



START THE START UP

A LEGAL GUIDE

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WHAT DOES A LEGAL GUID CONTAIN

KEY PARTNERS Who are our key partners? Who are our key suppliers? Which key resources are we acquiring from our partners? Which key activities do partners perform?	KEY ACTIVITIES What key activities do our value propositions require? Our distribution channels? Customer relationships? Revenue streams?	VALUE PROPOSITIONS What value do we deliver to the customer? Which one of our customers' problems are we helping to solve? What bundles of products and services are we offering to each segment? Which customer needs are we satisfying? What is the minimum viable product?	CUSTOMER RELATIONSHIPS How do we get, keep, and grow customers? Which customer relationships have we established? How are they integrated with the rest of our business model? How costly are they?	CUSTOMER SEGMENTS For whom are we creating value? Who are our most important customers? What are the customer archetypes?
KEY RESOURCES What key resources do our value propositions require? Our distribution channels? Customer relationships? Revenue streams?		CHANNELS Through which channels do our customer segments want to be reached? How do other companies reach them now? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?		
COST STRUCTURE What are the most important costs inherent to our business model? Which key resources are most expensive? Which key activities are most expensive?		REVENUE STREAMS For what value are our customers really willing to pay? For what do they currently pay? What is the revenue model? What are the pricing tactics?		

Osterwalder's Business Model Canvas

Legal Canvas

CORPORATION Type of Company Jurisdiction Tax issues Corporate structure	IP RIGHTS Patents Trade secrets Domain Names Copyrights	DATA Accountability Security Privacy Policy	CONTACTS Type of Contracts Identify Clients Suppliers Risks Obligations T&Cs	INVESTMENTS Equity SOP Vesting
		LICENSES PSDII AUHORITIES		MARKETING Segments Channels Contracts Profiling Loyalty

WHO NEEDS THE LEGAL GUIDE?



Sees an **Opportunity**
Moves from the Idea stage and makes a **plan** and
the **structure** of the business
Organize and **start** the business
Owns the Business
Takes the **Risk**

DOES AN ENTREPRENEUR NEED THE LEGAL GUIDE?

Find balance between:

“Entrepreneurs should not have more fear than actual risk”

and

“Legal issues are often underestimated at a high cost”

INFORMED DECISIONS

Of the C-Level executives

WHEN DOES AN ENTREPRENEUR NEED THE LEGAL GUIDE?



Outlook



✓ IP Rights Protection

✓ Incorporation

✓ Law Compliance

✓ Investments

IP Portfolio



- ✓ Patents
- ✓ Copyright
- ✓ Trademark
- ✓ Domain Names

What is Intellectual Property (IP)?

Creation of the mind

- Inventions
- Literary & Artistic Work (drawings, paintings, photos, text, music, video, graphics etc.)
- Products
- Brand names, logos, slogans
- Know How
 - Employees Knowledge
 - Business Process
 - Designs
 - Experimental results
 - Product design, apparatus, Improvements, Packaging, catalogues etc.)
 - Manufacturing processes,
 - Instruction manuals,

The Muse problem

“I didn't use any of their code, I promise. I didn't use anything! Look, a guy who builds a nice chair doesn't owe money to everyone who ever has built a chair, okay? They came to me with an idea, I had a better one”.

- How much does the Idea worth?
- How much of the total capitalization of the Company does the idea worth?



How to protect IP?

- **Patents**
 - Inventions & Designs
- **Trademarks & Domain Names**
 - Symbols, Names, Images, Slogans, Shapes
- **Copyright**
 - Literacy, Artistic, Works & Designs
- **Trade Secret**
 - Invention & Designs

Patents

- **Requirements for protection**

- Patents protect inventions intended to serve as new **solutions** to **technical problem**
- Shall be granted for any inventions, in **all fields of technology**, provided that they are
 - **new** (*not in public domain*),
 - **involve an inventive step** (*non obvious*) and
 - are susceptible of **industrial application**
- *i.e.* Chemical substances, pharmaceuticals, process, methods, uses , product, devices, systems

- **Excluded from protection**

- discoveries, scientific theories and mathematical methods
- aesthetic creations (*those are subject to design protection*)
- schemes, rules and methods for performing mental acts, playing games or doing business, and programs for computers
- presentations of information

Patents

any European software patent has to overcome **two hurdles**:

- **Patent-eligibility**: a single technical feature in the patent claim is enough + solution to a technical problem
- **Technical Contribution**

- **Examples:**

- An anti lock braking system configured for
 - Detecting lateral strain on each wheel;
 - Monitoring if a threshold is exceeded
 - Adjusting brake fluid pressure to each wheel



