

# 'How-to' guide shows entrepreneurs how to protect their big ideas

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(PhysOrg.com) -- Successful entrepreneurs turn big ideas into successful business opportunities, but how should they protect those ideas? A new paper from North Carolina State University offers a "how-to" guide on intellectual property protection, laying out the options for budding entrepreneurs as they consider how to move forward.

"Entrepreneurs often come up with ideas that can be protected, and this article lays out the pros and cons of various intellectual-property protections," says Dr. Stephen Schanz, a teaching associate professor of management, [innovation](#) and entrepreneurship at NC State and the author of the article. "Furthermore, the paper urges entrepreneurs to weigh the time, cost and effort involved in pursuing various intellectual-property protections."

The three protections outlined in the paper are patents, trade secrets and copyrights. Patents apply to inventions and devices. Utility patents provide legal protection of the idea for 20 years, dating from when the patent application is filed. However, when the 20 years are up, the information becomes part of the public domain. Trade secrets also apply to inventions or devices, but are protected internally, meaning that there is very little in the way of public protection. The benefit is that the idea never enters the public domain, so it can remain secret in perpetuity - a good example of a trade secret is the formula for Coca-Cola. However, if anyone else figures it out, they can legally market it themselves.

The third type of protection is a copyright. Copyrights protect unique

expressions, such as music, art or design. These elements can be a significant component of marketable products, such as the sounds and images associated with popular video games.

"Determining which protections best suit your needs is not a 'one size fits all' scenario," Schanz says. "The options you may want to consider will vary over time." For example, he says, "entrepreneurs in a young start-up company with limited capital and resources may want to go the trade secret route until they ascertain how it fits in their business plan. But, if they have determined that the idea is valuable, they should also take steps to ensure that - eventually - it can be patented." Schanz explains that if an [entrepreneur](#) discusses the idea with outside parties who have not signed non-disclosure agreements, the idea may no longer be patentable - it will have entered public domain.

"If, over time, the start-up company has more resources available - and the concept is commercially viable - it may want to pursue a patent," Schanz says. "The important thing is for the entrepreneur to weigh the risks and benefits of various options and make an informed decision. This paper should help entrepreneurs do that."

More information: The paper, "Entrepreneurial Options for Protecting Intellectual Property," was published in the September issue of the *Entrepreneurial Business Law Journal*.

Source: North Carolina State University ([news](#) : [web](#))

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