

# TABLE OF CONTENTS

## CHAPTER 1

### Introduction to Technology

§ 1.01	The Computer System .....	1-2
§ 1.02	Hardware .....	1-4
	[1] Central Processing Unit .....	1-4
	[2] Peripherals .....	1-5
	[a] Storage Devices .....	1-5
	[b] Output Devices .....	1-7
	[c] Communications Devices .....	1-7
	[d] Input Devices .....	1-8
§ 1.03	Network Configurations .....	1-9
	[1] Introduction .....	1-9
	[2] Grid Computing .....	1-10
§ 1.04	Software .....	1-13
	[1] Systems Software .....	1-13
	[a] Functions of Systems Software .....	1-13
	[b] Independent Developers .....	1-14
	[2] Applications Software .....	1-14
	[a] Packaged or Standard Software .....	1-14
	[b] Customized Software .....	1-16
	[c] Custom Software .....	1-16
§ 1.05	Source Code .....	1-18
§ 1.06	Object Code .....	1-21
§ 1.07	Software Documentation .....	1-22
§ 1.08	Software Maintenance .....	1-24
§ 1.09	Database .....	1-25
§ 1.10	Turnkey Systems .....	1-26
§ 1.11	Marketing of Hardware and Software .....	1-27
	[1] Supercomputers .....	1-27
	[2] Mainframe Computers .....	1-27
	[3] Workstations .....	1-28
	[4] Personal Computers (PCs) .....	1-28
	[5] Quantum Computers .....	1-28

**COMPUTER LAW**

§ 1.12	Original Equipment Manufacturers (OEMs) and Independent Sales Organizations (ISOs) . . . . .	1-29
§ 1.13	Software Vendors . . . . .	1-30
§ 1.14	The Internet . . . . .	1-31
	[1] Generally . . . . .	1-31
	[2] Intranets . . . . .	1-33
	[3] Applications . . . . .	1-35
	[a] E-Mail . . . . .	1-35
	[b] Newsgroups . . . . .	1-35
	[c] World Wide Web . . . . .	1-35
	[d] Other Applications . . . . .	1-36
	[i] File Transfer Protocol (FTP) . . . . .	1-36
	[ii] Instant Messaging . . . . .	1-37
	[iii] Voice over IP (VoIP) or Internet Telephony . . . . .	1-38
	[iv] RSS Technology . . . . .	1-39
	[v] Podcasting . . . . .	1-39
	[vi] Blogs . . . . .	1-39
	[vii] Digital Currency . . . . .	1-40
	[viii] Decentralized Finance . . . . .	1-48
	[ix] Augmented Reality . . . . .	1-52
	[4] Access and Presence . . . . .	1-53
	[5] Regulating Access to Content on the Internet . . . . .	1-54
	[a] Communications Decency Act of 1996 (CDA) . . . . .	1-54
	[b] Child Online Protection Act (COPA) . . . . .	1-58.12
	[6] Cloud Computing . . . . .	1-59
	[a] Generally . . . . .	1-59
	[b] Contracting and Governance Issues . . . . .	1-64
	[c] Trade Secret Issues . . . . .	1-68
§ 1.15	Artificial Intelligence (AI) . . . . .	1-70
	[1] Generally . . . . .	1-70
	[2] Generative AI . . . . .	1-74

**CHAPTER 1A****Contract Law and Business Practices  
in the Information Age**

§ 1A.01	Old Issues in a New Business Environment . . . . .	1A-3
§ 1A.02	International Sources of Contract Law . . . . .	1A-4

**TABLE OF CONTENTS**

xi

§ 1A.03	Sources of United States Contract Law . . . . .	1A-7
	[1] The Common Law and Restatements . . . . .	1A-7
	[2] The Uniform Commercial Code (UCC) . . . . .	1A-7
	[a] UCC Article 2 and Software . . . . .	1A-8
	[i] Is a Transfer of Software a Sale? . . . . .	1A-8
	[ii] Is Software a Good? . . . . .	1A-9
	[b] Beyond Software: Computer Information Transactions . . . . .	1A-12
	[3] The Uniform Computer Information Transactions Act (UCITA) . . . . .	1A-13
§ 1A.04	Contract Formation Under the Restatement, UCC and UCITA . . . . .	1A-16.1
	[1] Offer and Acceptance Generally . . . . .	1A-16.1
	[2] Other Rules of Formation . . . . .	1A-22
	[a] Method . . . . .	1A-22
	[b] Timing . . . . .	1A-23
§ 1A.05	Enforceability of Contracts and Business Practices . . . . .	1A-24
	[1] The Statute of Frauds . . . . .	1A-24
	[a] In General . . . . .	1A-24
	[i] The Common Law Statute of Frauds . . . . .	1A-26
	[ii] The Statute of Frauds Under the UCC and UCITA . . . . .	1A-26
	[b] The Writing/Record Requirement in the Information Age . . . . .	1A-27
	[c] The Signature/Authentication Requirement in the Information Age . . . . .	1A-30
	[2] Specialized Contracts and Business Practices . . . . .	1A-34
	[a] Shrink-Wrap, Click-Wrap and Web-Wrap or Browse-Wrap Agreements . . . . .	1A-34
	[i] Contracting by Means of a Single Writing . . . . .	1A-41
	[ii] Contracting by Means of Multiple Writings . . . . .	1A-44.3
	[iii] Drafting Shrink-Wrap and Click-Wrap Agreements . . . . .	1A-44.5
	[b] Mass-Market Licenses and Contracts Under UCITA . . . . .	1A-44.6
	[c] Electronic Self-Help Under UCITA . . . . .	1A-44.9

## COMPUTER LAW

	[d] UCITA's Fundamental Public Policy Defense to Enforcement . . . . .	1A-44.12
	[3] Unconscionability . . . . .	1A-44.12
§ 1A.06	Warranties . . . . .	1A-44.15
	[1] Express Warranties . . . . .	1A-44.15
	[2] Implied Warranties of Title and Against Infringement/Warranty and Obligations Concerning Noninterference and Non-Infringement . . . . .	1A-44.15
	[3] Implied Warranty of Merchantability . . . . .	1A-44.16
	[4] Implied Warranty of Fitness for a Particular Purpose; System Integration . . . . .	1A-44.18
	[5] UCITA's Implied Warranty of Informational Content . . . . .	1A-45
	[6] Exclusion or Modification of Implied Warranties . . . . .	1A-45
	[7] Breach of Warranty . . . . .	1A-47
	[8] The Magnuson-Moss Act . . . . .	1A-47
	[9] E-Warranty Act of 2015 . . . . .	1A-48
§ 1A.07	Digital and Electronic Signatures . . . . .	1A-48.1
	[1] In General . . . . .	1A-48.1
	[2] How Digital Signatures Work . . . . .	1A-50
	[a] Public Key Cryptography . . . . .	1A-50
	[b] Hash Functions . . . . .	1A-51
	[c] Creating and Using a Digital Signature . . . . .	1A-52
	[3] Certification Authorities and Cybernotaries . . . . .	1A-53
	[a] Certification Authorities . . . . .	1A-53
	[b] Cybernotaries . . . . .	1A-54
	[4] Digital Signature Legislation . . . . .	1A-55
	[a] State Enactments in the United States . . . . .	1A-55
	[b] Federal Enactments in the United States . . . . .	1A-59
	[c] International Developments . . . . .	1A-65
§ 1A.08	<i>Form: Agreement to Contract Electronically</i> . . . . .	1A-67
§ 1A.09	<i>Form: Exclusive License Agreement</i> . . . . .	1A-69

## CHAPTER 2

**The Computer Contracting Process**

§ 2.01	Introduction . . . . .	2-2
§ 2.02	Identifying User Requirements . . . . .	2-3
	[1] Hardware Capacity and Expansion . . . . .	2-3
	[2] Software Functions . . . . .	2-3
§ 2.03	Defining User Requirements . . . . .	2-4
	[1] Planning . . . . .	2-4
	[2] Independent Consultant . . . . .	2-4
	[3] Assistance of Counsel . . . . .	2-6
	[4] Request for Proposal . . . . .	2-6
	[5] Alternative Strategies . . . . .	2-7
§ 2.04	Vendor Proposal . . . . .	2-9
§ 2.05	Selection of Software . . . . .	2-10
§ 2.06	Pricing Computer Software . . . . .	2-11
§ 2.07	Steps in Development of a Computer Program . . . . .	2-12
	[1] User Requirements . . . . .	2-12
	[2] System Design . . . . .	2-12
	[3] Program Coding . . . . .	2-12
	[4] Testing . . . . .	2-13
	[5] Documentation . . . . .	2-13
	[6] Maintenance . . . . .	2-14
§ 2.08	Delays in Software Development . . . . .	2-15
§ 2.09	Acceptance Procedures for Hardware . . . . .	2-16
§ 2.10	Acceptance Procedures for Software . . . . .	2-17
	[1] Acceptance Tests . . . . .	2-17
	[2] Parallel Run . . . . .	2-17
	[3] Live Environment . . . . .	2-17
	[4] Qualified Consultant . . . . .	2-18
	[5] Relationship to Payment . . . . .	2-18
§ 2.11	Early Legal Intervention in Contract Negotiations . . . . .	2-19
§ 2.12	Financing a High Tech Venture . . . . .	2-20
	[1] Seed Financing . . . . .	2-20
	[2] Early Growth Stage Financing . . . . .	2-20
	[3] Later Stage Financing . . . . .	2-21
	[4] Initial Public Offering . . . . .	2-21

