

THE INTEGRATION OF INTELLECTUAL PROPERTY & CROWDFUNDING PLATFORMS - A TWO-STAGE STRATEGY FOR ENTREPRENEURSHIP

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ABSTRACT

Crowdfunding has grown in popularity over the past couple of years. It is anticipated to implement a new index fund that will transform how development stage and micro enterprises financing transactions are completed by merging the Internet/social media with equity-based financing. Crowdfunding provides start-ups as well as other micro-businesses with easier access to finance through the Internet/social media. A deep and connected urge in our human society is to support and feel involved in the types of initiatives and businesses that we care about. Until the recent crowdfunding craze, our more centralized and intermediary capital formation and funding processes seldom recognized the social force of crowds that create affinities around any type of cause. Crowdfunding is a reflection of our true social will and a legitimate systematic reaction to filling this gap. It is, probably, one of the most significant advances in contemporary socioeconomics, promising to transform the capital creation landscape while also providing a pathway for intellectual and artistic rebirth. The objective of this article is to describe the key legislation or initiatives linked to crowdfunding, with the aim of comparing the various regulatory structures as much as feasible. This article analyzes the perceived advantages and drawbacks by limiting the examination of the legal difficulties that afflict crowdfunding to the EU and USA. The article specifically tries to investigate the basic intellectual property problem that arises from the disclosure of ideas before protection. The article then examines the various dimensions of crowdfunding that can be examined under present intellectual property rights regimes in the process to facilitate that industry players on crowdfunding platforms do not endanger their commercial value. Because of the uncertainty

that surrounds the crowdfunding process, particularly because certain platforms may not release funds if the objective is not fulfilled, the article emphasizes the necessity for an IP owner to tread cautiously while deciding on a business plan.

Keywords – Crowdfunding, Intellectual Property, Legal Framework, JOBS Act, Financing

INTRODUCTION

Crowdfunding is a means of obtaining money from a vast audience in which each individual contributes a little amount rather than raising big sums from a small group of knowledgeable investors. Contributions from many backers are pooled over the Internet, frequently without the need of traditional financial middlemen. This concept derives from the implementation of crowdsourcing principles to fundraising practises, resulting in the creation of new community-enabled financing channels for a wide range of projects, including advertising, economic, humanitarian, sociocultural, political, ecological, and operational projects, to name a few.

Crowdfunding is often divided into two types: contribution crowdfunding and reward crowdfunding, with the latter requiring the supporter to get a reward, which can be symbolic, in-kind, or, in rare cases, monetary. Crowdfunding is becoming increasingly crucial for financing cultural and creative initiatives and endeavors, as well as for leveraging business potential. What began as occasional individual fundraising attempts has evolved into a profusion of crowdfunding-specific platforms that have functioned as market makers by connecting fundraisers and funders through a shared trustworthy system.ⁱ However, the word “crowdfunding” refers to a broad range of fundraising strategies.

Crowdfunding, which originated in the United States but has now spread to the United Kingdom and continental Europe, represents a sector that is rapidly expanding and evolving. The well-known US website Kickstarter has accommodated innumerable projects, raising over billions USD since its inception in 2009.ⁱⁱ To put this into perspective, it only took a couple of years for creative initiatives on Kickstarter to generate more cash yearly than the total budget of the US National Endowment for the Arts. Crowdfunding has lately arisen as a credible alternative or supplementary way of supporting cultural activities in the face of declining public and private sponsoring in the creative industries sector internationally. When a product team decides to use a crowdfunding model, they have two alternatives for funding the project. The

project manager can utilise a preexisting crowdfunding platform, such as FundMe, Kickstarter, or Ulule, or they can use their existing network of connections by establishing a personal web portal platform. Due to the sheer confidentiality and dispersed thinking accessible, as well as the rapidity, power, time flexibility, connectivity, and low entry hurdles, the internet fosters a systematic and controlled method of thinking among internet users, allowing not just crowdfunding, but crowdsourcing to flourish.

