Intellectual Property Rights:

Compliance Training

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Modules

1 Introduction to IP rights

2 Software Licensing

3 Intellectual Property Rights in VirtusaPolaris

Course Objectives

By the end of this course, you should be able to:

- Define Intellectual Property (IP) and IP rights
- Explain how IP rights are protected
- Describe the consequences of violating IP rights
- List and describe the different types of software licenses
- Explain how VirtusaPolaris protects IP rights
- List the Do's and Don'ts related to IP rights in VirtusaPolaris

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Introduction to IP Rights

Module Objectives

By the end of this module, you should be able to:

- Define Intellectual Property (IP) and IP rights

- List the types of IP rights and describe them

- Explain how IP rights are protected

- Describe the consequences of violating IP rights

What are Intellectual Property Rights?

- Intellectual property rights are legally recognized exclusive rights to creations of the mind.

- They usually give the creator an exclusive right over the use of his/her creation for a certain period of time.

- IP is protected by laws that enable people to earn recognition or financial benefit from what they invent or create.

Types of IP Rights

The types of IP rights are explained below:

Copyright	Patents	Trademark	Trade Secret
• It regulates the use of a particular expression of an idea or information. • It guarantees payment and/or credit for its creator if the idea or invention is used. • It provides legal evidence of ownership and validity to bring an infringement suite if necessary. • Example: Software, Program code.	• It excludes everyone other than the investor to make, use, sell and import an invention for a limited period of time. • It protects any new and useful process, machine, article of manufacture, or composition of matter. • It prevents theft of invention, exclusive right and reduce competition. • Example : Algorithms, Operating systems.	• It protects words and symbols that identify goods and services of a manufacturer. • It provides recognition of quality or origin of goods or services, • It provides protection to customers via a logo that must be disclosed to the customers. • Example: Logos like those of VirtusaPolaris, Microsoft, RedHat.	• It refers to a formula, practice, process, design, instrument, pattern, or compilation of information used by a business to obtain an advantage over competitors or customers. • It protects confidential information through non-compete clauses, non-disclosure contracts with its employees. • It provides greater protection, deters others from using your trademark, and controls the use of your brand by Others. • Example: Software features such as code and ideas and concepts reflected that can be protected as trade secrets.

How are IP Rights Protected?

IP rights are protected by a family of laws and jurisdiction known as Intellectual Property (IP) Laws. These laws are applicable in various situations and each with their own sets of technical rules.

IP Family of Laws			
Method of Acquiring	Publishing of Creative Works		Reputation and Confidentiality
Formalities required (Industrial Property)	Industrial Design (Blueprint)	Patents (Idea)	Trademarks (Brand)
Formalities not required	Copyright (Instance)	Design right (Blueprint)	Trade Secret (NDA)

How are IP Rights Protected? (Cont.)

IP laws vary from country to country. They are protected by institutions specific to each country. The IP jurisdiction body of each country is given below.

United States of America	**United Kingdom**	**Sri Lanka**	**India**	**Global**
United States Patent and Trademark Office (USPTO)	The UK Intellectual Property Office	National Intellectual Property Office of Sri Lanka (NIPO)	Office of Controller General of Patents, Designs, and Trade Marks	World Intellectual Property Agency

Consequences of Violating IP Laws

The consequences of violating IP laws are:

1 Unlimited liability and indemnification on IP

**2** Court cases, re-engineering costs, client impact

3 Loss of reputation and repeat business

Module Summary

The key takeaways from this module are:

- Intellectual property rights are legally recognized exclusive rights to creations of the mind.

- IP rights are protected by a family of laws and jurisdiction known as Intellectual Property (IP) Laws.

- The four types of IP rights are copyright, patent, trademark, and trade secret.