## CHAPTER 3

**Equipment Acquisition and Financing**

§ 3.01	The Purchase Contract . . . . .	3-3
§ 3.02	Letters of Intent . . . . .	3-5
§ 3.03	Acceptance . . . . .	3-7
	[1] Acceptance Test . . . . .	3-7
	[2] Inoperability After Acceptance . . . . .	3-7
	[3] Prototype . . . . .	3-7
§ 3.04	Warranties . . . . .	3-9
	[1] Express Warranties . . . . .	3-9
	[2] Warranty Disclaimers . . . . .	3-9
	[a] Standard Disclaimers . . . . .	3-9
	[b] Enforcement of Disclaimers . . . . .	3-10
	[c] Fraud and Misrepresentation . . . . .	3-10
§ 3.04A	Express Warranties . . . . .	3-10.2
	[1] Gray Market . . . . .	3-10.2
	[2] Revocation of Acceptance . . . . .	3-10.2
	[3] Proximate Cause of Failure . . . . .	3-10.3
	[4] Validation . . . . .	3-10.4
	[5] Privity . . . . .	3-10.5
§ 3.04B	Multiple-Vendor Hardware Acquisitions . . . . .	3-10.6
§ 3.05	Payment . . . . .	3-11
	[1] Itemization . . . . .	3-11
	[2] Installation . . . . .	3-11
	[3] Title to Equipment . . . . .	3-12
§ 3.06	Relationship to Software . . . . .	3-13
§ 3.06A	System Integration Agreement . . . . .	3-14
	[1] The System . . . . .	3-14
	[2] Modifications . . . . .	3-14
	[3] Implementation . . . . .	3-14.1
	[4] Warranties . . . . .	3-14.2
§ 3.07	Operating System Software . . . . .	3-14.4
§ 3.08	New Equipment . . . . .	3-15
§ 3.09	Upgrades . . . . .	3-16
§ 3.10	Backup . . . . .	3-17
§ 3.11	Maintenance . . . . .	3-18
§ 3.12	Replacement of Equipment for Extraordinary Down-Time (“Lemon Clause”) . . . . .	3-19
§ 3.13	Method of Financing . . . . .	3-21
	[1] Financing Options . . . . .	3-21
	[2] Types of Leases . . . . .	3-21
	[a] Operation Lease . . . . .	3-21

**TABLE OF CONTENTS**

xv

	[b] Finance Lease . . . . .	3-22
	[c] Security Interest Under the Uniform Commercial Code . . . . .	3-22
	[d] Purchase Option . . . . .	3-24
§ 3.14	Maintenance and Warranties Under Leases . . . . .	3-25
	[1] Maintenance Responsibility . . . . .	3-25
	[2] Warranty Pass-Through . . . . .	3-25
	[3] Warranty Disclaimer . . . . .	3-25
	[4] Lease vs. Purchase . . . . .	3-26
§ 3.15	Third-Party Leasing . . . . .	3-28
	[1] Structure of Agreement . . . . .	3-28
	[a] Tax Benefits . . . . .	3-28
	[2] Role of Leasing Company . . . . .	3-28
	[a] General Background . . . . .	3-28
	[b] Aggressive Leasing Company . . . . .	3-29
	[c] Experience . . . . .	3-29
	[3] Role of Financing Source . . . . .	3-30
	[4] Hell or High Water Clause . . . . .	3-31
	[5] Quiet Enjoyment . . . . .	3-32
	[6] Tax Indemnification . . . . .	3-32
	[7] Venue . . . . .	3-33
	[8] Proprietary Rights . . . . .	3-33
	[9] Financial Considerations . . . . .	3-33
	[10] Protection of Lessor Rights . . . . .	3-34
	[11] Applicability of the UCC to Computer Leasing . . . . .	3-34.1
	[12] Unauthorized Removal . . . . .	3-34.4
§ 3.15A	Antitrust Considerations . . . . .	3-34.5
	[1] In General . . . . .	3-34.5
	[a] Bundling of Hardware and Software . . . . .	3-34.5
	[b] Economic Power in Marketplace . . . . .	3-34.6
	[c] The Relevant Market . . . . .	3-34.8
	[2] Software Protection Through Licensing . . . . .	3-34.11
	[3] Maintenance Services . . . . .	3-34.11
§ 3.16	<i>Form</i> : Checklist for Hardware Purchase Agreement . . . . .	3-35
§ 3.16A	<i>Form</i> : Letter of Intent . . . . .	3-38
§ 3.17	[Reserved] . . . . .	3-39
§ 3.18	<i>Form</i> : Hardware Purchase Agreement with an Independent Sales Organization . . . . .	3-40

§ 3.19	<i>Form: Hardware Purchase Agreement with a Manufacturer . . . . .</i>	3-59
§ 3.20	<i>Form: Equipment Lease Agreement with an Independent Sales Organization . . . . .</i>	3-65
§ 3.21	<i>Form: Third Party Master Lease Agreement . . . . .</i>	3-74
§ 3.22	<i>Form: Finance Master Lease Agreement . . . . .</i>	3-88
§ 3.23	<i>Form: Turnkey Hardware and Software Agreement . . . . .</i>	3-101
§ 3.24	<i>Form: Agreement for System Procurement and Integration . . . . .</i>	3-111
§ 3.25	<i>Form: Computer System Acquisition Agreement for Health Care Services . . . . .</i>	3-125
§ 3.26	<i>Form: Network Services Agreement . . . . .</i>	3-148
§ 3.27	<i>Form: System Procurement and Integration Agreement . . . . .</i>	3-166

## CHAPTER 4

### Hardware Maintenance

§ 4.01	Overview . . . . .	4-2
	[1] Necessity for Maintenance . . . . .	4-2
	[2] OEM/Manufacturer Relationship . . . . .	4-2
§ 4.02	Structure of Agreement . . . . .	4-4
§ 4.03	Types of Service . . . . .	4-5
	[1] Preventive Maintenance . . . . .	4-5
	[2] Remedial Maintenance . . . . .	4-5
§ 4.04	Maintenance . . . . .	4-7
	[1] Warranty . . . . .	4-7
	[2] Term . . . . .	4-7
§ 4.05	Time of Service . . . . .	4-9
§ 4.06	Response Time to Maintenance Call . . . . .	4-10
	[1] Maximum Time . . . . .	4-10
	[2] Staff Commitment . . . . .	4-10
§ 4.07	Equipment Covered . . . . .	4-12
	[1] Initial Hardware . . . . .	4-12
	[2] Peripheral Equipment . . . . .	4-12
	[3] Location . . . . .	4-12
	[4] Electrical Considerations . . . . .	4-13
	[5] Used Equipment . . . . .	4-14
§ 4.08	Charges . . . . .	4-15
	[1] Expendables . . . . .	4-15
	[2] Repair or Replace . . . . .	4-15



## TABLE OF CONTENTS

xvii

	[3] Price . . . . .	4-16
	[4] Installation . . . . .	4-17
	[5] Refurbishing Expense . . . . .	4-17
§ 4.09	Warranty . . . . .	4-19
	[1] Express Warranty . . . . .	4-19
	[2] Limitations . . . . .	4-20
	[3] Spare Parts . . . . .	4-21
§ 4.10	Danger of Termination . . . . .	4-22
	[1] Multi-Year Agreement . . . . .	4-22
	[2] Disputes . . . . .	4-22
§ 4.11	<i>Form:</i> Equipment Maintenance Agreement with a Manufacturer . . . . .	4-24
§ 4.12	<i>Form:</i> Equipment Maintenance Agreement with an Independent Sales Organization . . . . .	4-29
§ 4.13	<i>Form:</i> Equipment Maintenance Agreement with a Systems Integrator . . . . .	4-34
§ 4.14	<i>Form:</i> Telecommunications Service Agreement . . . . .	4-45

## CHAPTER 5

### Copyright Protection

§ 5.01	Introduction . . . . .	5-5
§ 5.02	History of Copyright Protection for Computer Programs . . . . .	5-7
§ 5.03	General Principles of United States Copyright Law . . . . .	5-11
§ 5.04	International Copyright Protection . . . . .	5-13
	[1] World Intellectual Property Organization (WIPO) Publication . . . . .	5-15
	[a] The Berne Convention . . . . .	5-16
	[b] The WIPO Copyright and Phonogram Treaties . . . . .	5-19
	[2] United Nations Educational, Scientific and Cultural Organization (UNESCO) . . . . .	5-21
	[3] The General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO) . . . . .	5-22
	[4] The European Union (EU) . . . . .	5-24
	[a] Copyright Term Directive (1993) . . . . .	5-25
	[b] Database Directive (1996) . . . . .	5-25

	[c] Copyright Harmonization Directive (1999) . . . . .	5-27
	[5] Association of Southeast Asian Nations (ASEAN) . . . . .	5-28
	[6] Trade Agreements . . . . .	5-28
	[7] Anti-Counterfeiting Trade Agreement (ACTA) . . . . .	5-29
§ 5.05	Elements of Protection Under U.S. Copyright Law . . . . .	5-32
	[1] Originality . . . . .	5-32
	[2] Fixation . . . . .	5-35
	[3] Idea/Expression Dichotomy . . . . .	5-37
	[4] Merger and <i>Scènes à Faire</i> . . . . .	5-41
§ 5.06	Scope of Copyright Protection . . . . .	5-44
	[1] Copyright and Neighboring Rights . . . . .	5-44
	[2] Moral Rights . . . . .	5-46
	[3] Limitations on Exclusive Rights . . . . .	5-47
	[a] The Fair Use Doctrine . . . . .	5-48
	[b] Copyright Misuse . . . . .	5-54.3
	[c] Exhaustion (The First Sale Doctrine) . . . . .	5-54.6
§ 5.07	Who Owns the Copyright? . . . . .	5-54.8
	[1] Works Made for Hire . . . . .	5-54.9
	[2] Collective Works . . . . .	5-54.12
	[3] Derivative Works . . . . .	5-54.13
	[4] Joint Works . . . . .	5-54.14
	[5] Issues Involving Computer Programs . . . . .	5-54.16
§ 5.08	Transfer of Copyright . . . . .	5-54.19
	[1] Transfer Under the 1909 Copyright Act . . . . .	5-54.19
	[2] Transfer Under the 1976 Copyright Act . . . . .	5-54.19
	[3] Termination of Copyright Transfers . . . . .	5-54.21
§ 5.09	Duration of Protection for Copyrights and Related Rights . . . . .	5-54.22
	[1] Applicable International and Regional Provisions . . . . .	5-54.22
	[a] Copyrights . . . . .	5-54.22
	[b] Neighboring Rights and Related Rights . . . . .	5-56
	[c] Moral Rights . . . . .	5-57
	[2] United States Law . . . . .	5-57
	[a] Key Duration and Ownership Amendments . . . . .	5-58
	[i] Extensions of Copyright Term . . . . .	5-58

