

**GOVERNMENT OF INDIA
SCIENCE AND TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:4316
ANSWERED ON:19.05.2006
SCIENTISTS` SHARE IN PROFIT
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Will the Minister of SCIENCE AND TECHNOLOGY be pleased to state:

- (a) whether there is any proposal to enable scientists to retain a share of profits that come from commercialisation of their research;
- (b) if so, the details thereof;
- (c) the steps taken by the Government in this regard; and
- (d) the incentives given by the Government to attract more domestic and foreign investors to set up Research and Development centres in India?

Answer

MINISTER OF SCIENCE AND TECHNOLOGY AND MINISTER OF OCEAN DEVELOPMENT (KAPIL SIBAL)

(a) Yes, Sir. Institutions engaged in R&D projects funded by Ministry of Science and Technology are permitted to own patents generated and also retain the benefits and earnings arising out of the patents. The concerned inventors and other persons can get up to one-third of the actual earnings. CSIR allows up to 40% of monies/fees realized in the form of premia/royalty from licensing of intellectual property and knowledgebase to be shared by scientists and staff.

(b)&(c): It is imperative that commercialization of inventions in scientific institutions and universities takes place at a much quicker pace than at present. Several schemes have been put in place to achieve the above objective to provide infrastructural and operational support through various schemes and incentives. With increased emphasis on public-private partnership in technology development, the Government, through schemes such as Technology Development Board (TDB) and New Millennium Indian Technology Leadership Initiative (NMITLI), provides incentives to commercialize inventions, as these schemes take adequate care to ensure that inventions from scientific institutions and universities become an important component of the schemes. The Government has set up specialized cells/centres in its different departments and agencies, which provide technical, financial and legal help to scientists for protecting their inventive work in India and other countries. Intellectual property rights, so generated, are also maintained by these cells/centres. The Government has enacted new legislation in respect of patents and also modernized the patent offices in the country for receiving and examining patent applications and awarding patents and post-grant activities.

(d) Several tax incentives have been provided to encourage and make it financially attractive for industrial units registered in India to establish their own in-house R&D units. The Government also has a scheme to accord recognition to such in-house R&D centres. The Government allows setting up of R&D facilities and centres by foreign companies in India under the scheme on Foreign Direct Investment (FDI). Such companies are free to set up R&D centres in India. In a study carried out by Technology Information, Forecasting and Assessment Council (TIFAC) on FDI in the R&D sector during 1998-2003, it was found that R&D investment worth of \$ 1.13 billion flowed into India during this period.