



Degree Program Business Administration

Course Of Intellectual Property Rights

Intellectual Property In Startups: From Legal Protection To Strategic Control

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INDEX:

Chapter 1: Intellectual Property as a Strategic Challenge for Startups

1.1 Background and Relevance of Intellectual Property for Startups

1.2 Research Objective and Research Questions

1.3 Methodology

1.4 Structure of the Thesis

Chapter 2: Intellectual Property Framework

2.1 Definition and Economic Role of Intellectual Property

2.2 What is Intellectual Property?

2.3 Patents

2.4 Copyright

2.5 Trade Secrets

2.6 Trademarks

2.7 Ownership and Allocation of Rights

Chapter 3: Intellectual Property in Early Stage Startups

3.1 Characteristics of Early Stage Startups

3.2 Resource Constraints and Time to Market Pressure

3.3 Common IP Management Mistakes

3.4 Strategic Trade-Offs: Protection vs Speed

3.5 Informal Protection Mechanisms: NDAs, Agreements, and Internal Governance

Chapter 4: Intellectual Property in Collaborative and Digital Environments

4.1 Open Innovation and Co-Creation

4.2 Digital Platforms and Distributed Teams

4.3 Opportunities: Scalability, Talent Aggregation, and Rapid Innovation

Chapter 5: ROVO Case Study

5.1 Context and Characteristics of Collaborative Platforms

5.2 Intellectual Property Challenges in Practice

5.3 Responding to a Trademark Infringement Claim: A Practical Startup Perspective

Chapter 6: Strategic Implications and Proposed Framework

6.1 Limitations of Current IP Systems for Startups

6.2 Strategic Guidelines for Founders

6.3 Implications for Digital Platforms

6.4 Implications for Investors

6.5 The Variables of Startup IP Strategy

6.6 A Stage-Based Decision Logic

6.7 From Legal Protection to Governance Design

Chapter 7: Conclusion

7.1 Summary of the Research Purpose

7.2 Main Findings

7.3 Startups Require an Adaptive IP Approach

7.4 Ownership Is Crucial

7.5 Speed Can Be Protective

7.6 Collaboration Shapes IP Management

7.7 Entrepreneurship Can Influence Law

7.8 Final Considerations

References

Chapter 1

Intellectual Property as a Strategic Challenge for Startups

Background and Relevance of Intellectual Property for Startups

Entrepreneurial ventures are now built around intangible value. Knowledge, software, branding, or novel ideas now constitute a company's primary assets.^[3] As a result, intellectual property has never been more important as it allows businesses to protect and commercialize what sets them apart.^[4] It is the legal tool that can turn an idea into shareable value. For startups, this concept has always been closely intertwined with business because they are built around creativity, problem solving, and scalability; for these reasons they have always leaned on intellectual property for survival.^[2]

At the same time, this relationship is often contradictory. On the one hand, startups should obviously protect their ideas, as they constantly seek to develop novel products and services. On the other hand, the early stages of a startup are rarely synonymous with legal diligence. Unlike large corporations, startups operate with limited resources and minimal formal infrastructure.^[2] In addition, many startups will pivot multiple times before arriving at a finalized product, often experimenting with ideas before considering how to protect them.^[23, 24] In this manner, intellectual property becomes more difficult to manage in organizations that lack resources.

Managing intellectual property is therefore as much a business question as it is a legal one. While protecting one's ideas can enable company growth, it also requires time, money, and legal expertise that many startups simply lack. This creates something of a question for early stage ventures: prioritize IP protection or remain agile and flexible. Not surprisingly, these decisions are difficult to navigate, often coming down to time, money, and strategy.^[7]

This trade off is central to this thesis: intellectual property for startups is not a matter of hoarding protections wherever possible. Instead, intellectual property becomes a strategic tool to be leveraged at opportune moments and through available means.^[4, 9] For startups, the question is less "Can we protect this?" and more "Should we protect this? And if so, how?"

A second contradiction exists between the requirements of intellectual property law and the reality of startup practice. Intellectual property law was designed with corporations in mind. Corporations have identifiable founders, formalized agreements, and dedicated staff. By contrast, startups often begin as

loose collections of conversations, meetings, and collaborators. Friends and freelance contractors may contribute ideas before incorporation. Agreements may be oral, vague, or nonexistent. While this already creates a murky environment for assigning authorship, startups have become even more collaborative over time.^[6]

We live in an increasingly digital and collaborative economy. Startups now frequently originate from hackathons, open-source projects, or contributions on collaborative platforms. Who actually owns an idea when hundreds of people have introduced improvements? Furthermore, startups must publicly demonstrate their work to secure investors and customers. The more exposed your innovation, the easier it is for competitors to steal it. Startups thus find themselves between a rock and a hard place: stay open and collaborative to lure potential talent, or secure your innovations from every angle.^[8, 15, 18]

Caught between these demands, current intellectual property frameworks only correspond to startup reality to a certain extent. Built for static organizations with well-defined barriers and legal budgets, traditional IP frameworks contrast with the agility and rapid development of startups.

This topic is both academically and practically significant. Academically, it asks the question: should intellectual property be considered a static legal concept, or a malleable strategic tool? Practically, it has implications for founders and collaborators, investors, and technology-mediated services. Founders and creators need to consider IP as part of company governance; that is, how a company will grow, who can govern it, and how it can be defended. Investors need to know how assets will be divided in order to assess risks. The scope of this issue further expands when applied to cooperative platforms. These platforms rely on interactions that can fuel innovation at the expense of ownership.^[6, 7, 8]

As such, this thesis posits that intellectual property in startups is fundamentally challenged by uncertainty, informality, collaboration, and time constraints. Rather than treat intellectual property as a static legal concern, this thesis treats it as a flexible strategy that must adapt to timing, organizational form, and startup context. Identifying this fluid approach to IP strategy is the thesis's central question.

Research Objective and Research Questions

This thesis aims to explore how startups manage intellectual property in the early stages of company formation. Characterized by uncertainty, scarcity of resources, and incomplete organization, early startup stages pose unique concerns for the protection of intellectual assets. Focusing on the tensions between protection and accessibility, this thesis research question concerns how startups choose to protect their intellectual property.

This thesis operates under the hypothesis that startup founders approach intellectual property differently than established firms. For startups, these decisions are less about legal liability and more about core strategies like time-to-market, experimentation, visibility, and team-building.[^{2, 7, 23, 24}] Consequently, this thesis will look beyond patents, copyrights, trademarks, and trade secrets. Instead, it will explore how intellectual property is managed on the ground.

Furthermore, this thesis concerns itself with how joint and digital environments challenge traditional notions of ownership and control. Innovation is increasingly being crowd sourced via distributed teams, informal know-how, and shared platforms.[^{8, 15, 18}] Thus, it is critical to understand if current structures are sufficient for these new practices.

The following research questions will be used to guide this thesis:

1. How do startups approach intellectual property protection during uncertain and resource constrained conditions?
2. What are common tradeoffs made between protecting innovation and prioritizing speed, flexibility, and market entry?
3. How do collaborative and digital environments impact ownership, contribution, and control with respect to intellectual assets?
4. Are traditional intellectual property structures and frameworks sufficient for modern startup creation?

These questions seek to bridge theory with practice. Rather than simply compiling a list of tools, this thesis aims to analyze how useful, realistic, and effective they are.

Methodology

This thesis will utilize qualitative analysis centered around theory building and case studies. The subject matter requires an interpretative framework. Rather than test the efficacy of intellectual property tools, this thesis seeks to understand their logic, limitations, and application within startups.

The first chapter details the primary forms of intellectual property that apply to startups. This includes patents, copyright, trade secrets, trademarks, and ownership schemes.

The second chapter applies these frameworks to early stage startups. Identifying common limitations associated with early startups, namely resource constraints, rapid prototyping, informal structure, and urgency to market. This chapter will set the stage for applying IP theory to real-world conditions.

The third chapter focuses on collaborative and digital settings. From open source innovation to distributed teams and platform produced ecosystems, this section highlights how these environments challenge conventional understandings of authorship.

Lastly, this thesis will focus on a case study of collaborative startup platforms. Serving as practical proof of the above concepts, this case study will show how intellectual property comes into question when many people can contribute to an innovation prior to the establishment of formal organization.

This methodology is suitable for the subject at hand because it exists at the junction of legal studies, strategy, entrepreneurship, and innovation management. Intellectual property is absolutely foundational to startup success but is rarely addressed in depth by entrepreneurs. A qualitative approach will allow for greater realism and nuance when examining how startups navigate intellectual property.

Structure of the Thesis

Chapter 1 introduces the reader to the topic and presents the thesis' structure.

Chapter 2 lays out the conceptual framework of intellectual property.

Chapter 3 analyzes intellectual property from the perspective of early-stage startups.

Chapter 4 analyzes intellectual property from the perspective of collaborative and digital environments.

Chapter 5 presents a case study on collaborative startups platforms.

Chapter 6 discusses implications of the presented information.

Chapter 7 concludes the thesis.

Chapter 2

Intellectual Property Framework

What is Intellectual Property?

Intellectual property is commonly described as “the legal rights that result from intellectual activity in the industrial, scientific, literary, and artistic fields”. [1]

Ideas, inventions, works of authorship, can have value, and the law provides tools for you to protect that value.

More than anything else, intellectual property rights exist because modern economies are fueled by intangible assets, indeed the most important assets a business owns are things you cannot physically touch: its software, data, algorithms, brand recognition, design, user experience, internal know-how, content. [3, 4, 31] When the startup raises money, it’s probably worth more than its servers and when it scales and grows its team, software and design are usually more valuable than any individual employee.

Intellectual property simply is what protects most of these assets and could also become an economic tool: creating something new is hard. It often requires research, money, know-how, and time. Once something new is created, however, it can be difficult to stop someone else from copying it. If I spend months building a product, another company may be able to analyze it on the shelf, study parts of its technology, and adapt its parts for their own product. By securing rights to a creative work, brand, invention, or design, innovators can theoretically prevent competitors from free riding on their efforts. [4, 31, 34]

Intellectual property rights try to balance these incentives. They grant companies exclusive control over their creations for limited periods of time. Given how competitive and fast-paced most industries are today, those periods can seem short. But they still provide tangible protection for firms that rely on intangible assets. And that’s why intellectual property rights exist, from an economist’s perspective: if I know I can protect my inventions or designs through law, I am more likely to spend money on R&D, design, and product development. By knowing I can stop others from using my creations, I am willing to take the risk of developing them in the first place. [3, 4, 31, 34]

Intellectual property isn't only about protecting your inventions, brand, or content after the fact but It can also shape your overall strategy. For example, you can use patents to threaten competitors. Copyrights to keep rivals away from your software. Trademarks to make your brand known. Trade secrets to conceal key processes from prying eyes. Whether you are trying to keep others out or get them to take notice, intellectual property is a tool you can use. For that reason, it is more useful to think of IP not simply as a means of legal protection, but also as a means of value appropriation. [⁴, ⁹, ¹⁰] Legal protections grant you exclusive control over your inventions but they also help you maintain that control.

Intellectual property not only protects the value you create, it gives you a say over who can appropriate that value months or years later. Value appropriation is particularly important for startups. After all, when you start a business you typically do not have many assets. Maybe you have a prototype or a website. True value is created when you develop your product, expand your team, and validate your business model. That process could take just a few weeks, even days. Which is why startups don't need abstract definitions of intellectual property. They need to know how it works, why it matters, and when it makes sense. [⁴, ⁷, ⁹]

You win by choosing the right weapons for your strategy.

