

strategy

technology

h **b**

innovation

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value

results

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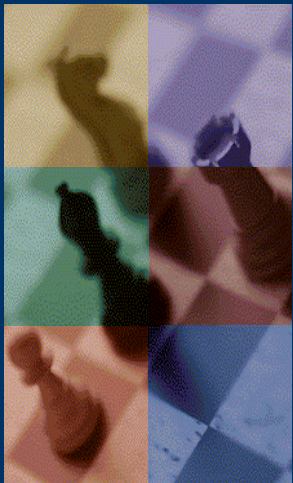
Making a Great First Impression

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Michael Davis is a Partner in the Business Transactions section and Intellectual Property & Technology Transactions group of **Haynes and Boone, LLP**, a full-service law firm with more than 450 attorneys throughout Texas, Washington D.C., and Mexico City.

Mr. Davis advises clients in protecting, developing and commercializing technology.

In his role as a Partner at Haynes and Boone, he serves as part-time General Counsel of StarCore, a joint venture (co-owned by Motorola, Infineon and Agere) that develops and licenses digital signal processor cores. Previously, he was a lead attorney for IBM at the Somerset PowerPC Microprocessor Design Center, which was a key strategic alliance between IBM, Motorola and Apple.

In patent matters, his areas of expertise include business methods, software, Internet, video/audio standards (MPEG/AC-3), digital and analog circuitry, microprocessor design, and semiconductor manufacturing.

He is a Past President of the Austin Intellectual Property Law Association, founding Chair of the MIT Enterprise Forum of Austin, a Member of the Austin Technology Council's NextWave Planning Committee, and a Board member of the Austin Children's Museum.

He received a B.S. in engineering from Massachusetts Institute of Technology (MIT) and his law degree from the University of Houston Law Center.

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Your presentation

- **Only 1 goal (i.e. get the next meeting)**
- **Be early, not just “on time”**
- **Know audience (bored, skeptical)**
- **Bring 1 or 2 colleagues**
- **Bring paper copies (full-size)**
- **Brief (e.g. 12 slides, 4 pages, bullets)**
- **Credible (e.g. avoid 10 “Lies”)**
- **Persistent**
 - **OK to correct misperception**
 - **OK to inquire about next step**

1 hour

- **Introduction** **5 minutes**
- **Presentation** **10-15 minutes**
- **Q&A** **35 minutes**
- **Summary & Actions** **5 minutes**

12 Slides

1	Name Contact Info	2	\$ to raise Your Industry Your Focus	3	Problem Pain Market Size	4	Your Solution Overview
5	Your Technology Details	6	Your Advantages	7	Competition Shortcomings	8	Marketing Opportunities Strengths Plan
9	Revenue Model Size Potential	10	Team	11	History Status Timeline Spending Plan	12	Summary Actions

10 "Lies"

1. We sign contract with Big Company next week
2. Total market = \$X billion
3. We keep 51% of company & retain control
4. No existing competition
5. No potential competition
6. Big competitor is no threat, because too slow
7. To succeed, we only need 2% of total market
8. Our product will become the "standard"
9. We will have "1st mover advantage"
10. Our projections are conservative

Your legal homework

Primary Areas

- **Corporate**
- **Intellectual Property**
- **Employment**

Corporate

- **Do what's best for the company versus individual egos**
- **Expect dilution & less control**

Corporate

- **Do what's best for the company versus individual egos**
 - Planning for future investment by others
 - Diverse representation on Board of Directors
(Industry Experts, Finance, Company people)
 - Solid management (CEO, CFO, Sales/Marketing)
 - Employee Retention - option plan
 - Good service providers (Legal, Accounting, etc.)

Corporate

- **Retain experienced securities attorney early**
- **Consult attorney before “friends & family” investment**
 - No “general” solicitation
 - Only “accredited” investors
 - Smaller legal fees
 - Minority owner has rights
 - Avoid future dispute (“Thanksgiving rule”)

Corporate

- **Delaware C corporation**
 - Delaware is universally recognized
 - C corporation allows preferred & common stock
 - LLC (or S corporation) can be converted
- **Keep legal structure simple**
 - Easier to describe for new investors
 - Flexible to satisfy new investors
 - Smaller legal fees (“off the shelf” documents)

Intellectual Property

- **Source?**
 - Founder licenses to corporation
 - Founder assigns to corporation
- **Contractors vs. Employees**
 - Wedding photographer owns negatives, unless:
 - written contract
 - employee “within scope of employment”

Intellectual Property

- **Intellectual Property Strategy**
- **Strategic Alliances & Corporate Partnering**
 - Design, Development, Manufacturing, Support
- **Marketing Agreements**
 - Large Company helps Small Company
- **Technology Licensing**
 - Inbound (suppliers)
 - Outbound (customers)

Intellectual Property

- **Intellectual Property Strategy**
 - Patents
 - Trade Secrets & Confidentiality
 - Copyrights
 - Trademarks

Employment

- **Employee Handbooks**
- **Personnel Policies**
- **Nonsolicitation of employees & customers**
- **Sensitive to “trigger” events**
 - 15 employees = state & federal nondiscrimination (race, age, sex, national origin, religion, disability)
 - 50 employees = Family Medical Leave Act
 - 50 employees + \$50,000 federal contracts = Affirmative Action Plan & Goals

Retaining a Law Firm

- **All services**

Corporate, IP, Employment, International

- IP = patents + technology contracts + trademarks

- **Trust (skills, experience, honesty)**

- **Good communication & value you as client**

- **Deferred fees (partial, full) & fixed fees**

- **Option to co-invest (at what stage?)**

- **Introductions to investors**

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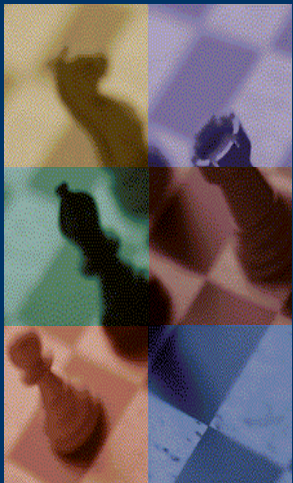
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