All creative items confront a free rider dilemma during the production process, yet many are developed. In the contemporary era, economists argue that intellectual property rights—laws creating principally copyrights and patents—act as the primary mechanism to alleviate the free rider concern of unauthorised copying, allowing producers to recoup overhead costs that they would not otherwise collect. Crowdfunding has shown to be a valuable and disruptive enterprise in the creative fields. Because it combines established aspects of microfinance and crowdsourcing, a few business academics have identified crowdfunding as a new method of acquiring startup money. More importantly, few economists have recognised crowdfunding as a highly visible case of a private company production of public goods. This has economic ramifications for effective legal procedures for controlling the natural monopoly problem of radical innovations and incentivizing creative activities.ⁱⁱⁱ

Patents, copyright, trade secrets, and trademarks are all examples of intellectual property rights that may be used to protect crowdfunding projects. Although its uniqueness, intellectual property is a vivid example of what economists call a “pure public benefit.” Since intellectual property is easy to implement, it is non-rivalrous and non-excludable as a public asset. The implication is that once the fundamental concepts are identified, others can copy and exploit them in ways that expropriate some or all of the benefits on investment made by the original and true inventor or discoverer. As a result, the inventive process, as well as the time, effort, cash, and human involvement that went into developing such a 'product' in the first place, are made obsolete and unprofitable. The granting of IP protection is thus a contract transaction between society as a whole, through the instruments of the government, and the creator of said IP. On the other hand, the link between crowdfunding operators and the economic forces of the online platform as a medium imposes a careful thread between crowdfunding and IPRs.^{iv} Aside from copyright and trademarks, which are also subject to restrictions, a patent forbids

publication prior to its issue, and trade secrets forbid the disclosure of valuable information completely.

BENEFITS & BARRIERS OF CROWDFUNDING

Crowdfunding is viewed not just as a means of collecting cash, but also as a means of validating the creator's business concept, since it provides a projection of potential audiences. This approach has a wide range of investment opportunities because the concept may not be worth several million but can still attract contributions from funders for art exhibitions, charity events, and so on. It may be used as a marketing technique for a new company since it raises brand or product recognition among the general population.

1. Benefits

Crowdfunding is used to determine the demand for a product in the context of pre-sale crowdfunding. Crowdfunding, on the other hand, provides a helpful insight into the study of budding entrepreneurial initiatives, as both unsuccessful and effective ideas are covered. All sorts of new entrepreneurial initiatives may be compared and analysed. The need of the founder is aligned with the desire of the investor to support.

The founder can obtain funding from a financier who is personally invested in the founder's initiative. The location of entrepreneurs is the primary determinant of funding decisions in the off-line financing module. Crowdfunding also acts as a means for founders to receive feedback on their initiative constructive feedback for enhancements. People can contribute ideas for particular applications in products, such as in a project to produce a niche product, which may improve the value of the product.

Investors' motivations for funding a project vary. They may invest for social, economic, or political reasons, or in the prospect of a remuneration, stake, and fixed return. Investors receive possession in equity crowdfunding, but in loan crowdfunds, they receive a fixed amount of interest on their investment.^v Similarly, in reward-based financing programmes, they are rewarded in some way. In the event of preselling, investors may receive the goods in the early days of its release. Generosity is one of the primary aspects that play a big part in the major crowdfunding sites. Some investors will finance a project without expecting any sort of monetary compensation, such as pre-purchase, equity, or a predetermined return on financing.

