

Mock Exercise

1) Did you know?

- + You do not need to register your company or choose a name if you plan to operate under your own name and are using your personal bank account—as a consultant, for example. But you will need to apply for a GST or HST number if you earn more than \$30,000 a year. (<https://www.bdc.ca/en/articles-tools/start-buy-business/start-business/pages/starting-new-business-5-essential->)
- + Failing to register your business name can result in a fine of up to \$2000 against the individuals and up to \$25000 for a corporation (<https://www.ontario.ca/page/registering-your-business-name>)
- + Registration of business name is effective for 5 years. After that it must be renewed. You can renew registration within 60 days after it expires.
- + Cost for registering a business name (sole proprietorship) : \$8-\$26 depending on the types of records you want to include in your search, \$60 to register, \$60 to renew
- + The Business Names Act does not protect the exclusivity of a registered name. You may be able to protect your business name by registering a trademark under the Trade-Marks Act (federal legislation). It may be useful to talk to your lawyer or contact the Canada Business Ontario (CBO) for more information on trademarks.
- + In terms of tax, the profits (or losses) that your business generates are taxed on your personal tax return, at the same rate of tax that you pay personally. This is beneficial in the early years of a business if it is not yet profitable and you have other sources of income
- + Non-disclosure agreements (NDAs) allow founders to share confidential information with potential customers, partners and investors. To protect this private information and their business, founders should understand and implement the key aspects of an NDA.
- + On January 1, 2008, the first accessibility standard under the Accessibility for Ontarians with Disabilities Act (AODA) became law. Called the Customer Service Standards, it applies to all organizations (public and private) operating in Ontario regardless of their level of contact with the general public.
- + An Oral contract is a legally binding contract between two parties. – if you have the three elements: Offer, Acceptance, Consideration- It's binding
- + A security represents an investment as an owner, creditor or rights to ownership on which the person hopes to gain profit. Examples are stocks, bonds and options.

2) Practice tips

- Do's and don'ts
- Don'ts:
 - o Failing to make a business plan
 - Not making a business plan can be detrimental to the organization of a business especially during the early start up days.
 - A business plan, will map out your goals and provide a rudimentary timeline to accomplish specific tasks.
 - A business plan should also include financial requirements to start the business and get it running as well as budgeting portions of capital to assets needed to start / run the business
 -
 - o Failing to adequately prepare both financially and resource acquisition
 - Ensure that you financially plan and account for all capital required to start the business. This will help in terms of seeking capital investments in your business and ensure you have adequate financing to achieve your goals

- Failing to financially prepare often results in over-spending/ over-investing in the wrong things.
- Further using your operating cash to pay for long-term assets may result in cash shortages. Instead, when determining how you'll pay for major purchases such as equipment, machinery or major IT outlays, consider using a [business loan](#) that has a term matching the asset's lifespan.
- Securing start up financing : <https://www.bdc.ca/en/financing/business-loans/pages/financing-starting-a-business.aspx?type=D&order=1&intlnk=rightbox&intlnk=rightbox>
- Not doing your research
 - Market research: It is important to identify who your consumer is and what their ideal needs are. In addition you must look at any prospective competitors you may have. Identify any gaps in the market you can fulfill. Be sure to consider ways to harness the marketing potential of the Internet. For example, ads on social media platforms can be a cost-effective and easy way to target specific market segments. Don't make the mistake of setting your prices based solely on what the competition charges. It's important to research your costs in detail for each of your products when deciding what to charge. Also, monitor actual costs as you go to make any needed adjustments.
 - Technological research: Assess what technology you should invest in to improve growth efficiency and profitability
 - Local resources: take advantages of mentorship programs designed to facilitate contacts between businesses and entrepreneurs. Local economic development centers such as DUKE Law and any online resources to help guide you along the way. Networks can provide startups with access to potential talent pools or seed capital. They might also provide client leads, strategic partnerships. Small Business Enterprise Centres (SBECs) offer entrepreneurs all the tools they need to start and grow their businesses. (<https://www.ontario.ca/page/small-business-enterprise-centre-locations>)

