**COMP203P:**

**Legal Issues Case Study**

**By:** Vlad Popa

**Student Number:** 15016998

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**1. Introduction**

Having a company that respects the law and has a good reputation for this is one of the most important criteria for a prosper business. “Hiring Costumes Ltd.” is a company recently created that needs advice regarding the way they can protect their intellectual property in order to benefit at maximum from their work, but also some recommendation for other legal issues. Users’ privacy and contracting are new problems that have to be addressed, as partners are expected to join, and also the liability is an actual and important concern, taking in consideration the bad experience at “Speedy Chocolate” festival. All those issues are vital for a prosper future of “Hiring Costumes Ltd.” and must be discussed with the lawyers from Bright & Co in order to be resolved.

**2. Legal Issues**

2.1 Intellectual Property

One of the first issues to address is about the intellectual property, from patenting parts of the application, including the new technological technique, to copyright, trade mark and even design. Taking into consideration that the app uses an innovative image processing technique developed by the founders of the company gives it an advantage in front of the competitors, so a method of protection should be taken into consideration. Patents are a good option for this and the new processing method might meet the criteria for registration. Also, the computer program created by the company cannot be protected by patentability, but by copyright, without applying for it, so this has to be discussed with the lawyers for the eventuality of concerns.

Another thing discussed at the creation of the company that must again be addressed is the method of securing the logo as it is important to keep the visual identity safe and also take care of your trade mark. The lawyers should find out if both the logo and the brand name can be trademarked, as the brand name is descriptive and might not meet the criteria. Also, an important matter is the method of dealing with the new employees, as some information about the company and some of the data the app gathers is confidential and must not be outsourced, as this might affect “Hiring Costumes Ltd.”.

2.2 Privacy

An important decision that had to be made at the start of the company was making the final version of the app to adhere to privacy by design principles, to make sure that the developed product meets the regulations enforced by the law and protects the privacy. “Hiring Costumes Ltd.” must be sure that they only gather data that is necessary for their purpose, only for a relevant time and that this information is not in danger to be reached by other people. In addition, privacy issues might arise from “Ads over Globe”, the company contracted to serve ads to the users. The fact that they require some personal information about the clients might be problematic, as their privacy can be affected. Furthermore, “Ads over Globe” usually outsources the data to third parties, making it even more dangerous for the confidential data of the users of “Hire-a-Costume”. Those problems have to be discussed with the lawyers in order to make sure that “Hiring Costumes Ltd.” will not be affected by privacy and data protection accusations.

2.3 Contract

A very important matter to discuss is contracting, as there has been signed an contract with “Ads over globe”, a subcontract agreement with “Top Fun Ltd.” and another contract with Christophe is to be made in future. In the Head of Terms from the advertising company, it is stated that in the event of impossibility to serve the clients, the company will not be paid the revenue for the entire month. This is problematic as the founders lied about a warehouse that they don’t own and also during the festival there were problems in getting the costumes in time.

Furthermore, the contract for the “Speedy Chocolate” festival, having the form of a “Request for Proposals”, stated that the company responsible for the agreed work will have to assure that everything is functioning normally and all the requirements are met, “Hiring Costumes Ltd.” having a big responsibility, making the failure during the festival being a big issue. Yet, section 6.1 of the agreement states that the maximum liability should be 50.000 pounds, not in concordance with the 80.000 pounds loss due to the IT failure. The last concern about the future contract that will have to be made with Christophe should be addressed in order to be clear what should be stated in the papers, as the contract gives legal force to agreements.

2.4 Liability

The last issue to be discussed with the lawyers from Bright & Co is about liability, the legal response to the festival. The first thing to be addressed is that the liabilities are not respecting the contract, having a breach. Firstly, the servers were kept inside Top Fun’s premises, and they were to subcontract the part of the IT facilities required by “Hire-a-Costume”, but the problems with the servers caused “Hiring Costumes Ltd.” a big loss. Furthermore, the power surge might be eligible for being an event “beyond its reasonable control”, if the costumes provider company is still to be blamed, and might fit “product liability”. In addition, the loss of the company is 80.000 pounds, 30.000 pounds over the limit stated in the contract.

Finally, more liability factors are to be taken into consideration. One of them is that “Top Fun Ltd.” can be accused of negligence, as they have received several messages about the incompatibility of the patch with the servers, yet they had no response to the matter. Also, Steve Gate, an employee at “Hire-a-Costume”, used the patch to solve a problem about the servers, which was the responsibility of “Top Fun Ltd.”, so his act can also support consequences, under civil liability.

**3. Conclusion**