

# **Building Your Small Biz Legal Toolkit**

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## Today's Goals:

- Review The Top Tips and Legal Tools Small Biz Owners Need:
  - In Corporate and Contract Matters
  - In Employment Matters
  - In Intellectual Property Matters
- Discuss Where Small Businesses Get it Wrong

## Top Tips – Corporate/Contracts:

- Decide your business format (**intentionally, not by default**)
  - Sole proprietor (THIS is the default if you don't pick another)
  - Corporation (S or C)
  - Limited Liability Company (LLC)
  - **LEGAL TOOL(S):**
    - Articles of Incorporation or Organization
    - Bylaws, Operating Agreement or Code of Reg.

## Top Tips – Corporate/Contracts:

- Document your relationships with your **business partners and fellow owners/shareholders. IN WRITING.....**

- **LEGAL TOOLS:**

- Buy-Sell Agreements
- Confidentiality-Nondisclosure Agreements
- Restrictive Covenants (Nonsolicitation, Noncompetition)

## Top Tips – Corporate/Contracts:

- Document your relationships with your **vendors, strategic alliance partners, or freelancers/independent contractors. IN WRITING.**

- **LEGAL TOOLS:**

- Vendor/Supplier Contracts
- Independent Contractor Agreement
- Confidentiality, Nonsolicitation Agreements (or Clauses)

## Top Tips – Corporate/Contracts:

- Document your relationships with your **customers and clients**. IN WRITING.
- **LEGAL TOOLS:**
  - Service Agreement (for service firms)
  - Purchase Agreement (for goods or products)
  - **INCLUDE:** Work descriptions, payment terms, late payment penalties

## Top Tips – Employment Law:

- Have **written policies and procedures for employees.**

**EVEN** if you only have one or a few employees...

- **LEGAL TOOL FOR EMPLOYEES(S):**

- Employee Policy and Procedure Manual
- Written Job Descriptions
- Written work conduct policies (Anti-harassment, discrimination)
- Drug and Alcohol Testing, Workplace Violence, Weapons Prohibition Policies

## Top Tips – Employment Law:

- Keep **updated personnel records** on file
  - **LEGAL TOOL(S):**
    - Immigration (I-9) and Tax Withholding Records/Forms
    - Job Application and Resume
    - Employee discipline and action records
    - Employee performance evaluations
    - Keep any necessary medical information **SEPARATE.**



## Top Tips – Employment Law:

- **Publicly post all required information** about employment laws and rules

- **LEGAL TOOL(S)/REQUIRED POSTINGS:**

- EEOC Notices
- Wage and Hour Law Notices
- FMLA Requirements and Policies
- OSHA Safety Rules and Requirements
- Child Labor Rules
- Polygraph Policy

## Top Tips – Employment Law:

- Know and **comply with employer reporting requirements:**

- IRS Reporting (and state tax reporting)
- I-9 Reporting
- NEW: Ohio New Hire Reporting

- **LEGAL TOOL(S):**

- Have all reporting forms handy and accessible
- Have a procedure/workflow for reporting

# Top Tips – Intellectual Property:

- **Clear and Protect Your Business Brand**

- Trademark search (state and federal) pre-adoption
- File a federal trademark application (or at least a state app.)
- REMEMBER: trademarks are category-specific
- REMEMBER: an available domain name NOT an available TM

- **LEGAL TOOL(S):**

- Trademark Search Service (start FREE at USPTO.gov)
- Federal trademark filing (state filing in limited cases)

## Top Tips – Intellectual Property:

- Document IP ownership when working with freelancers, independent contractors, vendors (**without a writing, you DO NOT own the IP**).

- **LEGAL TOOL(S):**

- Work for Hire/Independent Contractor Agreement
- Intellectual Property Rights Assignment

## Top Tips – Intellectual Property:

- **Understand what a business trade secret is (and isn't), and how you have to protect it.**

- Information must be kept secret (only those who need to know should know it), and must have economic value to your company

- Anyone outside the company needing to know it should sign a written nondisclosure agreement

- **LEGAL TOOL(S):**

- Internal Confidentiality Policy

- Nondisclosure Agreement

**Q&A:**

**Where Do Small Businesses  
Usually Get this Wrong?**

**.....and What to Do About It?**

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**Thank You (& COSE)!**

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