

LEGAL ISSUES FOR FORMING A GLOBAL START-UP

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AGENDA

- The Incorporation Process
- Issues with Former Employers/Institutions
- Protecting Intellectual Property Assets
- Founder Arrangements and Employees
- Financing Alternatives

The Incorporation Process

- Timing
- Choosing the right structure/entity/jurisdiction
- Delaware/China/Cayman considerations
- Charter, Bylaws and organizational documents
- Directors, officers, shareholders
- Issuing equity and options
- Corporate record keeping

Issues with Former Employers/Institutions

- Be careful to not use any employer time or take corporate resources or property
- Review any agreements you have signed for details of obligations you may have
- Consider immigration and sponsorship issues (30 day window)
- Upon departure, make sure you have returned any and all company property or equipment (lap tops, home computer files)
- Review University Policies and Procedures

Protecting Intellectual Property Assets

- Use a confidentiality agreement whenever disclosing your IP to maintain trade secrets protection, consider issues case by case
- Carefully read any agreements you are asked to sign
- When working with co-founders, be sure everyone has signed an appropriate IP assignment agreement, agreements must conform to local law requirements
- Be sure consultants and other contributors have properly assigned IP
- Use patents and trademarks based upon a fully thought out IP strategy covering downstream products

Founders and Employees

- Address equity allocations early in the process, be mindful of cross-cultural issues
- Consider reasonable vesting schedules
- Set clear expectations for the team
- Ensure everyone contributes and has the right incentives
- Do not delay employment paper work
- Consider local labor law requirements and consulting arrangements

Financing Alternatives

- Self funding – most common
- Consider currency issues
- Friends and Family
- Angel Investors
- Venture Investors