



# THE TIMES 100

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## UK IPO summary

### Introduction

New ideas are vital to business as they can lead to new products and services. Ideas can come through research and development in a business or from entrepreneurs, who can use them to create new businesses. New concepts can be protected through intellectual property (IP) rights. These give the creator of the concept sole ownership, which means no one else can use it without licence or permission. The UK Intellectual Property Office (UK IPO) helps the owners of new ideas to register protection.

### Entrepreneurs

An entrepreneur is someone who takes the risk on a new business venture and, in return, receives the rewards if it is successful. Entrepreneurs need to have a good understanding of their markets. They need to

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

### Types of business

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

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

The first two types have unlimited liability. This means that the owners personal money is at risk, as it can be taken to pay business debts. In a company, this liability for debt is limited to the amount each person has invested.

### Why protect ideas?

People protect ideas so that they can benefit from them. Registering prevent the idea from being copied by competitors and allows the creator of it to benefit. IP rights are registered as an asset to the business and have value. They help businesses to stay competitive. The right to use a concept can be licensed for a fee . this is how a franchise works.

### How to protect ideas

There are four main types of intellectual property rights.

- Patents are for new inventions such as products or processes used in industry
- Registered designs prevent competitors from copying the physical appearance of a product or part.
- Trade Marks distinguish goods and services from those of other traders and include distinctive logos, lettering, pictures or brand names and marks.
- 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, clothes and scarves have design protection and Harry Potter 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 get the benefit from them. They can register patents, trade marks and designs through the UK IPO. Copyright is an automatic right upon creation of the work.