Take patents and on paper, they grant you a formidable amount of control over your inventions but they're also costly to produce and in most markets, they last for a limited period of time. Will filing a patent be worth it? Often, yes. But should you file patents on every invention? Not necessarily. Trademarks are similarly powerful, but perhaps less expensive. Should you register a trademark for your brand? Most startups should. But what about copyright? Trade secrets? Domain names? Business strategy is always more complicated than bullet points allow. But when it comes to intellectual property, these tradeoffs matter. Intellectual property isn't the kind of thing you can think about once, then apply to every business decision you make. It's a framework that should guide your thinking as you plan, design, and build your company. When understood from this perspective, intellectual property is no longer an abstract legal concept. It becomes a series of strategic choices. [⁴, ⁷, ⁹, ¹⁰]

Patents

Patents are likely the most well-known type of intellectual property. They are probably what most people think of when they think of intellectual property. Legally speaking, a patent confers an exclusive right on its holder over an invention, in exchange for disclosing that invention to the public. [²⁹, ³³, ³⁴]

The invention must typically be new, non-obvious, and industrially applicable to be eligible for patent protection. [²⁹]

Patents sound great on paper: they're exclusive, they feel like control, they allow you to imagine locking down your innovation behind a solid legal barricade. But despite their prestige, patents might actually be the strongest example of why IP has to be strategic, not automatic. [⁴, ⁹, ¹⁰]

Firstly, a patent is not a prize for "being innovative." Patents are strictly limited to invention. If you do not have an invention, you cannot get a patent. That could be a huge problem. Startups innovate all the time in commercial, digital, organizational, and executive ways that don't necessarily produce patentable inventions. You may have a great platform idea. You may have a unique business model. You may have an instinct for a product that no one will copy. These could all be true, and that doesn't automatically mean you can file a patent and secondly, you can file a patent doesn't mean you should. [²⁹, ³³]

Patents take time and money. You need to describe the invention clearly and specifically. In most cases you'll need a lawyer to file a patent. Patent filings can take years and those are just the upfront costs. Once you have a granted patent, it is up to you to enforce it should someone infringe on it. [⁷, ¹¹, ²⁹]

You can spend thousands on a patent only to find out you have no basis to enforce it or you don't even know enough about your own product to determine who is infringing. Let's consider why: founders are often building products that they are simultaneously discovering how to use. Part of startup development is inventing the wheel yourself. It's hard to pin down the specifics of your invention when it might change weekly. Suddenly, the upfront time investment of a patent isn't looked at quite as favorably. And if IP has to be actionable to be meaningful, enforced patents require dedicated time and resources. This is the interesting trade-off with patents. On one hand, they can give you greater control. On the other, they can take away precious time and resources a startup may have nowhere to spare. [², ⁷, ¹¹]

To a large corporation, this might not be a problem. To a tiny startup trying to prove demand, hit the market fast, and stay afloat, that cost is significant. It really comes down to a tactical question. Will your business gain more value from exclusivity, or would you rather spend that time and money somewhere else? [⁷, ⁹, ¹⁰]

As mentioned before, patents require disclosure. A lot of people forget that, but when you file for a patent, you must describe your invention. The law allows you exclusivity in return for adding to public knowledge. Applied to startups, that means you could be laying out some of your technical logic for everyone to see. If you're not in a position to enforce your patent, that information could do more to help your competition than it does you. If that's the case, keeping your tech secret may be your best bet. [²⁹, ³², ³³]

Of course, patents can be and often are extremely valuable. In certain industries, patents are essential not just for protection but for legitimacy. Many investors in biotech, medtech, hardware, advanced software, and deep tech expect to see patents. They want to see patent portfolios. To them, patents are a sign you're serious, you can defend what you have, and you think about the long game. Here, patents do more than provide legal protection. They become part of your narrative with customers and investors. [⁵, ¹², ¹³, ¹⁴]

So again, patents are neither inherently essential nor should they be automatically ruled out. It depends on your situation. Patenting might not make sense for your startup. Especially if you're building a digital product. Time to market, execution, and network effects can be much more important than patenting an idea. But if you're operating in a market where patents are king, they can become a cornerstone of your company. [⁴, ⁹, ¹⁰, ¹¹]

Copyright

While patents are probably the most known form of intellectual property for startups, copyright is often the quietest. That isn't to say it isn't important, in fact it may be the most important piece of IP in your business if you're doing anything digital. Copyright is a form of protection granted to the authors of original works of authorship including, but not limited to software code, written prose, graphics, videos, interfaces, documentation and practically any other creative medium you can think of. [²⁹, ³⁵]

Importantly, it doesn't need to be registered in most jurisdictions to exist. This differentiates it from patents, which require formal registration to be granted at all. Copyright applies as soon as you create something original. So it applies to startup founders just as soon as they start writing code or designing content. Many startups don't start with something that is inherently patentable. They start with a prototype, a website, or some code. All of these can have significant value and more importantly, many of them are covered, at least in part, by copyright. By the time you notice this probably copyright is playing a role in your legal protection. [²⁹, ³⁵]

While copyright can extend to any original work of authorship, there are limits.

Copyright does not protect an idea itself, merely the way it is expressed and this is crucial. You may conceive of a platform, the logic of a marketplace, a business model applied to digital service or any number of concepts. Ideas alone are not protected by copyright. What is protected is how those ideas are expressed concretely. The code you write, the visuals you design, the content you create. That doesn't mean copying won't occur, It just means that copyright won't stop it from happening based solely on the concept itself. [²⁹, ³⁵]

In many cases it can help you maintain ownership of whatever specific output your startup produces. But copyright cannot completely solve the problem of someone coming along and creating their own competing output. It's the difference between legal protection and competitive defensibility. The distinction is incredibly important for software startups. After all, code is almost exclusively protected by copyright. But that protection covers the specific code a developer writes. It does not apply to the broader idea of what that code does. If someone comes along and writes their own code that does the same thing, that's not copyright infringement. Once again: copyright is important. But the chances that it works as a true moat by itself are slim. [²⁹, ³⁵]

Another interesting aspect of copyright comes in how it applies to the startup environment. Because copyright is inherently attached to authors of original content, a question that comes up very frequently is who owns what. If you pay a freelance developer to write code, who does it belong to? What about a designer contracting to build out your brand assets? Do those rights automatically belong to the company? What if you have several people who casually work on content, design, and product materials without formal oversight? Who owns what? [⁷, ²⁹]

The conflict between theory and practice is very noticeable in this case. On paper, copyright gives a pretty clear answer. In reality, startups often create a lot of valuable content and assets under messy conditions. People write code, develop brands, and build content before thinking about who owns what. You wouldn't build a house that way. But it happens time and time again in startups. Which is why copyright is more applicable than you might think. Yes it protects the things you create. But because of how unclear ownership can be in a startup setting, it can also present significant risks. If you're unsure who owns what, your intellectual property portfolio is only as strong as your weakest link. When operating a digital business, chances are your core assets will include some mix of software, content, and/or design. Protecting that content isn't mandatory but if you understand what copyright does and doesn't do, you can make sure it works on your behalf. [⁷, ²⁹, ³⁵]

Trade Secrets

Trade secrets cover information that derives value from secrecy. Formulas, internal processes, algorithms, business methodologies, customer lists, pricing logic, data strategy, operating know-how, all can in fact be trade secrets. Unlike patents, trade secrets require neither disclosure nor registration nor approval. The key is that the information is truly unknown to the outside world, and that the firm has invested in keeping it secret. [²⁹, ³⁰, ³²]

The implications for startups are huge. Trade secrets can be far cheaper, faster, and more flexible than registration based intellectual property protection. In cases where a startup's core advantage is really about how it operates, maintaining secrecy may be one of the most practical ways to ensure

protection. For digital and platform businesses, this is extremely common. Much of the advantage lies not in any single patentable invention but in the startup's internal logic, workflow design, insight into users, methodology for making recommendations, or accumulated know-how. [⁴, ⁹, ¹⁰, ³²]

Trade secrets are appealing because they seem easy. The startup doesn't have to file an expensive application. It doesn't have to publicly disclose anything about how it operates. It simply has to try to maintain control of proprietary knowledge. In theory, this is the dream for entrepreneurs in the seed and early stages. But, as usual, the reality is messier. [⁷, ³⁰, ³²]

Trade secrets are valuable only if the information is truly secret. If someone publishes it, leaks it, or makes it easily guessable, the secret disappears. For that reason, trade secret protection is highly dependent on organizational issues. Confidentiality clauses become important. Internal awareness and some structure can be critical. Maintaining secrecy can be extremely difficult in a startup's early days. Ideas often need to be discussed with people outside the company and the whole team needs to be aligned. Everyone needs to understand the secret. [⁷, ³⁰, ³²]

At the same time, this is when startups need to talk to the world: they need to pitch to investors, recruit people, validate ideas and generate momentum. In short, the more startups share, the more visible they become. Yet that visibility is antithetical to secrecy. It's one of the reasons why you can't rely solely on trade secrets. To truly maintain them, startups must act accordingly. This, again, is why startup IP is never just a legal topic. Organizations that lack discipline around confidentiality will struggle to maintain trade secrets. This is part of why trade secrets are a great example of startup IP broadly. [⁷, ³⁰, ³²]

Trade secrets also point to another reality. As mentioned throughout this thesis, what matters in a startup may not be any single piece of intellectual property. It may actually be a collection of secrets. Competitive advantage often comes from what a team learns as opposed to what it originally invents. It may come from heuristics on solving problems, serving users, scaling operations, or leveraging internal data. Trade secrets can protect this knowledge. But that knowledge can also be extremely fragile. If it only exists in the mind of a couple of employees, rather than in the systems and structures of the company, then leaks will happen and the startup will be left exposed. [³, ⁹, ³²]

Trademarks

Trademarks protect signs that allow a project to be recognized within commerce. Names, logos, slogans or other symbols. The concept is straightforward: trademarks don't protect an invention or creative content. They protect commercial identity. Trademarks ensure buyers know who they are buying from. It's not quite as interesting as patents, I know. But hear me out. [²⁹, ³¹]

Trademarks are actually more applicable to startups than you might realize. Often, a startup is known before it is established. The product isn't finished being developed. But it has a name, an online presence, an image in the mind of its first users. For many startups, their commercial identity ends up being one of the first assets they actually have. In the world of digital businesses, marketplaces, consumer platforms, and community projects; trademarks are incredibly important. Recognition is important. That startup may not have a patentable invention just yet, but it probably has an identity that it can begin protecting. If that identity is not protected, then the startup may find itself suffering from confusion, imitation, or conflict down the line. [⁴, ²⁹, ³¹]

Trademarks represent another side of IP that people often forget about. Not all IP is about preventing others from stealing the way something functions. Sometimes, IP is about preventing others from stealing your recognition. Brands represent credibility. They can represent trust. They can come to hold symbolic value with users. For a startup looking to make a name for itself in an online world filled with loud competitors, that can be critical. [⁴, ³¹]

While patents and trademarks can sometimes serve similar functions. Trademarks actually align with startups almost better than patents do in many ways. Firstly, startups need to be seen. They need to be found. They need people to remember their name and attach that name to something concrete. Patents primarily protect by limiting visibility into the technical logic of your invention. Trademarks protect a different type of logic. They allow you, and only you, to own your brand identity by ensuring others can't use the same or a similar identifier for their own products. [⁴, ²⁹, ³¹]

