

Book of Lists Party
For Reservations Click Here

Sponsors:
COX BusinessSM
USI
GASBARRO'S WINES
AM790 TALK & BUSINESS



FREE Valet Parking!

Published online Dec 23, 2009

SHARE

LAW Five Questions With: Roger Hood

By Ted Nesi
PBN Web Editor

Roger W. Hood is a shareholder in the Providence law firm Duffy & Sweeney Ltd. and leads the firm's Intellectual Property and Technology Law practice. He is a member of Tech Collective and the American Bar Association's Intellectual Property Section, and is also active in the Brown Forum for Enterprise. Hood talked with Providence Business news about the latest developments in that fast-changing area of the law.



PHOTO COURTESY DUFFY & SWEENEY

"OWNERSHIP AND protection rights for intellectual property are critical to any company, and a well-drafted contract is essential," said Duffy & Sweeney shareholder Roger Hood.

PBN: How did you get interested in I.P. and technology law? Why did you decide to specialize in that area?

HOOD: I grew up in an engineering environment. My dad is a mechanical and nautical engineer and, before joining Duffy & Sweeney, I spent a number of years at Northrop and then at Motorola. Both companies are very sensitive to creating and protecting their technology and intellectual property – when I left Motorola, we had 150 patent attorneys on staff! You learn "gold standard" practices when you work for a large company.

2010 Book of Lists Party
Thursday, Jan. 14th • 5:30 - 8:00 pm
MUSEUM OF ART
RHODE ISLAND SCHOOL OF DESIGN

FREE VALET PARKING

One of the most satisfying parts of working with technology companies on an intellectual property project is to see the results, perhaps six months or a year later. It is gratifying to know that the contract I negotiated brought that new feature or product to market and contributed to our client's success.

PBN: You have said in the past that you are surprised by how often people fail to think about licensing their creations. Could you explain your thinking there?

HOOD: Intellectual property is a core aspect of a company's asset base and licensing it creates revenue. For example, if a company does not have the in-house capacity to manufacture or sell products throughout the world, country-specific manufacturing and distribution licenses offer opportunities for new revenue. Or, if a company has a patent that is incorporated into a product design, there may be opportunities outside of the original product design area to grant patent licenses to others in non-competitive fields of use. I have seen companies use well-structured contract licensing to expand immensely.

PBN: Everyone is talking about cloud computing these days. Does the growing use of the cloud raise any legal questions or concerns?

HOOD: For clarity, cloud computing is when a company stores files at an off-site or third-party location, utilizing the Internet for access, search capabilities and document sharing. It's not a new concept, but rather a re-spin on timesharing, which dates back to 1960s. It is big business now for Google, Microsoft, Yahoo and others. Of course, there are always legal concerns when a third party stores your critical data. You have to do your due diligence and deal with a reputable company.

I recommend selecting a cloud vendor that is willing to negotiate terms of the standard boilerplate contract – particularly with respect to confidentiality protection, indemnities, limits of liability, security access, insurance, disaster recovery and choice of law provisions. We implemented everything that Duffy & Sweeney in August, but we retain a full right to back up everything that we store at the cloud company. On the initial contract, the vendor wanted to cap its liability to our fees paid. That just isn't going to work for most companies that store proprietary documents off site.

Basically, these cloud relationships are unregulated, although certain existing laws may impact one's decision to utilize cloud services, such as HIPAA, and state and federal privacy laws. If the cloud company goes bankrupt or is acquired by one of your competitors, what right do you have to obtain your files? Who else could have access to them? What law governs your files, particularly if the company stores your data outside of the United States? All of these areas require careful analysis before entering into a cloud contract today.

PBN: Are there any special challenges for firms in protecting their intellectual-property rights when the economy is in rough shape the way it is now?

HOOD: Like everything else in a challenging economy, each dollar spent by a company today is being spent with great care. That said, ownership and protection rights for intellectual property are critical to any company, and a well-drafted contract is essential. Even in a challenging economy, employees must still sign a confidentiality agreement to protect company trade secrets and confidential information. The contract should include a formal provision for assignment of rights to all inventions and ideas created by an employee while under the employ of the company. All subcontractors and consultants should be held to the same standard. On the distribution side, contracts should cover indemnities that you expect from your customers to protect and defend your intellectual property.

If someone is infringing on or using your intellectual property without a license, litigation may be appropriate or necessary to protect your company's intellectual property rights. If a company is not willing to enforce its intellectual property rights, then it may suffer not only for the particular situation but also in future intellectual property rights challenges. It is not fun having to be a watchdog of your intellectual property, but it is very necessary to keep a competitive advantage.

PBN: What impact, if any, do you see open-source technology having on your area of the law?

HOOD: Open-source code has certainly created some new legal issues. Traditionally, a company creates original proprietary software and protects it from re-use and external development by third parties. The code allows the creator to lock customers into software that cannot be replicated by competitors. This is still the practice for a majority of companies that we see today.

Now, developers are creating software that incorporates open-source code. It's easy, it's free, and it's a shortcut to otherwise developing custom code. While open-source code is available for free on the Internet, use of it is governed by how the developer/owner/creator has licensed the program. Open-source code is conveyed subject to licensing terms of the individual license. Terms may be very simple (acknowledging copyright ownership rights) or more intricate (requiring any distribution of new work to be accompanied with source-code rights).

We now caution all companies who are licensing or creating software to adopt and maintain a rigorous policy regarding software code. Unless a company understands what code it has or is using, there may be unfortunate surprises by using or incorporating open-source code into a product, including devaluation of a company's intellectual property portfolio or mandatory release of source code for a product. •

Post a Comment

Not registered? Click here E-mail this Print this Order a Reprint

Post a comment

You must be logged in to post a comment. [click here to log in.](#)

Markets National News

- Dorgan says it's right time to leave US ... Yahoo U.S. News - 11:48 AM, Wednesday, 1/6
- Cold grips much of US, Fla. races to save ... Yahoo U.S. News - 11:40 AM, Wednesday, 1/6
- Acton Pharma closes on \$15M in financing Boston Business Journal - 11:37 AM, Wednesday, 1/6

[More National News »](#)

MOST READ IN THE LAST THREE DAYS

- R.I. train service expansion on track
- Budget fix includes sale of R.I. property
- A seat at the table on wind power
- Rebound in R.I. taxes is exception in U.S.
- Ski Market files for bankruptcy
- Barron's: Bill may boost Alexion, Amgen
- Kingston MBTA stop project proposed
- Butler drops Jewelry District move plan
- Sen. seeks to counter 'Obamacare'
- Morfessis bows out of EDC position

Calendar PR Database

Upcoming Events

TODAY THIS WEEK THIS MONTH

- Live Wire Networking Group
- MDG January 2010 Forum – Women's Health: New Markets, Expanding ...
- Secret Ingredient Food Tours

View calendar