**TABLE OF CONTENTS**

xix

	[ii]	Accession to the Berne Convention . . . . .	5-59
	[iii]	NAFTA, TRIPS, and WIPO Treaty Implementation and Copyright Restoration . . . . .	5-60
	[b]	Chronological Analysis of Duration . . . . .	5-62
	[i]	Works Not Published or Registered Before 1978. . .	5-62
	[ii]	Works Originally Published Before 1923 . . . . .	5-62
	[iii]	Works Published Between 1923-1963 . . . . .	5-63
	[iv]	Works Published Between 1964 and 1977 . . . . .	5-63
	[v]	Works Published On or After January 1, 1978 . . .	5-64
§ 5.10		Procedural Requirements for Copyright Protection . . . . .	5-65
	[1]	Registration of Works . . . . .	5-65
	[a]	Computer Programs . . . . .	5-65
	[b]	Databases . . . . .	5-68
	[c]	Multimedia Works (Other than Computer Programs or Databases) . . . . .	5-69
	[d]	Screen Displays . . . . .	5-70
	[e]	Programs Containing Trade Secrets . . . . .	5-71
	[2]	Affixation of Copyright Notices . . . . .	5-71
§ 5.11		Infringement . . . . .	5-75
	[1]	Proving Infringement . . . . .	5-75
	[a]	<i>Prima Facie</i> Case. . . . .	5-75
	[b]	Direct Liability . . . . .	5-79
	[c]	Secondary Liability . . . . .	5-90
	[d]	Active Inducement . . . . .	5-90.2
	[2]	Infringement of Software. . . . .	5-90.3
	[a]	Literal and Non-Literal Copying. . .	5-90.4
	[b]	Early Approaches. . . . .	5-94
	[c]	The <i>Altai</i> Test. . . . .	5-95
	[d]	Clean Rooms and Avoiding Infringement . . . . .	5-96.2
	[3]	Remedies and Penalties . . . . .	5-96.3
	[a]	Civil Remedies . . . . .	5-96.3
	[b]	Criminal Penalties . . . . .	5-96.7

	[c]	Double Recovery Under Different Statutes . . . . .	5-96.9
§ 5.12		Copyright in the Technological Environment . . . . .	5-96.12
	[1]	Direct, Contributory and Vicarious Infringement . . . . .	5-96.12
	[2]	Internet File Sharing . . . . .	5-97
		[a] Generally . . . . .	5-97
		[b] Peer-to-Peer (P2P) Networks . . . . .	5-100
		[c] Computer Forensics . . . . .	5-107
	[3]	Rights of Authors in Electronic Publishing . . . . .	5-109
	[4]	Issues Related to Linking and Framing . . . . .	5-111
		[a] Types of Hyperlinks . . . . .	5-112
		[i] Hypertext Links . . . . .	5-112
		[ii] Inline Links . . . . .	5-112
		[iii] Framing . . . . .	5-112.1
		[b] Implications of Linking . . . . .	5-112.1
		[i] Generally . . . . .	5-112.1
		[ii] Hypertext . . . . .	5-112.2
		[iii] Inline Linking and Framing . . . . .	5-112.4
§ 5.13		The Digital Millennium Copyright Act . . . . .	5-112.6
	[1]	WIPO Treaties . . . . .	5-112.6
		[a] Anti-Circumvention of Copyright Protection Systems . . . . .	5-112.7
		[i] Exception for Reverse Engineering in the Interest of Interoperability . . . . .	5-112.11
		[ii] Exception for Encryption Research . . . . .	5-112.12
		[iii] Exception for Security Testing . . . . .	5-112.12
		[iv] Exception for Technologies Involving Personal Privacy . . . . .	5-112.12
		[b] Copyright Management Information . . . . .	5-112.13
		[c] Civil Remedies and Criminal Penalties . . . . .	5-112.15
	[2]	Online Copyright Infringement Liability Limitation Act . . . . .	5-112.15
		[a] Safe Harbor Minimum Eligibility Criteria . . . . .	5-112.17
		[b] Notice of Infringing Works . . . . .	5-112.18

## TABLE OF CONTENTS

xxi

	[c] The Safe Harbors . . . . .	5-112.19
	[i] Routing and Transient Storage . . . . .	5-112.19
	[ii] System Caching . . . . .	5-112.19
	[iii] Storage . . . . .	5-112.21
	[iv] Information Location Tools . . . . .	5-112.28
	[v] Non-Profit Educational Institutions . . . . .	5-112.28
	[d] Miscellaneous Provisions . . . . .	5-112.28
	[i] Misrepresentations . . . . .	5-112.28
	[ii] Subpoenas . . . . .	5-112.28
	[e] “Take Down” Procedures . . . . .	5-112.29
	[i] Exemption from Liability . . . . .	5-112.29
	[ii] Notice and Putback . . . . .	5-112.30
	[3] Computer Maintenance or Repair Copyright Exemption . . . . .	5-112.31
§ 5.14	The Family Entertainment and Copyright Act . . . . .	5-112.32
§ 5.15	Intellectual Property Audits and Policies . . . . .	5-113
§ 5.16	<i>Form: Copyright Assignment</i> . . . . .	5-116
§ 5.17	<i>Form: Settlement Agreement for Dispute     Arising from Joint Software Development     Agreement</i> . . . . .	5-118
§ 5.18	<i>Form: Independent Sales Representative     Agreement</i> . . . . .	5-124
§ 5.19	<i>Form: Complaint for Relief Pursuant to     Digital Millennium Copyright Act</i> . . . . .	5-133
§ 5.20	<i>Form: Copyright License Agreement</i> . . . . .	5-136
§ 5.21	<i>Form: Copyright and DMCA Policy</i> . . . . .	5-141
§ 5.22	<i>Form: Copyright Ownership Agreement</i> . . . . .	5-144
§ 5.23	<i>Form: Copyright Transfer Agreement</i> . . . . .	5-146
§ 5.24	<i>Form: DMCA Takedown Notice</i> . . . . .	5-153

## CHAPTER 5A

### Role of Trademarks

§ 5A.01	Introduction . . . . .	5A-3
§ 5A.02	Trademark Categories . . . . .	5A-9
	[1] Fanciful and Arbitrary Marks . . . . .	5A-9
	[2] Suggestive Marks . . . . .	5A-10
	[3] Descriptive Marks . . . . .	5A-10.1
	[4] Generic Marks . . . . .	5A-10.2

§ 5A.03	Characteristics Subject to Protection . . . . .	5A-11
	[1] Abbreviations and Nicknames . . . . .	5A-11
	[2] Slogans . . . . .	5A-11
	[3] Titles . . . . .	5A-11
	[4] Characters . . . . .	5A-12
	[5] Celebrities . . . . .	5A-13
	[6] Trade Dress . . . . .	5A-14
§ 5A.04	Selecting Marks for Computer Products and Services . . . . .	5A-18
§ 5A.05	Trademark Registration of Software . . . . .	5A-20
	[1] Lanham Act . . . . .	5A-20
	[2] Selection Process . . . . .	5A-22
§ 5A.06	Actions for Trademark Infringement . . . . .	5A-24
	[1] Trademark Infringement . . . . .	5A-24
	[a] Strength of the Mark . . . . .	5A-32.1
	[b] Similarity Between the Marks . . . . .	5A-32.2
	[c] Relatedness of the Goods . . . . .	5A-32.2
	[d] Evidence of Actual Confusion . . . . .	5A-32.2
	[e] Sophistication of Buyers . . . . .	5A-32.4
	[f] Defendant's Intent . . . . .	5A-32.4
	[g] Likelihood of Expansion . . . . .	5A-33
	[h] Marketing Channels . . . . .	5A-34
	[2] Unfair Competition . . . . .	5A-35
	[a] False Advertising . . . . .	5A-35
	[b] Reverse Passing Off . . . . .	5A-36.2
	[3] Dilution . . . . .	5A-36.3
	[a] State Anti-Dilution Statutes . . . . .	5A-36.3
	[b] The Federal Trademark Dilution Act . . . . .	5A-36.7
	[4] Causing Marks to Become Generic . . . . .	5A-36.10
	[5] Counterfeiting of Trademarked Goods . . . . .	5A-36.11
§ 5A.07	Trademarks and the Internet . . . . .	5A-37
	[1] The Domain Name System . . . . .	5A-37
	[2] Domain Names . . . . .	5A-39
	[3] Types of TLDs . . . . .	5A-39
	[4] Domain Name Registration . . . . .	5A-41
	[5] The Legal Interface Between Trademarks and Domain Names . . . . .	5A-43
	[6] Scope of Trademark Protection for Domain Names . . . . .	5A-44
	[7] Domain Name Disputes . . . . .	5A-46
	[a] The ICANN Domain Name Dispute Resolution System . . . . .	5A-46.1
	[i] The Uniform Dispute Resolution Policy . . . . .	5A-46.1