Do's:

- Things you should do
 - Adequately plan for your business by creating a business plan
 - Tap into resources available to you
 - Seek advice
 - Utilize online resources
 - Search and register business name

Pathway to becoming a startup

- 2) Validating your solution.
 - Step 1: Find out if your business idea already exists on the market
 - Conduct an online search to determine if there are other business in the same area of business as your idea
 - It is essential to develop you own individual business identity
 - Step 2: Identify main areas to confirm:
 - Who is your customers
 - What problems are you solving
 - How does your product solve these problems
 - What are the key features of the product
 - Step 3: Map out estimated profit by subtracting the projected revenue from potential expenses
 - Step 4: Hash out a strategy for attracting customers to your business
 - Find out which customers you intend to attract and how you plan to market to them
 - Step 5: Research and Development
 - Test out your product- seek advice through mentorship programs. Try and test the product on a focus group
 - <https://www.startupgrind.com/blog/the-startup-framework-to-validate-your-idea-before-you-spend-1/>
- 5) Choosing your business type/ structure
 - Choose 1 of the 4 main business structure types within Canada
 - Sole proprietorships
 - Partnerships
 - Corporations
 - Cooperation's
 - Main distinction between the four types is tax implications attributed to each
- 3) Create a business plan
 - A business plan lays out a general idea of what your business will look and feel like. It will include aspects of financial planning and budgeting as well as marketing plans you may implement. A business plan acts a guide.
 - <https://www.futurpreneur.ca/en/resources/start-up-business-planning/tips-tools/business-plan-writer/?it=business-planning/sample-business-plans-and-templates/>
- 4) Choose your business name
 - It is important to select a name for your business which is unique in order to avoid legal trademark issues in the future. Search for your business name on the Canadian trade-mark website prior to registration to make sure it is unique: <http://www.ic.gc.ca/app/opic-cipo/trdmrks/srch/home?lang=eng>
 - <https://www.bdc.ca/en/articles-tools/start-buy-business/start-business/pages/starting-new-business-5-essential-tips.aspx?type=B&order=1&intlnk=rightbox>
- 4) Register business name

- Business names are registered with the Central Production and Verification Services Branch (CPVSB) of the Ministry of Government and Consumer Services (MGCS) and are placed on the Public Record maintained by CPVSB for public disclosure. Anyone may search business name information contained on the Public Record for a fee to find the owners or principals behind a business name.
- <https://www.ontario.ca/page/registering-your-business-name>
- 4) Register business
 - -When you register your business name you will be issued an Master Business License (MBL) shows the registration and expiry dates as well as the Business Identification Number (BIN).
 - In Ontario, there are many options for registering your business name:
 - Online through Service Ontario (\$60 to register or renew). ...
 - Through any of the service providers under contract with the Ministry of Government and Consumer Services. ...
 - Via the Canada Revenue Agency's Business Registration Online (BRO) service.
 - <https://www.thebalancesmb.com/business-registration-in-ontario-2947256>
 - There are independent services that register businesses for a fee.
 - https://www.ownr.co/ca/en/?utm_dc=ks_SEG_997364127_77298781144_387297226994_kwd-246647022_c&gclid=EAIaIqobChMIgPCqhbKw5QIVGsDICh1B5g-OEAAYASAAEgLyDPD_BwE
- 6) Apply for business permits and licenses
 - Except for a few isolated cases, usually involving broadcasting or telecommunications, there is no federal or provincial licensing system for businesses. Occasionally, however, new businesses such as medical colleges are subject to licensing or certification from professional organizations.

