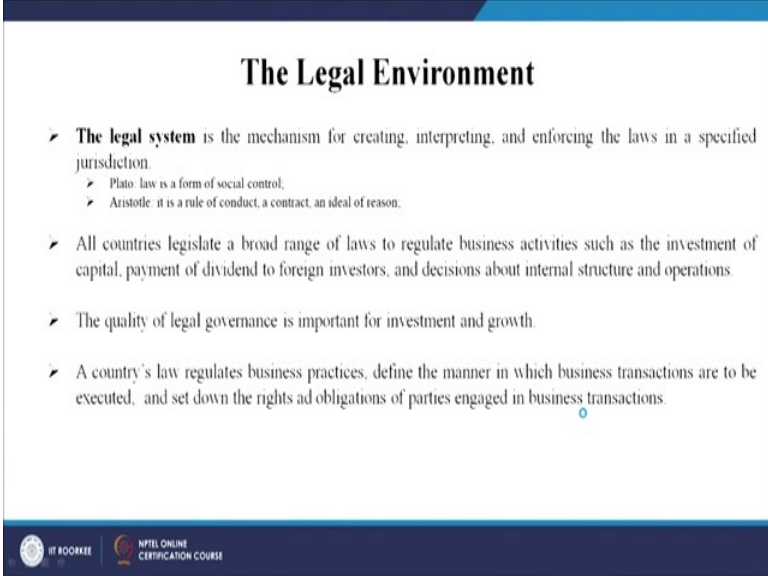
Then we talked about the you know types of democracy and then we talked about the political risks involved when you go for business in a different country. We talked about you know issues like expropriation, right confiscation and domestication and nationalization. So, which happens during you know in different situations in different countries.

So, we gave the example of Iran so we talked about the case of India also right. So, all these are helpful to understand how the political risk at one place can affect the entire business you know condition of a firm right. So, today we will continue from there and we will talk about a new issue that affects the international business which is the legal factors right.

So, although political and legal they both come hand in hand right. So, when you talk about the political which makes you know the all these rules and regulations and all. Then comes the legal factors to abide by the rules and regulations right.

So, what it does and how it does let us talk about it today.

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The Legal Environment

- **The legal system** is the mechanism for creating, interpreting, and enforcing the laws in a specified jurisdiction.
 - Plato: law is a form of social control.
 - Aristotle: it is a rule of conduct, a contract, an ideal of reason.
- All countries legislate a broad range of laws to regulate business activities such as the investment of capital, payment of dividend to foreign investors, and decisions about internal structure and operations.
- The quality of legal governance is important for investment and growth.
- A country's law regulates business practices, define the manner in which business transactions are to be executed, and set down the rights and obligations of parties engaged in business transactions.

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So, the legal system is the mechanism for creating interpreting and enforcing the laws in a specified jurisdiction right. So, what it says? You have to create laws and then ensure that people follow these laws right. So, Plato says that law is a form of social control. So, Plato says that law is a form of social control, Aristotle says it is a rule of conduct a contract an ideal of reason right.

So, these are the two basic you know understandings that helps us to understand that legal frameworks or legal environment is something that every citizen in a country or every person in a country who stays in a country has to follow some social norms right. So, that the things are in order ok.

All countries legislate a broad range of laws to regulate business activities such as; the investment of capital payment of dividends to foreign investors and decision about internal structure and operations. So, these you know rules and regulations are very important that the managers need to understand.

The quality of legal governance is important for investment and growth. For example, if there is a fear that you know there are no proper laws for in a country. For example, today we talk about cyber laws right. So, in some countries cyber laws are still yet to be developed right. Then there are laws governing for example, about labour laws right.

So, all these are different laws that one needs to understand if somebody does not understand industrial relations for example. And if one does not understand it then he would or she would that company would come into trouble maybe. A country's law regulates business practices, defines the manner in which business transactions are to be executed. And set down the rights and obligations of parties engaged in the business transactions right so in business transactions.

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So, this is very important for any firm to understand and you know do their business in a new place right.

So, let us talk about some of the dimensions of the legal environment. So, the legal environment has three frameworks for example, three important conditions the national legal systems, the regional legal frameworks and international law. These three are these three decide the legal environment.

Now, what factors affect this legal environment? Some of them being like for example, the intellectual property; how intellectual property has been defined? How clearly it has been defined? What are the company formation and governance rules and regulations in a particular country or place?

What is the employment protection scheme in a particular country? How are the health and safety norms being maintained right? What is human rights and how human rights is being managed right? So, what are the policies or rules connecting to the human rights?

How environment environmental protection or sustainability is what are the rules in a particular country? So, different countries will have different rules right.

So, what kind of rules are there for environmental protection? Consumer protection laws, competition and trading practices. So, all these are the different you know dimensions that affect the legal environment ok.

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Examples of legal protection in India

- **IPR Law**- Rejection of a patent by the supreme court for a Drug 'Gleevec' which was not 'inventive' or had an superior 'efficacy'
- The Indian Parliament gave its nod to the landmark **Consumer Protection Bill, 2019** which aims to protect the rights of consumers by establishing authorities for timely and effective administration and settlement of consumers' dispute.
- **The Competition Act, 2002** was enacted by the Parliament of India and governs Indian competition law. It replaced the archaic **The Monopolies and Restrictive Trade Practices Act, 1969**. Under this legislation, the Competition Commission of India was established to prevent the activities that have an adverse effect on competition in India.
- After the Bhopal Gas Tragedy it necessitated the Government of India to enact a comprehensive environmental legislation, including rules relating to storing, handling and use of hazardous waste. On the basis of these rules, the Indian Parliament enacted the **Environment Protection Act, 1986**. This is an umbrella legislation that consolidated the provisions of the **Water Act of 1974** and the **Air Act of 1981**. Within this framework, the government established **Pollution Control Boards (PCBs)** in order to prevent, control, and abate environmental pollution.