Patent eligible



Technical Contribution

- A method of classifying emails depending on their content performed by a computer comprising of:
 - Applying a probabilistic classifier to calculate a probability that the email is spam;
 - Wherein the classifier has been trained on past classification of email content



Patent eligible



Non – Technical contribution

Patents

- **Examples:**

- A method of storing a list of numbers, comprising of:
 - Finding the smallest number;
 - Swapping the smallest number to the top of the list
 - Repeating steps above



✘ Non - Patent eligible

- A computer-implemented method of storing a list of numbers, comprising of:
 - Finding the smallest number;
 - Swapping the smallest number to the top of the list
 - Repeating steps above

✔ Patent eligible

✘ Non – Technical contribution

- A heart monitoring apparatus, comprising of:
 - A sensor for receiving an electrocardiograph signal from a patient;
 - Means for preprocessing the signal to suppress noise;
 - A neural network identifying irregular heartbeats

✔ Patent eligible

✔ Technical Contribution

Patents

- **Protection afforded**

- Right to exclude others from making, use selling, offering for sale, or importing infringing goods.
- In return, applicants must fully disclose their invention. Patent applications and granted patents are published, which makes them a prime source of technical information.

- **Procedure**

- Decision if, where, when to apply
- Search (espacnet.com, epoquenet istn (chemicals) national patent office (spot, google patents,
- Application (either in European Patent Office or in each Country)
- Filing and formalities examination
- Preliminary report
- Amendment
- Publication/ rejection of application
- 3-5 years for the grant procedure

Patents

- **Costs**
 - 5.000 euros to grand + annual fee/ country
- **Term of protection**
 - 20 years from the filing date
 - If annual renewal fees is not paid
 - Patent is revoked by the patentee
 - After opposition proceedings.

You can **learn more** about patents and **search** for similar registered patents or applications at the **Hellenic Industrial Property Organisation** website: <http://www.obi.gr/el/>

Or you can visit the **European Patent Office** for more information on registering a patent in the European Union: <https://www.epo.org/>

Copyright

- **Requirements for protection**

- Original expression in tangible form;
- Ownership rests with the Creator;
- Exclusive right to use, reproduce, translate, alter, copy, display, perform etc.
- Work made for hire; get it in writing!
- Protection with legal and technical measures.

You can learn more about the protection of copyright at the **Hellenic Copyright Organization** website: <https://www.opi.gr/>, at the **US Copyright Office** website <https://www.copyright.gov/> or at the **World Intellectual Property Organization** website <https://www.wipo.int/>

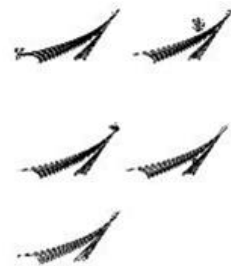
Trademarks

- **What are Trademarks**

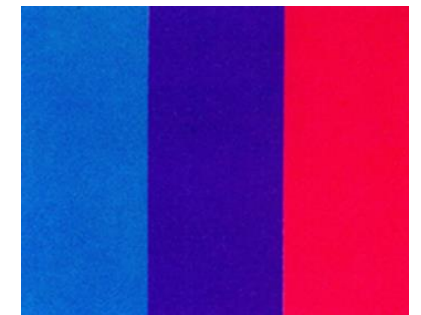
- Marks are signs used in trade to identify products/services and signal to consumers their origin

- **Types of Trademarks**

- Word Mark
- Figurative Mark (& with Words)
- Shape Mark (with words)
- Pattern Mark
- Color combination Mark
- Sound Mark
- Motion Mark



ADIDAS , LEVI'S



Trademarks

- **Requirements for protection**

- To be eligible for registration, your trade mark must be distinctive and must not describe what you sell
- Must not be same or confusingly similar to another Mark used on the same or similar goods/ services.
- Will not suffice as trademarks (name of places, flags, reputable themes, common use, unethical words)

Adidas v Abibas

funky T v funky tea



Still not clear? The following example should dispel any remaining doubts

Not distinctive

A consumer would not see this bottle, as presented here, as a distinctive sign capable of distinguishing one company from another. This sign should remain available for all companies.

Too descriptive

In this case, consumers will not see the bottle as distinctive, and the word 'wine' simply describes the content of the bottle. They will see it as a



Registrable trade mark

However, in this example, although the bottle alone may not be distinctive, the addition on the label of a distinctive name would make consumers see it as a trade mark indicating one particular brand.

Trademarks

- **Protection afforded**
 - A trademark protects
 - a good or service offered by a company from infringement or damage of reputation by another company. With a trademark, you have legal recourse to sue another company that uses your likeness to further their own business ventures.
 - Consumer confusion
 - Mark dilution.



