

# **Law for the Entrepreneur**

## **Units: 3**

### **Course Description:**

This course navigates the current business environment and identifies the key legal challenges that an entrepreneur faces in starting and operating a business. It is ideal for business majors and for students who have an interest in starting their own businesses. A special emphasis is placed on protecting one's intellectual property and includes an analysis of the laws pertaining to trademark, copyright, patent and trade secrets. The following additional topics are explored: basic legal concepts, dispute resolution, tort liability, contracts, managing risk, employment law, agent liability, choosing a form of business and legal challenges with marketing.

### **Learning Objectives:**

At the end of this course, students should be able to do the following:

1. Identify various sources of law that govern the business environment.
2. Describe the various forms of alternative dispute resolution.
3. Distinguish between intentional torts and negligence and demonstrate an understanding of how these torts arise in the business context.
4. State the elements of a contract and explain the importance of including these elements for enforcement of a contract.
5. Explain the relevance, and enforceability, of non-compete clauses in the business environment.
6. Distinguish between the various forms of intellectual property and demonstrate an understanding of the intangible property each type protects.
7. Demonstrate an understanding of the strict liability doctrine and its underlying purpose.
8. Identify the different types of insurance that are particularly relevant for the entrepreneur.
9. State the relevant federal employment laws prohibiting discrimination such as the Civil Rights Act of 1964, Equal Pay Act of 1963, and the Americans with Disabilities Act of 1990, among others.
10. Distinguish between independent contractors and employees and the legal consequences that follow from hiring each.
11. Identify the various forms of business ownership and list the characteristics of each form.
12. Analyze the Federal Trade Commission's prohibition of deceptive and unfair advertising and explain how entrepreneurs can comply with the regulations.

### **Student Learning Outcomes:**

1. Identify and distinguish the different types of intellectual property protections.
2. Given a set of facts, select a form(s) of business ownership which best suits the business presented in the hypothetical and critically analyze the reasons for this choice.
3. Demonstrate a level of engagement in the subject matter that reveals their understanding of the value of the course content beyond the task itself, specifically as it relates to linking the relevance of course content to careers in business and accounting and their personal lives.

**Textbook Information:**

1. The Entrepreneur's Guide to Business Law, 4th, Bagley, Constance E. & Dauchy, Craig. E, Cengage Publications © 2011, ISBN: ISBN # 978-053846646
2. Law for Entrepreneurs, Warner, Daniel; Mayer, Don; Seidel, George J. & Lieberman, Jethro K, Saylor Foundation © 2012, ISBN: 13:978-1-4533441-7-0
3. The Intangible Advantage: Understanding Intellectual property in the New Economy, Kline, David, Michelson 20MM Foundation © 2016

**Methods of Evaluation:**

<b><i>Assignments/Assessments</i></b>	<b><i>Points (percentage of grade)</i></b>
<b>Exam #1</b>	<b>150 (15%)</b>
<b>Exam #2</b>	<b>150 (15%)</b>
<b>Exam #3</b>	<b>150 (15%)</b>
<b>Final Exam</b>	<b>200 (20%)</b>
<b>Homework Essay #1</b>	<b>150 (15%)</b>
<b>Homework Essay #2</b>	<b>150 (15%)</b>
<b>Participation</b>	<b>50 (5%)</b>
<b>Total</b>	<b>1000 points</b>

**Grading Scale:** (Out of 1000 points)

**Homework Essay Assignments**

**Sample Writing Assignment:**

Students will review reputable business periodicals to find a current intellectual property issue. For example, a student may decide to research a patent-infringement case between Apple and Samsung. After researching the topic, the student would provide an overview of the various issues involved in the case and critically analyze the result reached by the court. Students should identify the lessons this case has for entrepreneurs and pose strategies for avoiding lawsuits for infringement.

**Sample Oral Presentation:**

Students will research informational resources available to the entrepreneur concerning one of the topics covered in class. For example, a student may be interested in how to incorporate a business in California. The student would research this issue and provide an oral presentation (5-6 minutes) which summarizes the relevant resources.

**Methods of Presentation**

Generally, class meetings will consist of lecture and discussion, PowerPoint presentations and case studies.

**Examinations**

Exams may consist of multiple choice, essay and short answer.

