
The Role of the Startup India Scheme in Intellectual Property Registration in India

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Abstract

The Startup India scheme, launched in 2016 by the Department of Promotion of Industry and Internal Trade (DPIIT), Government of India, has significantly strengthened the intellectual property (IP) ecosystem for startups. Through initiatives like the Startups Intellectual Property Protection (SIPP) Scheme, it provides fee waivers, fast-track examination and pro bono facilities for patents, trademarks and designs. This has led to an increase in IP filings, with DPIIT-accredited startups filing 12,997 patents and 49,727 trademarks till December 2024, resulting in 2,254 patents and 28,854 trademarks being granted. There has been a 44% increase in total IP filings in India from 2020-21 to 2024-25, which includes an 80% reduction in patent fees for startups. While challenges such as awareness gap, procedural delays and enforcement issues persist, the scheme has fuelled innovation, attracted investment and supported economic growth. This paper examines the framework, growth, benefits, challenges and recommendations for increasing IP registration under Startup India.

Keywords: Intellectual Property Rights, Innovation, Creativity, Commercialization, Start-ups, MSMEs

Introduction

Since the launch of the Startup India initiative on 16 January 2016, India's startup ecosystem has witnessed a phenomenal growth. This flagship programme, run by the Department of Promotion of Industry and Internal Trade (DPIIT), Government of India, was designed to create a vibrant, supportive environment for innovation, large-scale employment generation and entrepreneurship.

This is achieved by simplifying regulatory processes, reducing compliance burden, improving access to finance (through mechanisms such as fund of funds, seed funds and credit guarantees), providing tax incentives (such as income tax holidays and capital gains exemptions) and providing targeted incentives to reduce barriers to early-stage ventures.

One of the pillars of this initiative is a strong emphasis on intellectual property (IP) protection, which is crucial for startups. Strong IP safeguards enable entrepreneurs to protect their unique innovations and technologies, create a secure competitive moat, enhance company valuation, attract domestic and foreign investors (who often prioritize IP assets), facilitate partnership or licensing deals, and prevent imitation by competitors - ultimately supporting long-term scalability and sustainability in highly competitive markets.

The government has integrated Startups Intellectual Property Protection (SIPP) into the broader Startup India Framework to specifically address the high costs, complexity, and delays traditionally associated with IP registration - challenges that disproportionately affect resource-constrained startups. Launched in 2016 with the main initiative (initially on a pilot basis and later extended, including amendments and extensions until at least March 2026), SIPP directly addresses these barriers through several key mechanisms like Financial concessions and cost reductions, Faster Disposal of Applications and Facilitator Support. These measures are in line with broader IP ecosystem reforms, including digitization of processes (leading to 95%+ online filing), fee rationalization, increased outreach (e.g., through a national intellectual property awareness campaign reaching millions of students and innovators) and improved transparency/accountability in the Indian Patent Office. Taken together, they have catapulted India towards becoming a major global IP hub.

Official statistics clearly reflect this transformation. There has been a dramatic increase in resident (domestic) patent filings. Under SIPP in particular, thousands of startups have benefited. This study explains how the Startup India initiative – particularly through IP-centric pillars like SIPP – has influenced IP registration trends and behaviors among startups, leading to greater awareness, adoption and commercialization of innovations while strengthening India’s position as an emerging power in global entrepreneurship and knowledge economy.

Objectives of the study

1. To analyze the IP registration framework under the Startup India scheme.
2. To examine the growth trends in IP filings and approvals facilitated by the scheme.
3. To identify the key benefits that startups derive when registering IP.
4. To highlight the challenges faced in IP registration despite the support of the scheme.
5. To provide suggestions and policy recommendations for improvements.

Research Methodology

The study adopts a descriptive and analytical approach based on secondary data. The information is sourced from official government portals (e.g., Startup India website), reports from DPIIT, Press Information Bureau (PIB) publications, annual IP India reports and scholarly articles. Data on statistics (e.g. filings, approvals) as of the end of 2024 and up to 2025 are taken from up-to-date sources.

Startup India Scheme and IP Registration Framework

The Startup India Action Plan includes IP-specific measures under SIPP (launched in 2016). Key features include:

- Fast tracking of patent applications for speedy examination.
- Panel of facilitators appointed by the Controller General of Patents, Designs and Trademarks (CGPDTM) to assist in filing patents, trademarks and designs.
- Government pays facilitator fees; startups pay only statutory fees.
- Fee concession: 80% reduction on filing patents, 50% on trademarks and 75% on designs for recognized startups (Startup India, n.d.).