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So, let us see some examples so first as we talked about the IPR; Intellectual Property Rights. So, rejection of a patent by the Supreme Court is an example for a drug called Gleevec right which was not inventive or had an superior efficacy. So, this product which was made by Novartis right so, the Novartis wanted to have a protection.

But the supreme court rejected this you know patent saying that this drug which it was made which was made by Novartis is not have is nothing inventive nothings nothing new in it. And so there is nothing superior you know in it is terms of efficacy also. So, this was a very you know big case in India; it went for 7 years and finally, the company lost the case.

Second is the Indian case of the consumer protection bill right 2019 for example. In India the parliament gave it is nod to the very popular the consumer protection bill 2019 which aims to protect the rights of the consumers by establishing authorities for timely and effective the administration and settlement of consumers dispute.

Now, what does it mean? Earlier Indian consumers were not having too much of protection, they did not understand their rights and what they could do in terms of legal cases, but today because of this consumer protection bill 2019 which has come.

Now, Indian consumers are more powerful and today if any company wants to dump any product into India maybe which was happening in the past and they would they were dumping the products and all. So, in such conditions because of any problem, the a consumer can you know file a case and he can protect himself right.

Second the third is the competition act which came in 2002. Now this was an act which was enacted by the Parliament of India and governs the Indian competition law. So, what is this earlier we had in 1969 the MRTP act right. So, Monopolies and Restrictive Trade Practices act but this was not enough. So, with the change in time the government thought now there has to be new amendments into it and they brought in 2002 the competition act right.

So, under this legislation the competition commission of India was established to prevent the activities that have an adverse effect on the competition in India. Now any democracy any market for that today we talk about open market mechanisms; so competition has to be fair right.

If let us say there is a monopoly or there is let say cartel formation where companies are tying hands and trying to create strategies and policies which are harmful for the you know consumer. So, in that case the governments have to protect their consumers their people.

So, for one there is consumer protection bill; for the if companies form cartel or in sell inferior goods or something then they can go for this. If the for example, if one firm is very large and is trying to monopolise or kill the smaller players in that condition the there is a this new act the competition act comes into play and then it restricts this large players to do it.

Maybe it is important because of in India for example, India is being a still a developing economy; if we do not have such policies then it is very likely possible that companies from large economies can easily come into and they can completely destroy the Indian firms.

So, that because of that fear the company the government has started this competition act. And in India itself there should not be so much of unhealthy competition, there the market should be rather you know accepting more healthy competition.

So, how this healthy competition would be maintained and all to look into this the always the there is a competition act the government does it. Then there was an Environmental Protection Act which came in you know came in 1986 and this came after this Bhopal gas tragedy which happened right.



So, this after this Bhopal gas tragedy which had happened in India the union carbide case; lot of people lost their lives and generation after generation people were still affected right. So, the government understood and initiated a new act to control to enact a comprehensive environmental legislation including; rules relating to storing handling and use of hazardous waste. On the basis of these rules this act came into place.

So, this is an umbrella legislation that consolidated the provisions for the of the water act. Now water prevention and you cannot pollute right against pollution and all similarly, Air Pollution and Prevention Act of 1981 74 and 81. So, within this framework the government established many PCB's right central Pollution Control Boards, state pollution control boards; in order to prevent control and reduce the environmental pollution right.

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- The **Companies Act 2013** is a replacement of the Companies Act 1956 is an Act of the Parliament of India on Indian company law which regulates incorporation of a company, responsibilities of a company, directors, dissolution of a company. A new term of "one-person company" is included in this act.
- India is the first country in the world to make corporate social responsibility (CSR) mandatory, following an amendment to the Companies Act, 2013 in April 2014.
- The Protection of Human Rights (Amendment) Bill, 2018 was introduced in Lok Sabha by the Minister of State for Home Affairs, Mr. Hansraj Ahir, on August 9, 2018. The Bill amends the Protection of Human Rights Act, 1993. The Act provides for a National Human Rights Commission (NHRC), State Human Rights Commissions (SHRC), as well as Human Rights Courts.

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The companies act 2013 right came which was a replacement of the companies act 1956. And is an act of the parliament which regulates incorporation of a company, responsibilities of a company, directors, dissolution of a company. And even a one person company was included in this set there were many more you know acts which came into this. So, this a companies act 2013 made some major changes and it replaced the 1956 act ok.

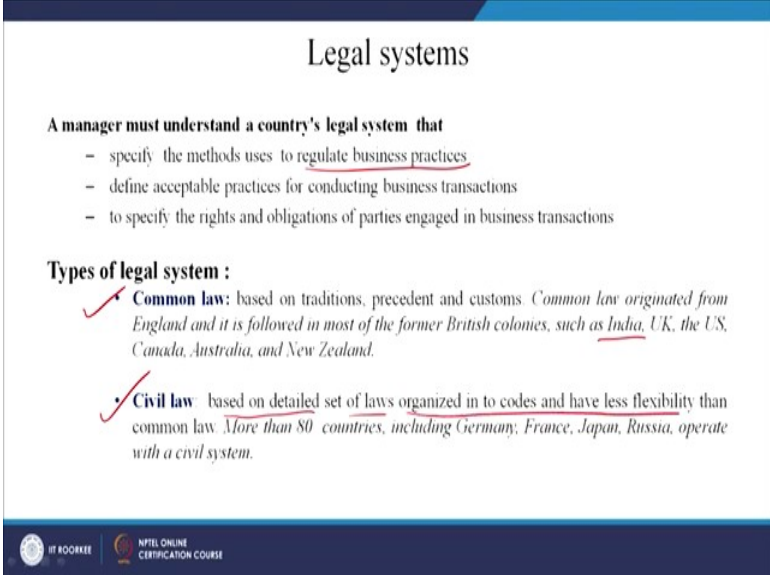
Till date there are improvements going on for example, there are lot of controversies in India. For example, the international business firms or the international firms are not clear about solvency; how what happens during bankruptcy? How to file bankruptcy in Indian condition? How do you go for solvency? Right.