- Consequences of violating IP rights are:

  - Loss of reputation and repeat business

  - Legal action against employee or company
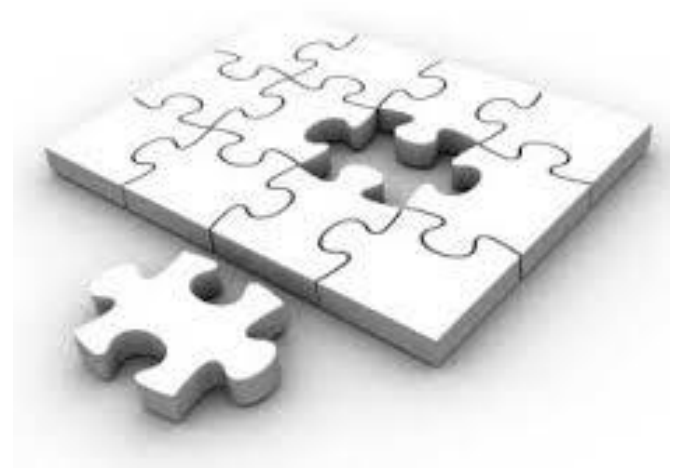
Software Licensing

Module Objectives

By the end of this module, you should be able to:

- Define software license

- Define property and freeware/open-source licenses

- List and describe functional licenses

- List the ways of accepting software licenses

- List the clause found in software licenses

What is a Software License?

- A software license is a contract between a software publisher and an end-user of software.

- A software license grants an end-user permission to use one or more copies of software.

- A software license is similar to a lease - It is generally not bought, but agreed upon and accepted.

- Licenses are applicable on two kinds of software:

    - Proprietary Software

    - Open-source Software

Proprietary Software

Proprietary software restricts use, copy and modify as enforced by the right holder.
It is also known as non-free or closed-source software

Its use is controlled by:
Imposing technical measures
Releasing only Binaries, Dongles, DRM
Legal means such as copyrights, patents and licenses

Some examples of proprietary software are Microsoft EULA, Oracle, Adobe, and SAP.

Open-source Software

- Free/Open-source software enables user to study, change, and improve its design by making its source code available.

- Its use is controlled by copyright in order to defend the rights of end-users of the software.

1975 **Berkley Software Distribution (BSD) of AT&T Unix**	1983 **GNU Manifesto by Richard Stallman**	1988 **Emacs/GNU General Public License (Copy left)**
• AT&T Gives Unix to educational Institutions with source code for educational purposes • Users send patches and Fixes especially in academic circles • It is redistributed at a cost.	• To write a completely free Unix	• Released after a dispute on Emacs
1989 **BSD Network Release 1**		
• Liberal license and redistribution terms of source code • Dispute with AT&T and settled in 1993 when Novel bought rights	1991 **GNU GPL version 2 released**	1992 **Linux released under GPL and GPL takes off**

Types of Open-source Licenses

The types of open-source licenses are:

Standard Reciprocity

- License obligation must be maintained and propagated to enhanced version if the source code is updated.
- Example – WEAK COPYLEFT – an arrangement whereby software or artistic work may be used, modified, and distributed freely on condition that anything derived from it is not bounded by the same condition as the original software.

Strong Reciprocity

- The standard reciprocity agreement is extended to adaptations and derivative works.
- Example – STRONG COPYLEFT - an arrangement whereby software or artistic work may be used, modified, and distributed freely on condition that anything derived from it is bounded by the same conditions.

Permissive License

- No propagation of this license is required in modifications/enhancements, adaptations or derivative works.
- Example – COPY CENTER (free to distribute)

Types of Open-source Licenses (Cont.)

The types of open-source licenses are:

Derivative Work

- This is related to work based on pre-existing works, such as a translation, motion picture version or any other form in which a work may be recast, transformed, or adapted.
- Example – Original software modified to create a new program.

GPL Distribution

- The dependent source code is made available to those it is distributed to.
- Example – Use of code within a subsidiary.

Software Patents

- It is a patent that covers a computer implemented process.
- Example – Machine controlled by a program is patentable.

Typical Clauses in a Software License

The table below lists and describes some of the typical clauses found in a software license.