## TABLE OF CONTENTS

xxiii

	[ii] Startup Dispute Resolution Procedures . . . . .	5A-52
	[b] The Anticybersquatting Consumer Protection Act of 1999 . . . . .	5A-54
	[c] The Federal Trademark Dilution Act of 1995 . . . . .	5A-60
	[d] The Lanham Act—Trademark Infringement . . . . .	5A-63
	[e] Free Speech . . . . .	5A-64
	[f] Liability of the Registrar . . . . .	5A-66
	[8] Registration of Domain Names as Trademarks or Service Marks . . . . .	5A-68
	[9] Trademark Infringement in Website Content, Metatags, Search Terms, and Uniform Resource Locators . . . . .	5A-68.1
§ 5A.08	<i>Form: Trademark License Agreement</i> . . . . .	5A-68.8
§ 5A.09	<i>Form: Cease &amp; Desist Letter for Trademark Infringement in Internet Domain Name</i> . . . . .	5A-77
§ 5A.10	<i>Form: Settlement Agreement Providing for Transfer of Domain Name</i> . . . . .	5A-78
§ 5A.11	<i>Form: Trademark Assignment</i> . . . . .	5A-83
§ 5A.12	<i>Form: Sample Trademark Opinion</i> . . . . .	5A-86
§ 5A.13	<i>Form: Updated Trademark License Agreement</i> . . . . .	5A-93
§ 5A.14	<i>Form: Shared Service Mark Agreement</i> . . . . .	5A-108
§ 5A.15	<i>Form: Notice of Assignment of Retail Trademark License Agreement</i> . . . . .	5A-114
§ 5A.16	<i>Form: Sample Private Domain Notice to Registrar</i> . . . . .	5A-116

## CHAPTER 5B

### Patenting Software

§ 5B.01	Constitutional and Congressional Intent . . . . .	5B-2
§ 5B.02	Patentable Subject Matter . . . . .	5B-4
§ 5B.03	The <i>Freeman-Walter-Abele</i> Test . . . . .	5B-9
§ 5B.04	Patentability of Software . . . . .	5B-12
	[1] Software Patent Guidelines . . . . .	5B-12
	[2] Software Business Systems . . . . .	5B-15
§ 5B.05	Elements of Patent Protection . . . . .	5B-20.3
	[1] Novelty . . . . .	5B-20.3
	[2] Nonobviousness . . . . .	5B-24.2

	[3] Definiteness . . . . .	5B-24.3
§ 5B.06	Practical Considerations . . . . .	5B-24.5
§ 5B.07	Claim Construction . . . . .	5B-26
§ 5B.08	Patent Infringement . . . . .	5B-26.3
	[1] Generally . . . . .	5B-26.4
	[2] Doctrine of Equivalents . . . . .	5B-26.5
	[3] Remedies . . . . .	5B-26.9
	[4] Patent Assertion Entities . . . . .	5B-26.15
§ 5B.09	Patent Protection Outside of the United States . . . . .	5B-27
§ 5B.10	Infringement and Imported/Exported Software . . . . .	5B-29
	[1] Exported Software . . . . .	5B-29
	[2] Section 271(f) . . . . .	5B-30
	[3] Imported Software . . . . .	5B-32.2
§ 5B.11	American Inventor's Protection Act of 1999 . . . . .	5B-33
§ 5B.12	<i>Form: Patent License Agreement</i> . . . . .	5B-35
§ 5B.13	<i>Form: Patent License Agreement</i> (Non-Exclusive) . . . . .	5B-40
§ 5B.14	<i>Form: Patent Assignment</i> . . . . .	5B-49
§ 5B.15	Assignment of Patent Application . . . . .	5B-51

## CHAPTER 6

### Trade Secret Protection

§ 6.01	The Role of Trade Secret Protection in the Computer Industry . . . . .	6-2
§ 6.02	Scope and Sources of Trade Secret Law . . . . .	6-6
	[1] The International Environment . . . . .	6-6
	[2] Scope of Protection Under United States Law . . . . .	6-7
	[a] Relation to Other Intellectual Property Laws . . . . .	6-7
	[i] Patent Preemption . . . . .	6-9
	[ii] Copyright Preemption . . . . .	6-10
	[b] Provisions of Trade Secret Law . . . . .	6-11
	[i] Duration . . . . .	6-12
	[ii] Secrecy . . . . .	6-12
	[iii] Acquisition of Trade Secret by Third Party . . . . .	6-14
	[iv] Independent Economic Value . . . . .	6-16
	[3] Sources of United States Law . . . . .	6-16.1



**TABLE OF CONTENTS**

xxv

	[4] Maintaining Trade Secret Protection . . .	6-19
	[a] Actions of the Trade Secret	
	Owner . . . . .	6-19
	[i] Patent Application . . . . .	6-19
	[ii] Copyright Registration of Software . . . . .	6-21
	[b] Actions of Employees and Licensees . . . . .	6-22
	[i] Non-Compete Agreements . . .	6-24.3
	[ii] Non-Disclosure Agreements . . . . .	6-24.5
	[c] Trade Secret Policies and Exit Interview Forms . . . . .	6-24.7
	[i] Traditional Issues . . . . .	6-24.7
	[ii] Internet Issues . . . . .	6-24.8
§ 6.03	Unauthorized Access to and Use of Trade Secrets . . . . .	6-26
	[1] Reverse Engineering . . . . .	6-26
	[a] Generally . . . . .	6-26
	[b] Proper Means . . . . .	6-28
	[2] Misappropriation and Theft . . . . .	6-29
	[a] Civil Liability for Misappropriation . . . . .	6-29
	[i] Misappropriation Generally . . .	6-29
	[ii] Third-Party Misappropriation . . . . .	6-33
	[iii] Misappropriation of Electronic Records . . . . .	6-34
	[b] Criminal Liability for Theft . . . . .	6-34.2
	[i] Federal Liability . . . . .	6-34.3
	[ii] State Liability . . . . .	6-34.6
§ 6.04	<i>Form:</i> Checklist for a Trade Secret Policy . . .	6-34.8
§ 6.05	<i>Form:</i> Sample Trade Secret Policy with Employee, Consultant, and License Forms . . .	6-35
§ 6.06	<i>Form:</i> Employment and Confidentiality Agreement . . . . .	6-63
§ 6.07	<i>Form:</i> Consulting Agreement for Independent Consultant with Non-Competition Clause . . .	6-66
§ 6.08	<i>Form:</i> Customer Confidentiality Agreement . . .	6-69
§ 6.09	<i>Form:</i> Employee Non-Disclosure Agreement . . .	6-70
§ 6.10	<i>Form:</i> Consultant Non-Disclosure Agreement . . . . .	6-72
§ 6.11	<i>Form:</i> Confidential Information Exchange Agreement . . . . .	6-75
§ 6.12	<i>Form:</i> Termination Statement . . . . .	6-79

§ 6.13	<i>Form: Key Employment Agreement</i> . . . . .	6-80
§ 6.14	<i>Form: Third-Party Consultant Non-Disclosure Agreement</i> . . . . .	6-84
§ 6.15	<i>Form: Employee Confidentiality and Non-Competition Agreement</i> . . . . .	6-86
§ 6.16	<i>Form: Employee Confidentiality Agreement</i> . . . . .	6-89
§ 6.17	<i>Form: Third-Party Source Code Non-Disclosure Agreement</i> . . . . .	6-91
§ 6.18	<i>Form: Evaluation Non-Disclosure Letter Agreement Between Company and Potential Distributor</i> . . . . .	6-95
§ 6.19	<i>Form: Exit Interview Affirmation</i> . . . . .	6-98

## CHAPTER 7

### Software Licensing

§ 7.01	Overview . . . . .	7-5
	[1] Types of Software . . . . .	7-6
	[a] Off-the-Shelf Software . . . . .	7-6
	[b] Customized Software . . . . .	7-6
	[c] Custom Software . . . . .	7-7
§ 7.02	Scope of License . . . . .	7-8
	[1] Use Rights . . . . .	7-8
	[2] Authorized Users . . . . .	7-9
	[3] Exclusive vs. Non-Exclusive . . . . .	7-11
	[4] Revocable vs. Irrevocable . . . . .	7-13
	[5] Permitted and Prohibited Uses . . . . .	7-14
	[6] Software Disabling Devices . . . . .	7-15
	[7] Software Audits . . . . .	7-16
	[8] Limitation of Liability . . . . .	7-18
§ 7.03	Ownership of Software . . . . .	7-19
	[1] In General . . . . .	7-19
	[a] Physical Copies and the First Sale Doctrine . . . . .	7-20
	[b] Sublicensing . . . . .	7-23
	[2] Modification . . . . .	7-24
	[a] Clarification of Rights . . . . .	7-24
	[b] Method . . . . .	7-24
	[3] Open Source Software . . . . .	7-25
	[a] Introduction . . . . .	7-25
	[b] Open Source Software Products . . . . .	7-26
	[c] “Copyleft” . . . . .	7-27

