

Business Development Session 12 - Odds and Ends: Insurance, Mailing Permits, Patents, Trademarks and Copyrights

The following are NOT requirements, but insurance and legal protection is strongly recommended.

Business Insurance

Owning a business can often mean that if you get sick or injured you get a double-whammy - the illness (with its expenses) and no more income. Insurance is extremely important.

Here are some basic forms of insurance. None is required by law. However, some landlords and businesses involving hazards will only conduct business with you if you have proof of insurance.

- **Property Insurance:** For theft or fire. Earthquake coverage is optional.
- **Liability Insurance:** If you are sued by someone.
- **Business Interruption Insurance:** Provides substitute income if your business is damaged from theft or fire.
- **Elective Coverage Disability Insurance:** Explained on form 5 (ask if you want it faxed to you). Provides some income if the business owner becomes ill and cannot work.
- **Health Insurance:** Pays for medical expenses.
- **Workers' Compensation Insurance:** If you have employees, you are required by law to carry workers' compensation insurance. However, this insurance is generally not available to business owners.

Every business owner should discuss their insurance needs with an authorized agent. In particular:

- Home occupation businesses should review their homeowner's policy to determine whether that policy covers their home business.
- All business owners should discuss how they are insured for injuries on the job. In general, sole proprietors and partners are not eligible for the workers' compensation program - and must carry their own health and disability insurance.
- Before you conduct business with others - especially if they will handle your products or will perform a potentially hazardous job (even driving a car) - ask them to provide you a "certificate of insurance" from their insurance carrier.

Mailing Permits: Business Reply Envelopes

Many businesses use Business Reply Envelopes, so that their customers do not have to pay postage. BRM (Business Reply Mail) permits are available through the U.S. Postal Service. The basic cost is \$85 per year. Then you will be charged the actual first class postage plus 44 cents for every piece of mail that is returned to you using your permit.

If you expect to receive more than 600 pieces during the year, there is another program where you can pay an additional \$205 accounting fee, but the actual per mail charges are reduced (to actual first class postage plus 10 cents). Contact the U.S. Postal Service for additional information.

Bulk Mail

If you will be mailing 200 pieces or 50 pounds at one time and are willing to sort the mail by zip code, you may obtain a Bulk Mail Permit for \$85 per year and pay reduced 3rd class mailing costs. Many businesses do not obtain their own permit, but use a mailing house's permit instead.

Patents

Patents protect inventions - whether part of the product or a complete product. The cost for patenting something is high - \$3,000 to \$5,000 is very common - often it is more. Usually, professional patent

attorneys are hired. This is because the patent application must be written carefully to fully describe the product to protect the inventor.

There are five patent depository libraries in California which assist the public in searching for patent and trademark availability. Contact your local chamber of commerce for the number of your patent depository library.

The Patent Information Clearinghouses DO NOT accept applications for patents or trademarks. Your actual application must be mailed to:

Commissioner of Patents and Trademarks
Attention: Patent Application Department
Washington, DC 20231

If you have written software (or have employees who have written software), please consult an attorney to discuss whether to patent, copyright or obtain trade secret protection.

Trademarks

Trademark registration is designed to protect your logos, advertising slogans, or other symbols that represent your company. Many businesses use their business name as a trademark or service mark (a service mark is an advertising mark representing a business and not attached to goods). Trademarks and service marks should be adopted and used with care, and registered to put others on notice of your claim and priority.

Trademark rights and priorities depend mostly on who uses the mark first and where they use it in a particular type of business. Before registering a trademark, you should search for prior users (registered with the Patent Trademark Office or individual states, or unregistered users) to avoid later disputes and to ensure that you are investing in a mark with a future. Do not forget trade gossip and trade journals. Once you have registered a trademark, it is your responsibility to consistently use it and to watch for (and advise people against) any possible infringements.

You can talk with an attorney experienced in trademark matters or do your own computerized search with help from your country law library. There are also professional search services that can do database searches for you or your attorney (typical charge: \$200 to \$250).

Once you have researched and know that the trademark is available, the cost for registering it is relatively low (approximately \$175). You cannot register a trademark unless it is being used, and you will lose your trademark protection if you do not continue to use it. If you use your trademark in multiple states, you should register it with the federal Patent and Trademark Office. The process can take close to a year. If you only use your trademark within California or want to put yourself on record more quickly, you should register it with the State of California Trademark Unit. Call 916-653-4984.

Copyrights

Copyrights protect written documents, songs, recorded performances, computer programs, and art work (including advertising). The cost is very low (about \$20 per copyrighted document) and it is easy for non-professionals to do - although the more valuable your work, the more worthwhile it is to have an attorney involved. To request the appropriate form, call 202-707-9100 or 800-688-9889 and ask for Circular 1 "Copyright Basics" AND the appropriate form: novels, poetry, articles (TX); serials, magazines, newsletters, newspapers (SE); sound recordings (SR); song lyrics (PA); visual art (VA), correcting or amplifying prior copyrights (CA).

Questions about the process or the forms? Call 202-707-3000.

The law is very strict on requiring written agreements if you designate something as a "work for hire" or if a partner (or other) assigns his/her copyright to a partnership. PLEASE prevent problems by talking with an attorney before commissioning any work or using someone's finished work!

CERTIFIED BUSINESS DEVELOPMENT COURSE - SESSION 12 – **QUESTION & ANSWERS**

NAME: _____

ADDRESS: _____

PHONE: _____

FAX: _____

E-MAIL: _____

Please be sure to fill out the information above, complete the test and e-mail or fax it back to us at iridology@netzero.net or 530-878-1119. We will grade your question & answer session and will let you know if we have any questions or concerns.

1. What do you plan to do about business insurance?

2. How will you mail your advertisements?

3. How many pieces of mail do you expect to mail every month?

4. Will it be worth it to use bulk mail?

5. Will you trademark your logo?

6. Will you copyright your material?