The majority of the portals are for profit. As a service fee, they often charge a percentage of the financing amount. The platform's role is to bridge the gap between investors and entrepreneurs. The goal of these networks is to expand the number of successful initiatives. On the other side, they strive to propose creative and practical ideas to investors and give opportunities to invest. They also serve as a basis for the development of charitable practices in society. These patronage acts benefit the departed members of society. They are in charge of ensuring a seamless flow of funds from investors to businesses and venture facilitators.^{vi}

Despite the various advantages it has, the disadvantages cannot be overlooked. The most significant drawback is a restricted capability for raising funds. There is also the danger of losing anonymity when the concept is discussed with many others, as well as the possibility of the idea being stolen and executed before the pioneer. Furthermore, it takes a significant amount of time and effort to market a concept through marketing and advertisements. Many innovators resort to crowdfunding because they lack the capital to build a first sample or seek legal counsel. Crowdfunding platforms are usually hands-off, at best advising consumers to guarantee that they are appropriately secured. However, many viewers will simply not consider this. As a result, they fall victim to one of the oldest IP traps: revealing before protecting.

2. Barriers

Despite its fast growth, crowdfunding confronts considerable obstacles and offers some potential hazard. The most pressing issue is asymmetry of information and a lack of commitment. Although asymmetric information in fundraising is not unique to crowdfunding, just moving the industry to an online forum does not address the problem. Adverse selection, in which strong initiatives fail because demonstrably similar poor projects are the only ones that survive on the crowdfunding platform, is still a worry, at least in principle. Perhaps a greater risk for crowdfunding is the moral hazard issue, or the chance that innovators fail to deliver on their promises to their customers. When initiatives are funded, they may suffer inadequate pressure to succeed on their claims. Though the reputational consequences may be severe, one-time innovators who just defraud the market before retreating into anonymity represent a risk.

In situations of crowdfunding, such as raising cash from family members or venture capitalists, the entrepreneur does not disclose the ideas to public, thus innovative ideas remain hidden from the broader public. In the event of raising cash through crowdfunding, however, ideas become public and are no longer kept hidden.^{vii} Although this is not a problem for humanitarian, charitable, and patronage initiatives, it is a major challenge for creative product ideas or entrepreneurial businesses.

When venture capitalists or private investors contribute financial resources to a company, they also provide some additional benefits, such as professional advice on how to create a successful firm in the market where entrepreneurs are now operating or want to operate. These sorts of rewards cannot be provided to inventors by non-professional institutional investors. Sometimes a concept appears to be extremely powerful and has the strategy to motivate a large number of sponsors, but the inventor lacks the ability to effectively convey that idea into reality.

LEGAL & REGULATORY FRAMEWORK IN CROWDFUNDING

Crowdfunding's capacity to realize its promise and overcome its limitations is closely related to how it is governed. As an emerging industry, the regulatory regime for raising funds via crowdfunding platforms is dynamic and developing. Due to the lack of a regulatory structure in the onset, the crowdfunding technique experienced some fast development in the absence of legal hurdles and related compliance fixed costs. However, unregulated development can offer certain hazards, particularly if crowdfunding marketplace consumers are victims of fraud, exploitation, or discrimination, or if associated dangers on the platform prevent prudent investments. What factors influence the economic relevance of crowdfunding? Again, nation factors are important - more populous industrialized countries have considerably higher crowdfunding output as a percentage of GDP. The legal framework is effective in determining for nation attributes. Crowdfunding is more significant in nations with common law and a powerful rule of law or institutional quality. Crowdfunding is also more popular in nations with specific crowdfunding rules; however, the speed of adjustment is difficult to discern in this case.

The CROWDFUND Act was included in the Jumpstart Our Business Startups Act ("JOBS Act") of 2012. The JOBS Act offers a framework for regular investors and start-ups to employ