**TABLE OF CONTENTS**

xxvii

	[d] The GNU General Public License .....	7-27
	[e] Other Open Source and Related Licenses .....	7-29
	[f] Infringement of Third Party Rights .....	7-30.1
	[g] Patent Considerations .....	7-30.3
	[h] Other Forms of Protection .....	7-30.4
	[i] Business Considerations and Risks .....	7-30.5
§ 7.04	Term of License .....	7-30.7
	[1] Time Period .....	7-30.7
	[2] Renewal .....	7-30.8
§ 7.04A	Bankruptcy of Licensor .....	7-30.9
	[1] Section 365 of the Bankruptcy Code ...	7-30.9
	[2] Chapter 15 of the Bankruptcy Code .....	7-32
§ 7.05	Maintenance and Updates .....	7-32.3
	[1] Updates .....	7-32.3
	[2] Term .....	7-32.3
	[3] Availability .....	7-32.4
§ 7.06	Fee Structure .....	7-33
	[1] Breakdown of Costs .....	7-33
	[2] Structure .....	7-33
	[3] Refund .....	7-33
	[4] Partial Payments .....	7-34
§ 7.07	Source Code .....	7-34.1
	[1] Need for Source Code .....	7-34.1
	[2] Vendor Concern .....	7-34.1
	[3] Escrow .....	7-34.1
	[a] Escrow Agents .....	7-34.1
	[b] Updates .....	7-34.2
	[4] Software Escrow Companies .....	7-34.3
	[a] Security .....	7-34.3
	[b] Verification .....	7-34.3
	[c] Bankruptcy .....	7-34.3
	[d] Promotional Aid .....	7-34.4
§ 7.08	Assignment Rights .....	7-34.5
	[1] Financial Interests .....	7-34.5
	[2] Vendor Assignment .....	7-34.5
	[3] Anti-Assignability Clauses .....	7-34.6
§ 7.09	Modification .....	7-34.9
	[1] Necessity .....	7-34.9
	[2] Issues .....	7-34.9
§ 7.10	Quality .....	7-34.11

	[1]	Representations and Warranties. . . . .	7-34.11
	[a]	Ownership of Intellectual Property . . . . .	7-34.11
	[b]	Performance . . . . .	7-34.12
	[i]	Response Time Warranties. . . . .	7-34.13
	[ii]	Capacity or Throughput Warranties. . . . .	7-34.14
	[iii]	Reliability Warranties. . . . .	7-34.14
	[2]	Disclaiming Warranties and Limitations on Liability. . . . .	7-34.19
§ 7.11		Trade Secret Protection. . . . .	7-34.23
	[1]	Vendor Rights . . . . .	7-34.23
	[2]	Termination . . . . .	7-34.23
§ 7.11A		Multimedia Licensing . . . . .	7-34.24
	[1]	Acquisition of Rights. . . . .	7-34.24
	[2]	Grant of Rights . . . . .	7-34.25
	[3]	Future Technologies. . . . .	7-34.26
	[4]	Multimedia Producers . . . . .	7-34.28
	[5]	Proprietary Rights Protection . . . . .	7-34.29
§ 7.11B		Electronic Health Records . . . . .	7-34.33
	[1]	Federal Law . . . . .	7-34.33
	[2]	Software Licensing Models. . . . .	7-34.34
§ 7.12		Government Considerations . . . . .	7-34.36
	[1]	Licensing Software to the United States Government . . . . .	7-34.36
	[2]	Contracts with State and Municipal Governments . . . . .	7-34.41
§ 7.13		Tax Considerations . . . . .	7-34.42
	[1]	Sales and Use Taxes . . . . .	7-34.42
	[2]	Impact of the 1986 Tax Reform Act on the Computer Industry . . . . .	7-34.45
	[3]	Recordkeeping Requirements . . . . .	7-34.47
	[a]	IRS Revenue Procedure 91-59 . . . . .	7-34.47
	[b]	Form of Record Retention. . . . .	7-34.50
	[c]	Penalties for Noncompliance. . . . .	7-34.51
§ 7.13A		Export of Software . . . . .	7-34.53
	[1]	Rationale for Export Regulations . . . . .	7-34.53
	[2]	Implementation of Export Regulations . . . . .	7-34.53
	[a]	Scope of the Export Administration Regulations. . . . .	7-34.54
	[b]	The Definition of “Export” and “Reexport” . . . . .	7-34.55
	[c]	Classifying an Item or Service . . . . .	7-34.57

**TABLE OF CONTENTS**

xxix

	[i]	Classification of Encryption Items . . . . .	7-34.58
	[ii]	Retail and Mass-Market Encryption Commodities, Software and Components . . . . .	7-34.58
	[iii]	“Open Cryptographic Interfaces” and Software Tools . . . . .	7-34.60
	[d]	General Prohibitions . . . . .	7-34.61
	[e]	The Country Chart . . . . .	7-34.61
	[f]	Applying for a License . . . . .	7-34.62
	[g]	License Exceptions . . . . .	7-34.63
	[i]	License Exception KMI (Key Management Infrastructure) . . . . .	7-34.64
	[ii]	License Exception ENC (Encryption Commodities and Software) . . . . .	7-34.65
	[iii]	License Exception TSU (Technology and Software—Unrestricted) . . . . .	7-34.66
	[h]	Reporting Requirements . . . . .	7-34.68
	[i]	Violations of the EAR . . . . .	7-34.68
§ 7.13B		Accounting Treatment of Software . . . . .	7-34.70
§ 7.13C		Computer Software Rental . . . . .	7-34.72
§ 7.14		<i>Form:</i> Checklist for Software License Agreement . . . . .	7-34.74
§ 7.15		<i>Form:</i> Vendor Oriented Software License Agreement . . . . .	7-37
§ 7.15A		<i>Form:</i> Vendor Oriented Software License Agreement with Trial Period Option . . . . .	7-44
§ 7.15B		<i>Form:</i> End-User Software License Agreement . . . . .	7-44.8
§ 7.16		<i>Form:</i> User Oriented Software License Agreement . . . . .	7-44.18
§ 7.17		<i>Form:</i> Microcomputer Software License Agreement . . . . .	7-53
§ 7.18		<i>Form:</i> User Oriented Source Code Escrow Agreement . . . . .	7-58
§ 7.19		<i>Form:</i> Vendor Oriented Source Code Escrow Agreement . . . . .	7-62
§ 7.19A		<i>Form:</i> Third Party Escrow Service Agreement . . . . .	7-64

§ 7.20	<i>Form: Interim License Agreement. . . . .</i>	7-64.18
§ 7.21	<i>Form: Software License Agreement with User Developed Functional Specifications. . . . .</i>	7-72
§ 7.22	<i>Form: Revenue Sharing Agreement . . . . .</i>	7-80
§ 7.23	<i>Form: Software Sales Agreement . . . . .</i>	7-84
§ 7.23A	<i>Form: Sales Alliance Agreement. . . . .</i>	7-94
§ 7.24	<i>Form: Trial Software License . . . . .</i>	7-94.13
§ 7.25	<i>Form: Shrink Wrap End User License Agreement. . . . .</i>	7-96
§ 7.26	<i>Form: Software License Agreement With Multi Branch Option . . . . .</i>	7-99
§ 7.27	<i>Form: Distributor Agreement. . . . .</i>	7-110
§ 7.28	<i>Form: Checklist for an Intellectual Property Audit . . . . .</i>	7-123
§ 7.29	<i>Form: Licensee Oriented Software License Agreement. . . . .</i>	7-126
§ 7.30	<i>Form: Licensor Oriented Software License Agreement. . . . .</i>	7-139
§ 7.31	<i>Form: Software License and Distribution Agreement. . . . .</i>	7-151
§ 7.32	<i>Form: Online Subscription Agreement . . . . .</i>	7-164
§ 7.33	<i>Form: Software Distribution and Maintenance Agreement. . . . .</i>	7-168
§ 7.34	<i>Form: Agency Licensing Agreement. . . . .</i>	7-181
§ 7.35	<i>Form: Website and Market Agreement. . . . .</i>	7-194
§ 7.36	<i>Form: Online End-User License Agreement. . . . .</i>	7-205
§ 7.37	<i>Form: Software License Agreement Involving Third-Party . . . . .</i>	7-209
§ 7.38	<i>Form: Individual or Network Use Shrink- Wrap License Agreement. . . . .</i>	7-225
§ 7.39	<i>Form: Clickwrap End-User Product License Agreement. . . . .</i>	7-228
§ 7.40	<i>Form: GNU General Public License, Version 2, June 1991 . . . . .</i>	7-232
§ 7.40A	<i>Form: GNU General Public License, Version 3, June 2007 . . . . .</i>	7-240
§ 7.41	<i>Form: GNU Lesser General Public License . . . . .</i>	7-256
§ 7.42	<i>Form: Open Source Software License v. 2.0 . . . . .</i>	7-268
§ 7.43	<i>Form: Exclusive Age Verification Software License Agreement. . . . .</i>	7-273
§ 7.44	<i>Form: Software License and Redistribution Agreement. . . . .</i>	7-287

# TABLE OF CONTENTS

## CHAPTER 8

### Software Development Agreement

§ 8.01	Structure—Foundation for Positive Results . . . .	8-3
	[1] Expensive Consequences . . . . .	8-3
	[2] Benefits of Contract . . . . .	8-3
§ 8.02	Definition of Software Deliverables . . . . .	8-4.1
§ 8.03	General Business Functions . . . . .	8-5
§ 8.04	Detailed Design Specifications . . . . .	8-6
§ 8.05	User Request for Proposal (RFP) . . . . .	8-7
§ 8.06	Vendor Proposal . . . . .	8-9
	[1] Representation . . . . .	8-9
	[2] Specific Inclusions . . . . .	8-9
§ 8.07	Implementation Schedule . . . . .	8-10
§ 8.08	User Involvement . . . . .	8-12
§ 8.09	Progress Reports . . . . .	8-15
	[1] Technical . . . . .	8-15
	[2] Management . . . . .	8-15
§ 8.10	Payment Schedule . . . . .	8-17
	[1] Milestone Payments . . . . .	8-17
	[2] Payment After Implementation . . . . .	8-17
§ 8.11	Relationship of Hardware and Software Performance . . . . .	8-19
	[1] Hardware Delivery . . . . .	8-19
	[2] Payment Provision . . . . .	8-20
	[3] Joint Development Contracts . . . . .	8-20
§ 8.12	Acceptance Tests . . . . .	8-22
	[1] Definition . . . . .	8-22
	[2] Levels of Acceptance . . . . .	8-22
§ 8.13	Definition of Ownership . . . . .	8-23
§ 8.14	Terminal Response Time . . . . .	8-25
§ 8.15	Conversion . . . . .	8-27