So, what happens to the shareholders take his power what happens to that? So, these are still not clear. And in India there is a yet to make lot and lot of improvements in making the stakeholders rights and making it understand and exercising the stakeholders right.

Similarly in you know 2018 a new bill was introduced called the for the protection of human rights right. It was introduced in the Lok Sabha by the minister of state at that time. The bill amends the protection of human rights act. The act provides for a National Human Rights Commission, State Human Rights Commission, as well as Human Rights Court.

Now this was also important because there were lot of controversy in India regarding human rights; so this bill was introduced and it looks after this how the rights of the people would be managed.

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Legal systems

A manager must understand a country's legal system that

- specify the methods uses to regulate business practices
- define acceptable practices for conducting business transactions
- to specify the rights and obligations of parties engaged in business transactions

Types of legal system :

- ✓ **Common law:** based on traditions, precedent and customs. *Common law originated from England and it is followed in most of the former British colonies, such as India, UK, the US, Canada, Australia, and New Zealand.*
- ✓ **Civil law** based on detailed set of laws organized in to codes and have less flexibility than common law. *More than 80 countries, including Germany, France, Japan, Russia, operate with a civil system.*

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What are legal systems? So, whenever international business comes into India right and India being a very attractive market, very large market, very potential, young man's market, right and with high purchasing power; so with all this and it is constantly growing economy.

A manager must understand a country's legal system that specifies the methods used to regulate the business practices. So, how would you form a business? How would you start? So, what are the guidelines that has to be followed? What are your export policies? What are your import policies? How what things what are your human resource you know labour policies? Right, anything.

Define acceptable practices for conducting the business transaction. And specify the right and obligations of the parties engaged in the business transaction. Suppose somebody there are you know wants to close down; there are two partners and one wants to close down it is operations; in that condition what should be done many things are still not clear right.

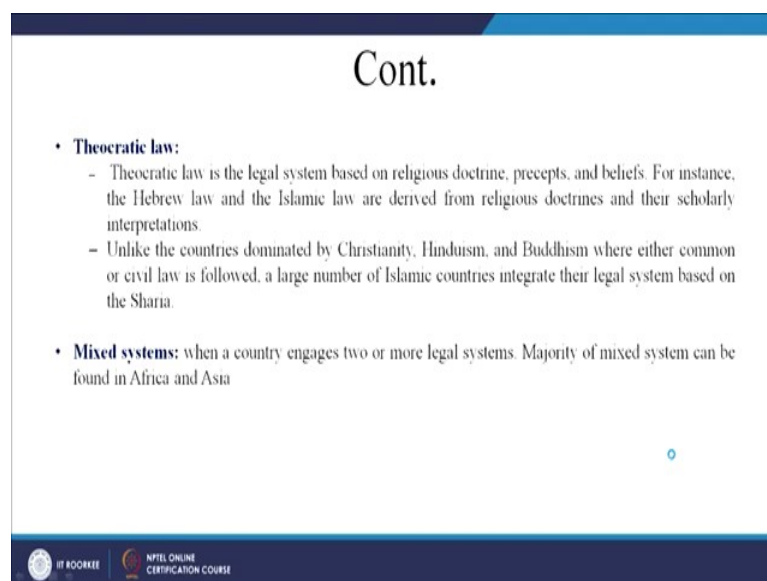
So, when we talk about types of legal system for the first one is called the common law right. So, there are three basic types; so we will go one by one. The common law now what it says followed largely in all those countries were which were you know the colonies of the Britain and so countries like India UK the obviously, the US Canada, Australia, New Zealand, all these countries they follow this common law.

What does it say? It says that based on traditions precedent and customs. So, the common law originated from England it is as I said; so this law says we if there is a we have to follow the norm which has been done which has been followed in the earlier past right. So, it sets a precedent and then others try to follow it.

The second is the civil law civil law came from the Roman culture the and here what happened is it is based on a detailed set of laws right organized into codes and have very less flexibility. Here in the common law there is a lot of flexibility for the judge to take a decision.

But here because it depends on you know situation also. But here there is a very little flexibility because this codes have been built on the specific cases right. More than, but more than eighty countries including Germany France Japan Russia they operate with a civil system.

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The slide is titled "Cont." and contains two main bullet points. The first bullet point is "Theocratic law:" followed by two sub-points: "Theocratic law is the legal system based on religious doctrine, precepts, and beliefs. For instance, the Hebrew law and the Islamic law are derived from religious doctrines and their scholarly interpretations." and "Unlike the countries dominated by Christianity, Hinduism, and Buddhism where either common or civil law is followed, a large number of Islamic countries integrate their legal system based on the Sharia." The second bullet point is "Mixed systems:" followed by the text "when a country engages two or more legal systems. Majority of mixed system can be found in Africa and Asia". At the bottom of the slide, there are logos for "IIT ROORKEE" and "NPTEL ONLINE CERTIFICATION COURSE".