DPIIT-accredited startups (if eligible, 10 years old, innovative and with a turnover of less than Rs 100 crore) access this through the Startup India portal. Complementary schemes like SIP-EIT support international filing. These are integrated with the broader IP laws (Patent Act 1970, Trademark Act 1999, Designs Act 2000).

The growth journey of IP registration under Startup India

The growth journey of IP registration under Startup India has been remarkable since its launch on January 16, 2016, transforming India from a historically foreign-dominated IP landscape to a hub for domestic innovation driven by startups. The Scheme for Facilitating Intellectual Property Protection by Startups (SIPP) – a key component of Startup India – has played a significant role by reducing financial and procedural hurdles through 80% waiver on patent filing fees, 50% waiver on trademarks, expedited examination and government-covered facilitator support (pro bono advisory, filing assistance and handling of office actions). This incentive, combined with comprehensive reforms such as almost complete digitalization (95%+ online filing), fee rationalization, National Intellectual Property Awareness Mission (NIPAM, reaching over 25 lakh students) and preferential processing for startups, is driving widespread adoption.

Official data from the Startup India portal (as of December 31, 2024) highlights the direct impact of SIPP on recognized startups: Patents filed by startups: 12,997, Patents granted: 2,254, Trademarks filed: 49,727 and Trademarks granted: 28,854. These figures indicate the cumulative progress under the scheme, with startups benefiting from end-to-end support to protect innovations in high-growth sectors such as software, AI, biotech, hardware and manufacturing.

Recent analysis (FY2021 to FY2025 inclusive) shows continued momentum, with startups filing over 13,000 patent applications during this period and around 2,174 patents granted (considering that grant rates lag filings due to examination time, some applications are abandoned or withdrawn). Trademarks saw a further increase, with startups filing over 44,000 applications in the same period - indicating a greater focus on branding along with deep technology protection.

The broader Indian IP ecosystem has reflected and amplified this startup-driven growth:

- Total IP applications (patents, trademarks, designs, copyrights, GIs, etc.) from Indian citizens increased by 44% to 6,89,991 in FY2024-25 from 4,77,533 in FY2021.

- Patents saw a particularly strong growth: residential (domestic) applications increased from 24,326 in FY2021 to 68,176 in FY2024-25 (~180% growth in five years), while total patent applications reached 1,10,375 in FY2024-25 (~20% growth year-on-year).
- Designs filings grew by 266% during the same period.
- Over the decade (2014-2024), resident patent filings grew by about 425% (from about 12,000 in 2014 to over 63,000 in 2024), with residents' share of total filings increasing from ~28% to over 60% by 2024 – a dramatic reversal from foreign dominance.

This growth coincides with the exponential scaling of the startup ecosystem. From just about 500 DPIIT-accredited startups in 2016, the number crossed 2 lakh (over 200,000) by December 2025 – a growth of about 394 times. Notably, almost half of these have emerged from Tier II/III cities, which are democratizing innovation, while sectors such as IT/software, biotechnology, deep tech (AI, IoT, robotics) and manufacturing lead IP activity. According to recent reports, more than 5,400 startups have obtained patents, highlighting the role of IP in building valuation, attracting investment, and enabling global competitiveness.

The Startup India initiative, particularly through the Scheme for Facilitating Startups Intellectual Property Protection (SIPP), provides significant benefits to DPIIT-recognized startups in securing patents, trademarks, designs and other IP rights. The scheme has played a key role in making IP protection more accessible, especially for resource-constrained early-stage companies.

Detailed Benefits of IP Registration under Startup India

Startup India initiatives, particularly through the Startups Facilitation Scheme for Intellectual Property Protection (SIPP), have provided significant benefits to DPIIT-accredited startups by making the registration of patents, trademarks, designs and other intellectual property rights more accessible and cost-effective. Startups benefit from significant financial incentives, including an 80% waiver on patent filing fees – reducing the application fee to approximately ₹1,600 and the examination request fee to ₹4,000 – 50% waiver on trademark fees (approximately ₹4,500) and up to 75% waiver on industrial design fees. Most importantly, the government fully reimburses the

