

Avoid Intellectual Property Issues in Your Small Business

Keeping your business legal is an issue for all businesses, big and small.

“Businesses face a number of legal hurdles, from ensuring you properly register your business, report sales, income and wages, and make appropriate tax deposits, to following employment rules and regulations,” says (Insert name and title) of (Insert county). “Small-business owners understand that failure to follow all of these and other guidelines can mean serious consequences.”

Not only must businesses follow such regulations, but they also must use various laws and regulations for their own protection. A broad set of such regulations are those that help them protect their intellectual property.

Intellectual property laws can be found in areas such as patents, trademarks, copyright, trade dress or packaging, and trade names. These laws are there to protect your ideas from being usurped by another business.

Yet the other side of these laws seldom is discussed. However, more often than might be expected, businesses find themselves being investigated for violating such laws.

“Violation of intellectual property rights can happen easily if the business owner does not keep them in mind,” says Glenn Muske, the North Dakota State University Extension Service’s rural and agribusiness enterprise development specialist. “Often, the mistakes are unintentional, but the results can be devastating.”

Some examples of intellectual property problems include:

- Choosing a business name that is similar to one another company is using
- Selecting a logo that is similar to one already in use
- Not having a clear understanding of who owns a technology development
- Using photos, graphics and images found online
- Using written materials found online
- Buying and using a copyright as part of a product you produce
- Using music or videos for purposes other than the buyer’s private use

In the real world, businesses have had to change their name, their packaging or the music played in their store; discontinue making certain merchandise or modify that merchandise; and remove material considered in violation.

Typically, the first thing that will happen is you, as the business owner, is you will receive a letter asking you to discontinue the practice. If you fails to do this, the case perhaps will proceed to court or arbitration.

Why you, as a business owner, want to avoid such issues is the cost to you to defend yourself and any negative publicity. Even more so, violating these laws can mean fines or having to do a

complete redesign. This not only is costly, but it takes your company out of business for a period of time, while your competitors will be moving ahead.

The bottom line for your company is to use intellectual property laws to protect your resources and be careful to avoid using someone else's material in your business.

For help, contact your local Extension Service office at [insert phone number and email address]. Also visit NDSU's small-business support website at www.ag.ndsu.edu/smallbusiness and sign up for the monthly newsletter. Or check out Facebook at <https://www.facebook.com/NDSUextsmallbiz> or Twitter at @gmuske.

Other resources include <http://powerofbusiness.net> and www.eXtension.org/entrepreneurship. The Small Business Administration and its related organizations, such as the Small Business Development Centers and SCORE, also can be valuable resources.

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For more information, contact glenn.muske@ndsu.edu or call (701) 328-9718. You also can visit our website, www.ag.ndsu.edu/smallbusiness.