§ 8.15A	Web Site Development Agreements . . . . .	8-28
	[1] Technical Considerations . . . . .	8-28
	[2] Scope of Services . . . . .	8-28.1
	[3] Intellectual Property and Confidential Information . . . . .	8-28.2
	[4] Credit for Development . . . . .	8-28.3
	[5] Provider Accords . . . . .	8-28.4
	[6] Performance Criteria . . . . .	8-28.5
	[7] Ownership of Customer Information . . . . .	8-28.5
	[8] Termination and Transfer . . . . .	8-28.6
	[9] Provider Warranties . . . . .	8-28.6
§ 8.15B	Social Media Game Development . . . . .	8-28.7
	[1] Generally . . . . .	8-28.7
	[2] Development and Due Diligence . . . . .	8-28.7
	[3] Deliverables and Milestones . . . . .	8-28.9
	[4] Privacy Issues . . . . .	8-28.11
§ 8.16	<i>Form</i> : Checklist for Software Development Contract . . . . .	8-28.12
§ 8.17	<i>Form</i> : User Oriented Software Development and License Agreement . . . . .	8-30
§ 8.18	<i>Form</i> : Vendor Oriented Software Development and License Agreement . . . . .	8-44
§ 8.19	<i>Form</i> : Customer Oriented Standard Agreement for Consulting Services . . . . .	8-55
§ 8.20	<i>Form</i> : Independent Consultant Programming Services General Agreement (User Oriented) . . . . .	8-66
§ 8.21	<i>Form</i> : User Oriented Consulting Agreement . . . . .	8-72
§ 8.22	<i>Form</i> : Software and Equipment Development Agreement . . . . .	8-77
§ 8.23	<i>Form</i> : Joint Marketing and Development Agreement . . . . .	8-99
§ 8.24	<i>Form</i> : Software Development Agreement . . . . .	8-112
§ 8.24A	<i>Form</i> : Software Development and Consulting Agreement . . . . .	8-134
§ 8.25	<i>Form</i> : Trial License Agreement . . . . .	8-134.24
§ 8.26	<i>Form</i> : User Oriented Web Site Development Agreement . . . . .	8-140
§ 8.27	<i>Form</i> : Vendor Oriented Web Site Hosting Agreement . . . . .	8-159
§ 8.28	<i>Form</i> : Client Oriented Web Site Development and Services Agreement . . . . .	8-172
§ 8.29	<i>Form</i> : End User Online Services Terms & Conditions . . . . .	8-193
§ 8.30	<i>Form</i> : Click Wrap Agreement . . . . .	8-197



## TABLE OF CONTENTS

vii

§ 8.31	<i>Form: Non-Disclosure Agreement (Product-Specific, Letter Format)</i> . . . . .	8-202
§ 8.32	<i>Form: Agreement (General, Contract Format)</i> . . .	8-205
§ 8.33	<i>Form: Vendor-Oriented Web Site Hosting Agreement</i> . . . . .	8-209
§ 8.34	<i>Form: Partnering Alliance Agreement</i> . . . . .	8-221

## CHAPTER 9

### Software Maintenance Agreement

§ 9.01	Necessity for Software Maintenance. . . . .	9-1
	[1] Correction of Defects . . . . .	9-1
	[2] Program Interaction . . . . .	9-2
	[3] Maintenance Sources . . . . .	9-2
§ 9.02	Pricing of Maintenance . . . . .	9-3
§ 9.03	Debugging, Enhancements and Modifications. . .	9-5
§ 9.04	Telephone and Video Support Service . . . . .	9-6
§ 9.05	Maintenance Response Time . . . . .	9-7
§ 9.06	Termination and Renewal . . . . .	9-8
§ 9.07	Role of Software Warranty . . . . .	9-9
§ 9.08	<i>Form: Software Maintenance Agreement</i> . . . . .	9-10
§ 9.09	<i>Form: Software Maintenance Agreement (Alternate)</i> . . . . .	9-14
§ 9.10	<i>Form: User Oriented Software and Equipment Maintenance Services Agreement</i> . . . . .	9-16
§ 9.11	<i>Form: Program Support and Maintenance Agreement</i> . . . . .	9-20
§ 9.12	<i>Form: Software as a Service—Service Level Exhibit</i> . . . . .	9-29

## CHAPTER 10

### Outsourcing

§ 10.01	Relationship Between Outsourcer and User . . . .	10-3
	[1] Information Processing. . . . .	10-3
	[2] Greater Capacity. . . . .	10-4
	[3] Facilities Management Distinguished . . . . .	10-4.1
	[a] Responsibility. . . . .	10-4.1
	[b] Scope of Service . . . . .	10-5
	[c] Confidentiality of Client Data. . . . .	10-6
	[d] The Software License . . . . .	10-7

	[e] Back-up Files, Storage and Programs .....	10-9
§ 10.02	Online Timesharing vs. Remote Batch Operation .....	10-11
	[1] Online .....	10-11
	[2] Remote Batch .....	10-12
§ 10.03	Customization of Standard Software .....	10-13
	[1] Software Development .....	10-13
	[2] Competitive Environment .....	10-13
§ 10.04	Vulnerability of User .....	10-15
§ 10.05	Ownership and Use of Data .....	10-19
	[1] Clarification of Data Rights .....	10-19
	[2] Failure to Deliver Data .....	10-20
	[3] Duty of Care .....	10-21
	[4] Confidentiality .....	10-21
§ 10.06	Rights of Software .....	10-22
§ 10.07	Limitation of Vendor's Liability .....	10-24
§ 10.08	Terminal Response Time .....	10-26
§ 10.09	Equipment and Pricing .....	10-28
	[1] Customer Owned/Leased Equipment .....	10-28
	[2] Outsourcer Owned/Leased Equipment .....	10-29
	[3] Transaction Processing Fee .....	10-29
	[4] Guaranteed Minimum .....	10-30
	[5] Volume Discount .....	10-31
	[6] Initial Set-Up Charges .....	10-31
	[7] Data Conversion .....	10-31
	[8] Importance of Cost Estimates .....	10-32
§ 10.10	Indemnification of Vendor for User Errors .....	10-33
§ 10.11	Database Issues .....	10-34
	[1] Accuracy .....	10-34
	[2] Liability .....	10-34
	[3] Copyright Registration of Databases .....	10-35
	[a] Whether a Database Is Copyrightable .....	10-36
	[b] Infringement .....	10-38
	[c] The Fair Use Defense .....	10-38
	[d] Limitation of Database Protection .....	10-40
	[4] Privacy and Computer Data .....	10-42
§ 10.12	The Disaster Recovery Services Agreement .....	10-53
	[1] Emergency Backup Facility .....	10-53
	[2] Use of Recovery Site .....	10-54
§ 10.13	Electronic Data Interchange Agreements .....	10-57
	[1] Definition .....	10-57
	[2] Structure .....	10-58
	[3] Traditional Provisions .....	10-60

**TABLE OF CONTENTS**

§ 10.14	Banking Entry into Computer Services . . . . .	10-62
	[1] General Background. . . . .	10-62
	[2] Regulation Y. . . . .	10-62
	[3] Bank Holding Company Act of 1956. . . . .	10-63
§ 10.15	Application Outsourcing and ASP Agreements. . . . .	10-71
	[1] Introduction. . . . .	10-71
	[2] Practical Considerations. . . . .	10-71
	[a] Proprietary Rights . . . . .	10-72
	[b] Fees . . . . .	10-73
	[c] Service Level Agreements. . . . .	10-73
	[d] Security . . . . .	10-73
	[e] Disaster Recovery . . . . .	10-74
	[f] Warranties . . . . .	10-74
	[g] Limitation of Liability. . . . .	10-74
	[h] Assignment of Rights / Duties . . . . .	10-75
	[i] Indemnification, Term and Termination . . . . .	10-75
§ 10.15A	<i>Form: Service Bureau Agreement</i> . . . . .	10-76
§ 10.16	<i>Form: Service Bureau Distribution System     Agreement</i> . . . . .	10-85
§ 10.17	<i>Form: Emergency Backup Service Agreement</i> . . . . .	10-98
§ 10.18	<i>Form: Distributorship and Marketing     Agreement</i> . . . . .	10-108
§ 10.19	<i>Form: Secrecy Letter Agreement</i> . . . . .	10-119
§ 10.20	<i>Form: Model Electronic Data Interchange     Trading Partner Agreement</i> . . . . .	10-122
§ 10.21	<i>Form: Outsourcing Agreement</i> . . . . .	10-156
§ 10.21A	<i>Form: Processing and Services Outsourcing     Agreement</i> . . . . .	10-166
§ 10.21B	<i>Form: Data Processing Outsourcing     Agreement</i> . . . . .	10-166.22
§ 10.22	<i>Form: Checklist for Outsourcing     Agreements</i> . . . . .	10-166.50
§ 10.23	<i>Form: Service Bureau Agreement—Alternative     Format</i> . . . . .	10-170
§ 10.24	<i>Form: Comprehensive Outsourcing     Agreement</i> . . . . .	10-179
§ 10.25	<i>Form: Outsourcing Agreement</i> . . . . .	10-202
§ 10.26	<i>Form: Network Management Services     Outsourcing Agreement</i> . . . . .	10-238
§ 10.27	<i>Form: Application Service Provider     Agreement</i> . . . . .	10-262

