

Getting the Right Licence: Evaluating the Context

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Defining Open Source Software

. . . a lawyer's nightmare!

- Multiple upstream licences with varying requirements
- Uncertain pedigree
- Obligation to expose the very asset that is usually most highly protected

Licensing In

- What will you use the software for?
- Do you care about warranties?
- How do you protect yourself against infringement claims?
- Will you have to disclose anything later on that you don't want to or can't disclose?
- Do your employment contract and institutional Internet use/IT policies allow you to download OSS and accept the licences?



Development and Licensing Out

- What is the source of value in the project?
- How do you capture value/revenue downstream?
- Who owns the IP in the end product?
- What rights can – or must – you grant?
- What licence terms are your customers likely to accept?
- OSS and funding for spin-outs



Licensing In: What will you use the software for?

- Internal development and use
 - Warranties – proportionate to risk/investment?
 - Indemnification against 3rd Party IPR Claims
- Educational use
 - Ensuring students/researchers comply with licence terms
- Product development (looking ahead to licensing out)
 - What warranties can you grant?
 - Will you have to offer IPR indemnities?
 - How will you make money?
 - Brand management



Licensing In: Those other contracts . . .

- Employment Contracts
 - Restrictions on downloading software and/or entering into legal agreements
 - Who owns the copyright in your work? Patent rights in your inventions?
- Confidentiality Agreements
 - Will disclosures required by OSS licence impinge on existing confidentiality agreements?

Licensing out: Identifying value and capturing revenue

- Business model needs to meet OSS licence specs
- Licensing of the product
 - Mixed products
 - Value of proprietary elements
 - Value of OSS elements
- Services
- Brand value
- Dealing with competitors

Licensing out: Who owns the IP Rights?

- UK Copyright Law - CDPA 1988 sec. 11(2)
 - Employee “in the course of his employment”
 - Consultant
 - Contracting out
- UK Patent Law – Patents Act 1977 sec. 39
 - Employee
 - Compensation for “outstanding benefit” (sec. 40)
 - Consultant
 - Contracting out

Licensing Out: Back-to-back licence provisions

- What rights can – or must – you grant?
- What obligations must you impose on your customers?
- Will your customers accept absence of warranties?
- Will your customers demand IPR indemnities?
- Will your customers become your competitors?

Licensing Out: Funding for spin-outs

- Will the new company pass investors' IP diligence?
- Can you demonstrate that you own the IP assets that you think you own?
- Do you have a record of all licence terms and all contributors to the development of the product?
- Have you identified any IP issues that need to be tidied up?
- Can you explain how the OSS licence requirements affect your position with respect to potential competitors?



Conclusion

OSS is a lawyer's nightmare . . .
go on, then, give us a challenge!

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