professional fees of paneled IP facilitators, which provides startups with expert assistance in drafting, filing, responding to examination reports, handling hearings and achieving registration without any facilitation costs, which can otherwise be in the lakhs for complex applications. This removes a major financial hurdle for resource-poor early-stage companies. Additionally, recognized startups get access to a fast-track examination process for patents under the relevant regulations, which in many cases reduces this period from several years to as little as 8-12 months, making it more attractive to investors who prioritize rapid commercialization, licensing opportunities, and timely and secure IP protection. The scheme also connects startups to a panel of government-paneled facilitators who provide comprehensive, pro-bono guidance throughout the process, simplifying the often complex technical and legal requirements of IP filing and reducing the risk of errors or rejections. A strong IP portfolio further enhances the valuation of a startup by demonstrating innovation and defensibility, making it more attractive to venture capitalists, angel investors, and potential acquirers during funding rounds or exits. Moreover, registered IP provides a competitive edge by providing legal tools to protect unique innovations, brands and designs from infringement, counterfeiting or piracy, helping startups maintain market exclusivity and build lasting brand loyalty in competitive sectors such as technology, biotechnology and consumer products. These combined benefits have contributed significantly to the growth of the ecosystem, with over 2 lakh DPIIT-accredited startups by the end of 2025 (and this momentum is expected to continue through 2026), creating over 2.1 lakh direct jobs and cementing India's position as the third largest startup ecosystem globally, with over 120 unicorns with a combined valuation of over \$350 billion.

Challenges in IP registration under Startup India

Despite this progress, several challenges still hinder the full potential of IP registration under Startup India. Many founders, especially in Tier-II and Tier-III cities or in non-tech sectors, still do not have sufficient awareness about the strategic importance of IP, the specific benefits of the SIPP scheme, eligibility criteria or how to approach the facilitators, leading to under-utilization of the available support. Along with fast-tracking provisions, the ongoing backlog at the Indian Patent Office, shortage of examiners and the complexity of specific technology sectors continue to cause procedural delays, leading to varying timing and sometimes abandonment of applications.

Enforcement is a major weakness, as securing registration does not guarantee effective protection against infringement; slow court proceedings, overburdened courts, high litigation costs and limited specialized IP benches make it difficult and expensive to take action against counterfeiting or piracy, particularly in the consumer goods and digital spaces.

Startups face indirect resource constraints, such as the need for deep technical knowledge to prepare robust applications or manage oppositions, which can be difficult even with the help of a facilitator. Finally, extending protection internationally through mechanisms such as the PCT for patents or the Madrid Protocol for trademarks is complex and expensive for most startups, even with partial reimbursement under relevant schemes such as SIP-EIT.

Suggestions and Policy Recommendations

To overcome these barriers and further strengthen the impact of the scheme, a number of targeted improvements can be implemented. Awareness can be raised through dedicated digital campaigns, regional workshops, mandatory IP education modules in incubators and accelerators, and deeper integration into university entrepreneurship curricula. Processes should be further streamlined by adopting AI-powered tools for preliminary searches and examinations, increasing examiner capacity, and reducing key procedural windows to reduce delays. Enforcement can be strengthened by establishing additional specialized IP courts or dedicated benches across the country, promoting alternative dispute resolution methods such as mediation and arbitration, and enhancing customs and border measures against counterfeit goods. The facilitator network should be expanded with more panelists, potentially higher incentives for high-quality service, broader coverage across IP types, and improved support for international filings. Introducing standardized IP valuation guidelines will help investors and the funding process, while new incentives such as grants or tax benefits related to IP commercialization or licensing can lead to specialized training programs on IP policy, which will foster a long-term IP-savvy entrepreneurial culture.

Conclusion Finally, the Startup India scheme, particularly through SIPP, has fundamentally reshaped IP registration for Indian startups by making protection more affordable, efficient, and accessible, leading to an increase in filings and approvals while nurturing an innovative economy.

This has played a significant role in the remarkable expansion of the ecosystem, massive job creation, and India's global positioning. While issues such as awareness gaps, delays, implementation gaps and international complexities remain, proactive improvements using technology, institutional reforms and ecosystem partnerships can effectively address these and enhance outcomes. Ultimately, sustainable and robust IP support under Startup India is crucial to sustaining the country's entrepreneurial dynamism, fostering deep technological innovation and enhancing long-term global competitiveness in an increasingly IP-centric world.

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