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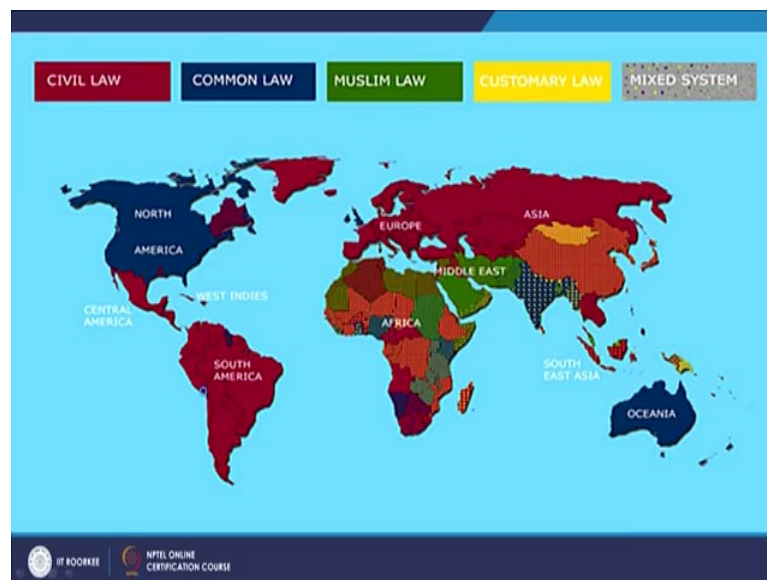
- **Theocratic law:**
 - Theocratic law is the legal system based on religious doctrine, precepts, and beliefs. For instance, the Hebrew law and the Islamic law are derived from religious doctrines and their scholarly interpretations.
 - Unlike the countries dominated by Christianity, Hinduism, and Buddhism where either common or civil law is followed, a large number of Islamic countries integrate their legal system based on the Sharia.
- **Mixed systems:** when a country engages two or more legal systems. Majority of mixed system can be found in Africa and Asia

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The third is the theocratic law; which says the legal system is based on religious doctrine precepts and beliefs. So, what is the religious doctrine? For instance the Hebrew law and the Islamic law are derived from religious doctrines and their scholarly interpretations. Unlike other countries dominated by you know like; Christianity, Hinduism and Buddhism where either common or civil law is followed a large number of Islamic countries integrate their legal system based on the Sharia.

What are mixed system? When a country engages two or more legal systems out of these three right. Majority of mixed system can be found in Africa and Asia where more than one type of system is followed.

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So, you can see through this map.

Now, which are the places where lot of you know where the civil law is followed, where the common law is followed, where Muslim law is followed, where customary law and mixed system right. So, you can understand by the you know colours for example, all the red ones are the civil law right. The for example, North America is common law right, South America is civil law right, now the green ones here you can see Middle East and all the Islamic law right.

So, then you have so these are some of the colours for example, right. So, here you know this is one belt where there is a customer and mixed is also there in some places like

India. Now India is a case of mixed law right. So, these are the different systems are divided.

What is the basis of rule in a country? How do you rule? When you talk about legal systems; that means, to follow the social norm right.

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The slide is titled "What is the basis of rule in a country?". It compares two systems of rule:

- **The rule of man** ✓
 - legal rights derive from the individual who commands the power to impose them.
 - associated with a totalitarian system
 - For example: Kim Jong (North Korea) ✓
- **The rule of law** ✓
 - institutes a just political and social environment, guarantees the enforceability of commercial contracts and business transactions, and safeguards personal property and individual freedom
 - systematic and objective laws applied by public officials who are held accountable for their administration
 - associated with a democratic system

The slide footer includes the IIT ROORKEE logo and the text "NPTEL ONLINE CERTIFICATION COURSE".

So, there are two ways; the rule of man which says the man is more important than everybody right. So, then individual becomes more important he commands the power and associated with a totalitarian system right. Kim Jong of North Korea so example, Hitler in Germany we would say right.

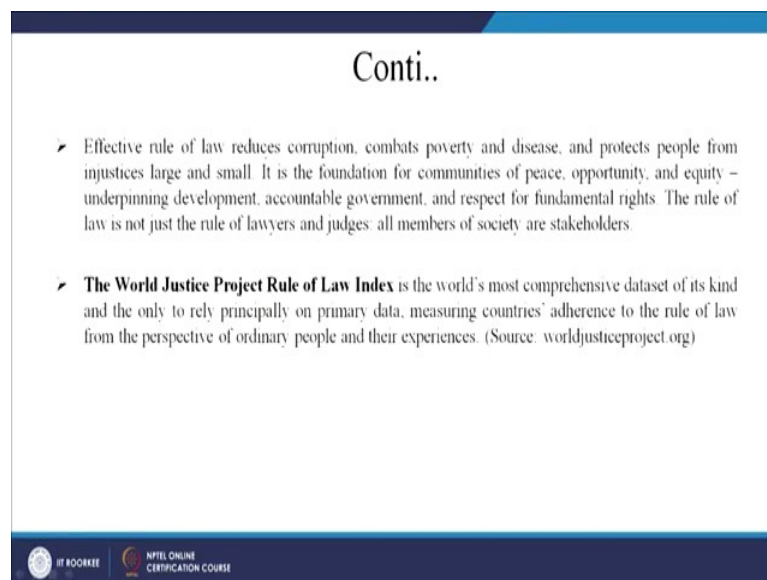
Another is the rule of law where every individual comes under the rule of law whoever it is. Maybe is the president of a country or whoever it is he has to follow the law and the law is above everybody. So, institutes a just political and social environment guarantees the enforceability of commercial contracts and business transactions and safeguards the business personal property and freedom.

So, when in you see when a man becomes more powerful for example, we talk about Iran for example, and when where their religious leaders head. So, in such a condition one cannot be sure because it is like a you know one man rule. So, anytime the rules can change if he does not like. But when it comes to the law does not change so frequently

because it is after all a wish of large number of peoples take care people taken together and then only a law is built.

So, law cannot be so you know cannot change very fast. So, at least when the business forms come into a new country new place they understand; if there is a rule of law in this country then at means they can have some you know kind of a belief that they can sustain and continue their business without any fear. But if there is a rule of man then this fear always continues with them persist with them. So, this is a democratic system right.

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- Effective rule of law reduces corruption, combats poverty and disease, and protects people from injustices large and small. It is the foundation for communities of peace, opportunity, and equity – underpinning development, accountable government, and respect for fundamental rights. The rule of law is not just the rule of lawyers and judges: all members of society are stakeholders.
- **The World Justice Project Rule of Law Index** is the world's most comprehensive dataset of its kind and the only to rely principally on primary data, measuring countries' adherence to the rule of law from the perspective of ordinary people and their experiences. (Source: worldjusticeproject.org)

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Effective rule of law reduces corruption combats poverty and disease largely and protects people from injustice. It is the foundation of communities of peace, opportunity and equity right. So, it majorly the rule of law is not just the rule of lawyers and judges it is all the members as I said of the society right.