<https://www.bdc.ca/en/articles-tools/start-buy-business/start-business/pages/licences-permits-new-businesses.aspx>

- 9) Getting business support/ financing
 - There are several resources start-ups can tap into to acquire funding
 - <https://www.bdc.ca/en/financing/business-loans/pages/financing-starting-a-business.aspx?type=D&order=1&intlnk=rightbox&intlnk=rightbox>
 - <https://www.finder.com/ca/startup-grants>
 - https://startuperetoronto.com/?gclid=Cj0KQCQiA2ITuBRDkARIsAMK9Q7MFkSwx5rLnV8mCM1TTTx2LiqFdvjQ3VW3ZixYGF6LOJgucleci4gaArleEALw_wcB
 - Crowd funding your business:
 - <https://www.fundable.com/>
 - <https://startuperetoronto.com/support-category/funding/>
 - <https://fi.co/insight/a-guide-to-toronto-s-best-startup-accelerators-incubators>
 - https://www.airdberlis.com/docs/default-source/default-document-library/startup-incubators-and-accelerators-pdf71b437826168616da574ff000044313a.pdf?sfvrsn=f2dc56d5_0

Criterion	Corporation	Limited Partnership (LP)	General Partnership	Sole Proprietorship
Ownership Requirements- BS (5)	<p>One or more shareholders.</p> <p>No restrictions on the types of shareholders.</p> <p>Steps to Incorporating:</p> <p>Step 1: Deciding how you want to name your corporation Step 2: Completing articles of incorporation Step 3: Establishing the initial registered office address and first board of directors Step 4: Filing the appropriate forms and paying the fee Step 5: Processing your application Completing provincial and territorial registration and other requirements</p> <ul style="list-style-type: none"> • https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs06642.html 	<p>Two or more partners.</p> <p>Must also have at least one general partner and one limited partner.</p>	<p>Two or more partners.</p> <p>No restrictions on the types of partners.</p>	<p>One party has full ownership</p>
Form of Equity and Restrictions-BS (5)	<p>Shares are held by one or more shareholders. There are two basic types of shares: common shares and preferred shares.</p> <p>It is permissible to have multiple classes and series of shares with different rights, privileges, restrictions and conditions.</p> <p>Distributions must be proportionate to share ownership within each class or series of shares (preferential distributions are permitted for one class over another).</p> <p>Corporations can also grant warrants and securities convertible into shares.</p>	<p>Two classes of partners:</p> <ul style="list-style-type: none"> • A general partner (generally responsible for management). • A limited partner (typically, a silent investor). • At least one general partner (who may have made a nominal contribution) and one limited partner (other than the sole general partner) is required to form a limited partnership. • Distributions do not need to be proportionate to partnership ownership. • The limited partnership agreement can specify distribution preferences. 	<p>There is significant flexibility in defining partners as equity or non-equity partners.</p>	<p>Party has full ownership of shares of the business</p>
Organizational Documents- legal documents for start-ups- BS (5) (6)	<p>Formation and governing documents:</p> <ul style="list-style-type: none"> • articles of incorporation filed with the Director appointed under the Canada Business Corporations Act, R.S.C. 1985, c. C-44 (CBCA) or Ontario Business Corporations Act, R.S.O. 1990, c. B.16 (OBCA). • By-law. • Shareholders may also enter into a unanimous shareholder agreement (USA). 	<p>Formation document: declaration filed with the Registrar appointed under the Ontario <i>Limited Partnerships Act</i>, R.S.O. 1990, c. L.16 (BNA).</p> <p>Governing document: limited partnership agreement.</p>	<p>Formation and governing document: partnership agreement (which can be oral but is best reduced to writing).</p> <p>Legislation governing a general partnership is the <i>Partnerships Act</i>, R.S.O. 1990, c. P.5.</p> <p>If firm name is other than names of partners, a business name registration is required under the Business Names Act, R.S.O. 1990, c. B.17 (BNA).</p>	