That doesn't mean that trademarks are the answer to all of a startup's problems. They won't protect your product logic, your know-how, or even the mechanics of your business model. Their purpose and scope simply differs. But trademarks can be some of the most valuable, practical forms of IP for startups. They can quickly go from being a legal afterthought, to being something that's closely tied to your growth, market entry strategy, and positioning for years to come. For startups, registering a brand can be less about legal formalities and more about protecting the place you hold in the minds of your users, partners, and investors. And when attention is a scarce commodity, that can be worth protecting. [⁴, ²⁹, ³¹]

Ownership and Allocation of Rights

Ownership is where the rubber meets the road of intellectual property. A startup might have code that can be sold, a brand name, know-how, designs, but if it is not clear who actually owns the legal rights to those assets, they become a weaker form of strategic value. For that reason, ownership is one of the most important aspects of intellectual property. [⁷, ²⁹]

On paper, the law is clear. The author of a work generally owns copyright. The inventor owns initial patent rights. Confidential information belongs to the company, if the company has taken the right steps to create and protect it. In traditional company environments, questions like these are often clarified up front through employment agreements, assignment clauses, and company policies. [⁷, ²⁹, ³⁰]

Startup reality is often less tidy. Many startups exist before there even is a “company.” A founder might collaborate with a friend, or freelancer, or part-time designer, or college partner. The first prototype may be drafted before anyone even signs an agreement. The company name may be chosen casually. The pitch deck might be crowdsourced. The product logic might be hammered out through conversation, suggestions, and just tinkering around. In these situations, the question of “who owns what?” is often messier than it seems. [⁶, ⁷]

And that is why one of the main premises of this thesis is true: in many startup situations, ownership is gradual, rather than binary. Our legal system likes to think in terms of clear authorship and clear assignment. Startup creation more often happens through collaborative contribution. One person comes up with the idea. Then another improves upon it. Then another helps build the prototype. Another works on the interface. Another comes up with the business model. When the parties finally decide to formalize things, the value of the company does not come from one document or one transaction. It comes from layers of input. Ownership is still possible in these scenarios. Clear legal ownership can still be created. But it often comes at the back end of the creative process, long after value was actually created. And that leaves openings for risk. [⁶, ⁷, ²⁹]

If it is not clear who owns what, disputes within the organization are more likely. Investors will be more cautious, due diligence questions will arise. The startup may even find too late that the key assets of the business are not actually owned by the business. [⁶, ⁷, ¹¹]

For those reasons, ownership is not a merely technical issue on the periphery of intellectual property. In many ways, it is the threshold question that makes the rest of the system function. Without clear ownership of assets, even the strongest rights on paper are a weaker form of value in practice. This is why formal agreements matter, even in the earliest stages of a startup. Founder agreements, IP assignment clauses in employee contracts, freelancer agreements, NDAs, internal policies, and company documents are not merely legal chores to get in the way of building a company. They are the method by which informal contributions become value firmly controlled by the company. [⁷, ²⁹, ³⁰]

Startups may delay these things because they want to be “lean” or “move fast.” But that’s the point of the risk: moving fast without these structures is also what leaves the company’s most valuable assets exposed. This concept will become important later in the thesis. But for now, consider how this

applies in collaborative environments. Or, more specifically, digital environments. Where contributions can become even more fluid, and the gap between creation and legal ownership can become even greater. That is part of why our current IP system regularly feels like it was only partially designed for startups. [⁶, ⁷, ²³, ²⁴]

Chapter 3

Intellectual Property in Early Stage Startups

Characteristics of Early Stage Startups

Before diving into intellectual property issues faced by startups, we must first frame what makes startups different from other types of firms. It is not simply a matter of size, a startup is not a smaller-version of a big company. A startup is a business or pre-business project operating under conditions of uncertainty, experimentation and fluidity. [2, 23, 24, 25]

This distinction is critical: our intellectual property system works better in stable environments than novel ones. Startups, especially in their early stages, are characterized by a few key traits: uncertainty, dynamism, and speed. [2, 7, 27, 28]

First, there is unknown risk. A startup may not yet know if there is a real problem to be solved. It may not yet know that people are willing to pay for a solution. It may build something that doesn't work in practice. Or it may discover that while the product works, the business model does not scale. Indeed, sometimes the startup doesn't quite know what it is because founders are making iterative changes based on market feedback. [23, 24]

Regardless of the case, there is tremendous uncertainty around value: what the company builds, whether the product meets real customer needs, and ultimately whether the entire venture is worth pursuing. When core business questions remain uncertain, so do many intellectual property decisions. [2, 7, 27, 28]

Second, early-stage startups have not yet formed a complete organization. There may not be an internal legal counsel, repeatable processes, clearly established roles, or robust corporate governance. Instead, a startup may just be a few people getting coffee or working on virtual slack channels around an idea. There may be multiple founders. There are likely friends, freelancers, advisors, and collaborators. Roles may overlap, people may do things before their "title" is officially recognized. Formal agreements may lag reality. This fluidity runs counter to how our intellectual property system was designed. Much of our intellectual property law assumes business organizations are stable, with well-defined legal relationships to other parties. [7, 29, 30]

Third, startups are fast. There is tremendous value in speed. Especially for startups, it is often not enough to simply build something valuable: startups can be judged by how fast they can iterate, test,

launch, and grow. If a competitor moves faster, launches first, or crosses the chasm before a startup, the latter could lose significant first-mover advantage, or never build a customer base large enough to survive. Founders feel this pressure. They know they need to prioritize what matters to keep the startup advancing. Too often, building out legal formalities is not the top priority, it is something to come later. [²³, ²⁴]

These characteristics pose fundamental differences between intellectual property at startups versus intellectual property at large firms. Big firms may leverage intellectual property as one part of an expected-longevity strategy, supported by legal teams and steady R&D budgets. For startups, the intellectual property question is often more immediate: what matters trying to protect now, and what would be too expensive, too early, or too cumbersome? This already leads to one of the thesis' main points: Intellectual Property at startups is a strategic decision as much as it is a legal one. [⁴, ⁷, ⁹, ¹⁰]

Within big companies, decisions to protect intellectual assets can fall into a regular organizational process. Within a startup, the decision to protect intellectual assets competes directly with the decision to burn cash, pivot, or preserve team morale. Founders are making IP decisions while building a product, user acquisition, fundraising, and simply keeping the company afloat. Early-stage startups also face the condition that value creation is still in-process rather than fully realized in a completed asset. A large corporation may have well-established patents, brands, or internal trade secrets. A nascent startup often has something less tangible. At the highest levels, its most valuable asset could be the direction of the company. Maybe it's a unique concept, a prototype, or an early-stage combination of technology, market-need, and execution talent. [², ⁷, ²³, ²⁴]

This presents challenges in intellectual property. If something is hard to define, it is hard to protect. For this reason, startup episodes highlight a larger issue with how our intellectual property laws were constructed. Our legal system works best when the thing being protected is completed, identifiable, and attributable. Startup experience can be the opposite. The product is constantly evolving. The team is growing and roles are changing. Early efforts to build something might come from outside contractors. Because of these conditions, Sections 1-3 focus on more than just intellectual property rights. They focus on the surrounding conditions that determine why and how startups may forgo, delay, reinterpret, or ignore their rights. [², ⁷, ²⁹]

Resource Constraints and Time to Market Pressure

This leads to one of the most fundamental reasons intellectual property operates differently for startups: scarcity.

Startups tend to have little money, little legal support, little time, and little organizational bandwidth. Constraints don't invalidate intellectual property. Instead, they make intellectual property more

difficult to manage. Founders must choose how to allocate their scarce resources at every moment. In a vacuum, it makes sense to protect intellectual property. If a startup is creating something valuable, it stands to benefit from clear ownership and reduced risk of copying. Once those decisions enter the real world, every protection effort carries an opportunity cost. Trademark registrations, patent filings, founder agreements, contractor assignments, confidentiality protocols, and lawyer consultations all cost money and demand attention. [², ⁷, ¹¹, ²⁹]

For startups burning through a limited seed investment, those costs aren't theoretical. They are tangible commitments that compete with product building, marketing, hiring, and customer acquisition. This creates a mindset in which many early-stage founders choose execution over formal protection. At times, founders might truly be undervaluing intellectual property's importance. More often, they are forced to prioritize. If founders must choose between paying a lawyer to structure an arrangement or paying an engineer to finish a product milestone, many startups will do the latter. [²³, ²⁴, ²⁷]

If founders must choose between spending money on formal protection or beating competitors to market, some startups will choose speed. Here, founders are not ignoring intellectual property, but reacting to trade-offs. Resource scarcity is compounded by another rude truth about startups: time. When trying to establish a new business, a startup may only have months before it runs out of cash, needs traction, or requires additional investment. Those milestones force founders to move fast. Speed often becomes a strategy: being first to market, first to learn, or simply fast enough to survive. Especially in digital industries, speed can overpower formal legal protections. If it matures quicker than competitors, a startup may care less about who is "right" on intellectual property issues and more about executing fast. It may decide that user growth and product iteration are more valuable than months of spending & negotiation to formalize rights that may not matter later anyway. [², ⁴, ⁹, ²³, ²⁴]

That isn't to say entrepreneurs should never pursue legal protection for their businesses. It means that entrepreneurs must balance formal protection against what they are giving up in the meantime. Every IP decision requires time, money, and human effort. All of those resources are precious and politically allocated in startups. To spend on one use is to forgo another. This ties into the first major thesis concept: There is strategy in IP decisions, whether explicit or by omission. Instead of asking whether protection from a legal standpoint is good or bad, examine whether it is worth spending resources on compared to other priorities. [⁴, ⁷, ⁹]

Delaying protection, however, is not always a sign of bold strategy. In many cases, it amounts to kicking the can down road. Not filing an assignment today means vulnerability if a departing contractor later claims IP ownership. Not registering a trademark early means risk if the brand becomes successful later. Not formalizing agreements between founders means risk if the relationship

sours later. In other words, scarcity doesn't eliminate the need for intellectual property, it heightens the risk of not getting it right. [⁷, ²⁹, ³⁰]

Nor does time-to-market pressure only influence whether startups seek IP protection. It can also influence what type of protection they seek. Founders might perceive patents as too lengthy or costly for early stage technology companies. Copyright, confidentiality, or trademark registration might strike founders as more accessible options. In some instances, startups may forgo typical legal tools in lieu of alternative sources of defensibility. Rapid growth, network effects, proprietary data, customer intimacy, internal secrecy, brand recognition, or other competitive advantages can substitute for formal protections. [³, ⁴, ⁹, ¹⁰]

Competitive advantages are not divorced from conversations about intellectual property. Instead, they often become how startups think about appropriating value when law can't help or takes too long to help. There is a psychological element to startup urgency as well. Startup founders do not live in a world removed from their businesses. In many ways, they live inside it. When running a startup, lawyers do not represent "the law." They represent another item on the founder's plate. Meetings mean less free time building products. Instead of experiencing their startups from the outside looking in, founders experience them from the inside out. Everything is connected. Legal risk may be one spoke on a wheel of immediate concerns that include product, users, growth, fundraising, and more. Understanding this helps explain why entrepreneurs do not typically fail to protect their IP because they think it is unimportant. They fail to protect it because building a startup is constantly shuffling priorities until IP is pushed to the background. Until it becomes too late. Any intellectual property framework that fails to acknowledge startups' resource constraints and time-to-market pressures is overlooking critical factors. Foundups do not decide on intellectual property protection in a vacuum. They decide under pressure. And that pressure distorts rationality itself. [², ⁷, ²³, ²⁴]

Common IP Management Mistakes

Due to their uncertain environment and informal work settings, limited resources and high uncertainty, startups are prone to making mistakes when it comes to intellectual property. Most mistakes are not malicious or born purely out of negligence. In many cases they are simply the result of companies outgrowing their legal structure faster than they can organize themselves. Unfortunately, what might seem inconsequential in the short term can come at enormous costs down the line. Below are five of the most common mistakes we see startups make when it comes to intellectual property. [⁷, ²⁹]

Contribution equals company ownership. Many founders assume that if someone builds something for the startup then the startup automatically owns it. Legally speaking, this isn't always the case.

