Pulling It All Together:
An Open Source Action Plan for In-House Counsel
March 18, 2010

Presented by: Virginia Badenhope, Associate General Counsel of BigFix, Inc.

Here is some information about me:

- Former Senior Associate at Smithline Jha, a technology transactions boutique in San Francisco

- Counseled numerous clients on open source matters while at Smithline Jha

- Joined BigFix in October, 2009

- Responsible for all legal aspects of open source use at BigFix

- Finding that being in-house requires an even greater level of granularity than the advice I was giving as outside counsel

This presentation will cover:

- How in-house counsel perspective differs from outside counsel perspective

- Goals and Objectives of Legal Department with respect to open source matters

- Nuts and bolts of managing legal department responsibility for open-source matters

- Using checklists to stay on track

How being inside counsel is different:

- Responsibility for legal aspects of open source use is not limited to tracking open source use and complying with license terms

- Implementation of a comprehensive action plan requires covering implications of open source use from a variety of angles (not limited to open source policy per se)

- Implementation requires coordination with other functions within the organization (product managers, engineers, purchasing, etc.) and sorting out operational details

Overall goals of legal department:

- Protecting the company's intellectual property
- IP hygiene – keeping track of all code coming in and going out
- Decreasing litigation risk
- Being prepared for potential M&A activity (making sure there are as few hiccups in the due diligence process as possible)

How open source fits into the picture:

Legal Department Goal	Open Source Implication
Protecting Company IP	• Making sure our proprietary code is not required to be disclosed in source code form (if we do not want it to be disclosed in source code form) • Making sure that we maintain control over how our own product is licensed • Making sure that we don't transfer IP ownership without intending to
IP Hygiene	• Keeping track of all inbound open source licenses (along with other third party code) • Keeping track of all outbound software (our proprietary product that we ship to customers and our contributions to open source projects)
Decreasing Litigation Risk	• Maintaining compliance with open source licenses • Making required attributions and source code disclosures
Being prepared for M&A Activity	• Demonstrating to potential acquirers that the company (particularly the legal department) is on top of open source issues • Having open source usage fully documented • Having compliance plan demonstrating how the requirements of each license are being met

Use a checklist to stay on top of things.

- It can be hard to map the various goals regarding open source use to specific action items

- There are lots of individual items to be tracked that, collectively, achieve the goals

- Checklists can be helpful in making sure that issues and concerns are covered off from multiple angles

Here are 5 action item categories:

I have separated my checklist into 5 broad categories:

1. Inventory and Assessment of Open Source Use
2. Complying with Open Source License Terms
3. Implementing an Open Source Policy
4. Updating Outbound License Agreements
5. Updating Inbound License Agreements

Review open source components shipped with every product.

Obtain from engineering a spreadsheet detailing:

- ❑ Name of component
- ❑ Version number
- ❑ URL of download site
- ❑ License
- ❑ Whether modified
- ❑ Whether distributed
- ❑ If and how linked with proprietary code
- ❑ Whether a commercial license available

Categorize the licenses into risk categories

Add a column detailing the compliance action items:

- ❑ For example, for MIT or BSD licenses, stating that the copyright and license information will be included in the Documentation
- ❑ For other licenses, may need to note specific compliance option being taken. For example, under LGPL may need to update the product's copyright notice, as well as distribute source code for the library (or make a written offer to do so).

Comply with open source license requirements.

Update Documentation:
- ❑ Include all required copyright and license notices
- ❑ Include information on modifications, if required
- ❑ Include information on where required source code disclosures are made

Update Support Website:
- ❑ Links to open source notices contained in Documentation
- ❑ Links to source code disclosures

Update Notices Included in Product Itself:
- ❑ Splash screen
- ❑ User interface
- ❑ Readme file

Coordinate with Engineers and Technical Writers:
- ❑ Identify appropriate individuals within the organization that handle these items
- ❑ Understand specific challenges and trade-offs
- ❑ Understand release cycle and where it is possible to make changes
- ❑ Devil is in the details

Implement an open source policy.

Draft Policy to include:

- ❑ Approval process
- ❑ Record-keeping and storage
- ❑ Process for making contributions
- ❑ Respective roles and responsibilities of Legal and Engineering

Circulate to Engineering Management

Revise and Finalize per Engineering Comments

Roll Out Policy

- ❑ Coordinate with Engineering Management on Announcement

Brown Bag with Engineers and Product Management re Policy

- ❑ Background and Rationale
- ❑ Roles and Responsibilities
- ❑ Commitment from Legal not to be bottleneck

Revise (form of) Outbound Licenses.

Update form MLA and EULA to include open source provision:

- ❑ Licensed product may include open source software
- ❑ Such open source software is identified in documentation (or list will be made available upon request)
- ❑ To extent required by applicable open source license, open source license will govern in lieu of MLA (for example, w/r/t source code access, modifications and reverse engineering).

Update form reseller, distributor and OEM agreements:

- ❑ Add covenant that reseller/distributor/OEM will not modify, combine or distribute the licensed product in a way that will make the licensed product subject to the terms of an open source license (obligation to disclose source code, giving others the right to modify or make derivative works, etc.)

Revise (form of) Inbound Licenses.

Update form independent contractor agreement:

❑ Add warranty and covenant that no open source code will be included without advance disclosure and approval

Include open source warranties in each agreement under which third party technology will be distributed:

❑ All open source code is disclosed in an exhibit

❑ All information on the exhibit is complete and accurate

❑ Exhibit lists:
- o name of component
- o applicable license
- o whether modifications have been made
- o if and how the component is linked to licensor's code, and how licensor's code needs to be linked with our own code

❑ No additional open source code is required in order for licensor's product to function

❑ Licensor will provide all information (for example copyright and attribution notices and the like) and code (including source code):
- o required to be provided by licensor under the terms of the applicable open source licenses; and
- o sufficient for us to comply with the terms of the open source licenses

Here is an example checklist

OPEN SOURCE ACTION ITEM AND CHECKLIST

	Item
	Review Open Source Components included in Every Product
☐	Obtain from engineering a spreadsheet containing:
	➢ Name of component
	➢ Version number
	➢ URL of download site
	➢ License
	➢ Modified?
	➢ Distributed?
	➢ Linked with proprietary code?
	➢ Commercial license available?
	➢ How we will comply with license requirements
	Comply with Open Source License Requirements
☐	Documentation
	➢ Include all required copyright and license notices
	➢ Include information on modifications, if required
	➢ Include information on where required source code disclosures are made
☐	Support Website
	➢ Links to open source notices contained in Documentation
	➢ Links to source code disclosures
☐	Notices Included in Product Itself
	➢ Splash screen
	➢ User interface
	➢ Readme file
	Open Source Policy
☐	Draft Policy
	➢ Approval process
	➢ Record-keeping and storage
	➢ Process for making contributions
	➢ Respective roles and responsibilities of Legal and Engineering
☐	Circulate to Engineering Management
☐	Revise and Finalize per Engineering Comments
☐	Roll Out Policy
	➢ Coordinate with Engineering Management on Announcement
☐	Brown Bag with Engineers and Product Management re Policy
	➢ Background and Rationale
	➢ Roles and Responsibilities
	➢ Commitment from Legal not to be bottleneck
	Outbound Licensing Agreements
☐	Update form MLA and EULA to include open source provision:
	➢ Licensed product may include open source software
	➢ Such open source software is identified in documentation (or list will be made available upon request)
	➢ To extent required by applicable open source license, open source license will govern

Page 1

Questions?
Suggestions?

Contact me at:
virginia_badenhope@bigfix.com