

The internet is a powerful tool for small and medium business owners. It allows business owners to sell their products, advertise services and share information on global scale. Before the internet, if you had a great idea for a product or service, you would open a shop on some local corner, advertise in the local carrier pigeon, and maybe purchase a yellow pages ad. All you really had to be concerned about were the local regulations and laws which governed the sale of your product or service and paying your local taxes.

Now, without ever leaving your house, you can spend ten bucks on godaddy.com to buy the domain name of your dreams; hire a website designer to create an e-commerce website for you; and open a Google AdWords account to advertise your product or service. Before you know it, you are advertising and selling your product or service to people all over the globe.

When your store was on the local corner you paid attention to local laws and regulations. You paid attention mostly because it was easy. At most, there may have only been a handful of things you needed to worry about. For instance, if a local ordinance said the sign in front of your store needed to be a certain size, you made sure your sign was the right size. If local laws said you needed a particular type of license to sell your product or service, you made sure you had that license and you proudly displayed it in your store.

Now, because it is so easy to set up a web based global business with a few clicks of the mouse, people tend to either ignore or aren't aware of the fact that their business may be subject to not just local laws and regulations, but various federal rules and regulations, as well as those of other States and of other countries. Often times, the first real clue you will have that your website is in violation of some law or regulation, is when you receive a cease and desist letter or lawsuit from a third party or receive notice of a fine or other penalty from a governmental agency. Unfortunately, by the time you have been sued by a third party, or have received notice from a governmental agency, it is too late. You must now face the possibility of costly and time-consuming litigation and/or expensive fines and penalties. The best case scenario is you escape the situation with only thousands, if not tens of thousands of dollars in legal fees. The worst case scenario is you not only have substantial legal fees, but you also become the subject of nationally or internationally publicized enforcement action, and your website is shut down, effectively ending your business operation.

Fortunately, there are things you can do to protect your business and keep yourself from getting into legal trouble down the road. One of the most prudent things you can do is to hire an attorney who is familiar with Internet Law to conduct an Internet and Website Legal Audit. The money you spend on such an audit and the information you get from it, will go a long way in protecting you from potential future liability and costly and time-consuming litigation. In this instance, "an ounce of prevention" truly is "worth a pound of cure."

A comprehensive Internet and Website Legal Audit will review and determine your compliance with some of the following:

## Intellectual Property Issues

- Copyright: It is important to make sure you own the copyright to your website. This applies not just to the site itself, but also to any pictures, illustrations or other content found on your website. If your website was designed by a third-party or you are using pictures or other content created by someone other than yourself, it is important to determine what rights you have to use such pictures or other content on your website.
- Domain Name: It is also important to make sure you are the registered owner of your domain name. Your website designer may have registered your domain name for you. If so, it is important to transfer the registration to your name.
- Trademark Issues: A determination should be made whether your website infringes on anyone else's trademarks. In making this determination, it is important to review the name of your website, the name of your products, and your use of any trademarks or trade names in your website meta tags to determine whether you are infringing on any third-party's intellectual property rights. Violations of the AntiCybersquatting Consumer Protection Act can result in fines between \$1,000 and \$100,000 per domain name.

## Legal Issues

- Advertising Problems: The Federal Trade Commission has very specific guidelines regarding advertising for products or services. It is important to make sure that any advertising on your website complies with the Federal Trade Commission laws and regulations otherwise you can be subject to substantial fines.
- Privacy Policy: Does your website have a Privacy Policy? If not do you need one? If you already have, do you and your employees comply with what is in the Privacy Policy. An Internet and Website Legal Audit can help determine whether you need a Privacy Policy, and if you already have one, what procedures need to be in place to make sure you are complying with it.
- User Agreement: Does your website need a User Agreement? A User Agreement is important because it details how disputes with your customers will be handled. For instance, a properly drafted User Agreement will have a choice of law provision which provides for exclusive jurisdiction and venue in your home state and county if a dispute with a customer arises. Without this, you could be forced to defend yourself in court in some other part of the country far away from where you are located.
- Children's Online Privacy Protection Act: If your website is directed to children under the age of 13, or if your website is directed to adults, but you have actual knowledge that children under 13 are accessing it, you need to make sure you are complying with the provisions of the Children's Online Privacy Protection Act. A failure to do so can result in enforcement actions and substantial civil penalties from the Federal Trade Commission.

- Sweepstakes & Contests: Every state has its own rules and regulations regarding sweepstakes and lotteries. If your website offers any sort of sweepstakes or other contest it is important to make sure you are in compliance with the various state laws concerning sweepstakes and promotions. If you fail to comply with the applicable state laws, you could be sued by the Attorney General of each state you target your sweepstakes or contest to.

## **Financial Issues**

- Taxes: It is extremely important to understand that when you sell products and services through your website in various states and in other countries, you may be required to pay taxes in those states or countries. An Internet and Website Legal Audit will review these requirements for you, and tell you what taxes you need to pay and in which states and/or countries you need to pay them.

By operating a web based business on a nationwide or global scale, you open yourself up to a tremendous amount of potential liability. Such liability can result from individual third-party claims against you, enforcement actions and fines from state and federal governmental agencies, and enforcement actions and fines from international governmental agencies. The best way to protect yourself from these potential issues, which can be extremely costly and time consuming, is have a qualified attorney conduct an Internet and Website Legal Audit. Vantage Legal Solutions LLC specializes in reviewing your website as well as your use of the internet in general to determine the best strategies needed to adequately protect your business. During its comprehensive Internet and Website Legal Audit, Vantage Legal Solutions LLC doesn't just review your website and your use of the internet for deficiencies, it also corrects those deficiencies and provides you with the necessary documents and agreements to make sure you are in compliance with all relevant laws and regulations. If you would like to discuss how a comprehensive Internet and Website Legal Audit can benefit you and your business, contact Vantage Legal Solutions LLC today for a free consultation.