

Street Law Class 5

Reflections?

Feedback?

Business Law Intro

Entities

- Definition: an artificial (fake) legal person separate from the business and the people that run it
- Different types:
 - Corporations
 - Partnerships
 - LLC's
- Registered vs. Unregistered
 - Registered entities come into existence when a state or country issues a charter (think birth certificate)
 - Unregistered entities come into existence when people create them and courts recognize them
 - Example: Unintentional Partnerships

Entity Structure

- Entity type does not really matter when it comes to deal making (transactions)
 - Exception: Partnerships and Sole Proprietorships
- Structure is fairly similar but terminology is different
 - They all have investors (owners), shares (right to get money from the entity which gives ownership rights), and managers (those who run the entity)
- However, an entity can choose whatever terminology it wants

	Investors	Shares	Managers
Corporation	Shareholders	Shares	Directors
LLC	Members	Interests	Managers
Partnership	Partners	Interests	[no default]
Limited partnership	General partners Limited partners	Interests	General partners

Entity Laws

- Entity laws are laws that only apply to artificial entities, not people
 - Example: The California Corporations Code
 - Entity laws exist for each type of entity
- Most entity laws are default or enabling rules
 - Mandatory Rule = specifically requires or prohibits something
 - Default Rule = only applies if the contract doesn't say something else
 - Enabling Rule = allows an entity to do something it could not otherwise
- Result:
 - Lack of Regulation (charter competition)
 - Entity type doesn't really matter outside of specific situations (ie. Tax)

Entity Names

- Registered entities use names according to the applicable entity law
 - Most require entity type designators (ie. "Martinez Co." or "Martinez LLC")
 - Corporate names are not an intellectual property right
- Unregistered entities can use any name as long as allowed by non-entity law (i.e. Trademark)
- Fictitious Names
 - Most entities do business using another name
 - "Martinez Co." wants to be "Cool Teacher"
 - These names are not trademarks because they identify entities, not goods or services
 - Does not give you exclusive rights, if you violate someone's trademark you don't have real rights to it
- Trademarks
 - Intellectual property rights that protect the branding of your business
 - Entities use trademarks to brand their goods or services and stop others from using the same mark without permission
- Only entities can be legal actors so lawyers translate between all these views



- “Google” is actually a fictitious name
- “Google LLC” is its entity name
- “Google” is also a trademark for Google’s goods and services (search engine, website etc.)
 - The Google logo is also a trademark
- What we think of as the “Google” business also includes “Alphabet Inc.”
 - Alphabet Inc. is the “parent” entity of Google LLC
 - This makes Google LLC a “subsidiary” of Alphabet Inc.
 - Alphabet Inc.’s main job is to be the parent company of Google’s businesses (multiple entities) so it is considered a “holding company”



- “Apple” is a fictitious name
- “Apple Inc.” is the entity name
- “Apple” is also a trademark for Apple’s goods and services
- Logo is also a trademark for the goods and services



- “Napa Valley Grille” is its fictitious name
- Its entity name is actually “Tavistock Restaurants LLC”
- “Napa Valley Grille” is also a trademark for its goods or services (restaurants)
- How would we find the entity name?

Fictitious, Entity, or Trademark Name?



IPhone





Amazon.com, Inc.



alamy - 2BAM7P2

Sony Interactive Entertainment

Sony Interactive Entertainment LLC