

Gujarat Technological University

with support of

Candour Legal

organized

1st Session of Legal Saturday on “Legal support for START – UPs”

on

6th June, 2015, Saturday (4.00 PM to 6.00 PM)

Background

Gujarat Technological University (GTU) has made extensive efforts in building the innovation and entrepreneurial culture at GTU during the last 4 years. GTU has developed interventions, which are organically linked to its pedagogical work. The primary aim is to support existing student start-ups, while nurturing new and fresh student start-up ideas, and helping students convert their ideas into business enterprises. By implementing this idea, the University aims at generating over 1 lakh student start-up ideas every year. The University then aims at converting at least 10,000 ideas into proof of concepts, leading to at least 1,000 student start-up enterprises every year.

After the completion of graduation, students who are interested to enter into business using their innovative ideas and confused due to lack of legal knowledge, to support them GTU has started seminar series on “*Legal Support for Start UPs*”. First seminar was organized on 6th June 2015, Saturday wherein **Mr. Manasvi Thapar**, Advocate, Candour Legal, Ahmedabad remained present as mentor. The objective of this seminar was to provide complete understanding of Starting a business, what business type would be best suited for the founders, differences between various types, etc. Further to understand how can we protect our IP with proper

understanding of Patent Protection, Trade Marks, Copyrights, GI, etc. and documents required to register as start up.

Programme & Discussion

The event took off with the initial introduction by **Mr. Shailesh Jain**, Project officer-IPR of GTU Innovation Council, explaining the importance of various legal aspect of Business start ups and various other terms such as; patenting, trademarks, copyrights, etc. The event saw around 52 participants involving students and faculties of various colleges.

Mr. Manasvi Thaper discussed various types of Business Incorporations

1. **Proprietorship Firm:** A sole proprietorship is a business that is owned and managed by a single person. You could have one up and running within 10 days, which makes it very popular among the unorganized sector, particularly small traders and merchants. There is no such thing as registration; proprietorships are recognized by other registrations, such as a shop & establishment and professional tax.
2. **Private Limited Company:** A private limited company has the limited liability of members but at the same time it has many characteristics as those of a partnership firm. A private limited company has all the advantages of partnership namely flexibility, greater capital combination of different and diversified abilities, etc., and at the same time it has advantages of limited liability, greater stability and legal entity. In this sense, a private limited company stands between partnership and widely owned public company. Identifying marks of a private limited company are name; number of members, shares, formation, management, directors and meetings, etc. The maximum number of directors shall have to be mentioned in the Articles of Association. In the grand of privileges and

exemptions, the Companies Act has drawn a distinction between an independent private company and other private company which is a subsidiary to the other public company.

3. **Partnership Firm:** A General Partnership is a business structure in which two or more individuals manage and operate a business in accordance with the terms and objectives set out in the Partnership Deed. This structure is thought to have lost its relevance since the introduction of the Limited Liability Partnership (LLP) because its partners have unlimited liability, which means they are personally liable for the debts of the business. However, low costs, ease of setting up and minimal compliance requirement make it a sensible option for some, such as home businesses that are unlikely to take on any debt. Registration is optional for General Partnerships.
4. **Limited Liability Partnership:** Limited Liability Partnership (LLP) is to provide a form of business organization that is simple to maintain while at the same time providing limited liability to the owners. A Limited Liability Partnership combines the advantages of both the Company and Partnership into a single form of organization and one partner is not responsible or liable for another partner's misconduct or negligence. Therefore, all partners have a form of limited liability for each individual's protection within the partnership, similar to that of the shareholders of a corporation. However, unlike corporate shareholders, the partners have the right to manage the business directly. An LLP also limits the personal liability of a partner for the errors, omissions, incompetence, or negligence of the LLP's employees or other agents. LLP is one of the easiest form of business to incorporate and manage.
5. **One Person Company:** The One Person Company (OPC) constitution was recently introduced as a strong improvement over the sole proprietorship. It gives a single promoter full control over the company while limiting his/her liability to contributions to the business. This person will be the only director and shareholder (there is a nominee

director, but with no power until the original director is incapable of entering into contract). So there's no chance of raising equity funding or offering employee stock options. Furthermore, if an OPC hits a turnover of over Rs. 2 crore or has a paid-up capital of over Rs. 50 lakh, it must be turned into a private or public limited company within 6 months.

- 6. Public Limited Company** The standard legal designation of a company which has offered shares to the general public and has limited liability. The difference between pvt ltd and public ltd company is in the no. of shareholders and transferability of shares. In pvt ltd the minimum no. of shareholders is 2 and maximum is 50 excluding the past and present employees who holds shares. Whereas in public limited the minimum no. of shareholders is 7 and there is no maximum limit.

Further Mr. Mansvi described the Intellectual property and its different form like Patent, Trademark, Copyright and Geographical Indication. He emphasized on difference between all the IP and their protection criteria. Participants got idea about how they can protect their idea in which IP form and its detail procedure of registration. In continuation, Mr. Mansvi covered the necessary documents to be needed in the process of startups like Non disclosure Agreement (NDA), Founder –Cofounder agreement and Memorandum of understanding (MOU).

The workshop ended with a Q&A session wherein Mr. Mansvi solved the queries of participants and legal problem they were facing to start new business.

PHOTO GALLERY



Feedback from participants

Excellent information I got. Expecting more information about how to get funding and all that, would like to attain more of these type of seminars. This type of seminar is really helpful for students. Every college should give such type of seminars. - **Gaurav Patel**

It was one of the most valuable workshops I have ever attended. It has cleared many of my doubt

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It can be made for copy right also. - **Jogi Bhaumik M**

The event was so outstanding! Though they were the simple things but many of us had no ideas about that. We used to think only about the patent work, but then what should be the next step? How to protect the IP? How to form the company? Many questions were answered in very simple way. - **Dev M. Bambhania**

It help us lot to. How to start up business. Great team work. Thanks for arranging this. There should be more effective syllabus which can carry real life solutions instead of just theories. Together we can push it to make it big step. - **Parth Patel**

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