Whether it's a freelance developer writing code, an outside designer building branding materials, or another informal collaborator developing content or product prototypes – if there is not an assignment, the startup might find itself using an asset every day that it doesn't fully own. [⁷, ²⁹]

Delaying founder agreements. It's not unusual for startup teams to begin working together out of nothing more than shared enthusiasm, friendship, trust or ambition. That can be a very strong foundation for a company, but it can also breed blind spots. Avoid having ownership disagreements later on by discussing ownership stakes, roles and responsibilities as well as future scenarios and expectations early on. If not, the startup might find itself embroiled in disputes over equity, contribution, or control down the line. Because intellectual property is tightly linked to questions of who developed what, IP is especially sensitive in these situations. [⁷, ²⁹, ³⁰]

Neglecting trademarks. A similar trap concerns neglecting to protect a startup's name or brand identity. Many companies focus too much on product and too little on protecting the logo or brand identity they plan to use, especially in the earliest stages. This might make sense initially but could lead to issues down the road. As soon as a startup gains traction, the brand can become one of its most valuable assets. If that asset is not protected, difficult conflicts may arise exactly when the business starts gaining market recognition. For founders, being open about their ideas is a necessity. [⁴, ²⁹, ³¹]

Over-sharing on trade secrets. Startups founders often talk openly about product logics, internal workflows, roadmap choices, or partnership strategies. This is understandable especially when pitching the company, networking, recruiting new talent or testing new ideas. But startups should be careful about how much information they reveal. Some openness is necessary in startup ecosystems, but too much openness can compromise secrecy-based protection. An IP trade secret is only a secret if the company can prove that it took reasonable steps to keep it secret. Startups sometimes feel like they are doing this while acting in ways that make it difficult, if not impossible, to claim that secrecy was maintained. [⁷, ³⁰, ³²]

Confusing patents with protective trademarks. It's natural for founders to assume that their business is innovative, and therefore should be automatically patentable. But not every potentially valuable startup asset can or should be protected by patents. The startup's real competitive advantage might not even relate to the intellectual property. Perhaps it's faster to market, has a strong brand, access to user data, or operational know-how. If founders misunderstand where their value really comes from, they might end up misallocating resources in an attempt to protect their company. [⁴, ⁹, ¹⁰, ²⁹]

Treating IP as a “We'll cross that bridge later” issue. All of the mistakes described above tie into a larger one. Many startups tend to treat intellectual property as something they will get around to addressing later. For busy entrepreneurs, “later” can become a black hole for important but not yet

urgent issues. The issue with IP though is that it often doesn't become urgent until the startup is already exposed. A fundraising round, cofounder disagreement, contractor departure, branding conflict or partnership negotiation can quickly reveal holes in a startup's IP protections. [^{7, 11, 12, 13, 14}]

Again, these mistakes highlight the tension between legal theory and startup practice. Ideally, startup owners would sign documents proving ownership, take precautions to keep secrets secret, file for trademark protection, and clear ambiguities over contribution as they hire new talent or enter partnerships. But when does a startup have the time? The pace of startups makes this ideal especially difficult to attain. Founders aren't necessarily incented to spend time organizing what they can be spending time building. Rather than simply being irrational, startups tend to embrace motion at the cost of order. However, it would be too simple to paint these mistakes as mere errors of commission. They also speak to a deeper incompatibility between traditional IP logic and the realities of startup life. For most startups, organizing your intellectual property around legal timelines and frameworks is the exception, not the rule. [^{2, 7, 23, 24}]

Strategic Trade-Offs: Protection vs Speed

Of all the tensions that define IP for startups, the trade-off between protection and speed is probably the core one. It is also where the startup perspective diverges most obviously from a strictly legal framework. Through legal lenses, protecting key assets against competitors clearly looks desirable. Through startup lenses, the question is more nuanced. Not whether protection is important, but if and when it is more important than speed. Speed has a special role in startup logic. To survive and thrive, startups need to learn quickly faster than rivals, test quickly before assumptions are disproven and scale quickly before running out of funds. Speed is not just about reaching operational efficiency. [^{2, 23, 24}]

In many industries, it is also about seizing strategic position. By moving early, a startup can capture feedback, recognition, investor interest, and potentially first-mover advantage. In certain contexts, that momentum can be more valuable than formal protection, particularly where imitation is easier than follow-on execution. That's exactly why some founders think in terms of "shoot first, ask questions later." They may not think about it in legal terms, but their approach implies a ranking of priorities. In cases where founders prioritize speed over protection, that hierarchy looks like this: build, then worry. This can be a rational approach. Often startups don't know exactly what they're building. They may iterate significantly on their product or pivot on their business model. File too early and you could spend money and effort protecting something that changes later. Even if you get it right on the first try, formalization can suck time and resources from a project before you know which assets will be core. [^{4, 7, 9, 23, 24}]

However, speed isn't always the answer. It can give a startup advantage, but it can also leave a startup exposed. Too fast without clarifying who owns what, without keeping records of contributions, or without protecting at least your most public-facing assets, and you could be building your company on top of quicksand. Crowds of users come faster than you think, but legal claims can take much longer to assemble. A startup growing quickly with an unclear IP position might look healthy from the outside, but could be legally vulnerable internally. [⁷, ²⁹, ³⁰]

That is why I don't think the fundamental trade-off is quite between law and business. It's simpler than that. It's protection vs. speed. Building further on what I explained in the previous section, protecting value is fundamentally about reducing uncertainty. It creates legal clarity, stability, and control. Startup growth often involves doing the opposite. Sharing your idea with customers, experimenting to find product-market fit, and changing your position based on what you learn. Part of what makes a successful startup is discovering what works. That often requires putting your ideas out in public. Speed and experimentation often conflict with protection. They are not necessarily incompatible, but they don't naturally happen on the same timescale. This ties back to the tension between visibility and protection I discussed above. [², ⁴, ⁹, ²³, ²⁴]

Startups often need to tell people about their ideas in order to grow. To raise money, they need pitch. To hire, they need to publish job descriptions. To find the right partners, they need to network. Early employees will often need to be brought on before details are finalized. Startups need users, so they need to be discoverable. The more exposure a startup gets, the more potential growth. But the more exposure it also risks losing control. This is especially true online. Ideas spread fast on the internet. Being findable by users is encoded into the product of many internet businesses. It is literally how companies like Google and Facebook make money. Startups thus face a recurring choice. Stay quiet and protect themselves but potentially stunt growth. Or lean into visibility, grow, but risk losing control. [⁶, ⁸, ¹⁵, ¹⁸]

Founders are not usually choosing between two black and white options. They are balancing these two choices, which are each shades of gray. Should you file now or wait? Share enough details to bring people onboard, but not so much that your value proposition is easily replicated. Spend money on lawyers to structure your IP, but don't let legal questions slow down product development. Keep your identity ambiguous at first, but file soon enough that you don't lose control of your brand later. Note that these are not just "legal" decisions. There is no right answer until you factor in the specifics of your situation. Industry, product type, fundraising status, and ambition all affect what "good enough" IP strategy looks like. [⁴, ⁷, ⁹, ¹⁰]

This is part of why I don't think about IP for startups in terms of optimal protection. There is no single level of protection that is "ideal" for all scenarios. Instead, what matters is how well your legal

strategy aligns with the rest of your startup. In technology-driven businesses based around novel inventions, strong legal protection might be appropriate from day one. But in platform businesses, consumer brands, and industries where scaling is prioritized over perfection, speed, name recognition, and execution can act as effective protection in lieu of formal rights. Lawyers love to talk about risks, but startups take risks all day. The key insight here isn't that protection is unimportant. It's that all decisions about IP should be weighed against the startup's larger goals. [⁴, ⁹, ¹⁰, ²³, ²⁴]

Because of this, I argue that the default way of thinking about IP in startups should be fluid, not fixed. While your startup is young and hesitating between ideas, locking down key assets might make perfect business sense. Once you've picked a direction and begin growing at scale, constantly seeking new ways to protect yourself could become a bottleneck. This fluid viewpoint will be helpful later when I lay out my decision framework for startup IP management. [⁴, ⁷, ⁹]

Informal Protection Mechanisms: NDAs, Agreements, and Internal Governance

Early-stage startups often cannot implement full formal protection right away. Patents take time. Trademarks require selection. Legal structures need to be built. But just because a startup lacks these things from day one doesn't mean they are left completely unprotected. There are informal and semi-formal methods of decreasing risk, setting expectations, and protecting important assets from the very beginning. [⁷, ²⁹, ³⁰]

One example would be a standard non-disclosure agreement, or NDA. Confidential information can often be protected by contractually limiting the recipient's ability to use or disclose it. Entrepreneurs commonly use NDAs when talking to developers, partners, advisors, and potential collaborators. In these scenarios, an NDA can provide comfort, signal credibility, and formalize a mutual expectation of privacy. [⁷, ³⁰, ³²]

NDAs can have their drawbacks. Depending on the context, they may be overly broad, unenforceable, or even rude. Many investors will not sign NDAs before listening to a pitch. Requesting confidentiality too soon can even impede relationship formation. NDAs shouldn't be viewed as a silver bullet; they are great for some situations but unenforceable or diplomatic nightmares in others. [⁷, ³⁰, ³²]

Even Founder agreements are often more valuable. If a startup begins with two or more founders, an early agreement outlining each founder's role, ownership percentage, responsibilities, and decision-making rights can be immensely helpful. For intellectual property, this is particularly useful. More times than not, founder disagreements turn into arguments over who built what. While a founders' agreement can't prevent every future dispute, it can help define how ownership and contributions are interpreted. [⁷, ²⁹]

IP assignment agreements are useful as well. Any time work is created by people outside of the founders, those people should be asked to assign their work to the startup where possible. Developers, designers, consultants, contractors, future employees, etc. should transfer their work to the company. This goes for large assets like software platforms or logos, but also code, written content, pitch decks, designs, contracts, emails, consulting notes – anything of value. In digital startups, IP assignment is critical to early stages because outside contributions can comprise a significant portion of future company value. [⁷, ²⁹, ³⁵]

Other measures like internal governance play a role too. It won't replace formal registrations or assignments, but having order within the founding team can prevent misunderstandings when the company is small. Formal governance isn't required – especially not yet. Simple things like documenting who worked on what, controlling access to sensitive files, setting communication standards, and keeping records of product evolution can reduce risk. [⁷, ²⁹, ³⁰]

Separately, each of these tools might seem insignificant. But each one represents an area where a founder can protect themselves against unnecessary ambiguity. While waiting for formal protection to come online, these methods provide a makeshift layer of security. They aren't as strong as full legal protection, but more robust than trusting alone. [⁷, ²⁹, ³⁰]

These tools also illustrate that intellectual property management starts long before an entrepreneur files their first patent application or trademark request. Founders begin managing their IP rights when they make everyday decisions about what information to share, who owns what, who they bring into the company, and how they document collaboration. [⁷, ²⁹, ³⁰]