"commercial crowdfunding," in which start-ups can offer and sell their assets publicly over the Internet. These practises were essentially forbidden under pre-JOBS Act securities legislation.^{viii} While the JOBS Act is recognized with establishing a legal framework for business crowdfunding, start-ups cannot take use of it until the "Securities and Exchange Commission"^{ix} issues the guidelines required by the Act. Simultaneously, the Act requires additional modifications to securities rules, which may make business crowdfunding less enticing than alternative private fundraising methods. Even as it established strong disclosure rules for the new business crowdfunding channel, the Act largely eased required information provisions and the decision to retrieve investment through the online platform under these other approaches. The rationale for keeping investors away from fledgling company equity securities is mainly guided by the belief that, due to its intrinsic volatility, young firms are very potentially dangerous securities that are difficult to correctly assess. However, accessibility comes at a significant cost, and requiring fledgling firms to give detailed information to the public before selling shares can remove the incentive stock offers. These disclosure cost problems have led to a decrease in the total number of Initial Public Offerings (IPOs) during the last decade. An successful crowdfunding governance mechanism will face the problem of eliminating malfeasance and maximising accountability while maintaining counterparty risk minimal for stock-issuing small firms.

The lack of clear rules and reliable governance in these marketplaces might deter inventors and investors from participating, and it can lead to inflationary pressures as some projects, or even specific platforms, are favoured due to market design, taxes, or technological constraints. This may be certainly relevant in Europe, where national regulatory frameworks vary; limiting the expansion of what is effectively a global industry. The absence of harmonization between national systems is a key impediment. This lack of regulatory system harmonization is exacerbated by significant variations in fiscal frameworks, financial incentives, payment networks, intellectual property rights, data privacy, legal conduct, languages, and other factors. Crossing borders or transferring between crowdfunding sites might incur considerable adjustment expenses. Most of the time, domestic law in EU Member States would have to be consistent with legal requirements emanating from higher court procedures, particularly the regulatory structure of the Global Community.^x The need for adherence with appropriate international community standards becomes even more pressing when domestic judicial

systems do not completely control the narrative structure, and especially when national permissible norms tend to correspond to distinct legal disciplines and industries.

The fundamental concept of U.S. securities and exchange commission is that the current regime should not assess the positive aspects of investments embodied by securities offerings, but rather require declarations from the sponsors of these securities so that investors may make properly informed judgments." The type and extent of notification required by legislators when the rules were drafted would have imposed prohibitively high expenses on smaller registrants. While crowdsourcing has attracted the most attention—not all of its favourable provisions of the JOBS Act may provide appropriate designs for start-up investment. Crowdfunding has numerous critics, including the SEC, which appears to have prolonged regulation beyond the 270 days authorised by the JOBS Act for enactment. In the meanwhile, the SEC has issued regulations that allow for broad solicitation in Rule 506 offers and generally called in Rule 144A securities.^{xi} Innovative firms may now use social platforms like Nubs88, Kickstarter, or Indiegogo to solicit assistance through "crowdfunding" initiatives. Visionary, entrepreneurs' producers, and craftspeople seek sponsors by publishing their development initiatives or plans, and sometimes by providing rewards to those who contribute money. The effects resulting from a technology in supply chain to an expression of interest in a corporation activity. This type of funding has both beneficial and bad aspects. In the context of the safeguarding of conceptual commodities such as intellectual property, information and communication technology intermediaries, particularly enhancing interaction, play a vital role. Intellectual property rights must be weighed against data privacy concerns and operator liability protections. When analysing intellectual property safeguards within a thoughtful interpretation of crowdfunding, the focus should be on patents because the legal principles of copyrights are very precise; indeed, copyright refers to creative and empirical works, whereas patents can encompass a product, process, or apparatus that must be unique, industrially applicable, and constitute an original creation. Aside from the transparency difficulties impacting start-up IP strategy under the CROWDFUND Act, the fundraising idea in general raises concerns for company's relationship with shareholders. To cope with difficulties that arise with a big, diverse collection of investors, publicly listed firms need substantial knowledge and employees.^{xii} Start-ups will be unable to deal with such a customer base. Qualified or experienced start-up entrepreneurs, such as tech angels and venture capitalists, recognise the importance of intellectual property.