Trademarks

- **Route to Registration**

- Decision (type, designation, goods/ service)
- Search (www.eupio.europa.org) + domain name search
- Application (either in European Trademark Office or in each Country)
- Filling and formalities examination
- Search
- Publication/ rejection of application
- 8-15 months.

- **Costs**

- 850 1 class + 50 (2nd class) + 150 any other class

- **Term of protection**

- 10 years

You can register a trademark or search for similar previously registered trademarks in the European Union (learn more: <https://euipo.europa.eu/>)

You can apply for a trademark registration with the Greek Ministry of Developments & Investment, Trademark Directorate <http://www.mindev.gov.gr/emporika-simata/>

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*World, European and Greek Trademark Database Search Engine:
<https://www.tmdn.org/tmview/>*

Learn more about patents and trademarks at the US Patent & Trademark Office here: <https://www.uspto.gov/>

Domain Names

- **Route to Registration**

- First come – first served
- Register the domain name to the corporation
- Do not forget to transfer to corporation if obtained on the Founder's name
- Check for similar domain names and trademarks.

- www.myname.com

www.my-name.com

Trade secrets

- **Route to Protection**

- Formulas, business methods, processing, client base, know-how, pattern information, instruments and anything with business value;
- Provide economic value because are unknown;
- Technical precautions (limited and secured access to databases, documents);
- Only few people should know and also well aware that are confidential;
- Confidentiality agreements & Confidentiality clauses in Employment and third party agreements;
 - *Share the idea, formula, method etc.*
 - *Anytime you do not want info in public domain*
 - *When you have Investors.*
 - *Non- formal protection. Rights to damages.*

IP Assignment & Transfer

- **Assignment of IP**
 - Outsourcing : who owns IP right?
 - All work product and IP should be assigned to entity
 - Founders
 - Employees
 - Independent contractors

Why is IP protection important?

- Is your manifestation of Ideas;
- Competitive advantage;
- Business Asset;
- Defensive relevance

INCORPORATION

✓ When | where | Why | What

✓ Equity Basics



Why - When

- **Why to Incorporate**

- Keep your IP safe and secure
- Co-founders rights and obligations are finally regulated.
- A step going forward by issuing shares (founders, employees, investors)
- Co – founder will no longer be liable for corporations acts/ omissions
- Ability to raise capital
- Investors want you there

- **When to incorporate**

- Ready to launch a product/ service
- Seeking funds
- Issue stock options / hire people
- Ready to built business credits

Where

- **Where to Incorporate**

- Your own country
- Tax avail destinations
- Tax incentive – IP attractive
- US/ Europe / Third Country
- Group of Companies (or departments abroad)
- Investors' wish
- Where you run the Business
- Most of employees live and work
- Where confident to defend possible dispute
- Where you can afford the associated cost

What type

- **What type of corporation**

- Legal Liability; Tax Implications;
- Cost of Formation and Recordkeeping;

- **Examples:**

- Sole partnership : Fully liability – one man show
- OE/ EE: Fully liability: No capital limitation; Personal assets at risk; B-Category Book-keeping
- EPE Limited Liability: Notary expenses;
- IKE – Not all shareholders need be insured. Only the Administrator. Loan limitations; 1 Euro Capital
- AE: Minimum capital requirements 25K. BoD; C-Category Book -Keeping;

Equity basics

- Identify your role in the entity



How and what to negotiate with founders

- **Get it wrong and you will spend a lot of money and time to get it right**
 - Consider that the by default equal split is not always appropriate
 - Consider your co-founders contribution in the near future and not what they did in the near part.
 - Consider SOP to employees
 - Consider equity to investors
 - Vesting rights
- **Shareholders' Agreement**
 - Depicts the thought process, values and collaborations
 - Decision taking mechanism (define majority)
 - Interacts with the Articles of Association.
 - Equity issues to consider
 - Tag Along - Drag Along – first option – call option – pull option
 - Competition & non – solicitation;
 - Business Plans
 - Distribution of dividends

LAW COMPLIANCE



✓ Regulatory

✓ Employment

✓ Data Protection Laws

✓ Contracts

Laws – Rules - Regulations

- **Strategy**

- Employment Laws
 - Employee Contract
 - Independent Contractor
 - SOP
 - Non- Compete – Non -Solicitation
- Consumer Laws
 - To be informed
 - Rights to cancel, withdraw
 - T&Cs
- Competition Laws
 - Unfair Trade
- Data Protection Laws
- Payment Services Laws

- **Licensing**

- Ie. UBER TAXI BEAT
- Travel & Tourism
- Fin Tech
- Cosmetics
- Online Pharmacies

General Data Protection Regulation (GDPR)

- **Territorial Scope**
 - EUROPEAN LAW but applicable around the World if your Company captures data of European residents;
- **Important Definitions**
 - Data Controller: the entity that regulates the purpose for collection and processing of personal data.
 - Data Processor: the entity that collects and process personal data on behalf of the Data Controller
 - Processing of Personal Data: Collection, storage, transfer, use for any purpose.
 - Personal Data: Any data that identifies or can identify a data subject (name, IP address, location data, cookie based data, behavioral data etc.).

