

NabarroNathanson

Presentation for ISACA

Dai Davis, Solicitor and Chartered Engineer
Consultant, Nabarro Nathanson



Risks in IT Outsourcing and Acquisition

- Copyright
 - Licensing
 - Development of Bespoke Software
- Maintenance
 - Escrow (source code deposit) agreements



NabarroNathanson

What is Software?

- A formula
- Format - written text
- Source code
- Object code



NabarroNathanson

Copyright - What it protects

- Books
- Photographs
- Films
- Buildings
- Sculptures - Artistic Works
- Computer Programs



NabarroNathanson

Copyright - Qualification

- Originality
- Qualifying Person
- No registration
 - USA
 - Cyprus
- No Monopoly
- Manifestation not Subject Matter



NabarroNathanson

Copyright - What you get

- Right to prevent copying
- Whole or substantial part
- Infringement
 - Copying, making, issuing, performing, broadcasting, adapting, importing,
 - translating
- Duration - lifetime + 50 / 70 years



NabarroNathanson

Copyright - Criminal Sanctions

- Copyright infringement
- In course of a business
- 10 years imprisonment
- Unlimited fine



NabarroNathanson

Copyright - Computer Peculiarities

- Ownership where there is no human author
- Transient copies
- Secondary Infringement
 - Dongles



NabarroNathanson

Copyright - Who owns copyright

- First owner
- Employee
- Position of
 - Consultants
 - Contractors



NabarroNathanson

Case of the Observant Black Cat (1)

- Gestetner
- Desk top publishing package - launched
Repro '83
- Logo - brand image
- Advertising agency
- Decide product needs cat - silhouette of
an observant cat
- Mr Warner - illustrator - cats and dogs



NabarroNathanson

Case of the Observant Black Cat (2)

- Warner - agrees drawings £225 each + VAT
- No written agreement
- No express discussion re: copyright
- Gestetner liked cats - logo used products
and advertising literature
- Warner argued permission only Repro '83



NabarroNathanson

Court - 4 Choices

- Transfer of copyright
- Copyright remains with Warner - exclusive
licence Gestetner unlimited extent
- Copyright remains with Warner - licence for
Repro '83 only
- No contract



NabarroNathanson

Court - 4 Choices *plus 1 more*

- Transfer of copyright
- Copyright remains with Warner - exclusive licence Gestetner unlimited extent
- *Copyright remains with Warner - intermediate licence*
- Copyright remains with Warner - licence for Repro '83 only
- No contract



NabarroNathanson

Court Decided

- Necessary to imply business efficacy (ie. sense)
- Agreement unrestricted use to Gestetner
- Copyright to Gestetner



NabarroNathanson

Clearsprings management -v- Business Linx (1)

- C commissioned B to develop software
- Electronic embodiment of C's procedures
- C argued - implied term
 - assign to C
 - exclusive licence to C
- B wished to licence other parts to third parties
- B said non-exclusive licence, no power to sub-license



NabarroNathanson

Clearsprings management -v- Business Linx (2)

- Decision based on circumstances of case
- Necessary to imply business efficacy (i.e.. sense)
- Necessary to prevent B using database as a whole
- Not necessary to give C exclusive (only a non-exclusive) licence



NabarroNathanson

Clearsprings management -v- Business Linx (3)

- B should be free to use other parts
- B should not be free to use C's information
- At time of contract - C's desire to licence others not known to B



NabarroNathanson

Bespoke software

- What is bespoke software?
 - protection of software
- Copyright law
- Is joint ownership a solution?
 - joint ownership in law
- Practical considerations
 - Exploitation, control?
 - supplier will "sell"!

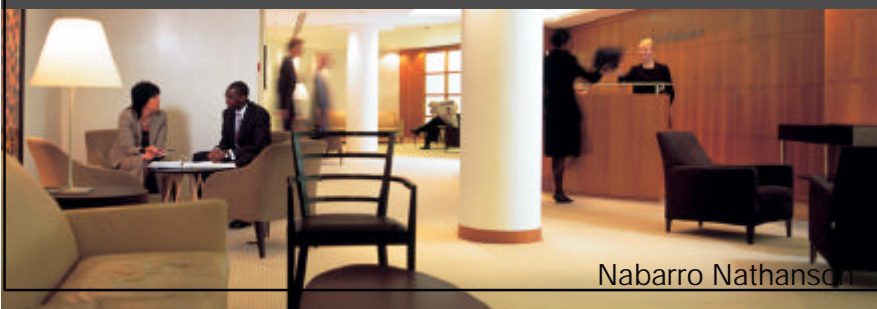


NabarroNathanson

NabarroNathanson

Presentation for ISACA

Dai Davis, Solicitor and Chartered Engineer
Consultant, Nabarro Nathanson



Nabarro Nathanson

Dai Davis
Solicitor and Chartered Engineer
Consultant, Nabarro Nathanson

Tel: 0114 279 4066

Mobile: 07785 771 721

E-mail: d.davis@nabarro.com