## CHAPTER 11

## Resellers

§ 11.01	Relationship Between Primary Vendor and Reseller (OEM) . . . . .	11-2
	[1] Marketing Considerations . . . . .	11-2
	[2] OEM Business Concerns . . . . .	11-3
§ 11.02	Purchase Order Concept . . . . .	11-4.1
§ 11.03	Credit Terms . . . . .	11-5
	[1] Extensions . . . . .	11-5
	[2] Discount . . . . .	11-5
	[3] Leasing . . . . .	11-6
§ 11.04	Hardware Maintenance . . . . .	11-7
	[1] Manufacturer's Hardware Support Organization . . . . .	11-7
	[2] Depot Maintenance . . . . .	11-7
	[3] Technical Support . . . . .	11-8
§ 11.05	Marketing Structure . . . . .	11-9
§ 11.06	Delivery . . . . .	11-10
	[1] Planning . . . . .	11-10
	[2] Cancellation . . . . .	11-10
	[3] Upgrade . . . . .	11-11
	[4] Insurance . . . . .	11-11
	[5] Charges . . . . .	11-11
§ 11.07	Pass-Through of Warranties . . . . .	11-12
	[1] Material and Workmanship . . . . .	11-12
	[2] Maintenance Agreement . . . . .	11-12
§ 11.08	Security Interest . . . . .	11-13
§ 11.09	Software Supplied . . . . .	11-14
	[1] Vendor Support . . . . .	11-14
	[2] Current Case Law . . . . .	11-15
§ 11.09A	Software Distribution Agreements . . . . .	11-16.1
§ 11.10	<i>Form: Manufacturer/Reseller Agreement</i> . . . . .	11-16.6
§ 11.11	<i>Form: Value-Added Reseller Distribution Agreement</i> . . . . .	11-24
§ 11.12	<i>Form: International Value Added Reseller Agreement</i> . . . . .	11-35
§ 11.13	<i>Form: Value Added Reseller Agreement</i> . . . . .	11-45
§ 11.14	<i>Form: Value Added Reseller Support Agreement</i> . . . . .	11-53
§ 11.15	<i>Form: PC Software Distribution Agreement</i> . . . . .	11-58
§ 11.16	<i>Form: Sales Representative Agreement</i> . . . . .	11-68
§ 11.17	<i>Form: Electronic Software Reseller Agreement</i> . . . . .	11-83

CHAPTER 12

Software Publishers and Work for Hire

§ 12.01	Role of Software Publisher . . . . .	12-2.1
	[1] New Business . . . . .	12-2.1
	[2] Distribution and Marketing . . . . .	12-3
§ 12.02	Negotiation Issues for Software Author . . . . .	12-4
	[1] Non-Disclosure . . . . .	12-4
	[2] Source Code . . . . .	12-4
	[3] Promotion . . . . .	12-5
§ 12.03	Negotiating Issues for Software Publisher . . . . .	12-6
	[1] Royalty Payments . . . . .	12-6
	[2] Program Performance . . . . .	12-6
	[3] Technical Support . . . . .	12-6
§ 12.04	Property Rights . . . . .	12-8
	[1] Transfer for Rights . . . . .	12-8
	[2] Contract Procedure . . . . .	12-9
	[3] Works Made for Hire . . . . .	12-9
	[a] Ownership Rights . . . . .	12-9
	[b] Scope of Employment . . . . .	12-10
	[c] Work Specially Ordered . . . . .	12-12.1
	[d] Necessity for Written Agreement . . . . .	12-12.2
§ 12.05	License Restrictions . . . . .	12-12.4
	[1] Retention of Ownership . . . . .	12-12.4
	[2] Copies . . . . .	12-12.4
§ 12.06	Exclusive vs. Non-Exclusive License . . . . .	12-12.6
§ 12.07	Deliverables . . . . .	12-12.7
§ 12.08	Maintenance and Modification . . . . .	12-13
§ 12.09	Royalties . . . . .	12-14
	[1] Calculation . . . . .	12-14
	[2] Periodic Payments . . . . .	12-15
	[3] Fixed Price . . . . .	12-15
	[4] Sliding Scale . . . . .	12-16
	[5] Basis for Calculation and Timing of Payment . . . . .	12-16
	[6] Advance . . . . .	12-17
	[7] Other Costs . . . . .	12-17
	[8] Accounting . . . . .	12-17
§ 12.10	Author Warranties . . . . .	12-18
	[1] Performance . . . . .	12-18
	[2] Acceptance . . . . .	12-18
	[3] Limitation . . . . .	12-18
§ 12.11	Indemnities . . . . .	12-20

§ 12.11A	Potential Liabilities in Mass Market	
	Software . . . . .	12-20.1
	[1] New Legal Situations . . . . .	12-20.1
	[2] Applicability of the UCC, the Common Law, and UCITA. . . . .	12-20.1
	[3] Consumer Protection Laws . . . . .	12-20.3
	[4] Product Liability . . . . .	12-20.7
§ 12.11B	Acquisition of Software Companies . . . . .	12-20.8
	[1] Vertical Market . . . . .	12-20.8
	[2] Software Description . . . . .	12-20.8
	[3] Compensation to Sellers . . . . .	12-20.8
	[4] Employee Agreements and Disclosure . . . . .	12-20.9
	[5] Intellectual Property Rights and Transfer of Software . . . . .	12-20.9
§ 12.11C	The Software Sales Representative Agreement. . . . .	12-20.11
	[1] Territory . . . . .	12-20.11
	[2] Obligations . . . . .	12-20.11
	[3] License . . . . .	12-20.13
	[4] Compensation . . . . .	12-20.13
§ 12.11D	Product Sales Agreements . . . . .	12-20.15
	[1] Right, Title and Interest . . . . .	12-20.15
	[2] Intellectual Property Rights . . . . .	12-20.15
	[3] Warranties . . . . .	12-20.16
	[4] Confidentiality . . . . .	12-20.17
§ 12.12	<i>Form</i> : Author-Publisher Non-Disclosure Agreement . . . . .	12-21
§ 12.13	<i>Form</i> : Author Oriented Software Royalty and License Agreement . . . . .	12-23
§ 12.14	<i>Form</i> : Publisher Oriented Software Royalty and License Agreement . . . . .	12-32
§ 12.15	<i>Form</i> : Sales Representative Agreement . . . . .	12-43
§ 12.16	[Reserved]	
§ 12.17	<i>Form</i> : Product Sales Agreement . . . . .	12-64
§ 12.18	<i>Form</i> : Dealer Agreement . . . . .	12-69
§ 12.19	<i>Form</i> : Software Distribution Agreement . . . . .	12-77
§ 12.20	<i>Form</i> : Database Distribution and Licensing Agreement . . . . .	12-86

## CHAPTER 13

### Litigating Computer Actions

§ 13.01	Computer Related Litigation . . . . .	13-4
	[1] Types of Actions . . . . .	13-4

**TABLE OF CONTENTS**

xiii

	[2] Causes of User Claims . . . . .	13-6
	[a] System Failure . . . . .	13-6
	[b] Avoiding Litigation . . . . .	13-7
§ 13.02	User Preparation Prior to Litigation . . . . .	13-9
	[1] Making a Record . . . . .	13-9
	[2] Documentation of the Claim . . . . .	13-9
	[3] Early Retention of an Independent Expert Witness . . . . .	13-10
	[4] Discontinuance of System Use . . . . .	13-13
	[5] Identification of Hardware or Software Problems . . . . .	13-13
§ 13.03	Claims for Breach of Contract . . . . .	13-14
§ 13.04	Claims for Fraud and Misrepresentation . . . . .	13-17
	[1] Circumvention of Liability Limitations . . . . .	13-17
	[2] Vendor Competition . . . . .	13-20
	[3] Contractual Concerns . . . . .	13-21
	[4] Punitive Damages . . . . .	13-22
§ 13.05	Other Claims in User/Vendor Litigation . . . . .	13-24.1
	[1] Implied Warranties . . . . .	13-24.1
	[a] Uniform Commercial Code . . . . .	13-24.1
	[b] Omission of Disclaimers . . . . .	13-24.2
	[c] U.C.C. Applicability to Software . . . . .	13-24.3
	[d] Consequential Damages . . . . .	13-24.5
	[2] Breach of the Equipment Maintenance Agreement . . . . .	13-24.6
	[3] State Deceptive Trade Practice Acts . . . . .	13-24.6
	[4] RICO . . . . .	13-24.8
	[5] Strict Product Liability Claims . . . . .	13-24.13
§ 13.06	Misappropriation of Proprietary Rights in Software . . . . .	13-24.16
	[1] Structure of Claim . . . . .	13-24.16
	[2] The <i>Ex Parte</i> Temporary Restraining Order . . . . .	13-24.18
§ 13.07	Discovery . . . . .	13-24.21
	[1] Use of Experts . . . . .	13-24.21
	[2] Vendor's Prior Knowledge . . . . .	13-24.21
	[3] Documents and Interrogatories . . . . .	13-24.22
	[4] Complaints from Other Users . . . . .	13-24.22
	[5] Vendor's Employees . . . . .	13-24.23
	[6] Pretrial Dispositions . . . . .	13-24.23
	[7] Discovery by Vendor . . . . .	13-24.24
	[8] Electronic Discovery . . . . .	13-24.24
	[a] Electronic Evidence . . . . .	13-24.24
	[b] Scope . . . . .	13-24.26
	[9] Examination of Computer Hard Drives . . . . .	13-24.27