Trust is important in the early stages of a startup. But trusting too much is not a strategy. Intellectual property theft, legal rights, and future company valuation are legitimate concerns. A startup can be both relationship-oriented and flexible while still having clear definitions of who owns what. In many ways, small amounts of structure enable agility. By establishing ownership and confidentiality upfront, founders allow themselves to be more aggressive in the future because they aren't exposed to as much risk of conflict, ambiguity, or legal exposure. [⁷, ²⁹, ³⁰]

This is especially true in highly collaborative digital businesses. When contributions are less tangible and exposure is greater, waiting to care about legal rights until formal protection is available may leave a startup vulnerable. These lightweight but proactive protection measures should be considered part of a startup's IP strategy from day one. [⁶, ⁷, ²⁹]

Chapter 4

Intellectual Property in Collaborative and Digital Environments

Open Innovation and Co-Creation

A fundamental premise of this thesis is that innovation in the modern age is less likely to occur in closed contexts. Traditional conceptions of the innovative firm assume that great ideas can be generated at home inside the firm, developed exclusively within “organizational boundaries”, and then protected and commercialized by a single actor. [⁸, ¹⁵, ¹⁶]

While closed innovation may still be prevalent in some contexts, it fails to explain how ideas come together in the real world. An increasing percentage of innovation is created through relations, rather than apart from them. Startups, especially digital startups, often originate from ecosystems like communities, universities, incubators, hackathons, online networks, accelerators, and platforms. Ideas do not always originate with one founder, nor develop secretly among a small team of employees. Instead, they are discussed, iterated upon, and fleshed out through exchanges; conversations; feedback loops; external contributions; and experimentation across different actors. This is the general principle behind what has been called open innovation. [⁸, ¹⁵, ¹⁸, ¹⁹]

Open innovation challenges the myth that valuable ideas can only come from within firms. Instead, it recognizes that useful knowledge is spread across networks of actors, communities, and organizations. Whereas closed innovation suggests startups need every skill and competency in-house from day one, open innovation suggests a startup can ask experts for input, collaborate with others, test ideas with whole communities, and accelerate their development. [¹⁵, ¹⁶, ¹⁸]

In practice, the term open innovation is often used interchangeably with another term: co-creation. Co-creation highlights the interactive nature of value creation. For startups, co-creation can occur between founders, developers, designers, early customers, mentors, advisors, and external contributors. Instead of a single actor “inventing” something on their own and simply delivering it to customers, products might emerge from a series of interactions with layered contributions. Digital technologies make this easier than ever. Feedback is instantaneous. Teams can be fluid. And participants need not be bound by traditional employment or geographic ties. [⁶, ⁸, ¹⁸, ²¹]

From a commercial standpoint, this model obviously has many benefits. It can accelerate time to market, improve products, grant access to new skills, and make the innovation process more responsive to change. Many celebrate startups specifically because they have become so adaptable.

They are capable of learning quickly and building through iteration. Openness and co-creation are natural extensions of this logic. They allow lean ventures to amplify what they are able to do by leveraging external contributors. [⁸, ¹⁵, ¹⁸, ²¹, ²²]

The problem is that openness also conflicts with another core assumption about the innovative firm: that it can always clearly define what it owns. If innovation becomes collaborative, collective, and open, questions about authorship and ownership become more complicated. There is fuzziness around who owns what and why. [⁶, ⁷, ⁸]

Again, startups are particularly good at illustrating this. Ownership in startup environments is often a gradient, not a binary. Open innovation and co-creation make this even more pronounced. When output is not the result of a single act of creation, but a series of partial investments, it becomes harder to point to any one “moment of invention.” Person A might come up with the original idea to solve problem X. Person B might come up with the technical implementation. When new products and services emerge gradually through interaction, strong IP frameworks built around singular moments of creation struggle to adequately define ownership. That is not to say open innovation or co-creation are impossible within the current intellectual property regime. Instead, openness changes the way intellectual property works. [⁶, ⁷, ²⁹]

Protection is no longer simply about defending an asset that was developed internally. Startups must now consider how much input they can allow from outside; how to define contribution; how to structure ownership when faced with gradual investments from multiple parties; and how they can maintain control over their assets while still growing through openness. Open innovation presents startups with new opportunities, but also legal tensions. In allowing for more collaboration, innovation becomes less predictable. The more a startup grows through interaction with outsiders, the harder it might become to pinpoint where someone’s contribution begins and where their ownership ends. [⁶, ⁷, ⁸, ¹⁵]

This tension is not a bug, but a feature. It is reflective of the condition of entrepreneurship itself under conditions of digital innovation. Open innovation should therefore be considered in two lights. On one hand, it is a means by which startups create value. On the other hand, it is the environment that increasingly surrounds the innovative activity of startups. This environment affects everything about how founders approach intellectual property. For better or for worse, openness is necessary for modern startups. That makes openness deserving of special attention. While it enables innovation, it also complicates a startup’s relationship with intellectual property. [⁴, ⁸, ¹⁵, ¹⁸]

Digital Platforms and Distributed Teams

More startups today are created through digital platforms. Rather than necessarily rising up through organizational hierarchies, startups can spring up through networks of collaborators who meet online. Digital platforms lower barriers & they allow founders to more easily find others to help build their projects. This can include developers, designers, marketers, advisors, co-founders, and angel investors. Ideas can spread faster, teams can form based on interaction rather than on formal organization. Founded reality can look very different from this theory. [³⁶, ³⁷, ³⁸, ³⁹]

If we take these observations seriously, then a consequence is that startup teams can become distributed. Not everyone has to be in the same place. Not everyone has to join at the same time. Not everyone has to be hired in the same way. Some people might come on board right away. Others might come on much later. Some might contribute only before the company is officially incorporated. Others might work on a part-time, remote, or freelance basis. Freelancers might collaborate on one project but not the next. Teams can be distributed but startups can still succeed. Indeed, this flexibility is one of the advantages of lowered barriers. It allows entrepreneurs to access talent without necessarily making long-term organizational commitments. It also matches the lived reality of how many entrepreneurs actually build their teams. [², ⁶, ³⁸, ³⁹]

However, distributed teams raise intellectual property questions. At least two issues come to the forefront when considering distributed entrepreneurship and the risks of idea misappropriation. [⁶, ⁷, ²⁹]

First, distributed teams blur the link between legal organization and creative contribution. In a typical company, it's relatively easy to presume that those who work there also create for the company within a certain legal framework. In startup teams, this is fuzzier. An individual contributor may play a critical role to the development of the product, but may not be incorporated into the startup in a legal sense. For example, the startup may come to rely on advice from an informal business partner who is never officially made a partner. [⁶, ⁷, ²⁹]

Second, distributed teams often create value in increments. Lines of code are written. Artwork is developed. Marketing plans are made. Blog posts are written. Contacts are solicited. When this happens, it's less obvious who created what at what time. It's also possible that the startup as a legal organization does not technically "own" all of the combined input. The law starts from basic principles. Organizations are legally formed. Employment and ownership arrangements are put in place. Ideas come afterwards. In the distributed startup world, ideas can come first. Collaboration begins prior to legal formation. [⁶, ⁷, ²⁹, ³⁵]

Whether or not this poses a risk depends on the actors involved. It's far less risky to work with people you know and trust. However, startups often reach beyond their immediate circles. They need to work with unknowns. When this happens, having a loose initial collaboration turn into a structured business can get complicated. Ideas were shared early. Contributions were made before ownership was clarified. Unlike suspects in a police investigation, most startup collaborators do not preface their statements with "what we did was...". [⁶, ⁷]

One of the reasons that distributed teams pose an IP risk is visibility. When a startup creates with a team that is distributed in space, time, or legal relationship to the startup, it exposes ideas early. It's incredibly common for startups to discuss ideas publicly before launch. LinkedIn profiles, Twitter posts, project descriptions, Slack updates, user feedback, open positions, and the networking process itself can all signal to the outside world that something is being developed. Sharing ideas to grow a team is not necessarily bad, indeed transparency can be an asset. The ability to publicly show what you are building helps attract the right team, users, and investors. It can also attract attention. [⁶, ⁸, ¹⁵, ³⁸]

What makes platforms different is scale. Open sourcing. Hardware thieves posting videos of themselves dismantling products. Information spreads quickly on the internet and more eyes on your idea can mean more users. But it also can mean that others see your idea and decide to build something similar. When you bring in external collaborators, or pitch to investors, or recruit on LinkedIn, you are showing a slice of your idea to the world. As with the visibility challenge mentioned in the first point, digital platforms tend to exacerbate this. Sharing an idea on social media is one thing. Sharing it with distributed team members using an array of tools emails, text messages, files, videos, screen shares is different. The more you communicate about your idea, the more likely someone will steal it. This may not happen often, but the risk still exists. [³⁶, ³⁷, ³⁸, ⁴⁰]

Distributed teams also make accountability ambiguous. A final challenge with distributed teams is accountability. In settings where there are informal relationships across time and space, there is less organizational "pressure" to get it right the first time. People join groups and help contribute with the assumption they will be co-owners down the line. But what happens when the relationship changes? What happens when speculation turns into revenue? The dynamic between startup founders can change as ideas evolve. Something that starts as a friendly collaboration may get serious, and suddenly there was no clear agreement about what was owed. [⁶, ⁷, ⁸]

Once more, this doesn't mean distributed teams are bad or should be avoided. Instead, entrepreneurs should be aware that these risks increase when teams become distributed. Informal agreements can become formal businesses. And unless someone wrote it down along the way, there's no roadmap for going back. [⁶, ⁷, ²⁹]

Opportunities: Scalability, Talent Aggregation, and Rapid Innovation

The reason startups enter these environments in the first place is often because the benefits are too great to pass up. This section will outline why startups embrace those risks and sometimes organize around openness intentionally. [⁸, ¹⁵, ¹⁸]

First, openness permits scalability and compared to traditional organizational forms, collaborative and digital environments permit entrepreneurs to reach others at a faster rate and with less expense. A founder can gauge interest, share an idea, solicit feedback, and start building with collaborators without first building an integrated organization. By dramatically reducing the friction required to get a startup off the ground, openness also allows entrepreneurial activity to take place even when individuals do not have access to large teams, budget, or institutional support. [⁸, ¹⁵, ³⁶, ³⁸, ³⁹]

Second, openness allows for talent aggregation. Few founders have all the skills necessary to build a product, raise funding, and scale operations. At some point, every startup needs access to talent that compliments what they already have. Startup teams need engineers, designers, marketers, salespeople, community managers, strategists, and operations personnel. But until they raise significant funds, very few startups can hire full-time employees to fill these roles. Collaborative and digital environments make it easier to connect with helpful talents early. This is especially critical in startup ecosystems, which often move forward not because a project already has all the required skills, but because it finds the right people at the right time. [², ⁶, ³⁸, ³⁹]

This can be especially helpful from an intellectual property perspective because it explains why startups are willing to sacrifice sharp boundaries around their ventures. It is not because startups don't care about ambiguity. They accept a degree of ambiguity because high barriers to entry would prevent the collaborative talent aggregation that is required to get the venture off the ground. At a very early stage, a startup might benefit more from allowing the right people to contribute than from legally managing every contribution from day one. This is not to say risk is eliminated. But it helps explain the calculus that often underlies entrepreneurial decisions to be open. [², ⁶, ⁷]

Third, openness enables faster iteration. Learning is accelerated in collaborative environments. Ideas can be stress tested earlier. Prototypes can be improved with more input. Feedback can be continually incorporated. Instead of developing in a vacuum only to discover late in the process that your product isn't working, startups that collaborate externally can test and iterate as they build. This can be incredibly valuable when facing uncertainty. If a startup is unsure of whether it has the right product, it may be better to move forward with partial exposure than not move forward at all. Openness, in other words, is itself a potential asset for growth. By sharing progress, inviting input, and iterating

through collaboration, a startup may learn faster than a startup which silo's itself to the point of losing contact with the surrounding market. [⁸, ¹⁵, ¹⁸, ²¹, ²²]

You might say there is tension between openness and protection. And there is. Exposure leads to risk. But exposure can also lead to learning, momentum, and legitimacy. Not all visibility is bad. In fact, strategic visibility can be quite useful. The key challenge is navigating visibility without making your new venture arbitrarily vulnerable. Collaborative environments can also lead to reputational advantages. Startups that contribute to collaborative and visible ecosystems can earn reputation not just for what they build, but how they build it. Simply by being credible participants in open communities, startups can attract investors, advisors, future teammates, and users. When surrounded by the right audiences, visibility becomes not just a threat to secrecy, but a tool for creating opportunities. Visibility can be a fair asset, if managed properly. [⁸, ¹⁵, ¹⁸, ³⁸, ³⁹]

This is particularly important for startups where value creation is social. In startup ecosystems, a project can often be judged as much on signals sent to the external environment as by the legal IP they hold. Do they have a quality team? Is their idea clear? Are they going about building the company in a logical way? Can they attract others to contribute? Digital environments tend to amplify both positive and negative signals. [⁶, ⁸, ³⁶, ³⁷, ³⁸]

The question is not whether startups should participate in these environments. In most cases, they are already doing so and will continue to. The real question is how.