<p>Levels of Tax and Other Tax Considerations</p> <p>(5)(6) -BS</p>	<p>Income tax is levied at the corporate and shareholder level. Can participate in tax-free reorganizations under the Income Tax Act, R.S.C. 1985, c. 1 (5th Supp.) (<i>Income Tax Act</i>).</p> <p>Corporations are taxed separately from their owners. Because the corporate tax rate is generally lower than the individual tax rate, incorporation can offer you some fiscal advantages.</p> <p>Integration mechanisms (such as the gross-up and dividend tax credit or refundable corporate taxes) help eliminate or reduce the element of double-taxation that would result from the imposition of tax at both the corporate and shareholder levels. Corporations (other than professional corporations) can choose a fiscal year-end ending on any day of the calendar year.</p> <p>https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs06641.html</p> <p>Some corporations (notably, Canadian-controlled private corporations (CCPCs)) offer advantages in the form of:</p> <ul style="list-style-type: none"> • Tax deferral on retained earnings although the use of the CCPC to defer income on passive investments (limited to \$50,000 of accumulated investment income a year before the \$500,000 annual business limit is reduced at the rate of five times the excess investment income). • Income-splitting with adult family members subject to the rules governing tax on split income with certain family members. • Capital gains exemption on certain share dispositions. • Estate freezes and other estate-planning opportunities. • Deduction of allowable business investment losses on shares or debt. • Favourable tax treatment of employee stock options. • Favourable tax treatment of scientific and experimental expenditures. • As a separate taxpayer, the losses of a corporation cannot be flowed out and deducted by shareholders. 	<p>Income tax is imposed at the partner level only.</p> <p>All income, loss, taxable capital gains and allowable capital losses of the firm are allocated to the partners. The ability of partners to deduct non-capital losses and allowable capital losses is the main tax advantage of partnerships over corporations.</p> <p>A limited partnership must have a calendar year end for tax purposes unless all partners are corporations other than professional corporations (or in some cases partnerships consisting of corporations other professional corporations).</p> <p>Canadian partnerships can participate in certain tax-free rollovers on transfer of inventory, depreciable property and non-depreciable capital property to the partnership or winding-up under the <i>Income Tax Act</i> (to form a corporation or sole proprietorship or distribute the assets <i>in specie</i> to the partners).</p>	<p>See description under LP.</p>	<p>Sole proprietorship can be advantageous because the sole proprietor is generally entitled to deduct non-capital start-up losses from his or her other sources of income.</p> <p>In 2018, the combined federal-Ontario marginal tax rates for individuals earning ordinary income (including business income through a sole proprietorship) ranges from 20.05% (for individuals in the lowest income bracket) to 53.53% (for individuals in the highest income bracket).</p>
<p>Liability- BS</p> <p>(5)</p>	<p>Shareholder's liability is limited to amount of capital contributed.</p>	<p>Limited partner's liability is limited to amount of capital contributed or agreed to be contributed (see Practice Note, Limited Partnerships: Overview: Management: Limited Partners).</p> <p>General partner has unlimited liability. However, the general partner can be a corporation or another LP to trap the liability.</p>	<p>All partners have unlimited joint liability.</p>	<p>If you are a sole proprietor, you also assume all the risks of the business. The risks extend even to your personal property and assets.</p>
<p>Management- BO</p> <p>(6)</p>	<p>A corporation is governed by a board of directors. The board generally designates officers to manage the day-to-day operations. Certain fundamental decisions need to be approved by the shareholders.</p> <p>The board of directors may delegate certain decision-making to committees.</p> <p>There is a well-developed body of corporate statute and case law that provides greater certainty, but less flexibility, than the limited partnership form.</p>	<p>Management is initially vested in the general partner(s). The general partner(s) may delegate management and may (but do not need to) designate officers to manage day-to-day operations. Certain major decisions typically have to be approved by the limited partners.</p> <p>The powers of the general partner can be limited by the limited partners in the limited partnership agreement.</p> <p>If limited partners participate in management, they risk losing the benefit of limited liability (see Practice Note, Limited Partnerships: Overview: Management: Limited Partners).</p>	<p>Management is vested in the partners generally except to the extent that they otherwise provide in their partnership agreement.</p>	<p>The owner of a sole proprietorship has sole responsibility for making decisions, receives all the profits, claims all losses, and does not have separate legal status from the business.</p>