	[a] Hard Drive Imaging . . . . .	13-24.27
	[b] Applicable Federal Rules . . . . .	13-24.29
	[c] Protocol . . . . .	13-24.31
	[10] Social Media Evidence. . . . .	13-24.33
§ 13.07A	Stipulations to Protect Confidential Information. . . . .	13-24.37
§ 13.07B	Computer-Related Crime . . . . .	13-24.40
	[1] Statutes . . . . .	13-24.40
	[2] Computer Viruses. . . . .	13-24.42
§ 13.07C	Electronic Mail Procedures (Email) . . . . .	13-24.44
	[1] Policy . . . . .	13-24.44
	[2] Business Purposes and Discovery . . . . .	13-24.44
	[3] Monitoring of and Access to Workplace Email. . . . .	13-24.45
	[a] Generally . . . . .	13-24.45
	[b] Attorney-Client Privilege/Marital Communications Privilege . . . . .	13-24.51
	[c] Establishing a Workplace Policy . . . . .	13-24.55
	[4] Retention of Email Messages . . . . .	13-24.56
	[5] The Federal Records Act, Electronic Records, and Email . . . . .	13-24.56
§ 13.07D	System Security . . . . .	13-24.58
	[1] Procedures. . . . .	13-24.58
	[2] Unauthorized Use and Computer Trespass . . . . .	13-24.59
	[3] Warning Notices. . . . .	13-24.60
§ 13.07E	Attorneys Fees . . . . .	13-24.62
§ 13.07F	Defensive Motion Practice . . . . .	13-24.63
	[1] Introduction to Tort Claims . . . . .	13-24.63
	[2] Motions Available/When to Use Them. . . . .	13-24.63
	[3] Contract Claims and Limitations on Liability . . . . .	13-24.64
	[4] Computer Malpractice/Breach of Duty of Care . . . . .	13-24.66
	[5] Negligent Misrepresentation . . . . .	13-24.71
	[6] Fraud. . . . .	13-24.72
	[7] Statutes of Limitation. . . . .	13-24.73
§ 13.07G	Jurisdiction . . . . .	13-24.77
	[1] Personal Jurisdiction and the United States Constitution . . . . .	13-24.77
	[2] Obtaining Jurisdiction Over Non-Resident Defendants . . . . .	13-24.78
	[3] Due Process Considerations. . . . .	13-24.79
	[4] Jurisdiction and the Internet. . . . .	13-24.82
	[5] Online Contract Formation . . . . .	13-24.83



[6] Websites and Jurisdiction—Is a Website Enough? . . . . . 13-24.88

[7] Conduct Directed Toward the Jurisdiction . . . . . 13-24.96

[8] Jurisdiction Across National Boundaries . . . . . 13-24.99

    [a] Extraterritorial Application of Law . . . . . 13-24.99

    [b] Extraterritorial Application of Non-U.S. Law to U.S. Citizens . . . . . 13-24.102

    [c] International Developments in Jurisdiction . . . . . 13-24.104

§ 13.08 *Form: User Complaint Against Vendor* . . . . . 13-25

§ 13.09 *Form: Complaint for Misappropriation of Software* . . . . . 13-32

§ 13.10 *Form: Plaintiff’s Request for Document Production* . . . . . 13-36

§ 13.11 *Form: Complaint for Copyright Infringement of Computer Software* . . . . . 13-41

§ 13.12 *Form: Stipulation for Protection of Confidential Information* . . . . . 13-45

§ 13.13 *Form: Arbitration Agreement (with Foreign Company)* . . . . . 13-48

§ 13.14 *Form: Complaint for Copyright and Trademark Infringement Based on Web Site Framing* . . . . . 13-50

§ 13.15 *Form: Request for Documents in Copyright Infringement Suit* . . . . . 13-59

§ 13.16 *Form: Request for Documents in Systems Failure Suit* . . . . . 13-64

**CHAPTER 14**

**Antitrust Law**

§ 14.01 Introduction . . . . . 14-2

    [1] Legal Standards in Antitrust Law . . . . . 14-2

        [a] Restraints on Trade . . . . . 14-2

        [b] Abuse of Market Power . . . . . 14-5

        [c] Robinson-Patman Act . . . . . 14-7

    [2] General Principles of Antitrust Analysis . . . . . 14-8

        [a] Markets and Market Power . . . . . 14-8

        [b] Barriers to Entry . . . . . 14-8

        [c] Network Effects . . . . . 14-9

    [3] Enforcement of Antitrust Laws . . . . . 14-9

§ 14.02	Antitrust Limits on Hardware and Software	
	Licensing . . . . .	14-11
	[1] Introduction . . . . .	14-11
	[2] Duty to License to Third Parties . . . . .	14-11
	[3] Price Restrictions in Licensing	
	Agreements . . . . .	14-12
	[4] Exclusive Licensing and Exclusive	
	Dealing . . . . .	14-14
	[5] Cross-Licensing and Pooling	
	Arrangements . . . . .	14-15
	[6] Grantbacks . . . . .	14-17
	[7] Tying . . . . .	14-18
	[a] Overview . . . . .	14-18
	[b] Technological Tying . . . . .	14-18
	[8] Enforcement of Invalid Intellectual	
	Property Rights . . . . .	14-18
§ 14.03	Abuse of Market Power . . . . .	14-21
§ 14.04	The Internet and E-Commerce . . . . .	14-24
	[1] Introduction . . . . .	14-24
	[2] Antitrust Considerations in Electronic	
	Sales and Distribution . . . . .	14-24
	[a] Restricting Internet Sales . . . . .	14-25
	[b] Restrictions on Internet Advertising	
	and Pricing . . . . .	14-26
	[c] Limitations on Manufacturer's	
	Discretion over Non-Price	
	Restraints . . . . .	14-31
	[d] Robinson-Patman Considerations . . . . .	14-33
	[3] Antitrust Concerns Arising from	
	E-Commerce Collaborations . . . . .	14-34
	[a] Market Power Concerns . . . . .	14-35
	[b] Information Exchanges and Risk	
	of Collusion . . . . .	14-37
	[c] Marketplace Rules and Standards . . . . .	14-37
	[d] Control of Internet Access . . . . .	14-38
§ 14.05	Standard Setting . . . . .	14-46.1

## CHAPTER 15

### Privacy

§ 15.01	Introduction . . . . .	15-3
§ 15.02	Selected Privacy Laws . . . . .	15-4
	[1] United States Privacy Laws . . . . .	15-4

**TABLE OF CONTENTS**

	[a]	Computer Fraud and Abuse Act (CFAA) . . . . .	15-4
	[b]	Electronic Communications Privacy Act (ECPA) . . . . .	15-12
	[c]	Children’s Online Privacy Protection Act (COPPA) . . . . .	15-19
	[d]	Fair Credit Reporting Act (FCRA) . . . . .	15-24
	[e]	Health Insurance Portability and Accountability Act (HIPAA) . . . . .	15-25
	[f]	Gramm-Leach-Bliley Act (GLB) . . . . .	15-27
	[g]	USA PATRIOT Act . . . . .	15-28
	[i]	ECPA Pen/Trap Provisions Expanded to Internet Communications . . . . .	15-30
	[ii]	Subpoenas for Electronic Evidence . . . . .	15-31
	[iii]	Internet Access by Cable Subscribers . . . . .	15-32
	[iv]	Disclosures by Service Providers . . . . .	15-32
	[v]	Section 2709 and National Security Letters (NSLs) . . . . .	15-32
	[h]	Homeland Security Act (HSA) . . . . .	15-34
	[i]	Controlling the Assault of Non-Solicited Pornography and Marketing Act (CAN-SPAM Act) . . . . .	15-34
	[j]	Telephone Consumer Protection Act (TCPA) . . . . .	15-38
	[k]	Video Privacy Protection Act (VPPA) . . . . .	15-44.3
	[2]	Privacy-Related State Laws . . . . .	15-44.6
	[3]	Privacy-Related International and Foreign Laws . . . . .	15-44.17
	[a]	European Union . . . . .	15-44.17
	[b]	Canada . . . . .	15-44.28
§ 15.03		Personal Information and the Internet . . . . .	15-44.29
	[1]	Cookies . . . . .	15-44.29
	[2]	Web Bug, Clear GIF, Web Beacon or Tracker GIF . . . . .	15-44.30
	[3]	Software Bots and Agents . . . . .	15-44.31
	[a]	Regulation of Bots . . . . .	15-44.31
	[b]	Websites and Bots . . . . .	15-44.33
	[4]	Spyware . . . . .	15-44.35

	[5] Pretexting .....	15-44.40
	[6] Search Engines .....	15-44.42
	[7] “Catfishing” .....	15-44.43
	[8] Revenge Pornography .....	15-44.44
	[9] Cyberstalking .....	15-44.48
§ 15.04	Data Security .....	15-44.53
	[1] Generally .....	15-44.53
	[2] Emerging Litigation .....	15-44.58
	[3] Payment Card Security Standards .....	15-44.66
	[4] Merchant Liability Legislation .....	15-44.69
	[5] Cyber Attacks .....	15-44.70
	[6] Ransomware .....	15-44.72
	[7] Software Supply Chain Attacks .....	15-44.75
§ 15.05	Identity Theft .....	15-45
	[1] Federal Law .....	15-45
	[2] State Laws .....	15-46
	[3] Spoofing and Phishing .....	15-48
	[4] Hacking .....	15-50
§ 15.06	Social Networking Websites .....	15-51
	[1] Generally .....	15-51
	[2] Privacy Concerns .....	15-51
	[3] Behavioral Advertising and FTC Involvement .....	15-55
§ 15.06A	Electronic Banking Security .....	15-56.4
	[1] Fraudulent Electronic Funds Transfers .....	15-56.4
	[2] Security Procedures .....	15-56.5
	[3] Litigation .....	15-56.7
§ 15.07	<i>Form: Gramm-Leach-Bliley Act Model     Privacy Notice Form (with Opt-Out) .....</i>	15-56.9
§ 15.08	<i>Form: Web Site Privacy Policy .....</i>	15-58
§ 15.09	<i>Form: Data Breach Security Team Preparation     Checklist .....</i>	15-62
§ 15.10	<i>Form: Sample Privacy Polity .....</i>	15-64
§ 15.11	<i>Form: Cookie Policy .....</i>	15-69
	<b>GLOSSARY</b> .....	G-1
	<b>INDEX</b> .....	I-1