



# THE TIMES 100

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## UK IPO brief

### Introduction

New ideas are vital to business. They can lead to new products and services. They may come out of research and development in a business. They can also come from entrepreneurs. The person with a new concept may need to protect it through intellectual property (IP) rights. IP registers the creator of the concept as the sole owner. It means no one else can use the new idea without licence or permission. The UK Intellectual Property Office (UK IPO) helps owners to protect new ideas.

### Entrepreneurs

An entrepreneur is someone who takes the risk on a new business venture. In return, he or she takes the rewards if it is a success. Entrepreneurs need to have a good understanding of the markets. They

- develop new products.
- check that ideas really are new. They need to search for what products are already in the market
- raise finance for the business, both long term and short term. Long-term finance comes from owners' own funds, loans or grants or from the sale of shares. Short-term finance may come from a bank, for example, through overdrafts and credit cards.

### Types of business

A business can be set up in a number of different legal formats. The main types are:

- sole trader - a single person owns and runs the business
- a partnership . between 2 and (usually) 20 people own and run the business
- a company . this is a separate legal body from the owners. The owners hold shares in this body.

The first two types of businesses have unlimited liability. This means that the owners' own money is at risk if the business needs to pay debts. A company's liability for debt is limited to the amount each person has put in.

### Why protect ideas?

Registering protects ideas and prevents other people copying them. This means only the owner benefits from any sales or income for a period of time. This is important as new ideas often cost money to turn into products. IP rights are an asset to the business and have value. They help businesses to stay competitive. The right to use a concept can also be licensed . this is how a franchise works.

### How to protect ideas

There are four main types of IP rights:

- Patents are for new inventions like products or processes used in industry.
- Registered designs prevent competitors from copying the physical appearance of a product.
- Trade Marks distinguish goods and services from those of other traders. They include logos, lettering, pictures or brand names, for example.
- Copyright protects written and recorded work, including pictures, films and music.

Often more than one IP applies to a single concept. For example, Harry Potter books are protected by copyright, Harry Potter clothes and scarves have design protection and toys and games have trade mark protection.



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## **Conclusion**

Entrepreneurs need to protect their new ideas and concepts to make sure that they alone get the benefit from their ideas. They can register patents, trade marks and designs through the services of the UK Intellectual Property Office. Copyright is an automatic right upon creation of the work.