



GPM TECHLAW

Launching a New Venture – Key Legal Issues

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1. Planning

- a. Develop a Business Plan
 - (1) Key Components
 - (2) Budget
 - (3) Financial Projections
- b. Assess Current Status
 - (1) Who?
 - (2) What?
 - (3) How?
 - (4) When?
- c. Understanding Among Founders
 - (1) Roles/Expectations
 - (2) Contributions
 - (a) Money
 - (b) Intellectual Property
 - (c) Services
 - (d) Tax Impact

- (3) Ownership
- d. Obtaining Rights to Intellectual Property
 - (1) Types (See Attachment A)
 - (a) Patent
 - (b) Copyright
 - (c) Trademark
 - (d) Trade Secret
 - (2) Ownership/Rights
 - (a) Creator
 - (b) Employer
 - (c) Contracting Company (work for hire)
 - (3) Protection
 - (a) Filings
 - (b) Automatic
 - (c) Nondisclosure Agreements
 - (d) Assignment Agreements/Provisions
 - (e) License
- e. Selecting a Name
 - (1) Domain Name
 - (2) Business Name
 - (3) Trademark/Brand

2. **Organization**

- a. Choice of Business Entity
 - (1) Why?

2.

- (2) Types
- (3) Factors (e.g., taxes, pass-through, owners, investors)
- (4) State
- b. Organizational Documents
 - (1) Articles
 - (2) Bylaws
 - (3) Board/Owner Actions
 - (4) EIN Application/MN Tax ID
 - (5) Certificates
- c. Hiring Personnel
 - (1) Types
 - (a) Employees
 - (b) Independent Contractors (consider factors)
 - (2) Agreements
 - (a) Employment Agreement
 - (b) Independent Contractor Agreement
 - (c) Confidentiality/Assignment/Noncompete
 - (d) Other
- d. Contributions and Ownership
 - (1) Intellectual Property, Cash, Services
 - (2) Agreements
 - (a) Assignment
 - (b) Subscription/Contribution Agreement
 - (c) Restricted Equity Agreement

3.

- (d) Founder/Stockholder/Operating Agreement
- e. Raising Capital
 - (1) Debt or Equity
 - (2) Types
 - (a) Common Stock
 - (b) Preferred Stock
 - (c) Convertible Debt
 - (3) Documentation
 - (a) Subscription/Purchase Agreement
 - (4) MN Angel Tax Credit
 - (5) Securities Law Compliance (federal and each state)
- f. Contracts with Suppliers, Distributors and Providers
- g. Select a Location

3. Launch

- a. Marketing
 - (1) Packaging/Labeling Laws
 - (2) Advertising/Media
 - (3) Sales Promotion
 - (4) Web Site
 - (5) Mobile Apps
- b. Business Model
 - (1) Sell Product/Service
 - (2) License
- c. Agreements with Customers

4.

- (1) Start with Standard Template
 - (2) Not One-Sided
 - (3) Modify for Each Situation
- d. Risk Assessment/Minimization
- (1) Good Business Practices
 - (2) Business Formalities
 - (3) Insurance
- e. Raising Additional Capital
- (1) Limits on General Solicitation of Investors
 - (2) Agreements
 - (3) Consistent Terms

Attachment A

Overview of Intellectual Property

	Trade Secret	Patent	Copyright	Trademark
SUBJECT MATTER	Secret Information, formula, or technique useful in business	Idea or Invention Machine, method, process, etc.	Expression of idea in tangible medium	Name or Symbol Source identifier-brand
NOVELTY	Not generally known to others	New and nonobvious idea	Original work of authorship-not copied	Distinctive-not merely descriptive
HOW TO OBTAIN	Maintain secrecy Agreements State law	File application with PTO-examination First to file	Upon creation fixation © notice. Federal registration advised	First use TM and ® Federal registration advised
LENGTH OF TIME	No limit – Until disclosure and no longer secret	Usually 20 Years from filing	Life of Author plus 70 years if author is corporation. Up to 120 years after creation	Use it or lose it!
BREADTH OF PROTECTION	Secret information covered	Defined by claims validated by PTO	Similar expression	Similar mark and product
PROHIBITED ACTS/RIGHTS	Misappropriation or theft	Right to exclude others from making, using or selling	Exclusive rights to copy, distribute, create derivative works, etc.	Use and misuse that creates confusion in marketplace

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