General Data Protection Regulation (GDPR)

- **Legal Ground for processing personal data**
 - Execution of a contract
 - Legitimate interest
 - Consent
 - Law imposition
- **Accountability**
 - Legal, Technical, Operational measures
 - Data minimization | purpose limitation
 - Data Retention Policies
 - Data Subjects rights
 - Data Protection Officer
 - Transparency

General Data Protection Regulation (GDPR)

- **GDPR + digital advertising**
 - Legitimate interest v consent
 - Profiling
 - Legitimate interest v consent
 - Privacy Notice



RE-MARKETING
CAMPAIGNS



VIBER
CAMPAIGNS



FACEBOOK
MESSENGER



E-MAIL
MARKETING



SMS
MARKETING



PUSH
NOTIFICATIONS

General Data Protection Regulation (GDPR)

- **Cookies** -consent

We value your privacy

We and our partners use technology such as cookies on our site to personalise content and ads, provide social media features, and analyse our traffic. Click below to consent to the use of this technology across the web. You can change your mind and change your consent choices at anytime by returning to this site.

I DO NOT ACCEPT

I ACCEPT

[Show Purposes](#)

Powered by **Quantcast**

REJECT ALL

ACCEPT ALL

Personalisation

The collection and processing of information about your use of this service to subsequently personalise advertising and/or content for you in other contexts, such as on other websites or apps, over time. Typically, the content of the site or app is used to make inferences about your interests, which inform future selection of advertising and/or content.



Off

[View Companies](#)

Ad selection, delivery, reporting

The collection of information, and combination with previously collected information, to select and deliver advertisements for you, and to measure the delivery and effectiveness of such advertisements. This includes using previously collected information about your interests to select ads, processing data about what advertisements were shown, how often they were shown, when and where they were shown, and whether you took any action related to the advertisement, including for example clicking an ad or making a purchase. This does not include personalisation, which is the collection and processing of information about your use of this service to subsequently personalise advertising and/or content for you in other contexts, such as websites or apps, over time.



Off

[View Companies](#)

Content selection, delivery, reporting

The collection of information, and combination with previously collected information, to select and deliver content for you, and to measure the delivery and effectiveness of such content. This includes using previously collected information about your interests to select content, processing data about what content was shown, how often or how long it was shown, when and where it was shown, and whether the you took any action related to the content, including for example clicking on content. This does not include personalisation.



Off

[View Companies](#)

[Back](#) [See full vendor list](#)

SAVE & EXIT

INVESTMENT



✓ Types

✓ Criteria

✓ Agreements

Type of Investments

- **Angels**
 - Invest their own money (FFF)
- **VC**
 - Invest other people's money
- **Convertible loans**
 - May convert to equity
- **Equity**
 - Capital increase or buy shares

The Agreements

- **NDA**
 - to share information
- **Terms Sheet**
 - Anti Dilution
 - Liquidation preferences
 - BoD veto
 - Exit Plan – Drag Along
 - Right of First Option - Tag Along
 - Founders Vesting/ Cliff
 - Anti competition Clause
 - Employees Stock Option Plan
- **Due Diligence**
 - (Legal & Financial)
- **Agreements**
 - Business Framework Agreements
 - AoA

Which Investor?

- With sufficient **skills**, **experience** and **networks** to provide more than money to the Company's portfolio.
- Who you like and can **co-operate** and share data and plans
- Has the same **values** you like and trust
- Has previous **successful** investments.
- Is **reputable**

Top Legal Tips

✓ Equity Basics

Shareholders disputes can cause the early death of an early stage startup.

Get it wrong and you will spend a lot of money and time to get it right

Split the equity based on prior contributions and expectations going forward;

✓ Compliance

Law violating **cultures** do not help companies retain the title of the “key talent” but the “disingenuous”

Design an organizational **culture** with zero tolerance to exposure and optimal long term monetization potential;

✓ Incorporation

Consider the right trigger event you decide to incorporate;

You can start it wrong and can fix it later.

✓ IP Protection

Your main asset is strong IP portfolio

Avoid paralyzing effects on innovation;

Assess how legal compliance is prioritized in the operational excellence, growth, digital, data and cyber security transformation objectives.

✓ Seeking for Investors

Reaching an agreement with an investor based on price, is like picking a wife/husband based on looks.

✓ Start the Startup

Pick Up the right mentors and advisors;

THANK YOU!



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