Clause	Description
1. Scope of License	Spells out if the license is exclusive or non-exclusive, and if it has any restrictions or quantity limitations
2. Re-Distribution	States if the license is 'Transferable' or is 'All Rights reserved'
3. Term & Termination	Determines when a license will end and its termination conditions
4. Limitation of Liability and Indemnification	States the extent to which vendor will take responsibility for damages caused by software
5. Confidentiality and Property Information	Defines confidential Information, disclosure of vendor details (e.g. trademark), and attribution
6. Territory	Spells out the conditions by jurisdiction (e.g. export regulations)
7. Warranties	Details the quality of software, performance and breach of warranty
8. Source Code Escrow	Gives details of the escrow agent and timing of deposits
9. Sub-Licensing	Describes the conditions placed on derivative works such as 'Terms of Distribution' and 'Inclusion of Notice'

Module Summary

The key takeaways from this module are:

- A software license is a contract between a software publisher and an end-user.

- Licenses are applicable on two kinds of software:
  - Proprietary
  - Open-source

- Proprietary software restricts use, copy, and modify as enforced by the right holder.

- Free/Open-source software enables users to study, change, and improve its design by making its source code available.

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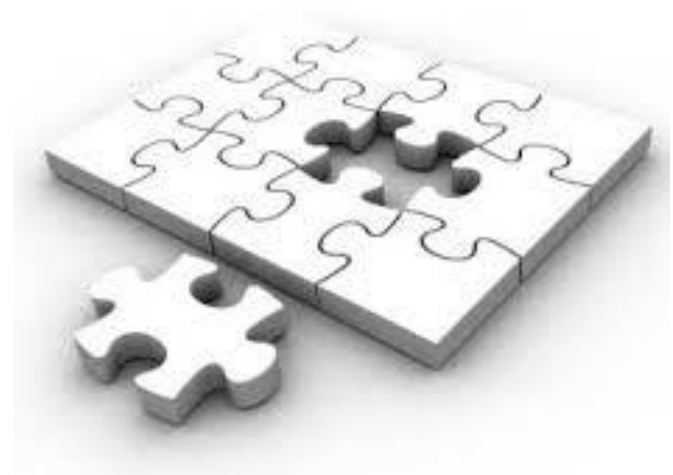
Intellectual Property Rights in VirtusaPolaris

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Module Objectives

By the end of this module, you should be able to:

- Explain the business context in VirtusaPolaris

- List examples of IP rights usage in VirtusaPolaris

- Explain why VirtusaPolaris uses proprietary software

- Describe NDA boundaries

- List the Dos and Don'ts related to IP rights in VirtusaPolaris

Why Bother about IP? – VirtusaPolaris Business Content

In VirtusaPolaris, IP laws are monitored for the following activities.

VirtusaPolaris is in the business of building software for clients.

We do not own the source code – is it delivered to the clients and the clients own all rights to the code by default.

Anything not assigned to the client such as 3rd party assets, FOSS components, freeware, VirtusaPolaris components, has to be specified in valid legal documents. If not stated in legal documents, do not add them in deliverables.

VirtusaPolaris considers the Master Service Agreement (MSA) to be the fundamental legal document. Two other documents the comprise MSA are:

- Change Request
- Statement of Work (SOW)

VirtusaPolaris is therefore legally bound to clients by unlimited liability to solve their IP issues.

Protecting IP Rights in VirtusaPolaris

- All IP rights are protected via a Non-Disclosure Agreement (NDA). NDA is signed at two levels, creating two boundaries:

  - CLIENT NDA BOUNDARY

  - VIRTUSAPOLARIS NDA BOUNDARY

- We take care that there is no leakage of IP across the two boundaries, unless explicitly stated in an agreement or license.

