

STARTUP
ENTREPRENEUR
ACADEMY™

Setting you up for business success

Legally Protecting Your
Idea and Entity
Worksheet

LEGALLY PROTECTING YOUR IDEA AND ENTITY

Setting Up Your Business Structure

1. Are you starting the business alone or will you have partners?
2. Will the partners be equal shareholders?
3. Will you and/or partners actively participate in operating the business or just an investor(s)?
4. To what extent do you and/or partners need to be protected from legal liability?
5. What kind of tax implications are you and/or partners willing to take on?
6. What if you decide to sell the business?
7. Do you want the business to be a short-term endeavor, lifetime enterprise or a company that lasts beyond your life?
8. Do you want to open the business with less formality or prefer to take measures to create a separate and distinct legal entity?
9. Do you want to start an enterprise where you are always one of the chief operators of the company or do you want to have flexibility in the future, if the business reaches a certain point, to let others operate and you move to an advisory role, or serve as a director, while retaining your equity stake?
10. Do you want the company to have a board of directors comprised of outsiders, original investors or a mix of both?
11. Do you want to be in control of the company and maintain a majority equity stake?
12. Are you going to operate in just Arizona, or all over the U.S., or worldwide?

Protecting Your Intellectual Property

1. What proportion of business value do IP and intangibles represent in your company?
2. What type of thing do I want to protect? (i.e., invention, recipe, business model, etc.)
3. What is the business's IP strategy and does it cover all IP assets, including patents, designs, trademarks, copyrights, know how/trade secrets and contractual IP? Is it written down and known throughout the business?
4. What is the business's go-to-market strategy and could licensing play a part?
5. What is the IP strategy? Does the company engage in both offensive and defensive filings? Does the company engage in both selling and buying IP to protect its position and monetize the portfolio?
6. What is the company's patent filing rate per annum and how does this compare with market competitors and to comparable early stage companies? Can you benchmark the company on its IP practices?
7. How is the core know-how protected? Does the company have identifiable trade secrets and a know-how control policy? Does this extend into all areas of the business?
8. What does the company know about the patents and IP positions of its major competitors?
9. If selling product or service, does the company engage in regular competitor watching and is an IP analysis done as part of product development?
10. What is the company's policy and strategy with regard to IP ownership and licensing in its collaborations or licensing transactions?

ADDITIONAL NOTES