

Legal Practicalities and Chiro-Practicalities

GROWING YOUR PRACTICE AND KEEPING THE LAWYERS AWAY

I *love* entrepreneurs. I have been a lawyer for many years and have represented some of the biggest and most important corporations in the world. However, I can honestly say that nothing floats my boat, so to speak, more than working with start-up companies, the little guys with big dreams and the entrepreneurs. One thing I've learned over time is that there are no professionals who are more entrepreneurial than chiropractors and their staffs.

If you're a chiropractor or you work for a chiropractor, you know exactly what I'm talking about. The stakes are higher for you than for any big business. Every decision you make affects not only next month's marketing forecast, but also your own personal financial future: what kind of house you live in, where your kids will go to college, and how and when you can retire. When you make the right decisions, you can profit handsomely; but when you get it wrong, you pay a high price. For that reason, it's critical to know the rules of the legal road before you start out. To make that journey as safe as possible, here are a few road signs to watch out for:

Pick the Right Company Structure

Whether you are a corporation, limited-liability company, partnership or other kind of business will directly affect many things, including your tax liability and also potentially your personal liability for problems in your practice. If you sign your office lease in your name personally, rather than in the name of your business, you may be putting your personal assets (e.g., your house and bank accounts) in jeopardy if your business fails.

If you are joining together with other chiropractic professionals to form a company, ask yourself: What will happen if one of them decides to leave? Or gets divorced? Or dies? What if we decide we don't want to work together anymore? Can I throw them out? Can they throw *me* out? These are not theoretical considerations. They happen every day and you need to consider them (and others) *before* you start your business.

Get a Good Name

The best business names do *not* describe the business they are applied to, what it does or where it's located. If your office is in Anytown, you should not call yourself Anytown Chiropractic Clinic. That's because you won't be able to stop the Anytown Drycleaner or the Anytown Pet Store or anyone else from moving in next door and using that trademark.

In general, the best trademarks for any business merely *suggest* something about it, without coming out and saying it. These trademarks simply put an idea in the mind of the customer of what to expect (physical touch, active energy, etc.), without saying what the services are.

It is important, however, to remember that in the United States, trademark rights are based on "use" of the trademark, not "registration" as they are in most of the world. Because of that, once you have selected a name, it is critical to have your attorney check it to make sure no other medical professional is using it first. If they are, you may have to pick a new name.

Play Fair

Your practice will succeed or fail because of the quality of your services and the way you treat your patients. That will depend in large measure on your own creativity, intelligence and drive. If, for example, you invent a new table or adjusting device, write a textbook or develop a new technique, you should consider if and how to protect them under the patent, copyright and other intellectual property laws. Your creations will be the fruits of your own hard work, and nobody should be allowed to use them except you, for the benefit of your patients.

Unfortunately, I also have seen some businesses take the easy road by copying their competitor's materials or by infringing their patents or trademarks in order to take unfair advantage. Those businesses may succeed in the short term, but they invariably fail in the long run, tripped up by the law. For example, Activator Methods recently launched an aggressive and successful campaign against companies that infringe its patents and trademarks. Dr. Arlan Fuhr, the founder of that company, seemed to speak for many leading companies in the industry who are sick and tired of being ripped off when he promised to "take whatever steps are necessary" to protect the company's rights.

Besides lawsuits, however, companies that don't play fair are just phony. Eventually, everyone - including their customers and patients - can see that clearly. To paraphrase the writer William S. Burroughs: "You can't fake good chiropractic quality any more than you can fake a good meal."

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