Chapter 5

Case Study: ROVO (My Own Startup)

Context and Characteristics of Collaborative Platforms

Collaborative startup platforms exist within this wider context as specialized sites that support startup creation specifically by facilitating connections between interested, skilled, entrepreneurial people. At their best, they serve not just as a tool of communication but also as communities in which ideas are posted, teammates are found, progress is tracked, and collaboration occurs. Platforms of this type don't simply host innovation, then. They shape how innovation gets organized. From both a business model and organizational design standpoint, collaborative startup platforms answer an existing need. A core friction in the formation of startups is that ideas and talent don't always find each other. There are countless aspiring entrepreneurs with concepts but no team, tech knowledge, visibility, or access to a network. Likewise, there are countless developers, designers, marketers, project managers, and business strategists looking to contribute to meaningful ventures but not necessarily sure where to look. Collaborative platforms address this friction, and become valuable, by making projects more visible and teams easier to form. For this reason, these platforms have become an increasingly relevant fixture of startup ecosystems. They help democratize entrepreneurship by lowering barriers to entry, opening up the process of startup participation to wider networks of people, and allowing ventures to be built around more fluid team structures. Rather than presupposing a startup begins with a predetermined founding group, collaborative platforms allow for the possibility that the startup itself can materialize through public discovery and collaboration. The venture and the team can be forged together. This category of platforms is of particular interest to this thesis because it brings intellectual property issues into sharp relief. When examining current IP frameworks, it's easier to maintain fictional harmony when the parameters of the business are clear. Collaborative startup platforms often challenge that clarity. [6, 8, 36, 37, 38, 39]

With ROVO and similar platforms, startup formation begins on public, social networks before there is necessarily a defined organization, set team, or maximum value. Startup formation is simply described as starting earlier: ideas are posted, people watch and contribute to those ideas, teammates are added, and projects develop through cumulative contributions. This means that on collaborative platforms, the gap between law and practice is easier to spot. Ideas do not reach rocket-stage confidentiality before being opened up to the world. Instead, development often occurs publicly. Therefore, collaborative startup platforms serve as an excellent lens for this discussion. While ROVO is not the sole focus of this thesis, it can be used to examine key questions around intellectual property for the

subset of collaborative startup platforms. ROVO was selected as a case study because the platform accurately exhibits the characteristics discussed above: transparency, community driven collaboration, team assembly around projects, and lastly, it was created by me. Advantages to applying ROVO as a case study here are that it grounds the conversation around tension in tangible examples. This is why collaborative startup platforms are an ideal space to observe intellectual property tensions as they happen. [⁷, ⁸, ¹⁵, ¹⁸, ³⁸, ³⁹]

Intellectual Property Challenges in Practice

If collaborative startup platforms enable new models of open venture creation, they also pose interesting intellectual property quandaries in practice.

These are not hypothetical side issues. On the contrary, they flow naturally from the mechanisms that make platforms appealing to start with. If visibility, accessibility, and collaboration make platforms attractive mechanisms for startups, they also introduce ownership ambiguity, disclosure without protection, attribution uncertainties, and a mismatch between legal timing and collaborative platform logic. [⁶, ⁷, ²⁹]

As discussed in the previous section, ownership becomes an ambiguous notion on collaborative startup platforms. At any point in time a project may have had several collaborators. The point is that when many people contribute at different levels, it becomes difficult to separate contributors from owners. In practice this creates ambiguity internally and externally. Some contributors may have different expectations about what their participation entails. Later on investors or partners may ask if the startup “really owns” what it has built, especially if the idea was bootstrapped in a more open and fluid context. The more open and visible the process was, the more critical ownership questions became down the line. [⁶, ⁷, ²⁹]

Collaborative startup platforms often encourage entrepreneurs to show what they are building. Whether it be a prototype or a manifesto, entrepreneurs are often rewarded for being bold in how they signal what they are working on. Such visibility can help projects attract people, build momentum, and establish legitimacy. That can be incredibly useful, particularly when what you are working on needs visibility more than secrecy. However, you can’t really share your idea with the world without losing a degree of control over it. If you share your vision, your value proposition, or your progress before securing key rights or agreeing internally about how the project will unfold, you may inadvertently reduce your capacity to manage what happens later. This issue is especially important for ideas that have value but may not be easily protected through law. The general concept of a platform, the community logic, the interaction mechanism, or even the strategic position may become key to a startup’s future value. But until formal products or services are developed, such ideas may

remain hard to protect as IP assets. Startups could gain much from disclosing early and build on collaborative platforms but still find themselves vulnerable to copying by others. [⁴, ⁸, ⁹, ¹⁵, ¹⁸]

There is a visibility vs. protection paradox at play here, discussed in earlier chapters. ROVO is particularly demonstrative of this because exposure to the outside world is how entrepreneurial opportunity is created on the platform in the first place. [⁴, ⁸, ³⁸, ³⁹]

Ownership can eventually be resolved through contracts, even on collaborative platforms. Attributions, on the other hand, are a trickier matter. In collaborative environments, people may care about who gets credit for what. If a startup takes off following a series of early interactions and visible contributions from different people, questions may arise about credit as well as ownership. Who gets the credit? Who made this project what it is today? Attribution matters in startup communities because entrepreneurship is relational. Trust and reputation travel with legal titles. [⁶, ⁷, ²⁹]

While startups on collaborative platforms tend to operate in real time, lawyers generally do not. A project is posted. People jump on it. A team materializes. Suddenly there is momentum and something that looks like an entrepreneurial undertaking. Only later do lawyers get involved. Only later are agreements signed clarifying ownership. Only later does incorporation happen. Due diligence questions come much later still. This time-lag matters because it means that value is being created on collaborative platforms often faster than the legal infrastructure that could support it. Intellectual property questions are not addressed at the point they emerge; instead, they are pushed forward until the ambiguity over ownership and related questions has become a bigger and costlier issue. ROVO helps us understand this timing issue. [⁷, ²⁹, ³⁰]

If ROVO was built to make startup creation more collaborative, social, and public, it has also designed a context where project ideation and team formation can happen faster than legal structuring. ROVO is just one example, but it is a useful one because platforms built around project visibility, team fluidity, and entrepreneurial interaction are likely to confront similar tensions. Let's be clear: these challenges are not evidence that collaborative startup platforms and intellectual property don't mix. A less cynical reading would suggest that collaborative startup platforms expose the limitations of an IP protection paradigm that was largely designed for more stable, bounded organizations. The tension is not between startups and IP. The tension is between openness and legal institutions designed around historical models of organizational closure. Collaborative startup platforms don't make intellectual property impossible. They make it harder. Not impossible, but harder. They raise the stakes around what you choose to protect, when you choose to protect it, and how you manage collaboration upstream from the point where "intellectual property" becomes a legal matter. [⁶, ⁷, ⁸, ¹⁵,

Responding to a Trademark Infringement Claim: A Practical Startup Perspective

The ROVO case study can be used to point out an additional question, namely how a startup should respond if it receives notice of trademark infringement. Far from being a hypothetical risk: In May 2026, Rovo Holdings Ltd received a letter from legal counsel for Atlassian claiming trademark infringement and unfair competition based on the ROVO name. In its letter, Atlassian's counsel noted Atlassian's registered trademark rights over the ROVO mark, and claimed that Rovo Holdings' use of that name for their own software and online platform was likely to create confusion in the marketplace. The letter demanded that Rovo Holdings cease using the ROVO name "including as part of your company name, app name, domain name and any other web or social media handles" while providing a reasonable period of transition for such a change. [²⁹, ³¹]

For a startup receiving such a letter, the prudent course of action can be summarised as keeping calm, taking it seriously, and seeking professional advice. Emotional or public reaction should be avoided. All materials should be preserved, and legal counsel should be engaged as soon as possible. A cease-and-desist letter is not necessarily a death sentence for your company, but it is an official legal claim that threatens its future. The startup should seek to understand not just the letter's claims, but the legal basis for them. This analysis will necessarily review the plaintiff's trademark rights, the breadth of those registrations, the similarity between the marks, the similarity between services, the targeted consumer base, and whether confusion is likely. In this regard, the analysis would include not just whether both companies use the word "ROVO", but whether their respective platforms actually compete in the same markets, and whether ordinary users would realistically associate the services with each other. [²⁹, ³¹]

Having engaged counsel and understood the claim, the startup should then balance legal considerations against its own business strategy. Even if the startup knows it has acted in good faith, and believes that the products are substantively different, litigation can still be costly, distracting, and harmful. Therefore, the startup must ask not just "Who is right?", but rather "What is the most business-friendly way to ensure the company's longevity?" This may require compromise. As mentioned in Part II, intellectual property management is not simply a legal matter for startups, but a business one. This thesis already argues that startups make IP decisions under conditions of uncertainty, scarce resources, organisational immaturity, and time pressure. An important corollary is therefore that those IP decisions should be made with the potential business consequences in mind, not merely the theoretical rights at stake. [⁴, ⁷, ⁹, ²⁹]

It may therefore be reasonable to negotiate with the claiming party, rather than immediately refuting its claims. The startup may believe certain elements of the claim are inaccurate. For example, if the startup discovers that its products, customers, functions, or markets are different, it may issue a

rebuttal. At the same time, however, it should cooperate with the other party where possible, take steps to minimise consumer confusion, and attempt to settle on reasonable terms. A “settlement” in this context can include granting the startup a period of transition in which to rebrand, planning the timeline for a new branding exercise, removing ROVO from app store listings, transitioning social media handles, transferring or selling rights to the disputed domain name, and agreeing on financial terms to compensate for the cost of transition. In other words, settlement and cooperation do not necessarily imply bad faith. It may instead be the most logical outcome where both parties can meet partway to avoid the risk, expense, and reputational damage of continued litigation. [⁷, ²⁹, ³¹]