They frequently know more about the constraints and costs of establishing IP portfolios with scarce resources than the inventors.^{xiii}

MANAGING IP OWNERSHIP WHEN CROWDFUNDING

Concerns about IP infringement accusations stem from the subject of who owns the IP in the rebuttals to a distributed task. If a job is delegated to a company's workers, any resultant intellectual property typically belongs to the company. Similarly, if the work is delegated to a third party engaged by the corporation for that reason, the IP rights may be transferred to the business operation of the contractual terms. Crowdfunding, on the other hand, begins with participants retaining their entitlements until they are assigned to the firm. When a company chooses its recommended solution(s) to a crowdfunding job, remuneration to the winner(s) should be constituted as compensation for the allocation of all intellectual property rights in the successful contribution. Crowdfunding is basically the same as freelancing in this regard, with the exception that the agreement is established after the task is finished. The crowd members that were completely ineffectual are mostly to blame for the difficulties. There is a resemblance between unsatisfactory crowdfunding replies and the age-old dilemma of what to do with unwarranted ideas and proposals that a firm may get.^{xiv} Since all of the participants answered to a certain goal, there is likely to be a certain resemblance between both the concepts and contents of the failed replies and the replies acquired by the company.

Intellectual property rights provide a chance to safeguard unique innovations and creations while also generating profit through proprietary rights with a specified scope and timeframe. Intellectual property rights, in the control of other parties, provide an obstacle and threat to new competitors. As a result, it is critical to consider:

- Patent law – when crowdfunding is used to find answers to technological difficulties
- Trademark law- when crowdfunding is used to generate new product descriptions, images, or brands.
- Design law- governs the attractive appearance of innovative and innovative goods
- Copyright – in the case of artistic works such as artwork and literary works.

Crowdfunding may create concerns about who owns the resulting intellectual property. Possession of rights to crowdfunding intellectual property is typically not controlled by the same regulations that guide employment agreements - unless, of instance, a company performs an internal crowdfunding operation in which only its own workers engage. Contractual conditions associated with intellectual property ownership, licence, and usage are so important, just as they would be when hiring any third-party consultant.^{xv} Due diligence checks are still required for a constantly updated solution. An issued patent, for example, grants the exclusive right to commercialise the asserted innovation and to restrict others from doing the same. However, the patent somehow doesn't grant the owner the right to exploit the innovation without encroaching on the intellectual property rights of others or without procuring any consent solicitation, so it is strongly suggested to conduct appropriate investigation and prosecution to determine whether exploiting the innovation would violate on someone else's patent.

It is crucial to highlight that prospective crowd beneficiaries might be encouraged or discouraged from joining based on their beliefs of equity in how corporations would respect their intellectual property. Expectations of reasonableness, in turn, affected the likelihood of potential participants to engage, with intellectual property standards having the greatest impact on the crowd's inclination to contribute. These objectives are specified in the contract terms; they should be shaped to match with crowdfunding aims while maintaining openness and consistency to prevent the business and maximise crowd input. The terminology and structure of the regulating agreement have a major influence on the degree to which all crowdfunding contributors comprehend their duties and obligations, and this is one of the primary drivers of clarity and organizational justice. The implicit authorization assumption is a viable measure used by businesses to imply that authorization was granted to utilise a copyrighted work.^{xvi} Contracts play a significant part in crowdfunding projects, ensuring perceived accountability, regulating goals, and preventing reaction from the crowd. Such factors serve as the foundation for a paradigm that can assist businesses in choosing the optimum arrangement of contractual terms. This paradigm enables precise, practical judgments about how to reconcile the requirement for business security and involvement enhancement, as well as the establishment of operational objectives to improve the effectiveness of crowdfunding.