The world justice project rule of law index which is the world's most comprehensive data set of it is kind. So, it gives us some perspective.

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So, what it says? Let us look at it. So, this table represents the scores and rankings of the rule of law being followed in an alphabetical order.

Now, if you look at the score right 0.34, 0.51 and if you look at Belgium 0.77 here. So, as you as use the score tends to move towards 1 from 0 to 1 with 1 indicating the strongest adherence to the rule of law. So, it means it is a better system right.

So, you can see here for example, Denmark is 1 right and the ranks are also given; what was the rank earlier and now what is the present rank. Denmark global rank was 1, but the score was 0.89. So, which is the highest we can find out still now it is 0.89 Denmark and here also we can see 0.81 Australia right.

Similarly, you can see the scores here the highest maybe is Norway again 0.89. So, these are the some of the ones and we will look at the ranks also you can find. And the lowest ones you can see maybe somewhere like 0.34 Afghanistan right, 0.38 Bolivia right. Then you come to this side and you find out 0.39 comes for Pakistan so no wonder right.

So, just about the total details that you find right; and the lowest maybe somewhere; you can you can go through it right?

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Legal Issues in International Business

New forms of business activity, often coupled with changing pattern of trade and investment, may put firms in situation to which no clear legal standards apply.

Two areas of importance:

- **Operational concern** which involved the way in which a business works on a day-to-day basis
- **Strategic concern** which refer to a company's competitive position and long-term performance

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So, the legal issues in international business. So, when we talk about international business what how the legal issues are there.

So, new forms of business activity often coupled with the changing pattern of trade and investment may put firms in situations with no clear legal standards apply. In situation to which no clear standards apply right.

Two areas of importance; operational concern and strategy concern. Operational concern says which involves the way in which a business works on a day to day basis. How does the business you know run you know day to day basis. Strategic is whereas which refers to a company's competitive position and long term performance right.

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Operational concerns that face managers worldwide

- Starting a business
- Entering and enforcing contracts
- Hiring and firing local workers
- Closing down the business

Strategic concerns that face managers worldwide

- Product safety and liability
Example: While a typical Indian grandmother is sure to eat her daughter-in-law's head for not feeding her dear grandchildren **Chyawanprash** every morning, the Canadian government banned its sale in 2005. They claimed that the product has high amounts of lead and mercury which is sure to harm one's health.
The US FDA (Food and Drug Administration) recently reported that wafers, cookies and biscuits from one of India's biggest sweets and snacks manufacturer **Haldiram** contains poisonous and adulterated content. They said that the products are "filthy, putrid or decomposed-otherwise unfit"
- Marketplace behavior
example: prohibition TV advertising of cigarette, ban on direct comparative adv
- Product origin and local content
example: Single-brand retailers were mandated to source 30 per cent locally every year if their FDI crossed 51 per cent, even though 100 per cent FDI is allowed in the sector. The new norms also say that a foreign retailer's export purchases from India would also be counted towards the mandatory 30 per cent.
- Legal jurisdiction: a foreign company urges a home country court to claim jurisdiction, e.g. Vodafone tax case in India.
- Arbitration

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So, when you talk about operational concerns that manager's face worldwide right is like starting a business, entering and enforcing contracts, hiring and firing local workers, closing down the business right. So, how do you close down the business? How you hire and fire people? So, these are some of the issues operational concerns.

When you come to strategic concerns for example, that managers face is product safety and liability example. You see this was an example that in India; Chyawanprash is a very important product and when it comes to like winter and all people would take it to avoid cold and cough right. But the Canadian government banned its sale in 2005; they claim that the product has high amounts of lead and mercury which is sure to harm one's health. so this is a very different condition.

So, a company which makes Chyawanprash for example, like Dabur, Zandu right this all will face problem because they this product is a sure shot product in India which has no issues; because Indians love Chyawanprash, but when it comes to Canada it has been banned.

The US FDA recently reported that wafers, cookies and biscuit from one of India's biggest sweet makers Haldiram contains poisonous and adulterated content. They said that the products are filthy and decomposed otherwise unfit right. So, these are some of the strategy concerns because it has a long term impact.

Marketplace behaviour; prohibition of TV, advertising of cigarette, ban on direct comparative ad, and even banning of contraceptives or health products some of the health products related to sex and all. Now they are banned in many of the countries in even India there was a discussion to ban those ads and only run it after the primetime that is after 10'o clock right.

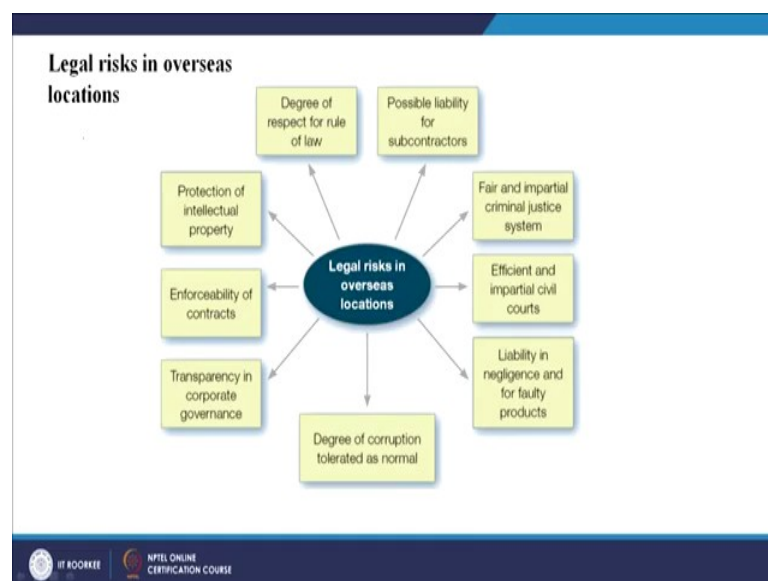
So, these are some of the impacts that can have largely on the business forms; product original local content. Single brand retailers were mandated to source 30 percent locally every year; if their FDI 50 cross 51 percent. Even though 100 percent FDI is allowed in the sector.