In general terms, what this case teaches entrepreneurs is that trademarks are never too early to consider. A startup may select its business name without considering trademarks at the idea phase, but by the time it starts public outreach that name needs logo design, branding becomes part of marketing, and those assets become important to the company. By the time it uploads an app that name appears on the stores, faces customers, and becomes a key identifier for users. By the time it starts fundraising that name is on pitch decks and intellectual property disclosures. By the time it acquires its first users that name holds intrinsic value, however briefly. That is why trademark clearance should be done prior to public launch, app store submission, domain acquisition, fundraising, and user acquisition. Product development, speed, and exposure are natural early-stage priorities. Yet ROVO shows that foundationally integrated into those priorities should be an understanding of brand identity – because trademarks are one of the pillars of that identity. If an IP conflict occurs, your startup could be forced to change its name, rebrand itself, migrate users, amend legal documents, and re-establish market recognition. For a startup, that kind of challenge threatens more than just your intellectual property. It threatens the business itself. [⁴, ⁷, ²⁹, ³¹]

Of course, as with trademark searches, this principle can be condensed into a simple actionable guide. If you have not yet launched under your chosen company name: do some trademark searches in your key markets, ensure the name isn’t taken in relevant app stores or on domains, check for similar-sounding products in your sector, and register the mark if it is commercially available. If you’ve already launched under that name: take infringement notices seriously, consult counsel before making admissions or agreements, understand how trademark law will apply to both parties, negotiate where you can, and if you must rebrand understand that it is a process, not a sign of failure. Nobody can prevent all intellectual property issues as a startup. But by paying attention to the basics, entrepreneurs can ensure that fewer of those issues threaten the survival of their business. This applies to trademarks specifically, and to startup IP management in general. Small companies must consider IP on a strategic level, because when legal risks do arise, your entire business can be at risk. [⁴, ⁷, ²⁹, ³¹]

Chapter 6

Strategic Implications and Proposed Framework

Limitations of Current IP Systems for Startups

If previous chapters succeeded in convincing you that intellectual property remains important for startups, they have also likely exposed that IP systems sometimes struggle to accommodate how startups actually get created. Patents, copyright, trademarks, trade secrets, and contractual protection are not ineffective. The problem is that these mechanisms were designed with organizations, innovation processes, and ownership dynamics that look quite different from those in startups. The legal system was designed around firms that are more established, where innovation takes place within well-defined boundaries, and ownership is relatively straightforward to determine. Here are four ways this reality becomes relevant. [⁷, ²⁹]

First, there is an issue of timing. The IP system works best when an asset that you wish to protect already exists and is stable enough to be associated with a specific owner. For patents, there needs to be a concrete invention. For copyright, the work must already exist. Contributions are easier to track and allocate when they are made. In practice, startups will often create value before these conditions are fully met. Product definitions will evolve. Team members will come and go. Priorities will shift. Indeed, part of what makes startups valuable is that they are, at least early on, organizing activities that have not yet fully stabilized. As such, startups often start creating value before the legal structure of that value is fully clear. [², ⁷, ²³, ²⁴]

Second, there is an issue of cost and accessibility. In many cases, legal protection is possible, but it simply isn't there from a practical perspective. Formal protections typically require legal counsel, administrative overhead, funding, and internal management attention. For bootstrapped companies, time and money are scarce. To this extent, access to legal protection is not merely a matter of legal theory, but a function of resource availability. The system may allow startups to protect IP, but only established firms can do so at scale. [², ⁴, ⁷]

A third limitation flows is ownership. The current system works best when creative activity can be attributed to a specific author, inventor, employee, or firm. Startup creation can be far messier. Founders come and go. Early products can be developed by multiple entrepreneurs along with freelancers, part-time helpers, outside developers, contractors, advisors, and the like. These individuals can make intellectual contributions, but also strategic, community-building, or leadership contributions. Together, contributions build on each other in ways that legal systems are not designed

to recognize. When someone tells you their contribution was 10% of the project, they are probably right, and legally irrelevant. [⁶, ⁷, ²⁹]

Fourth, the existing system is reactive. It does a great job of protecting output after it is created, but offers little to no guidance on governing the activity leading up to output creation. For many tech startups, there simply is no “creation complete” moment. Projects live online, where they are visible to the world before legal structures have been codified. Ideas spark interest, invite feedback, and grow organically as more people engage with them. Legal structures often lag. Again, this is particularly true for digital and collaborative goods. [⁶, ⁸, ¹⁵, ³⁸, ³⁹]

Fifth, startups exist within a broader defensibility architecture. Legal protection is only one arrow in their quiver. Speed to market, branding, network effects, execution capabilities, data access, community goodwill, and internal know-how can provide advantages just as real as an IP claim. This means that startups should pay attention to IP rights, but not view them as the sole determinant of whether their business can be copied. Granted protection doesn’t make you safe. Nor does the lack of protection always leave you vulnerable. Startups need intellectual property. But they need it in a way that reflects these limitations. IP management in the startup context should be more agile, selective, and attuned to how startups actually unfold over time. With this in mind, the remainder of this chapter will transition from problems to solutions. [³, ⁴, ⁹, ¹⁰]

Strategic Guidelines for Founders

When IP in startups is treated as a business issue instead of purely a legal issue, founders require principles that are feasible under conditions of entrepreneurship. This section aims to provide some guidance informed by the realities of how startups operate. [², ⁴, ⁷, ⁹]

Principle #1: Founders should understand where value will come from before determining how to protect it. Entrepreneurs naturally want to protect their startups, and often founders reflexively think of “the idea” as the asset to be protected. But for many ventures, the key source of value does not come from ideas but from execution: the product, the software architecture, the user experience, the brand, the distribution mechanism, the data, or the network around the product. Protection is clarified once this differentiation is made. [⁴, ⁹, ¹⁰]

Principle #2: Founders should protect selectively. Entrepreneurs should avoid putting legal overlays on everything from the outset, but they should not avoid protection until the eleventh hour. The middle ground of early, but thoughtful protection is often the most useful. In practice, this typically means ensuring that whatever is important (see #1) is protected if there is realistic feasibility to do so at that time. This often means moving early on areas like ownership assignment, founder agreements,

contributor agreements, and brand, but being more thoughtful and context dependent about expensive / less-flexible protection like patents. [⁷, ¹¹, ²⁹, ³¹]

Principle #3: Ownership matters early. Many startup IP concerns are not created because they didn't have a patent, but because they never really had clear ownership of the code or content they created, or designs, branding, or compilations of knowledge contributed by third parties. For that reason, one of the most "bulletproof" options for founders is often ensuring that assignments and ownership are clear on important contributions from day one. [⁷, ²⁹, ³⁰]

Principle #4: Be strategic about confidentiality. Startups can't afford total secrecy. They need a lot of people to see their vision. But that does not mean everything has to be public knowledge from the outset. Entrepreneurs should understand what needs to be disclosed to gain collaboration, and what can and should be kept internal until the venture is more established. Treat confidentiality less as a blanket "secret all things" mandate and more as a strategy for filtering what needs to be public versus what can be private. [⁷, ³⁰, ³²]

Principle #5: Stage matters. A startup's IP needs vary from idea stage to growth stage. At idea stage, transparency to outside parties is the enemy, and your focus should be on clarifying contributions. At MVP stage, formalization is generally more important, particularly around ownership and brand. At growth stage, stronger protection and governance is usually needed. The cost of ambiguity rises greatly once your venture has real product/market fit. [²³, ²⁴, ²⁷, ²⁸]

Principle #6: Keep defensibility hybrid. Stop thinking in terms of "legal protection" vs. "no protection". Many forms of protection are naturally occurring and hybrid. Your business will often be protected in part by copyright, in part by trademark, in part by secrecy, in part by execution speed, and in part by network/community around your product. Accept that reality. This mixed source of defensibility is not necessarily a sign of weakness. In fact, in startup settings it is often the only model. Applied together, these principles show that startup founders don't need maximum legal coverage. They need aligned legal coverage. Principles that reflect the way startups work. Structure enough to help the business grow, but not so much that it stifles startup agility. [⁴, ⁷, ⁹, ¹⁰]

Implications for Digital Platforms

The first insight follows directly from this idea: collaboration platforms should make contributions more visible and more traceable. Platforms don't necessarily need to determine who owns what legally. But they can and should record how projects evolve over time, when people participate, and how contributors were involved. Simple contribution logs could prevent later misunderstandings and allow governance to play out more credibly. [⁶, ⁷, ²⁹]

The second insight: platforms should offer multiple visibility settings. Disclosure isn't always desirable. Founders might want to display the mission, but keep product code, workflow details, or business architecture private. Platforms that require full transparency may unintentionally create more strategic exposure. Platforms that allow adjustable visibility can facilitate both transparency and protectionism. [⁸, ¹⁵, ³⁶, ³⁸]

The third insight: platforms should integrate lightweight governance signals. Some founders fail on IP not because they don't want a strategy, but because they don't get asked about it at the right time. Collaboration platforms should integrate simple nudges around founder alignment, contributor intent, confidentiality expectations, and preferred ownership structure. These mechanisms need not be heavy legal scaffolding. Instead they would create utility by nudging users towards some minimal framework before ambiguity later becomes a liability. [⁶, ⁷, ²⁹]

The fourth insight extends logically from this discussion: contributor credits. Ownership isn't everything in a collaborative startup world. Attribution matters too. Platforms could lessen confusion later by transparently showing who contributed what and when. This doesn't replace contracting, but could help distinguish social credit from legal ownership and prevent the two from being conflated. With these four insights in mind, ROVO should be viewed not purely as a networking and visibility tool, but as one possible expression of what happens when a startup collaboration platform adopts a more structured approach to entrepreneurial infrastructure. Today we can view a platform like ROVO as serving a clear need by making startup projects more visible, facilitating team building, and representing how entrepreneurship actually happens in the era of open discovery. But in the future, its utility – and the utility of platforms like it – could go much deeper by bridging the gap between collaboration and organizational clarity. ROVO may help avoid ambiguities not by giving startups answers, but by asking them the right questions earlier on. [⁶, ⁸, ¹⁵, ³⁶, ³⁸, ³⁹]

The nature of building something new often requires openness, and platforms should recognize that as much as regulate it. Perhaps ironically, ROVO doesn't solve IP concerns because it gives users more control over their ideas. Instead, ROVO helps solve IP concerns by fostering conditions where founders and contributors can openly collaborate and then clarify expectations before ambiguity causes problems. Platforms cannot replace good IP management practices, but they can encourage them. Over time, we may see a growing need for platforms to handle this dynamic internally. At a high level, entrepreneurship is becoming more socialized and platform-dependent. The nature of IP management may therefore shift from being defined exclusively by legal institutions, to being influenced by platform design. Rather than only considering how we protect a fully realized startup, we may need to start asking how we design the platforms where startups are realized. [⁷, ⁸, ¹⁵, ³⁶, ³⁸, ³⁹]

Implications for Investors

Investors are interested in intellectual property for reasons beyond defensibility. They also care about IP because it indicates whether the startup truly owns the assets on which its success depends. For this reason, analyzing IP is important for investors both as a formal legal category, and as a heuristic for understanding a startup's organizational coherence. [⁴, ⁷, ¹², ¹³, ¹⁴]

The first implication for investors is that ownership clarity should be a priority. It is risky to invest in a company where traction, product quality, and market promise are established but ownership of the code, brand, or key internal IP assets is ambiguous or unresolved. To this end, investors should concern themselves not only with whether formal rights exist, but how those rights have been secured from founders, employees, contractors, and others who may have contributed early in the startup's evolution. [⁶, ⁷, ²⁹]