Employee Incentive Considerations- BO (6)	Stock options can be granted to employees (and can qualify for favourable treatment under the <i>Income Tax Act</i>).	Equity compensation arrangements (such as options) for employees are uncommon.	Same as LP.	
Capital Raising Considerations (9)	<p>A corporation is the most common entity form for a publicly traded entity. Raising money is often easier for corporations than it is for other forms of business. For example, your corporation would have the option of issuing bonds or share certificates to investors. If you decide to incorporate your business, you will have higher start-up costs than if you carry on the business as a sole proprietorship or partnership.</p> <p>Corporations raise capital through the issuance of equity (shares) and the incurrence of debt. Shares can be issued by private placement or, if the corporation is public, by a prospectus offering which is filed with the Ontario Securities Commission (OSC) (or other securities regulators) and listed on a stock exchange (or traded in the over-the-counter market).</p> <p>There is a lot of flexibility in the type of securities (for example, common and preferred shares, warrants and options, convertible debt, phantom stock) that can be issued. A CBCA (or OBCA) corporation may have an unlimited number of shares in its articles of incorporation.</p> <p>If the number of authorized shares is limited, the number can be increased by amending the articles of incorporation, which requires shareholder approval by special resolution. If the corporation has current holders of preferred shares, they may also have anti-dilution protection. The terms of the preferred shares are set out in the articles.</p>	<p>LPs raise capital through the issuance of equity (partnership interests) and the incurrence of debt. Partnership interests are typically issued in private placements. LPs are not limited by a preset number of authorized interests, but may be restricted from diluting their current partners by provisions in the limited partnership agreement.</p> <p>Because limited partners are prohibited from managing the partnership, it is a good vehicle when raising capital with silent investors.</p> <p>Except in certain industries (such as real estate), LPs are not typically publicly traded. If a limited partnership is publicly traded, units of LP interests (instead of shares) are bought and sold.</p>	Because of unlimited liability for partnership debts and liabilities, general partnerships are not generally suitable for passive investors and are not used to raise equity. Nor are general partnerships publicly traded.	<p>There are several resources start-ups can tap into to acquire funding</p> <p>https://www.bdc.ca/en/financing/business-loans/pages/financing-starting-a-business.aspx?type=D&order=1&intlnk=rightbox&intlnk=rightbox</p> <p>https://www.finder.com/ca/startup-grants</p> <p>Crowdfunding your business:</p> <p>https://www.fundable.com/</p>
Other Considerations	Regulators and employees are most familiar with this form. More regulated than limited partnerships.	LPs are subject to fewer formalities than corporations.	General partnerships are subject to fewer formalities than corporations and LPs.	