The new norms also say that foreign retailers export purchases from India would be counted towards the mandatory 30 percent. So, these are some of the issues that can impact business very seriously ok.

In legal jurisdiction a foreign company adjust a home country quote to claim jurisdiction; example Vodafone tax case in India. So, Vodafone suffered through a tax problem which is a very very big problem you can even Google it out and check what happened in how Vodafone had to suffer and how the Indian government tried to keep a control over Vodafone.

So, these are the issues which are have a strategic impact.

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Some of the legal risks in overseas locations. So, for example, what are the when you talk about international business; what are the legal risks? So, degree of respect for the rule of law; you might not understand that something is very sensitive at one place and the foreign company or the their people might take it lightly which may boomerang and become a serious issue for them. Possible liability of contractors what are your penalty clauses and all right.

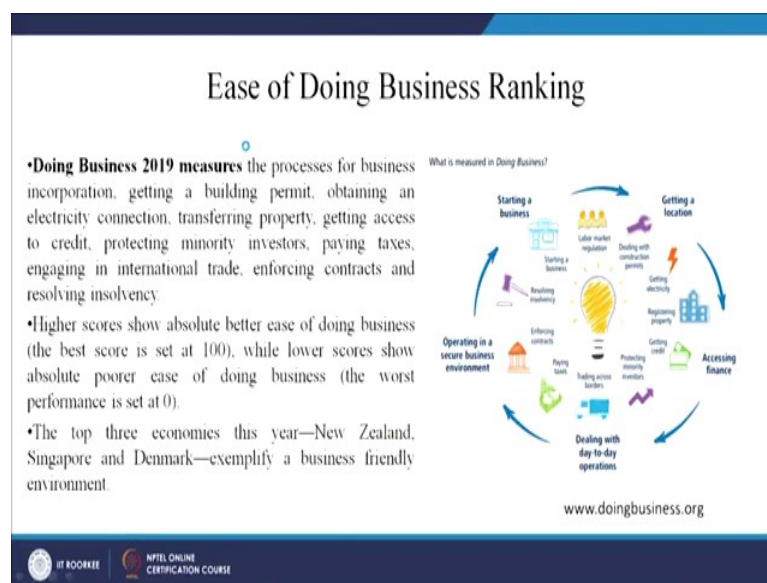
Fair and impartial criminal justice system, efficient and impartial civil courts, liability negligence for faulty products; so, this comes in the consumer protection. Degree of corruption tolerated some countries corruption is right bribery is right, but for a some other countries it is not at all right. So, there what is the level of tolerance right.

Transparency in corporate governance; transparent corporate governance was a big issue right. And we have seen like many companies were became victim of it and they fell prey although they were the also to be penalised because they created these problems on their own. For example, Arthur Andersen one time which is essential today and Xerox Enron were cases where corporate governance was largely hit hard and these companies had a very bad time right.

So, these are some of the how do you protect the intellectual property right and enforceability of contracts so how do you look into it? For example, India has you know does not follow all the patents. Now product patent and process patent we have so we do not follow all of them.

So, but some other companies when they come they say we have invested in R&D billions of dollars. So, if our patent product is not patented right if we do not have a protection there will be a problem people would just imitate our product. So, our extremely large investment that we have made would all go for a waste right.

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So, another thing that we talk about, when we talk about is the ease of doing business right. So, how easy it is to do business in a foreign country right. So, what is measured in doing business? So, for example, how to start a business? What is how to get a location? How to assess the finance? How to deal with a day to day operations? And how to operate in a secure business climate? Right.

And what are the other factors that affect it? For example, the **label**(labour) market regulation, dealing with construction permits, getting electricity permission, registering property, getting credit, protecting minority investors, trading across borders, paying taxes. So, you see how to resolve insolvency which I was saying earlier.

So, all these things are the different you know points that come in between the legal in the legal condition right. And if a foreign firm without a proper local knowledge gets into it and does not understand the impact it can be a serious trouble for them ok.

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TABLE 1.1 Ease of doing business ranking