A second implication is that investors should take a broader view of defensibility. Companies built in startup ecosystems often derive strength from a mix of legal rights, speed, market-timing, network effects, and brand reputation. Possessing a patent does not automatically make a company strong, just like lack of a patent does not automatically make a company vulnerable. What is important is whether there is coherence between the startup's overall business model and how it positions itself to protect or otherwise sustain its advantage. [⁴, ⁹, ¹⁰, ¹², ¹³, ¹⁴]

Finally, collaborative and platform-born businesses may trigger additional due diligence questions. When a venture has been born through open contribution and extremely visible collaboration, investors may want to pay closer attention to contribution history, role clarification, and assignment or governance mechanisms. The point is not to punish collaborative formation models, but to understand how early openness has been converted or not into ownership signals and later control. A fourth implication is that investors can encourage better early-stage IP hygiene without mandating impractical levels of formalization. Instead of requiring every bootstrap startup to think like a publicly traded corporation on day-one, investors can help founders establish stage-appropriate governance structures. Signing founder agreements, obtaining contributor assignments, protecting brand identity, and ensuring basic confidentiality hygiene are all important before the startup grows to a stage where more advanced legal structuring is necessary. From the investor perspective we can therefore conclude that formal protection is only one part of a much larger question: has the venture built a credible system for appropriating the value that it creates? [⁶, ⁷, ⁴, ⁹, ²⁹]

The Variables of Startup IP Strategy

Ultimately, deciding on a realistic IP strategy around your startup should revolve around 4 variables. Firstly, where you are in your venture. The idea-stage project has very different protection needs to the startup that has built an MVP, or the startup that is about to take steps towards scale, investment or partnerships. Secondly, what type of asset you're working with. Software is different to brand identity, internal know-how is different to product design, data is different to user community. They won't pose the same questions around protection, and certainly shouldn't be treated with the same logic. Thirdly, the importance of each asset to your overall strategy. Some outputs will be peripheral, and don't need as much attention. Others will be key to your long-term defensibility and ability to appropriate value. And fourthly, how exposed you are. Booting a project away from the public eye in a relatively closed environment has a different risk profile to releasing information publicly through content, networks or collaborative platforms. As you open up your project to others, you'll need to have a better sense of where ideas come from and how they are protected – meaning a clearer set of rules around contribution, disclosure, attribution and control. [2, 4, 7, 9]

Consider these variables and you'll arrive at a better question than the one startups tend to ask. Instead of asking whether your startup should be protected, you'll ask what actually matters, how exposed it is and what form of control is both realistic and proportionate considering your current stage of development. Asking this questions is critical, as one of the biggest mistakes made with regard to startup IP is operating in absolutes. Some founders neglect protection altogether, others assume that only serious options are fast-tracked, formalized patents. Instead, startups need progressive structure. [2, 4, 7, 9]

A Stage Based Decision Logic

Taken together, this framework can be expressed in something like the following flowchart. First, founders should understand where their startup's true source of value lies: in the code? the brand? the internal process? the data? the team? the network around the product? the combination of these things? Second, founders should ask themselves where they are in the life of their venture: what is its current stage? how visible is it right now? What is the most pressing risk at this moment? For some ventures, ownership ambiguity will be the primary concern. For others, copycats. For others still, leakage or attribution conflict or weak diligence infrastructure. Once founders understand the answers to these questions, they can ask what the lowest-cost, highest-impact step to protection is in their current stage. The incrementalism here isn't a lapse of ideals so much as a necessity for early-stage ventures. While some startups will benefit most from founder agreements and contributor assignments, others will find more value in trademark registration. Still others are best served with careful management of internal knowledge coupled with disciplined disclosure. [2, 4, 7, 9, 29]

To see how this logic applies throughout a startup's growth, consider the three stages depicted above. During idea-stage, when much of the product is still unknown and even the founding team may be in flux, founders should be concerned with reducing ambiguity rather than heavy legal codification. Set expectations early. Document key contribution conversations. Avoid oversharing. Draw a line between "throwing ideas against the wall" and targeted disclosure. Keep records of key outputs and decisions. Come MVP, the startup will have more defined assets even as it begins to attract attention. Protection here is about solidifying ownership of the things that matter: code, design, content, brand elements. It's also about determining what internal processes should be considered proprietary, and establishing basic guidelines for contribution and access. Growth-stage startups, meanwhile, should be looking toward developing a fully formed protection ecosystem: formal ownership maps of key assets, prepared documentation for prospective investors and partners, confidentiality agreements, and internally consistent IP governance that supports the company's broader growth strategy. In each stage, protection scales with the concreteness of the value at risk. [², ⁴, ⁷, ²³, ²⁴, ²⁹]

From Legal Protection to Governance Design

The larger point here is that we should start to think about startup intellectual property as both a question of legal tools and a question of governance design. Startups need, above all else, the earliest real form of control that is possible for their situation. This could take the form of legal rights, yes, but also contracts, contribution mapping, selective disclosure, access management, brand protection, founder alignment techniques, and/or platform-based structuring tools. Taken together, this leads to a somewhat different way of thinking about managing IP in new companies. Rather than thinking of it as first occurring when IP is "protected", maybe we should think of IP management as a series of steps where contribution is first mapped, then ownership is codified, then exposure is limited, then formal protections are put in place strategically, and then governance is scaled to match growth. This is the actual path by which startups become more legally defensible, more attractive to investors, and more cohesive internally. It's also a summary of this thesis' argument about intellectual property: your startup's IP is not created at a single point in time. It's created incrementally, as you build your venture. For that reason, this framework is not so much a legal checklist as it is a practical logic for how entrepreneurs can take progressive control of their ideas. You may not need complete legal certainty on day one, but what you do need is a plan for how you'll ensure certainty as your company scales. If you don't have that, you open yourself up to future legal vulnerabilities when you grow. If you do have that, IP stops becoming a barrier to entrepreneurship and starts becoming one of the tools that helps entrepreneurial growth sustain itself. [⁶, ⁷, ⁴, ⁹, ²⁹]

Chapter 7

Conclusion

The goal of this thesis was to explore intellectual property in innovative startups. Research efforts were primarily focused on early-stage ventures and new platforms that enable entrepreneurial collaboration online. Intellectual property was approached from this perspective because it is often framed through rigid legal categories, while startups are frequently informal, uncertain, and fast-paced environments. [2, 7]

As such, the purpose of this thesis was to analyze how intellectual property works in practice. Intellectual property was first introduced by describing the primary mechanisms of legal protection: patents, copyright, trademarks, trade secrets, and ownership rules. The thesis then made several arguments about how these mechanisms apply to startups. One way to summarize these arguments is through five key findings: (1) startups require an adaptive IP approach, (2) ownership is crucial, (3) speed can be protective, (4) collaboration shapes IP management, and (5) entrepreneurship can influence law. The first key finding is that startups require an adaptive approach to intellectual property. Startups often need to be selective about what they choose to protect for reasons of timing, resources, priorities, and trade-offs. Founders may think about protection but will ultimately focus on what is needed to build a company. Legal rights are important, but they do not operate separately from other founding considerations. For startups, intellectual property should be approached strategically rather than operationally. While established firms can plan long-term intellectual property strategies based on existing assets, startups often need to stay flexible about how to protect what they build. [4, 7, 9]

What this means is that startup intellectual property is deeply shaped by startup conditions. Entrepreneurs start companies under conditions of uncertainty, launch products under conditions of risk, and grow businesses by collaborating with others. This results in intellectual property tension between the need for protection and the reality of startups. Some of this tension can be resolved through adaptive IP approaches that include, but are not limited to formal legal rights. Legal rights confer exclusivity from others, but adaptive strategies recognize that there are other ways to build defensibility based on speed, secrecy, branding, execution, network effects, and reputation. [3, 4, 9, 10]

The second key finding is that ownership is especially important in startup environments. Many startups struggle with intellectual property not because they cannot protect anything, but because they failed to own what they already created. Ambiguous work made by cofounders, employees, contractors, freelancers, or collaborators can result in real IP issues down the line. Ideas get shared, work gets done informally, and key assets are developed without proper ownership consideration.

This causes uncertainty around who owns what, which can severely impact a startup's ability to raise funds, accept acquisitions offers, or enter partnerships. Formal IP protection becomes much harder when there is no clarity around who owns rights within a company. This explains why ownership should be treated carefully from the onset of a venture's development. [6, 7, 29]

The third key finding is that speed can act as protection. Speed became a recurrent theme throughout this thesis because startups often rely on speed as a competitive advantage. They are often first to market with a new idea or reach key milestones quicker than others. Speed enables startups to beat competitors to market, learn quickly about customer preferences, iterate on product design, and file for IP protection when needed. When time to market is critical, speed can actually be protective against competitive threats. This becomes obvious when comparing startups to open source projects. Open source can be deployed extremely quickly because of its license terms, yet many startups would not consider open sourcing their product. Speed is still protective without open sourcing because it allows startups to establish a market presence, assess demand, and file for protection on key elements of the technology. Using speed as a protective mechanism is not a reason to neglect legal rights, but it does prioritize entrepreneurial timing over legal timing. Founders care about speed because it allows them to validate ideas before investing significant resources. Time can hurt IP by forcing founders to disclose before filing, but it can also protect startups if they execute swiftly. [2, 4, 23, 24]

A fourth key finding concerns collaboration and its relationship with intellectual property. This thesis highlighted multiple ways in which collaboration shapes startup IP. Open innovation and co-creation introduce intellectual property considerations because ideas and work products are generated collectively. Similarly, distributed teams and remote work make IP management more complex because contributors span multiple locations. Both trends make entrepreneurship more open but pose challenges for how IP is managed. [6, 8, 15, 18]

This occurs for several reasons but can be best understood through a core insight of this thesis. Startups often face ambiguous ownership over ideas because of collaborative trends. Platforms intensify these trends by making it easier to work with others and increase startup discoverability. At ROVO, these factors allowed users to form teams faster than ever before. Ideas became visible to others when users made them public on the platform. This visibility did not immediately cause IP issues, but it introduced potential issues if founders were not careful. Something as simple as posting code on the platform could enable competitors to copy aspects of technology before adequate protection was in place. Every collaboration presents an opportunity for entrepreneurial value but also raises IP considerations. When startups solve problems collaboratively, credit for solutions often becomes unclear. Collaborative problem-solving is increasingly common in ventures which is why IP issues are becoming more frequent. While startups can use traditional IP mechanisms to limit copyability, ambiguity may still remain over who created what. [7, 8, 15, 36, 38]

The fifth key finding of this thesis follows from previous conclusions. Startup companies can actually influence how intellectual property law is interpreted and enforced. In the United States, entrepreneurs can lobby Congress, but there are other ways to influence law. Platforms demonstrate this thesis by enabling startups to form at a rapid rate. Scale creates influence because law sometimes responds to major ecosystem shifts. This is not true for all areas of intellectual property law, but recent rulings suggest startups can impact how law applies to them. Ownership disputes between founders are slightly different than disputes between competitors who build similar technology independently. Law adapts over time, which is why entrepreneurs should pay attention to how startups may influence future legal interpretations. This brings us back to adaptive IP. Founders should think strategically about what to protect and when. Formal mechanisms of IP protection remain important because they are enforceable by law, but startups cannot rely on legal rights alone. A comprehensive view of intellectual property through the lens of startups must recognize adaptation as founders navigate uncertainty. Legal rights are only one way of building defensibility. [⁴, ⁷, ⁹, ²⁹]

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