



Stop Signing Contracts!

WHAT TO KNOW AND LESSONS LEARNED

a (hopefully) helpful talk presented by Shraybman Law | 2020

Shraybman Law

BUSINESS + IP FOR STARTUPS

Attorneys for Startups

At Shraybman Law, we develop, execute, and monitor implementation of strategies for startups by handling simple and complex transactions, partner and investor relations, financings and acquisitions, and intellectual property portfolios.

Topics to be Discussed



Contracts

What it is and what you need to have an enforceable one

Must Haves

What you need and ought to have based on different scenarios

Mistakes

What not to do

Samples

What to look out for

Advice

What to keep in mind next time you're entering into an agreement

What is a Contract?

An agreement, upon sufficient consideration, to do or not to do a particular thing.

- Black's Law (ie like an Oxford Dictionary for legalese)

requires Offer, Acceptance, Consideration, Legal Intent, and Mutual Assent

Creates binding obligations with severe consequences

Common Contracts



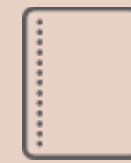
Operating
Agreements
and
Bylaws



Service and
License
Agreements



Employment
and
Independent
Contractor
Agreements



Founders' and
Shareholder
Agreements



Intellectual
Property
Agreements

Sad Stories

Phillip

Invested \$50k in a startup. To his later dismay, he had no vote on any matters, no influence on any decisions, no right to return of his contribution, and little recourse.

Jenn

Engaged and paid a developer \$100k to build her app. Unfortunately, the Service Agreement included no Work for Hire language or other provisions related to copyright ownership, and when the relationship was concluded, her code was "held hostage."

Walter Mercado, Kate Spade, and TLC

Excited creative professionals who unintentionally transferred 100% of their rights to manage their own financial affairs, make their own business decisions, and even use their own names, all for nearly zero compensation.

Sample Provisions and fine print

Work Made for Hire

Contractor expressly acknowledges that all services performed pursuant to this Agreement are being specially ordered and commissioned by Company. Any and all work product produced by Contractor shall be considered a "work made for hire" as defined by the copyright laws of the United States. Work Product shall include all ideas, concepts, business developments and opportunities, designs, and other Confidential Information and protectable business interests developed by Contractor pursuant to this Agreement.

Indemnification

Developer shall defend, indemnify, and hold harmless the Company from and against all losses, damages, liabilities, actions, judgments, penalties, or costs of whatever kind (including reasonable attorneys' fees) arising out of or resulting from Developer's acts or omissions, or breach of any representation or warranty hereunder.

Sample Provisions cont.

Governing Law

This Agreement shall be construed in accordance with, and governed in all respects by, **the laws of the State of Florida**, without regard to conflicts of law principles. The parties consent to the jurisdiction of all Federal and State Courts in within Florida. The Parties further agree and consent that venue of any **action hereunder shall be undertaken exclusively in the County of Miami-Dade, State of Florida.**

Attorneys' Fees

In the event that any litigation or formal alternative dispute resolution is initiated between the Parties as the result of any breach or alleged breach of this Agreement, the prevailing party in said litigation or formal alternative dispute resolution, **shall be entitled to recover his/her/its costs and reasonable attorneys' fees from the non-prevailing party.**



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