

# NJORD Estonia: 5 important legal issues every start-up founder must solve

In order to build a successful company, you will need to create a business plan, assess your finances, complete all the legal paperwork, pick your partners, have a marketing plan... and a whole lot more.

When creating a business plan, besides the core business-related matters, funding issues, etc, also the legal risks shall pop up. Start-ups are more than just a product or service built to scale: they are legal entities which come with legal processes and regulatory responsibilities that may sometimes seem mysterious and difficult to handle – especially to first-time founders. Every start-up's legal needs are different, and every stage of a company's growth seems to multiply the compliance and risk management challenges facing the start-up. So, founders should keep their heads cool and take care of the paperwork and legal activities to "stay ahead" of the industry's legal issues. With the right legal support, tech start-up founders can solve the following legal issues:

## 1. Business Structure

Determining the location and legal structure of a business is the first legal challenge that every start-up must solve. This decision shall have an impact on the tax requirements and liabilities and it influences the ability to acquire funding.

## 2. Intellectual Property Protections

The law no longer favours those who develop the product first; instead, the law cares about who filed for the IP protection first. That is why it is extremely important to choose an original business name and initiate appropriate registrations for patents, utility models, trademarks and design protection. Lawyers and trademark and patent attorneys can assist here to find the most optimized IP strategy for the established business model.

## 3. Non-disclosure Agreements

Non-disclosure agreements protect business strategy, trade secrets, algorithms, client information, and more. These contracts need to be concluded with employees, contractors, and other third parties.

## 4. Employee Contracts

Most early-stage start-ups face the question of how to engage talented and motivated staff who would stay dedicated to the business even during the turbulent times that one start-up may face. That is why you need flexibility and motivation systems in your employment contracts. With the right tools, you can generate contracts that protect both employee and company rights.

## 5. Privacy Policies

Whether your business is active in HR management, client data management, gaming industry, AI or development, etc., one thing that you cannot escape nowadays is GDPR regulations. Therefore, you should always make sure what data, for which purposes, and on which legitimate grounds you process. Sign data processing agreements with your service providers, who act as data processors for you; draft and implement privacy rules; learn how to recognize a personal data breach and which steps must be taken to notify data subjects and train your staff, so that they know the basic data protection rules.

From our **NJORD Tech** (<http://njordtech.eu/>) page, you will find a solution to each one of these steps, along with the links to helpful resources where you can dig into the details. Our new web page contains everything you need to know about Estonian company **incorporation, start-ups and crypto companies**. In addition, we have created a **NJORD LAB program** that works with the carefully selected innovative start-ups in the technology sector to support their growth. NJORD LAB main focus areas are:

- blockchain and distributed ledger technology,
- data management and big data,
- Autonomous and Intelligence Systems,
- mixed, virtual and augmented realities,
- space and drone technologies.

So, if you have a great business idea and you would like to know what the legal requirements for this business model to go live are, then NJORD would like to hear about it.

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