

THE INTERNICOLA LAW FIRM, PC

NATIONAL FRANCHISE LAWYERS

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SPECIALIZED FRANCHISE LAW SERVICE PACKAGE

for

FRANCHISING YOUR BUSINESS



The Internicola Law Firm, PC has developed and provides start-up franchisors with a complete program for franchising your business. This program starts with an evaluation of your business—including an evaluation of your business systems, system components, unique product and service offerings, trademarks and trade dress—to properly discuss and determine the most effective franchise model to be adopted, potential weaknesses to be addressed during the franchising process, and a precise time-table for the launch of your franchise.

There are many variables that will be unique to your business—unique assets to be protected, unique problems to be addressed and unique business goals to be satisfied—however, Mr. Internicola’s specialized franchise program addresses and includes the following services:

(1) FRANCHISE ASSESSMENT AND PLANNING SESSIONS

Comprised of planning sessions with Mr. Internicola, Esq. These sessions are on-going throughout the development process and relate to a broad range of franchise development issues, including:

- ✓ Corporate structures for your franchisor operations;
- ✓ Corporate structure for ownership of your intellectual property;
- ✓ Evaluation of your trademarks;
- ✓ Trademark registration;
- ✓ Options for franchised expansion;

(2) TRADEMARK ASSESSMENT AND REGISTRATIONS

Due to the critical nature of trademarks to franchising and the development of a viable franchise system, our specialized franchise program includes Mr. Internicola's review of your trademarks and trade names and the preparation of trademark registration applications filed with the United States Patent & Trademark Office. This service related to all trademarks to be filed on behalf of your business without any additional legal fees—only charge that you will be responsible will be the “out-of-pocket” filing fee to be paid to the USPTO. Trademark registrations may relate to both your business trade name and individual branded products and/or services that your business may offer.

(3) DEVELOPMENT AND PREPARATION OF MULTI-STATE FDD, FRANCHISE AGREEMENT AND EXHIBITS

Critical to your franchise system will be the preparation of the Franchise Disclosure Document (“FDD”), Franchise Agreement and FDD Exhibits. The FDD and Franchise Agreement will be specific to your business and, among many other things, feature:

- ✓ Multi-State Disclosures – The FDD and Franchise Agreement will be prepared as a “multi-state” disclosure. That is, the FDD and franchise agreement shall meet the requirements for all franchise registration states. As a multi-state FDD and Franchise agreement we will prepare state specific addendums and disclosures to ensure that, at franchise launch, your FDD and franchise agreement may be registered in each applicable registration state.
- ✓ State Specific Franchise Agreement Addendums – Each franchise registration state requires mandated statutory franchise agreement modifications. Your franchise agreement shall be prepared as a multi-state agreement and shall include state specific franchise agreement addendums;

(4) MULTI-STATE FDD, FRANCHISE AGREEMENT AND EXHIBITS

Franchises are regulated at the state and federal level. Upon completion of the services listed above, your FDD will satisfy federal and state specific franchise laws. However, in the United States there are 14 “franchise registration states” that require a franchisor to “register” its FDD with the registration states regulatory agency, typically the state Attorney General or Secretary of State. Our franchise proposal includes:

- ✓ Preparation of state specific registration applications in four (4) franchise registration states selected by the client;
- ✓ Preparation of NASSA state registration applications;
- ✓ Preparation of Seller Disclosure forms;
- ✓ Formal responses to all correspondence with registration entities, including required FDD modifications and supplemental disclosures requested by each applicable registration state.

(5) POST LAUNCH MATERIALS AND PROGRAMS

For a one year period following launch of your franchise, you will receive Mr. Internicola's "Franchisor's Toolkit" publications comprised of monthly information designed to provide Franchisors with a foundation respecting, franchise sales and ongoing franchise compliance issues.



FDD PLANNING NOTE: Expansion and Approved Vendors. A primary driver and value proposition for prospective franchisees will relate to low start-up costs and the opportunity to join a system with a rapidly expanding brand. Along the way, consideration must be given to ensuring Franchisor control over proprietary products, supplies and equipment.

FDD PLANNING NOTE: Trademarks. As a franchisor one of the primary rights that you will be granting to franchisees relates to utilization of your trademarks and trade dress. So, it is critical to ensure that your trademarks are registered and legally strong. In terms of work mark, "arbitrary marks" (*i.e.*, words that do not have any relation to the services provided or the goods sold, such as "Apple" for computers and "H&R Block" for tax services) are afforded greater legal protection than "descriptive marks" (*i.e.*, words that describe the goods sold or services provided, such as "Rapid Printing" for printing service. "Suggestive marks" are comprised of words that have some relation to the service provided or the goods sold but

fall in between the categories of a descriptive mark and an arbitrary mark, an example being “Citibank”. Typically, only arbitrary and suggestive marks are granted USPTO trademark registration. Descriptive marks, typically, are not entitled to legal protection. However, prior to registration, all trademark applications are reviewed by a USPTO examining attorney who will review your mark to ensure that it is not identical or confusingly similar to an existing registered mark.

FDD PLANNING NOTE: Trade Dress. In addition to the trademarks and logos that you will utilize and develop in connection with the business, consideration must also be given to the trade dress that may be unique to your stores. One important consideration—as to the store design—relates to the potential filing of a design patent.

