



COPYRIGHTS, CONTRACTS & SOFTWARE PROTECTING YOUR BUSINESS IN A DIGITAL AGE



Hunter Freeman

Business advocate
Registered patent attorney
Experienced litigator
Certified mediator

- Patents vs. Copyrights

- Introduction to Copyrights
 - Eligibility / Protection
 - Ownership
 - Open Source

- Protecting Software Through Copyrights
 - How and When to Seek Copyright Protection

- Software Contracts
 - Off the Shelf Licensing
 - Custom Development
 - SAAS

PICKING THE “RIGHT” IP PROTECTION

Patents

- High bar for protection
 - Novelty
 - Non-obviousness
 - More than automation
- Protects functionality (idea)
- No consideration of:
 - Prior access
 - Reproduction
 - Similarity of Code
- Timeframe
 - 2-3 years to get
 - Last 20 years from filing

Copyrights

- Low bar for protection
 - Originality
 - Tangible medium
- Protects code/screens
 - Reproduction
 - Adaptation
- Considerations
 - Prior access
 - Substantial similarity
- Timeframe
 - 3-4 months to get
 - Last life plus 70



COPYRIGHTS

COPYRIGHT ELIGIBILITY REQUIREMENTS

- Original
- Fixed in a tangible medium



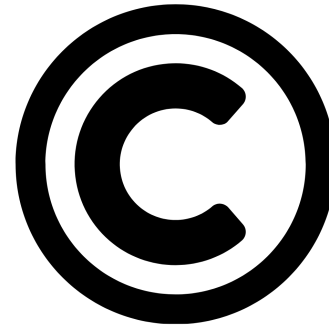
COPYRIGHT ELIGIBILITY - IDEA VS. EXPRESSION



COPYRIGHT PROTECTION

A bundle of exclusive rights:

- Reproduction
- Adaptation (Derivative Works)
- Publication
- Distribution, and
- Performance



Term -70 years from the death of the author.

PROVING INFRINGEMENT (4TH CIRCUIT)

- Software is *subject to a Copyright*
 - Registration required (not just an application)
- Works in question are *substantially similar*
 - Level of similarity changes depending on: Alleged Infringer's access to copyrighted work
 - Abstraction to filter generic code
- Remedies
 - Infringement *after* registration
 - Statutory damages and attorney fees
 - Injunction
 - Infringement *before* registration
 - Actual damages and injunction
 - Exception – infringement w/in 3 months of publication



JOINT WORKS / JOINT AUTHORSHIP

Prepared by 2 or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole.

- The intention is determined at the time of creation

Co-owned by the authors of the work

- Each author has an undivided interest in the entire work
- Each author may exploit the work but must account to the other author for any profits to be shared



COPYRIGHT OWNERSHIP

Absent a contract, copyright protection vests in the Author or Authors of the work.

- A person who merely transcribes the author's work into a fixed medium is not an author.

Work Made for Hire – An arrangement where the creator of the work is not the author/owner

- Work prepared by an employee (*not an independent contractor*) within the scope of her employment; or
- Work specially ordered or commissioned for use, in one of nine specific areas; and parties agree in writing that the work shall be a work made for hire.

INDEPENDENT CONTRACTOR VS. EMPLOYEE



COPYRIGHT OWNERSHIP - EMPLOYEES

Work Made For Hire – Copyright Vests With Employer

- Prepared by an employee within scope of employment
- Factors potentially effecting default rules
 - Telecommuting
 - Flex Time
 - Company Equipment vs. Use of Personal Equipment
- Employment Agreements
 - Work made for hire provision
 - Assignment provision

OWNERSHIP – INDEPENDENT CONTRACT

- Assignment must be in writing to be valid
- Argument for implied license to contracting party
 - Contingent upon satisfaction of payment to contractor*
- Unless otherwise agreed, Contractor may be able to provide the work to competitors



ASSIGNMENTS

_____ does hereby sell, assign, and transfer to _____, its successors and assigns, the entire right, title and interest in and to the copyright in the Work and any registrations and copyright applications relating thereto and any renewals and extensions thereof, and in and to all works based upon, derived from, or incorporating the Work, and in and to all income, royalties, damages, claims and payments now or hereafter due or payable with respect thereto, and in and to all causes of action, either in law or in equity for past, present, or future infringement based on the copyrights, and in and to all rights corresponding to the foregoing throughout the world.



IN WRITING!