Rank	Economy	2019 score	2018 score	Change	Rank	Economy	2019 score	2018 score	Change	Rank	Economy	2019 score	2018 score	Change
1	New Zealand	86.59	85.51	+1.08	45	Colombia	69.24	68.23	+1.01	129	Aruba	54.78	53.78	+1.00
2	Singapore	85.28	84.27	+1.01	46	Luxembourg	68.81	67.80	+1.01	130	St. Vincent and the Grenadines	54.75	53.75	+1.00
3	Denmark	84.64	83.63	+1.01	47	Costa Rica	68.80	67.79	+1.01	131	Costa Rica	53.65	52.65	+1.00
4	Hong Kong SAR, China	84.22	83.21	+1.01	48	Peru	68.80	67.79	+1.01	132	Nicaragua	53.64	52.64	+1.00
5	Switzerland	84.14	83.13	+1.01	49	Vietnam	68.78	67.77	+1.01	133	Poland	53.59	52.59	+1.00
6	Georgia	83.95	82.94	+1.01	50	Kyrgyz Republic	68.77	67.76	+1.01	134	Guinea	53.57	52.57	+1.00
7	Norway	83.95	82.94	+1.01	51	Albania	68.75	67.74	+1.01	135	Honduras	53.53	52.53	+1.00
8	United States	83.76	82.75	+1.01	52	Ghana	68.68	67.67	+1.01	136	Paraguay	53.51	52.51	+1.00
9	United Kingdom	83.65	82.64	+1.01	53	Indonesia	68.66	67.65	+1.01	137	Togo	53.49	52.49	+1.00
10	Malaysia	83.55	82.54	+1.01	54	Thailand	68.64	67.63	+1.01	138	Cambodia	53.48	52.48	+1.00
11	United Arab Emirates	83.38	82.37	+1.01	55	Senegal	68.62	67.61	+1.01	139	Madagascar	53.43	52.43	+1.00
12	Sweden	83.27	82.26	+1.01	56	Czechia	68.60	67.59	+1.01	140	Sierra Leone	53.38	52.38	+1.00
13	Turkey	83.05	82.04	+1.01	57	India	68.52	67.51	+1.01	141	Kenya	53.35	52.35	+1.00
14	Chile	83.05	82.04	+1.01	58	Philippines	68.51	67.50	+1.01	142	Algeria	53.34	52.34	+1.00
15	Maldives	83.00	82.00	+1.00	59	Kenya	68.50	67.50	+1.00	143	Angola	53.32	52.32	+1.00
16	Egypt	82.95	81.94	+1.01	60	Senegal	68.48	67.47	+1.01	144	Guinea	53.31	52.31	+1.00
17	Finland	82.95	81.94	+1.01	61	Philippines	68.48	67.47	+1.01	145	Mal	53.30	52.30	+1.00
18	Australia	82.92	81.91	+1.01	62	South Africa	68.45	67.44	+1.01	146	Nigeria	53.29	52.29	+1.00
19	Latvia	82.90	81.89	+1.01	63	Qatar	68.43	67.42	+1.01	147	Canada	53.27	52.27	+1.00
20	Maldives	82.88	81.87	+1.01	64	Malta	68.42	67.41	+1.01	148	Vanuatu	53.26	52.26	+1.00
21	Ireland	82.85	81.84	+1.01	65	Ukraine	68.41	67.40	+1.01	149	Guinea	53.25	52.25	+1.00
22	Canada	82.84	81.83	+1.01	66	Botswana	68.40	67.39	+1.01	150	Marshall Islands	53.24	52.24	+1.00
23	Ireland	82.81	81.80	+1.01	67	Latvia	68.38	67.37	+1.01	151	Barbados	53.23	52.23	+1.00
24	Germany	82.80	81.79	+1.01	68	San Marino	68.34	67.33	+1.01	152	Guinea	53.22	52.22	+1.00
25	Azerbaijan	82.84	81.83	+1.01	69	Bosnia and Herzegovina	68.32	67.31	+1.01	153	Burkina Faso	53.21	52.21	+1.00
26	Austria	82.82	81.81	+1.01	70	Latvia	68.31	67.30	+1.01	154	Guinea	53.20	52.20	+1.00
27	Thailand	82.80	81.79	+1.01	71	Togo	68.30	67.29	+1.01	155	Philippines	53.19	52.19	+1.00
28	Equatorial Guinea	82.79	81.78	+1.01	72	Saudi Arabia	68.29	67.28	+1.01	156	Uganda	53.18	52.18	+1.00
29	Poland	82.78	81.77	+1.01	73	Sierra Leone	68.28	67.27	+1.01	157	Algeria	53.17	52.17	+1.00
30	Spain	82.77	81.76	+1.01	74	Ukraine	68.27	67.26	+1.01	158	Kenya	53.16	52.16	+1.00

So, this is a some of the ranks for ease of doing business. So, you can see that the scores and this is the score change what has happened. So, higher score is better right for example, New Zealand has 86.59; that means, the ease of doing business is very high.

So, you can see India is somewhere here for example, India is on the 77th rank. And that too it has been a a severe jump so that has been a serious jump for India; India jumped by I think 23 positions and it has reached the 77. Yes, it was in 100 and then it moved to 77 from there.

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Intellectual Property Rights ✓

The growing power of ideas in global economy makes the protection of intellectual property a crucial issue in the development of firms international strategy.

- **Intellectual property** refers to creative ideas, expertise, or intangible insights that grant its owner a competitive advantage
- Intellectual property whether in the form of books, music designs, and names or software is *tough to conceive but easy to copy*
- **Intellectual property rights** refer to the right to control and derive the benefits from writing (copyrights), inventions (patents), processes (trade secrets), and identifiers (trademarks).

Note: The ease of doing business ranking and methodology in this slide is based on the average of each country's ease of doing business score for the 10 years included in the aggregate ranking. The countries are ranked by their score in the aggregate ranking. The countries are ranked by their score in the aggregate ranking. The countries are ranked by their score in the aggregate ranking.

So, these are some of the things which are very important. Another important point is that you talk about when you talk about you know the Intellectual Property Rights the legal system is a IPR. How your IPR is protected?

So, what it says intellectual property refers to the; creative ideas, expertise or intangible insights that grants his owner a competitive advantage right. So, intellectual property whether in the form of; books, music, you know designs, brand names or software is tough to conceive, but easy to copy.

So, what are these rights? It refers to the right to control and derive the benefits from writing, inventions, processes and identifiers. So, how you know you can see these are the intellectual property what things are connected; patents, trademarks, designs, copyrights, plant varieties, geographical locations.

So, how do you protect the how much protection can be given? So, that is very this is a big discussion that goes on when it comes to patent and all. That many a times Indian government does not allow because it says that Indian people are poor still; the large number of people are poor.

So, until unless we and when you have a product patent or something; then what happens is you can charge a very high cost to the for the product, but then the cost the people in the country may not be able to pay.

So, this is an argument that the Indian courts and the Indian you know the critics in India they give; that Indian public will not be ready to pay. So, we have imitation to some extent is acceptable in India because we have to make a product which is economically viable for our people.



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Conti...

Example:

- Apple and Samsung had one major patent battle.
- Apple and Samsung settled a seven-year legal fight in June 2017, ending the most prominent case in a series of lawsuits over smart phone patents over the last decade.
- The companies did not disclose the settlement amount. A jury in May ordered Samsung to pay Apple \$539 million for infringing on its patents.