DIMENSIONS OF CROWDFUNDING UNDER IPRs REGIME

The platform's first dimension takes into account how intellectual property procurement might differ. Some crowdfunding efforts may not require or want to hold generated intellectual property. The most basic level of rights accumulation is when an entity makes no steps to obtain any intellectual property rights. The greatest degree of rights procurement, on the other hand, is one in which the company undertakes steps to wholly and predominantly obtain the intellectual property rights of a large group, as well as its ideas. Because perceptions may fluctuate between the audience and the company seeking information, the acquisition choice may be a substantial part of the legal concern and misunderstanding. In any crowdfunding scenario, it is critical that the organisation recognises group members' perceptions to possess their invented work, develops an adequate intellectual property market strategies, and ensures that people involved evaluate the significance to which proprietorship is relocated to the organisation by detailing it in the contract terms. To successfully acquire intellectual property, crowdfunding entrants must give all ownership to the solutions seeker. In this case, the organisation acquires sole power of the intellectual property contributed. A less severe strategy to purchase would be to get a licence to the subject matter rather than a full allocation of property rights. In such cases, the licensee's powers and functions will be defined by the license's particular conditions. An exclusive licence precludes the licensor from re-licensing those rights without the licensee's specific approval.^{xvii} When soliciting answers from the community, a non-exclusive licence might be a suitable strategy, particularly in innovative contexts. This agreement allows a crowdsourced member of the team to continue utilising their contributed work and licencing it to other entities, while sub-licensing privileges permit an organization looking for answers to go

The second dimension of our approach is concerned with the risk of prosecution connected with the inclusion of any third-party-owned intellectual property which may be incorporated in crowd-sourced data. It is labelled “intellectual property contamination” when individuals add information in their contributions that they did not generate or are not permitted to salvage.^{xviii} Intellectual property contamination is a danger that is inherent not only to crowdfunding approaches, but also to all technological advances; it includes exploiting, integrating, and expanding on existing information. Because there are reasonable limits on what may be negotiated with crowdfunding members, limiting liability can be a tough

stabilising act Partnerships, in particular, are only enforceable for those involved in the contract's governing arrangement. This means that a member cannot lawfully restrict the interests of other entities whose intellectual property rights may be breached by the operator of the competitive environment. If members include confidential data that is not their own in their contributions, it poses a significant threat to the business and can result in expensive and time-consuming litigation. The flexibility with which members in a crowdfunding project might incorporate unauthorized audio, visual, or technological aspects into their own work raises the possibility of contamination issues. While competitors have the option of claiming a "fair use" argument, an organisation seeking information may not be so privileged, especially if there is clear economic purpose. Furthermore, or in parallel, companies might mandate member certification that the contributions do not encroach on the intellectual property rights of any other entities. Explicit guarantees like these might be referred to as a formal recognition or a guarantee. Organizations that take a pragmatic approach to crowdfunding intellectual property management are less worried with gaining intellectual property rights from the people and are more aggressive in reducing obligations. This method may be more frequent in businesses that are using and experimenting with crowdfunding methods for the first time, particularly in businesses that lack the legal resources to anticipate all of the dangers involved with intellectual property in crowdfunding. This strategy may also arise when additional safeguards, such as a self-governing society within the public, are necessary to minimize the danger of responsibility. To summarise, because receiving contaminated material might be worse than acquiring no information at all, care must be taken to prevent unnecessary any lawsuit by a third party claiming intellectual property rights in crowdsourced information. While this safeguarding attitude is necessary, companies must also evaluate how it may inspire or deter audience involvement.

SUGGESTIONS & CONCLUSION

The world of tomorrow will undoubtedly be distinctive from the world of today. The statistics and compositions of the people are evolving, globalisation is continuing to have an impact on the globe, our lifestyles are expanding, our regulatory environment is constantly changing, and our workplace environment will change substantially. Migrating from a tangible-asset-based industry to an intangible-asset-based industry needs more than just strong advertising and

