
START-UPS & VENTURE CAPITAL

We advise start-ups and business angels and other providers of venture capital.

In order to successfully turn their ideas into action, the first step that start-ups will often take is to conclude contracts with service providers, employees, customers and, last, but not least, investors. Yet commercial success requires a legal and tax-optimised structure from the very start. As a commercial law firm, we provide entrepreneurs and start-ups (early and later stage) with comprehensive advice for the successful start, sustainable commercial growth, attracting investors and, naturally, for the exit. A solid and well-negotiated contractual basis facilitates the operation and expansion of the business and creates mutual confidence. It is also important to us that our clients always negotiate on an equal footing with investors and all other business partners.

We develop tailored, innovative solutions, based on our experience and the needs of our venture capital clients. Our Venture Capital Team can access the know-how of our colleagues from all related areas of law at any time. Combined with our deep sector knowledge in the areas of digital business (in particular FinTech, InsureTech, MedTech, AdTech, games, media and telecoms), travel and travel technology, life science and cleantech (in particular renewable energies and energy storage), we provide efficient advice of the highest level. Our large network also offers interesting contacts for our clients for the expansion of their portfolios.

Corporate law

Our advice in corporate law matters extends from establishment to exit. We provide comprehensive, expert advice on the following issues:

- Establishment of companies (new formation or spin-offs)
- Choice of corporate form in light of individual needs and various criteria, e.g. the type of company or sector, business plan, options for raising capital and financing, commercial risks, the number of founding shareholders, profit and loss sharing, taxes, shareholder liability, directors' powers and powers of representation, accounting requirements, shareholder voting and co-determination rights
- Drafting the documents for establishment, including the articles of association and shareholders agreements
- Acquisition and sale of undertakings
- Joint ventures, cooperation and participation agreements
- Providing ongoing corporate law advice to executive directors and shareholders
- Employee co-determination
- Director liability, change of directors (appointment and removal)
- Entry and exit of shareholders/investors
- Assisting with financing rounds
- Management and shareholder disputes
- Company valuations
- Providing assistance with notifications to authorities

Labour law

In our experience, most entrepreneurs initially treat labour law as a Cinderella issue, and even growing start-ups view labour law as a rigid corset that they refuse or are reluctant to wear. Yet labour law need not be a necessary evil. The correct approach to labour law can contribute enormously to cost savings and to finding, employing and retaining happy – and thus more efficient – employees (such as through the use of appropriate employee participation structures). Labour law issues should also be covered by any due diligence reviews before financing rounds or the sale of a start-up: such issues must be clarified when trying to spruce up the business for sale, because subsequent due diligence will almost certainly uncover any inconsistencies in human resources. In our experience, these inconsistencies always have a negative effect on financing and on the purchase price. The impact of labour law should therefore not be underestimated.

We help our clients to minimise risks through focused planning and bring existing conflicts to their successful conclusion. Naturally, we advise on the whole bandwidth of labour law, although we see ourselves as “Employer Lawyers” and always take the company perspective. We advise start-ups especially in the following fields:

INDUSTRY START-UPS & VENTURE CAPITAL

- Designing employment contracts that are adapted to both, the current situation and the future perspectives of the start-up
- Social security compliance (in particular “false self-employment”)
- Precise use of the different flexibility mechanisms under labour law (fixed-term contracts, employment for specific projects, use of service providers)
- Proven measures for the retention of employees (retention management)
- Providing comprehensive support for the development of the HR department

Venture Capital

For many years, we have been the point of contact for venture capital firms and funds of all types. We represent purchasers and vendors and advise on the entire spectrum of venture capital transactions, including tax and financial issues:

- Legal, financial and tax due diligence
- Designing company and capital structures
- Negotiating participation and finance agreements for initial, follow-up and growth financing (including convertible and bridge loans)
- Negotiating management agreements
- Drafting and implementing exit options, such as strategic sales, auctions, IPOs, capital increases and liquidations
- Providing support during the post-closing phase

Tax law

Many of the experienced professionals in our Tax Law Team have dual qualifications as both lawyers and tax advisors. We advise start-ups on all relevant tax issues, in particular:

- Choice of tax-optimised legal form
- Transfers and conversions of enterprises to optimise tax savings
- Tax-optimised transaction structuring
- Providing tax law advice in relation to financing
- Loss utilisation strategies
- Employee participation programmes, stock option plans
- Providing representation vis-à-vis tax authorities and assistance with company audits
- Turnover tax: optimising national and cross-border supply relationships
- Advising on income, corporate income, commercial and payroll taxes

IP / IT

The start-up phase of a company should lay the groundwork for the consistent protection of intellectual property, such as trademarks and other IP rights. This includes the development of a marketing strategy and corporate identity that comply with the relevant laws, and care should be taken to ensure the contractual protection of IT services, too. In many cases, omissions during the start-up phase cannot be rectified at a later stage, or can only be remedied with significant drawbacks. Our start-up experts can demonstrate which legal measures in the IT / IP field are important and make sense in light of the individual circumstances of the start-up, and which measures are less pressing. Of course, we take into account the latest legal stipulations and consider the relevant corporate goals and economic interests of the start-up.

Often, as commercial success increases, so too does the desire to use IP rights to actively secure the market position. We assist with this later phase, too.

Practice has shown that the following topics are of most relevance to start-ups:

- Development of a brand strategy and protection of trademarks, assessment of the patentability of innovations (where appropriate, in cooperation with patent lawyers)
- Ensuring that advertising and PR measures, including newsletters and social media, are legally compliant
- Sourcing IT and telecommunications infrastructure (software development, cloud services)
- Software development and licencing
- Dealing with customer and employee data in a manner that complies with data protection laws, including the transfer of data abroad or to the cloud; drafting privacy statements
- Outsourcing of services (e.g. customer care, hosting)
- Online and social media presences
- Use of special distribution forms (e.g. mobile marketing, mobile payment)
- Actions against competitors: defence of claims, both in and out of court, including warning notices and interim injunction proceedings
- Evaluation of intangible assets

Commercial / GTC

The first commercial agreements are normally concluded immediately after the start-up has been established. Our sound judgment is an asset to clients in these initial activities. The greater the commercial success, the stronger the negotiating position – the growth phase can therefore be used to optimise contracts. We help our clients during the start-up phase to establish processes that will allow contractual issues to be processed efficiently, even as employee numbers increase. This includes, for example, the development of guidelines for employees on contract management. We also assist with the drafting, reviewing and renegotiation of contracts at a later stage.

- Drafting and developing agreements and legal communications in the fields of B2C and B2B
- Drafting, reviewing and negotiating agreements – from leases to advertising agreements and revenue-sharing agreements
- Support with development and growth; distribution agreements
- Structuring e-commerce activities to ensure compliance with all relevant laws