Laws governing start ups

Protected Subject Matter	Nature of Protection	What happens if you don't protect your intellectual property?	Hot to protect your business (intellectual property rights)
<p>Patents (Canada) : Patents protect useful, novel and non-obvious inventions for processes, methods, machines, devices, manufactured goods, chemical, biological and other compositions of matter, and improvements.</p>	<ul style="list-style-type: none"> Patents give the right to exclude others from making, using, offering to sell or selling within Canada, or importing into Canada, any article, process or method covered by the patent claims. 	<ul style="list-style-type: none"> Somebody else might patent them Competitors will take advantage of your invention Possibilities to license, sell or transfer technology will be severely hindered https://www.wipo.int/sme/en/ip_business/importance/risks.htm 	<ul style="list-style-type: none"> Patents are issued by the Commissioner of Patents, Canadian Intellectual Property Office (CIPO) under the Patent Act, R.S.C. 1985, c. P-4 (Patent Act) on successful prosecution of applications by the inventor(s) or an assignee. Duration: For applications filed on or after October 1, 1989, the term of a registered patent is 20 years from the filing date of the application. It is not possible to extend the term of a patent.
<p>Trademarks (Canada) Names, brands, symbols, slogans, colours, sounds, package and store designs, and other devices used to identify a particular source of wares and services in a relevant market place</p>	<ul style="list-style-type: none"> Common law gives the right to exclude others from using, in the owner's territory of use, the same or similar mark for the same or similar goods or services in a way that is likely to cause consumer confusion (Vapor Canada Ltd. v. MacDonald, 1976 CarswellNat 428 (S.C.C.)). Registration under the Trademarks Act extends territorial rights nationwide. 	<p>Having a registered trademark can boost investor confidence, build your reputation and become a revenue source through licensing or franchising. What if your company name eventually becomes better known than your product? If you own it, you can leverage it. And why shouldn't you? It's your identity.</p> <p>https://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr04312.html#Trademarks</p>	<ul style="list-style-type: none"> Common law passing off rights are secured and maintained by commercial use of trademarks within a geographic region. The Registrar of Trademarks grants federal registration under the Trademarks Act, R.S.C. 1985, c. T-13 (Trademarks Act). Duration: The term of trademarks is indefinite, unless and until rights are abandoned through non-use or failure to comply with statutory and regulatory requirements (including renewal every 15 years).
<p>Copyrights (worldwide) Original literary, dramatic, musical and artistic works of expression in diverse categories, including printed matter, computer software, recordings and audio-visual works.</p>	<ul style="list-style-type: none"> A copyright owner has exclusive rights to produce or reproduce the work, or any substantial part thereof, to distribute and perform the work, and to make derivative works. 	<p>Copyright law prohibits others from copying specific types of works without your permission. Copyright is the exclusive legal right to produce, reproduce, publish or perform an original literary, artistic, dramatic or musical work, including computer software programs, sound recordings or a communications signal.</p> <p>https://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr04312.html#Trade</p>	<ul style="list-style-type: none"> Copyright protection is automatic under the Copyright Act, R.S.C. 1985, c. C-42 (Copyright Act) as soon as an original work is committed to paper, film, a computer disk or some other tangible form. Registration with the Copyright Office is available and provides certain benefits (including a presumption of ownership), but is not required for ownership. Duration: The term of copyright generally is the life of the author, the remainder of the calendar year in which the author dies, and a period of 50 years following the author's death.
<p>Integrated Circuit Topographies Integrated circuit topographies refer to the three-dimensional configurations of electronic circuits embodied in integrated circuit products or layout designs.</p>	<ul style="list-style-type: none"> The owner of an integrated circuit topography has the exclusive right to copy the topography and to manufacture, import and commercialize the topography, with exceptions for reverse engineering for research or testing. 	<p>Owners of registered topographies can exclude others from:</p> <ul style="list-style-type: none"> reproducing a protected topography or any substantial part of one; manufacturing an integrated circuit product incorporating a protected topography or a substantial part of one; importing or commercially exploiting (i.e., selling, leasing, offering or exhibiting for sale or lease, or other commercial distribution) a protected topography or a substantial part of one, or an integrated circuit product that embodies a protected topography or a substantial part of one; and importing or commercially exploiting an industrial article that incorporates an integrated circuit product that embodies a protected topography or a substantial part of one. 	<ul style="list-style-type: none"> Registration is required for protection under the Integrated Circuit Topography Act, S.C. 1990, c. 37 (Integrated Circuit Topography Act). Duration: The term of topography protection is the end of the tenth calendar year from (i) the calendar year of the filing date of the application; or (ii), if earlier, the date the topography is first commercially exploited anywhere in the world (section 5, Integrated Circuit Topography Act).
<p>Industrial Designs (Canada) Features of shape, configuration, pattern or ornamentation in a finished article that relate to appearance rather than functional features.</p>	<ul style="list-style-type: none"> Registration gives the owner the exclusive right to exploit (make, import, sell, rent, offer or expose for sale) the registered industrial design. 	<p>Unless you register your design, you can't make a legal claim of ownership. By registering, you gain the legal right to prevent others from making, importing, renting or selling an article that uses your design for up to 15 years.</p> <p>https://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr04312.html#Industrial</p>	<ul style="list-style-type: none"> Registration is required for protection under the Industrial Design Act, R.S.C. 1985, c. I-9 (Industrial Design Act). Duration: The term of industrial design protection is 10 years from the date of registration (section 10(1), Industrial Design Act). Maintenance fees must be also be paid to prevent early termination.
<p>Trade Secrets (Worldwide) Business, financial and technical information that the owner keeps confidential through reasonable efforts and from which economic value is derived by virtue of the information not being generally known.</p>	<ul style="list-style-type: none"> No registration is available. A trade secret owner may enforce its rights against misappropriation not resulting from any action or inaction of the owner (for example, improper disclosure by a former employee, physical or electronic theft of documents or breach of a valid confidentiality agreement). 	<p>A trade secret is information that gives you a business advantage over a competitor. Trade secrets can include formulas, practices, designs, patterns, data compilations, devices or instruments. To consider something a trade secret, you need to keep it secret. a trade secret is only a secret until someone finds out about it. If another person independently invents or discovers the details of your trade secret, there is nothing to stop them from using it, applying for a patent or publishing the information. https://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr04312.html#Trade</p>	<ul style="list-style-type: none"> Rights in trade secrets are secured and maintained under provincial and territorial law by reasonable efforts of the owner to keep information confidential (for example, through security practices and confidentiality agreements). Duration: There is no fixed term on the life of a trade secret, but it will be lost if it ceases to be secret.