COPYRIGHT PROTECTION FOR SOFTWARE

REGISTRATION OF SOFTWARE

- Software considered a “literary work”
- Each version is a separate work
 - Registration only protects new material unless prior versions are unpublished
- Application Information
 - Software title
 - “Author”
 - Year of creation
 - “Publication” date
 - Pre-existing material (not protected)
 - Deposit Specimen
 - Expedited Review



THE OPEN SOURCE RISK

Distribution Channel
Management (DCM)

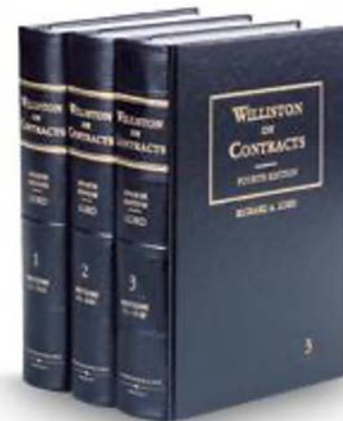
XimpleWare V
TD XML

versata™

sourceforge



SOFTWARE CONTRACTS



UCC CONSIDERATIONS

- Applicability of S.C. Uniform Commercial Code
 - Applies to the sale of goods
 - Software can be tricky
 - Good – Off the shelf / mass produced software
 - Service – Software development / SAAS
 - Applies even when no contract.
- Key Provisions
 - Implied Warranties
 - Merchantability – Fit for ordinary purpose
 - Fitness for a particular Purpose – Fit for buyer's purpose if Seller knows of intended use
 - Battle of the forms

OFF THE SHELF SOFTWARE

- **UCC Generally Applies**
 - Implied Warranties
 - Inform Seller of Purpose
 - Battle of the forms
 - Service or Product language
 - Purchase terms
 - Lost Profits
 - Only if seller has reason to know
- **Negotiation**
 - Less bargaining power
 - Addendums



SOFTWARE DEVELOPMENT

- Milestones
- Acceptance Testing
- Pre / Post Launch Training
- Warranty – No Implied Warranties
- Remedy
 - Maintenance agreement
- Copyright Ownership



SOFTWARE AS A SERVICE

- Warranty – No Implied Warranties
- Service Level Agreement
 - Uptime
 - Response time
 - Resolution time
 - Updates
 - Credit level
- Limitation of Liability
- Import / Export of Data
- License Terms
 - Internal vs. External use
 - Number of machines or number of licenses



END USER LICENSE AGREEMENT

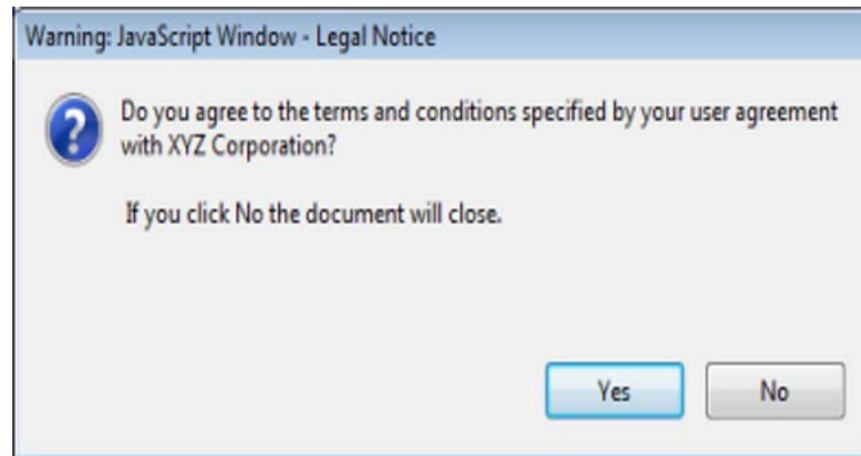
- License Terms
 - Use restrictions
 - Reverse Engineering / Anti-Circumvention
- Warranty Disclaimers
 - Sole and Exclusive Cure provision
- Dispute Resolution
 - Alternative dispute resolution
 - Forum selection
- Limitation of Liability
 - Indemnification
- Privacy Policy
- User Generated Material
 - DMCA
 - Ownership
 - Compliance



EULA – BROWSE WRAP VS. CLICKWRAP

- Browse Wrap
 - By accessing this website, you acknowledge and agree to the terms of use

- Clickwrap



LET'S CONNECT



Hunter S. Freeman

hfreeman@kimandlahey.com

Kimandlahey.com

864-752-7957

This presentation is for informational purposes only. We give no warranty, representation, guarantees or other assurances that the information and/or materials contained herein are complete, up-to-date or free from errors or inaccuracies. Nothing herein constitutes legal, financial or other professional advice. You should consult an experienced, competent, qualified lawyer or other relevant professional for advice on any specific issue. We disclaim all liability, whether arising in contract, tort or otherwise, for any and all: (i) loss, damage or expense of any kind (including, without limitation, loss of data, loss of income or revenue, loss of profit, loss of business, loss of goodwill, damage to property and all other direct, indirect or consequential loss and damage); and (ii) claims by third parties, in each case arising as a result of or in connection with the access or use of this website, or the use of any information or material. Nothing on this material or presentation is intended to create and does not create any lawyer-client relationship. Any information, content or communications sent to us does not constitute or create a lawyer-client relationship. Do not act upon any information on this website without seeking the advice and counsel of an appropriately licensed and experienced attorney.



THANK YOU I4SERIES SPONSORS



Cherish Benton
cherish@i4series.com
i4Series.com
864-378-2362