

## **SIGNIFICANCE OF INTELLECTUAL PROPERTY IN THE GEM & JEWEL INDUSTRY\***

Stonewala, a third generation jeweller and owner of a reputed jewellery boutique “Jeweldrome”, invested substantial resources in designing and manufacturing a contemporary set of jewellery with intricate artwork through the help of an employee for the big Diwali sale. To his shock, he found that the same employee had joined Monlala, owner of the new jewellery shop “Jewel-o-dome” setup in an upmarket area. The employee carried with him the design for the complete set of jewellery and exposed Stonewala’s design, which was displayed on a huge hoarding in the commercial hub of the city. Customers confused “Jewel-o-dome” for “Jeweldrome”. Due to the loss of exclusivity not only did Stonewala fail to reap the benefits from his investments, his trade name was also tarnished due to the poor quality of goods sold by Monlala.

In the jewel industry there are many who have encountered similar problems in the past. To succeed in a competitive scenario with international players in the field, Indian jewellers need to think proactively and radically in protecting their Intellectual Property (IP). IP is legally fragile, meaning that once the owner’s right is lost or compromised, it is extremely difficult to, if not impossible; to recover those rights. This purports the needed for an overall awareness and understanding of the effective management of IP amongst the Indian Jewellery Industry. Some of the tools in the management of intellectual property significant to the jewel industry are: Trademark, Copyright, Designs and Trade secrets.

**Trademark:** It protects the unique brand name of your company, the product names, logo, certification marks used to vouch the quality of the products, domain names, etc. This creates a goodwill and distinct identity for your company and its products amongst others in the jewellery industry.

**Industrial Design:** The artwork, colours or designs applied to any article including jewels, watches, luxury items that make it look visually appealing can be owned and protected by means of registering it as an Industrial Design. This would prevent your competitors from stealing your valuable design and getting unfair advantage out of your skill and labour.

**Copyright:** Any work of art, be it literary or artistic such as drawings, designs, sculpture, painting, promotional material and other manuscripts often developed in your business are protected under Copyright Law.

**Trade secrets:** Valuable information that gives its owner a competitive advantage is protectable as Trade Secrets. Their importance to jewellers is immeasurable; it encompasses financial information, ideas of new designer jewellery, methods of conducting business, marketing plans, customer database and much more with in its ambit.

These tools secure your IP and identify you as the owner. Identifying the owner of an intellectual property is a crucial issue when it comes to enforcement of IP. Generally the owner of an intellectual property is the person who creates it, but when an employee creates it under a contract of employment, the employer becomes the owner.

Advantages of protecting your intellectual property:

- Legally, registration guarantees monopoly right over your intellectual property.
- It enables you as a matter of right to restrain or claim damages from offenders who copy, imitate or dilute your IP in any manner.
- It retains your trade secrets with in the organization.
- Registration recognizes the time, effort and money you spent in creating the intellectual property.
- Registration not only helps harness the human creativity, thought and inventiveness which is found in abundance in the Jewellery industry, but also aids in making strategic decisions for enhancement of your economic benefits.
- It helps sustain the innovative spirit in your business.

Disadvantages of not protecting your intellectual property:

- Pirates will imitate your designs and other works.
- Your competitor may adopt your business name and tarnish your image.
- Damages or other remedies cannot be obtained easily as enforcement becomes very complex and cumbersome.
- Your competitors might acquire your trade secrets and unfairly gain out of it.

Successful international players like Cartier, Fraser & Haws, Chopard, Tiffany, Theo Fennel, Chanel and whose list is endless, benefit monetarily by unleashing their creativity and converting their “*intellectual property*” to “*intellectual capital*”. Indian jewellers can surely achieve similar or even greater economic and brand supremacy by effectively harnessing their intellectual property for competitive advantage.

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