



Thorelli & Associates

# Legal aspects of doing business in the U.S.

# Legal Aspects of Business in the U.S. (the basics)

- Foreign vs. U.S. use of legal counsel
  - Problem fixing vs. problem prevention
  - A little money up front can prevent a large loss later on
- Written Contracts
  - Always have a written contract
    - Lack of a written contract creates confusion, not flexibility
    - He said/she said

# Organizing a US Company

- Crucial to do business in the United States:
  - The US subsidiary can be used to insulate the parent company from liability
- State of Incorporation:
  - Tax advantages;
  - Well formed corporate law;
  - No bearing on where you have physical operations

# Trademark Registration

- Protect your most powerful and valuable intellectual property right:
  - Your trademark identifies your business;
  - You do not want to run the risk that a competitor, distributor or even client decides to register your mark
- We recommend a full trademark search be done to avoid:
  - Possible refusals from the USPTO;
  - Oppositions from the owners of similar trademark;
  - Possible confusion with similar trademarks

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# Distribution Agreements

- Battle of the forms:
  - Early presentment of your distribution agreement ensures its utilization
- Important terms:
  - Exclusive vs. non-exclusive;
  - Term;
  - Territory;
  - Objective performance criteria;
  - Termination rights

# Limited Warranty

- Importance of US Limited Warranty:
  - The term “Guarantees” used in foreign documents implies that the seller is providing a full, lifetime, guarantee
  - Necessity to disclaim implied warranties arising through various states laws
- Exclusions:
  - As important to list what is excluded under the warranty
    - Normal wear and tear
    - Misuse
    - Neglect

# Other Matters

- Insurance
- Tax/Accounting
- Banking

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## Questions?

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