VirtusaPolaris NDA

Client NDA
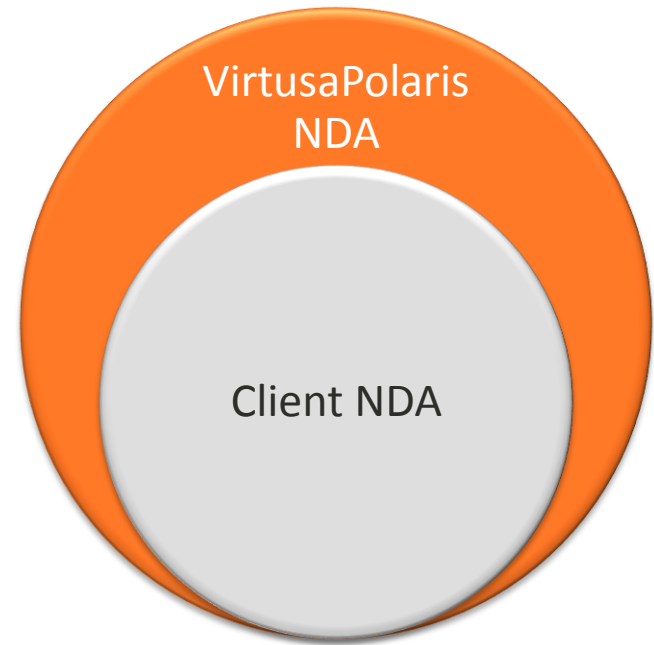
Protecting IP Rights in VirtusaPolaris (Cont.)

The specific measures taken by VirtusaPolaris to protect IP rights are listed below:

"Mixed Code" Initiative	IP-Related Processes	Legal Documents, Employee Contracts	Work Order
• Introduces processes, training, and awareness programs to reduce the risk of IP violations in VirtusaPolaris • Improve legal rigor and customer signoff to indemnify VirtusaPolaris against IP issues	• Maintains reports that document all IP related information: • IP Usage Register • Client Release Notes (amendment) • IP Compliance Coverage Report • IP Audit Process	• Maintains the following documents: • Master Service Agreement • Work Order / Change Request • Statement Of Work (SOW) • Employee NDA • Professional Responsibility • Accountability	• Maintains the following information: • Work Order Amendments • Declare Components • 3rd Party Components and COTS • VirtusaPolaris Components • Declare Distributed Tools and open source tools • 3rd Party and VirtusaPolaris Tools

Adhere to IP Laws – DO'S and DON'TS

Shown below are the Dos and Don'ts that we need to adhere with respect to IP Laws.

Always ensure the software is strictly under "Terms of use" condition.

Be aware that cracks, torrents, CD/DVD burners are strictly prohibited.

Use customer software only after getting signed authorization from the customer.

For a product company (GPL) is a problem.

Raise a request for software installation and uninstallation when it is needed.

DO NOT use freeware, shareware in the code.

Adhere to IP Laws – DO'S and DON'TS (Cont.)

Shown below are the Dos and Don'ts that we need to adhere with respect to IP Laws.

Have a licensed copy specifically for the authorized server and Do NOT connect to any other server.

Do NOT copy code from another account or project or within account without permission.

If the user is de-allocated from a project, the PM should inform IT team through AnyTime ticket to format the user's system.

Do NOT use client license keys for some other project and share it when needed by colleagues.

Software is licensed for a particular version/edition. DO NOT use a later version/edition than what is authorized.

Module Summary

The key takeaways from this module are:

- VirtusaPolaris is legally bound to clients by unlimited liability o solve their IP issues.
- All IP rights are protected via Non-Disclosure Agreement.
- Mixed code initiative, IP related processes, legal documents, contacts, and work order help VirtusaPolaris to protect IP rights.
- To protect IP rights:
    - Allow the client to decide what 3rd party assets to use and report the use of the 3rd party assets to your manager.
    - Be aware of the licensing type before using a product.
    - Do not install commercial software without the permission of compliance team.
    - Do not share software license keys.
    - Do not use unauthorized servers.

Course Summary

The key takeaways from this course are:

- Intellectual Property (IP) rights are the rights given to persons over the creations of their minds.

- The four types of IP rights are copyright, patent, trademark, and trade secret.

- A software license is a contract between a software publisher and an end-user.

- Licenses are applicable on proprietary and open-source software's.

- All IP rights are protected via a Non-Disclosure Agreement (NDA).

- VirtusaPolaris is legally bound to clients by unlimited liability to solve their IP issues.

Thank You

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