

# Legal analysis: vaught incorporated business plan

[Business](#), [Company](#)



**ASSIGN  
BUSTER**

## **Vaught Incorporated**

Vaught Incorporated is a health care consulting firm that was started in 2008 by Chris Vaught. The company began as a humble seven member consultation team in a single room office (Vaught Inc. 2012). Today, the company has over 60 professional staff working in company branches in Indiana, Kentucky, Michigan, Ohio, Virginia and the flagship in West Virginia. The healthcare consultancy firm made it to the 500/5000 list of the fastest growing companies statewide (Vaught Inc. 2012). The list was compiled by Inc. and published in the Inc. magazine. The company provides customized solutions to all its clients by considering existing needs, infrastructure and staff.

Vaught's core function is to provide innovative software solutions to healthcare service providers. The company has several revolutionary products in its portfolio. The Night Watch and Day Break system provides remote pharmacy management services for healthcare institutions. Another product is the Med Matrix Solutions which is a medical administration system for functions such as billing and filing. The company also has the V23 (Element Medicine Disposal System) and LLC which are products that seek to help health care facilities to dispose unused or expired medical supplies (Vaught Inc. 2012).

Other products that are under development are the Hospice Rx Network and the Dream Table system. The Hospice Rx Network which is targeted at hospices. The Dream Table will be the first software designed for all businesses in general. The system will synchronize business operations by matching existing hardware to available software. All these projects are in

line with the growth strategies of Vaught Inc. the company is in trying to expand into the wider business market by diversifying its product portfolio and creating business solutions with wider applications beyond the healthcare sector.

## **Applicable Laws**

### Intellectual property laws

Vaught is a business innovation company. The software programs developed by the company for its clients are counted as part of its assets. The company needs to adopt the relevant intellectual property laws to prevent unscrupulous businessmen from infringing on their intellectual property rights. The company has registered its trademark which is Vaught Incorporated.

The law requires than an individual who invents an original gadget or system should patent their invention (Spinello, 2007). The patenting process documents the product design, the product inventor. The law also provides for the rights of an employer over the inventions of an employee. This protects companies such as Vaught Inc. from fraudulent patent infringement and former employees who might want to sell their ideas to competing companies. Not all inventions are patentable. For an invention to be patented it should not be obvious, it should also be novel and usable. Once a company's products have been properly patented, it would be difficult for another party to defend an infringement lawsuit (Spinello, 2007).

## **Software License Agreements**

A company that uses commercial software should receive and sign a software license agreement at the purchase of the software. This agreement reveals what the licensee is allowed to do with the software. The licensor uses the software license agreement to limit the extent of usage and the number users who are allowed to use the system at the same time.

## **Business Laws and Regulations**

All states have business regulations which businesses have to obey to operate legally in the jurisdiction (Gale, 2007). The first requirement is licensing. A business should acquire business operation license from the relevant local authority before commencing operations. The licensing process is used by the local government to ascertain the legality of the business, appropriateness of business location and the qualification of the proprietor to run the business.

## **Business liability and Insurance laws**

A business is exposed to numerous risks during the course of its operation. Businesses are required to insure against common risks such as theft, fire, commercial vehicle accidents and employer's liability for employee actions. In addition to this, a company can also insure against liabilities that may arise from the failure of company products.

## **Business operations laws**

During normal operations, the business engages in customer relations, purchases and sales, marketing, advertising and other commercial practices. The business should be aware of all the regulations that govern marketing

and advertising laws. A business is not allowed to give false, exaggerated or misleading information regarding its products and services. A marketing campaign that amounts to misrepresentation of completion or other parties can lead to civil action against the accused party (Soili, Nari, and Lehto, 2010). E-commerce is a new frontier in business practices. Many states are still in the process of developing specific laws for this emerging line of business. The courts are still setting precedence for future litigations by deciding on the pioneering cases involving e-commerce.

Contracts are an integral part of business operations. Contract law is wide and covers all types of contracts, elements of such contracts and how they can be discharged. The basic elements of contracts apply in all business contracts. The purpose for which the contract is being formed must be legal, there should be adequate consideration and all parties to the contract should have the intention to create legal relations. Additionally not of the parties should be under duress or be informed by false information. Contract laws provide remedies for aggrieved parties to pursue in case of breach of contract.

## **Recommendation to Limit Legal Actions**

The first legal action is to ensure that the business operation is legal in all its operating stations. This is especially important since the business is expanding. It is possible that the company may not meet all the business requirements of the new states. The company should have a fully fledged legal team to analyze the legal all the salient and hidden legal requirement in a market before the company opens an office.

The company's name should be trademarked and used in all company

advertisements and official communication circulars to ensure that it is completely recognizable as belonging to the company. The company softwares should be patented and tied to the company trademark. This will ensure that all company products are associated with the trademark, Vaught Inc and protected from fraudulent and unintentional patent infringement. The healthcare industry has strict laws regarding access to patient information. In West Virginia, the healthcare laws only permit healthcare professionals access to patient medical files. Patients are also allowed access to their files after presenting a written request to the healthcare giver. A third party firm such as Vaught could be exposed to lawsuit if it uses patient information during product development. This is despite the fact that such information may be necessary for the company to use when designing custom fit solutions. Vaught Inc can use this knowledge to advise their customers to provide fabricated information or other acceptable samples for pilot testing of software.

During software development, the company can benefit from extensive knowledge on how to draft comprehensive software license agreements. This will empower Vaught Inc. to control software all the titles and rights that pertain to the software. The user or licensee is only allowed to use the software after accepting the terms of the agreement. The software agreement prohibits the licensee from using multiple computers or illegally reproducing the software for sharing with other users who are not party to the agreement.

Vaught Inc. should invest in understanding all the provisions of contract law. This is because a business enters into many contracts during operation.

Some contracts are oral while others are written. Written contracts are the safest contracts since the contract itself can be admitted as evidence in a court (Crump, and Druckman, 2012). During contract formation, the business should ensure that all its interests are served as far as the law permits. The law respects the freedom to contract or refusal to contract. A party is therefore free to accept a good contract or reject a bad one without any legal obligations (Crump, and Druckman, 2012).

Once a business has entered into contract, it becomes binding and enforceable. Should there arise any frustrations that affect the discharge of the contract, all parties have various remedies recognized in law. Afflicted parties can sue for compensation, specific performance of the contract or rescinding of the entire contract. Whatever the case, the court must determine that the afflicted party suffer damages which are equal to the remedy sought.

## References

- Crump, L. and Druckman, D. (2012). Turning Points in Multilateral Trade Negotiations on Intellectual Property. *International Negotiation*. 17(1): 9-35
- Gale, C. (2007). The business of business law. *Managerial Law*, 49(1/2): 10 – 12
- Soili, N, Nari L., and Lehto, J. (2010). Flexibility in contract terms and contracting processes. *International Journal of Managing Projects in Business*, 3(3):. 462 - 478
- Spinello, R. A. (2007). Intellectual property rights. *Library Hi Tech*, 25(1): 12 - 22
- Vaught Inc. (2012). Vaught: About us. Retrieved from