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Intellectual Property is critical for startups

What is Intellectual Property? –

When entrepreneurs embark on that unique business idea, they have no doubt that there would be commercial success in the market. Their prime focus initially is how to actually start giving shape to their dream venture.

In the midst of numerous things that go into building a startup from scratch, the word ‘Intellectual Property’ (IP) is often not their priority considering their priorities.. And even if they consider IP protection, it seems too expensive a proposition for a startup to act on, which actually is a misconception.

But what entrepreneurs should remember is that assessing IP implications is not just about protecting the work you are doing, it is also to check if someone else has an IP for similar work elsewhere. Often, there could be others in different parts of the globe working on a similar idea, which you may not be even aware of.

Importance of IP protection

In today’s competitive and dynamic environment, IP can be a unique selling proposition (USP) of the product or service. It helps create a sustainable and defensible differentiator for the company.

By owning IP, a high entry barrier is created, thereby helping you to grow your venture faster with respect to your competitors’ offerings. Note - IP is always given high weightage by the investors and creates good value for your venture.

IP has, in fact, been identified as the key ingredient for startups across the world to get a competitive advantage in the market, according to the Startup Genome Project that aims to map, model and analyze what it takes to make startups tick.

IP assumes even greater significance for technology startups, where new innovations are being made every day. There is a huge brand value attached to IP, in the manufacturing, pharmaceutical and technology sectors. It gives

investors, clients, and other stakeholders a tremendous sense of confidence in your commitment and passion to not just succeed, but also become a market leader in your area of operation.

There are essentially three ways in which a startup (or any other organization) can protect its intellectual property (i.e., the idea or concept/ product/ process/ services, associated symbols, logos etc. that define the brand), namely:

1) Patents 2) Trademarks 3) Copyrights

IP is, in fact, an asset for its owner and has a commercial value attached to it. Remember the brand value of the company always has a top priority along with other assets of the company like employees, products, services, processes and machinery.

While startups are constrained by a paucity of funds when it comes to protecting IP, what is important is that they should still continuously work on identifying IP and at the same time consciously work on setting aside funds to protect their IP.

Since, international patents may prove to be expensive at this stage, a good start would be to apply for a domestic patent/trademark/copyright. As the company scales up, it can set aside a budget

for patent/trademark/copyright in the international market particular in the markets/countries where they want to expand their business. Failure to do so can affect the company's prospects to scale up in those countries.

It's not just at the startup stage that IP is important. Businesses are constantly reinventing and redefining themselves in today's day and age, where change is the only constant. This means greater focus on innovations, which in turn, means a greater need to protect IP.

The importance of IP cannot (and should not) be undermined by startups, and established companies alike, because of the long-term sustainable advantages it offers.

In order to protect the IP, it is important to contact the subject matter experts to guard your IP in this competitive market. A good lawyer will help you to get that protection by completing necessary formalities. It is also important to think ahead of the time and get that legal protection.

Our competent team at Astrea Legal would assist you in getting this legal protection not only in India but also outside India, wherever you intend to expand your business.

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