<https://www.nytimes.com>

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So, these are some of the examples; Apple and Samsung had one major patent battle so it was a 7 year legal battle. Ending the most prominent cases series of law suits over Smartphone patents which had happened right. The companies did not disclose the settlement amount a jury in may ordered Samsung to pay Apple 539 million for infringing it is patents. So, these are some examples.

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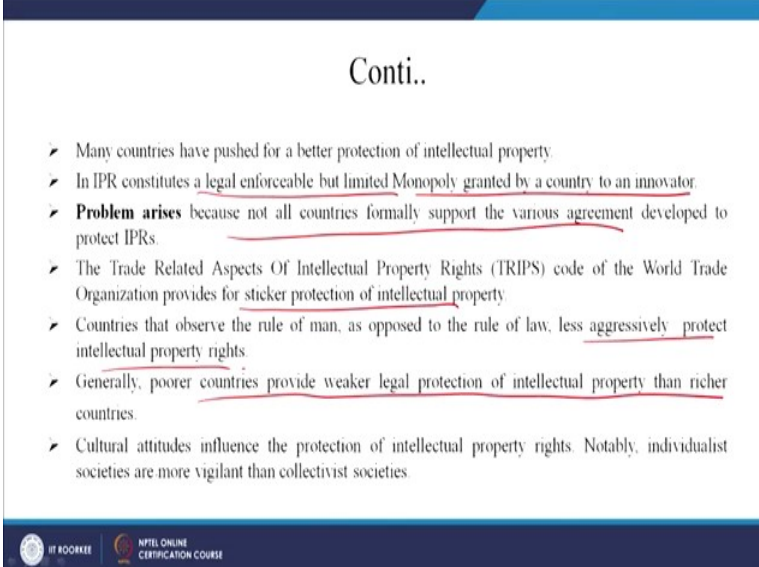


So, what are the four types of majorly intellectual property? We will see; trade secrets right so new invention, the coke formula, trademarks, protects brands for example. Apple for cell phones, copyrights protects works of the authorship we I have written a book.

Now, there has to be a copyright, otherwise somebody would verbatim copy it and make it his own. So, books, movies, drawings, and finally, it comes to the protecting the functional or ornamental features; swipe feature or iPhone design. So, these are some of the different conditions which are important and one needs to understand.

So, this case of intellectual property rights has been discussed in several forums right.

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Conti..

- Many countries have pushed for a better protection of intellectual property.
- In IPR constitutes a legal enforceable but limited Monopoly granted by a country to an innovator.
- **Problem arises** because not all countries formally support the various agreement developed to protect IPRs.
- The Trade Related Aspects Of Intellectual Property Rights (TRIPS) code of the World Trade Organization provides for sticker protection of intellectual property.
- Countries that observe the rule of man, as opposed to the rule of law, less aggressively protect intellectual property rights.
- Generally, poorer countries provide weaker legal protection of intellectual property than richer countries.
- Cultural attitudes influence the protection of intellectual property rights. Notably, individualist societies are more vigilant than collectivist societies.

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So, and you can see many countries have pushed for a better protection. In IPR a legal enforceable, but limited monopoly granted by a country is to an innovator.

So, monopoly is not allowed; because if you do that then we cannot control the price maybe right. And problem arises because not all countries formally support the various agreement developed to protect IPR's India also is one of them. The TRIPS the trade related aspects of intellectual property rights code of the world trade organization provides for sticker protection of intellectual.

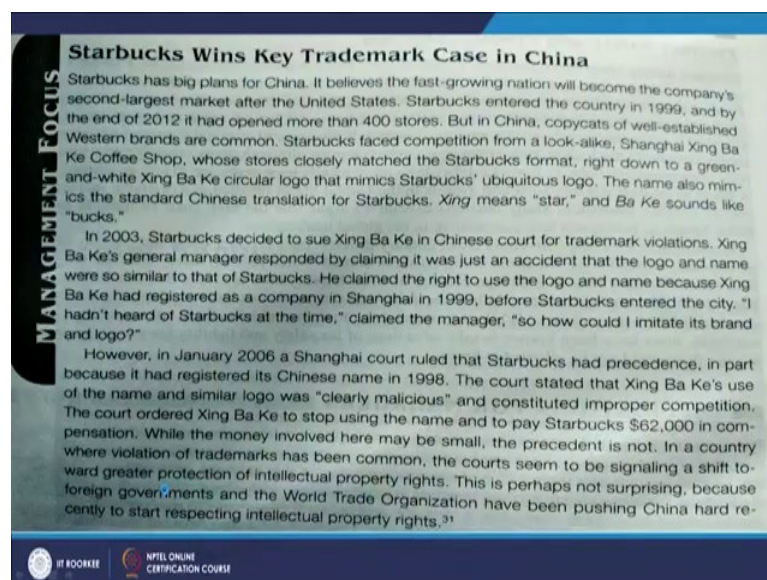
They say; you have to give protection, but then the conditions are different in different countries. Everybody is not a developed country; so this is the negative side of we can

say globalization also right. You want an access to a country and on other side you want to also to charge the premium that you expect.

So, then it is not the same condition with the other country; maybe, the country is an African country which cannot pay right. Countries that observe the rule of man as opposed to the rule of law less aggressively protect intellectual property rights.

Generally poorer countries provide weaker legal protection of intellectual property than richer countries right. So, finally, cultural attitudes influence the protection of intellectual property rights notably. Individually societies are more vigilant than the collective society right. So, individual societies are more let say capitalistic in nature and collectivist are the more socialist like India.

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This is a case which I would leave it for you to study; this is how star bucks wins the trademark case in China. So, this is a very interesting case I have brought for you; you can go through it and you can enjoy it, you can read it. And learn that how star bucks won a case in China.

And this tells you what how important it is to take you know cognizance of the legal environment and the legal factors. And every business firm needs to understand it deeply before they get into a new country right. So, that is all for we have that is all we have for today.

Thank you, very much.