**COURSE CALENDAR OF ASSIGNMENTS**

<u>% of course</u>	<u>Topic</u>
5%	<p><b><u>Basic legal concepts and terminology</u></b></p> <ul style="list-style-type: none"> <li>• Classifications of the law (common law, equity, civil v. criminal, procedural v. substantive law)</li> <li>• Sources of and reasons for law</li> <li>• Case analysis and the impact of case decisions on business</li> </ul>
5%	<p><b><u>Resolving business disputes</u></b></p> <ul style="list-style-type: none"> <li>• State and Federal Court Systems</li> <li>• Progress of a case through the courts</li> <li>• Forms of alternative dispute resolution (settlement, arbitration and mediation)</li> </ul>
5%	<p><b><u>Tort liability and the entrepreneur</u></b></p> <ul style="list-style-type: none"> <li>• Introduction to torts and their application to the business environment</li> <li>• Intentional Torts</li> <li>• Negligence</li> <li>• Distinction between crimes and torts</li> </ul>
10%	<p><b><u>Contracts for business dealings</u></b></p> <ul style="list-style-type: none"> <li>• Introduction to contracts</li> <li>• Elements of a contract: the agreement, consideration, consent, capacity</li> <li>• The significance of a writing and documentation</li> <li>• Duty to mitigate</li> </ul>
5%	<p><b><u>Contractual protections for business</u></b></p> <ul style="list-style-type: none"> <li>• Overview of specific types of agreements disclaiming potential tort liability, protecting trade secrets and related issues</li> <li>• Non-compete clauses associated with the sale of a business</li> <li>• Non-compete clauses applicable to the employment context/legality concerns</li> <li>• Nondisclosure agreements</li> </ul>
20%	<p><b><u>Protecting your inventions/business name/ trade secrets and liability concerns</u></b></p> <ul style="list-style-type: none"> <li>• Overview of intellectual property and its significance for the entrepreneur</li> <li>• Trademark protection and strategies to avoid infringement</li> <li>• Copyright protection and strategies to avoid infringement; application of the fair use doctrine</li> <li>• Patent protection and strategies to avoid infringement</li> <li>• Trade Secrets protection</li> <li>• Intellectual property issues specific to the online realm</li> </ul>

5%	<p><b><u>Production and distribution of products</u></b></p> <ul style="list-style-type: none"> <li>• Overview of the production and distribution of products in today’s business climate</li> <li>• Product liability doctrine</li> <li>• Negligence</li> <li>• Strict liability</li> <li>• Liability for breach of express/implied warranties</li> </ul>
5%	<p><b><u>Managing risk through insurance</u></b></p> <ul style="list-style-type: none"> <li>• Overview of insurance</li> <li>• Types of insurance</li> </ul>
20%	<p><b><u>Human resources and employment law</u></b></p> <ul style="list-style-type: none"> <li>• Overview of human resources and issues relevant to the entrepreneur</li> <li>• Federal employment laws prohibiting discrimination</li> <li>• employment at will and exceptions</li> <li>• legal issues associated with hiring, promoting and terminating employees</li> <li>• special concerns associated with hiring unpaid and/or paid interns</li> </ul>
10%	<p><b><u>Understanding Agency</u></b></p> <ul style="list-style-type: none"> <li>• Summary of the need for hiring agents to conduct business</li> <li>• Different types of authority</li> <li>• Principal’s contract and tort liability for agents</li> <li>• Distinguish between independent contractors and employees</li> </ul>
5%	<p><b><u>Choosing a business form of ownership</u></b></p> <ul style="list-style-type: none"> <li>• Overview of the various forms of businesses available to the entrepreneur</li> <li>• characteristics of the various forms including, but not limited to sole proprietorships, partnerships, corporations, and LLCs</li> <li>• Different liabilities and protections associated with each.</li> <li>• Practical considerations</li> </ul>
5%	<p><b><u>Marketing your business</u></b></p> <ul style="list-style-type: none"> <li>• Review of the marketing environment today</li> <li>• Trademark/copyright protection online</li> <li>• Truth in advertising</li> <li>• User-generated content</li> <li>• Anti-spam regulation</li> <li>• Defamation</li> </ul>
100%	Total