technology. Funding possibilities for creative and R&D-based firms are an essential consideration. It is impossible to become a knowledge hub if you do not have money. Crowdfunding varies from other methods of entrepreneurial capital, although further analysis into how it distinguishes from the alternatives is still needed. Corporate sponsors may typically only focus on the needs supplied by the creators during a crowdfunding campaign, making it difficult to do a reality check owing to a lack of reliable details. Because there is much ambiguity at this time, the profit-sharing crowdfunding strategy looks to be highly suited for enterprises at the preliminary phase, whereas the pre-order application involves prototypes to be prepared for crowdfunding. Crowdfunding is an essential alternative, or supplement, to the cultural and artistic sector's financing mechanisms and resources. Crowdfunding is also significant because of its informational, commercial, co-creative, and modernising characteristics. The major models in crowdfunding are incentives and contributions, each of which has different characteristics. We examined the benefits and limitations of crowdfunding through the lenses of legal regimes, the institutional tools that enable or assist crowdfunding to realise its capabilities and surmount its drawbacks. Crowdfunding may provide financial assistance to some companies while jeopardising their intellectual property strategy and execution. To mitigate this risk, companies will need to create excellent marketing communication teams capable of managing the requirements of diverse equity investors even before the offering takes place. They will also need to employ competent securities and intellectual property lawyers ahead of the offering.

The proposals for legislative change are guided by an emphasis on these key benefits. Beneficial spill over effects from later investor interest and democratised finance are examples of indirect effects. The existence of IPR and online communities enhances benefits, but they are also dependent on existing obstacles and dangers. Barriers to admission and departure pertain to networks, inventive institutions, and professions. Complications include knowledge disparities and the accompanying opportunistic behaviour and moral hazard, which are not unique to crowdfunding. An IP portfolio may serve as both a shield and a weapon. A robust intellectual property portfolio aids in the protection of a company's inventions in order to create long-term profits and boost market dominance. Intellectual property protection is essential for all businesses and should not be neglected. Intellectual property contributes to the development and maintenance of an organization's ultimate income streams, as well as the expansion of

shareholder value. IP also assists businesses in protecting technological breakthroughs and gaining a competitive edge. These are extremely valuable to a company since they allow it to outperform the competition and encourage market developments. Intellectual property rights encourage innovation in a variety of businesses, particularly in the technology sector. With the rising acknowledgment and relevance of technological breakthroughs, a robust IP system is required. A robust and effective intellectual property (IP) system assists the country in encouraging the free movement of knowledge and technology. Intellectual property (IP) plays a critical role in motivating inventive people and compensating them for their ideas, therefore promoting productive growth.

In terms of intellectual property rights, the phenomenon of crowdfunding necessitates more explicit and transparent regulation. Crowdfunding and its spread may face significant hurdles due to the absence of uniformity within the EU and worldwide. In fact, while a non-harmonized industry may dissuade new competitors due to potential profits versus complex bureaucratic costs, investment opportunities, and competitive landscape, sufficiently liberalised single isolated markets may favour major international competitors, resulting in market development but with potential drawbacks, most notably in terms of diverse workforce. Because of the unique characteristics and operation of crowdfunding methods, deeper analysis must require more independent and concentrated attempts, based on current statistics. Creating datasets that allow for comparison analysis, particularly across various platforms, would be extremely beneficial. Because crowdfunding is a global phenomenon, and the manufacturing industry is developing globally, it would be appropriate to broaden its competitive regulatory study to different geographical areas of the world. The exploration of crowdfunding in particular allows for a clearer disentanglement of the traditional innovation aspect of diversity and different potential effectiveness patterns. As a result, more study on crowdfunding governance is needed to untangle their potential levers. Spill overs from crowdfunding to more contemporary means of financing new enterprises, as well as Intellectual property, are specific areas for further development. Crowd funding is a viable and cost-effective technique of leveraging the experience and talents of a huge number of people. There are, however, hazards that should be considered before enlisting the help of a community for a possible answer. The author's goal in writing this paper was to emphasise the significance of knowing the basic challenges and regulations for protecting intellectual property rights while crowdfunding approaches. The

proposed framework depicts legal ways that business organizations may implement to control the value, hazards, and efficacy of crowdfunding. In the end, a mutually beneficial connection arises. The review is the evaluation to crowdfunding intellectual property management, defines the crowdfunding strategy, while the crusade defines the legal approach.

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