Contract law considerations:

https://www.canadaone.com/ezine/june2010/business_contracts.html

Contract

An oral or written agreement between two or more parties which is enforceable by law. In order to be valid, a contract requires an offer, an acceptance of that offer and consideration.

Consideration:

Under common-law, one of the three criteria that have to be met before a contract is binding. Refers to money or payment of money or some right, interest, profit or benefit given to the one party, or some forbearance, detriment, loss or responsibility given, suffered or undertaken by the other. Essentially One party must benefit, and one party must pay

There is one exception to the requirement of "consideration" and that is a "deed", which is a contract "under seal" or a "specialty contract". Deeds are used mostly in contracts that involve real estate. If a contract is a "deed", then no consideration is required.

Offer

An offer must be a clear, unequivocal and direct approach to another party to contract. For this reason, advertisements, and catalogues are not offers. The law calls these "invitations to treat"; or invitations to the general public to make an offer on a particular item.

An offer, once made, can be revoked before acceptance unless it is under seal. An offer can also expire if a deadline for acceptance passes. If there is no specified deadline, then the offer expires in a "reasonable time", depending on the subject-matter of the contract.

Acceptance

It is at this moment that a contract exists. The acceptance must be clear, unequivocal, and unconditional and made by the person to whom the offer is intended.

<http://www.canadianlawsite.ca/contracts.htm>

DUKE Community (8)

<https://startupheretoronto.com/>

<https://torontostarts.com/>

<https://www.toronto.ca/business-economy/invest-in-toronto/start-up-here/>

<https://www.startupcan.ca/ourwork/startup-toronto/>

<https://www.marsdd.com/>

<https://www.futurpreneur.ca/en/>

Launch It:

Market your idea

Social Media

Leveraging Social Media: Help with Twitter, Facebook, Linked In, Blogging & More!

<https://www.canadaone.com/tools/startingabusiness.html>

Best practices to avoiding Legal mistakes

- 1) Pick a legal structure / entity that best suits your business and your ownership criteria
- 2) **Clear and Protect the Use of Brand Names, Logos and Domain Names Before Creating Value in Them**
- 3) **Clearly Agree on, and Properly Document, the Roles and Responsibilities of Founders**
- 4) **Develop and Implement a Comprehensive IP Strategy to Ensure That the Corporation Has and Retains Essential IP Rights**
- 5) **Comply with Securities Laws When Raising Capital**
- 6) **Comply with Employment and Human Resources Laws**
- 7) **Institute a Policy for Social Media, Data Collection, and Other Online and Mobile Activities**
- 8) **Properly Document Customer, Supplier, Employee and Other Key Third-Party Relationships**
- 9) Consult a lawyer

Reach out to clinics:

Osgoode Business Law Clinic

Osgoode IP Law Clinic

Innovate York