

Primers

Ensuring that your company's intellectual property is properly protected is one of the first steps every entrepreneur should take. From your company's initial product or service to its customer lists, your company's intellectual property is often more valuable than any of your physical assets or inventory. It is estimated that upwards of 70% of the market value of all of the companies which make up the S&P 500 is attributable to intangible assets, such as their intellectual property rights.

There are four types of intellectual property, and each offers a different type of protection.

Copyrights protect your expression of your ideas, such as computer source code, user manuals, and marketing materials.

Trade secrets cover any information which is unknown to your competitors and provides your company with a commercial advantage. The best example is the recipe for Coca-Cola, which has protected its formula as a trade secret since its inception.

Trademarks protect the words and visual aspects of your business that distinguish you and your products from competitors. Trademarks can include logos, names, and the overall look and feel of your products.

Patents cover inventions that and prevent anyone else from making, using or selling the subject of their claims for a limited period of time.

Evaluating and protecting your company's intellectual property assets through copyrights, patents and trademarks is a solid start to firmly establishing your company in the market. In this process, you should consider the following steps to ensure that your company's intellectual property is best protected and as a result, that your new venture is positioned for success:

Ensure that the proper employee agreements are in place assigning all intellectual property developed during the course of their employment is assigned to the company.

Invest up front. By investing the time and resources early on in clearing and registering trademarks and domain names, you can avoid the cost and disruption caused later in the event a conflict arises.

Prioritize your intellectual property. Determine which assets are essential to your company and protect those first.

Educate yourself and your employees. By understanding the basics of intellectual property protection, you and your employees can quickly identify key product or market advantages and seek to protect them going forward.

The first step in protecting any type of intellectual property should be to contact an intellectual property attorney to assist you and ensure that you do not inadvertently release your intellectual property to the public.

Similarly, if you are ever accused of taking someone else's intellectual property, you should take the accusation seriously and seek the advice of an intellectual property attorney. Failure to respond properly to an accusation of infringement may have significant and dangerous consequences if you are found by a court to have acted willfully or recklessly following your receipt of the accusation.