
A Rapidsoft Systems' White Paper

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Good IPR Management Practices For Outsourced Software and Product Development

Summary: IPRs are very important in the development process. Your know-how and technologies and ideas needs to be protected properly and legally. By dealing with a vendor who is incapable of protecting your IPRs or where you have no way to enforce the IPRS, you are on a very unsafe ground.

How do you protect your IPRs with a company that has no legal jurisdiction in the US? NDAs or IPR agreements aren't even worth it since it is very difficult to impose them on a foreign entity especially in developing countries.

Introduction

Ideas and knowledge are an increasingly important part of trade. Most of the value of new medicines and other high technology products lies in the amount of invention, innovation, research, design and testing involved. Films, music recordings, books, computer software and on-line services are bought and sold because of the information and creativity they contain, not usually because of the plastic, metal or paper used to make them. Many products that used to be traded as low-technology goods or commodities now contain a higher proportion of invention and design in their value — for example brand named clothing or new varieties of plants.

Creators can be given the right to prevent others from using their inventions, designs or other creations — and to use that right to negotiate payment in return for others using them. These are “intellectual property rights”. They take a number of forms. For example books, paintings and films come under copyright; inventions can be patented; brand names and product logos can be registered as trademarks; and so on. Governments and parliaments have given creators these rights as an incentive to produce ideas that will benefit society as a whole.

The extent of protection and enforcement of these rights varied widely around the world; and as intellectual property became more important in trade, these differences became a source of tension in international economic relations. New internationally-agreed trade rules for intellectual property rights

were seen as a way to introduce more order and predictability, and for disputes to be settled more systematically.

Managing IPRs with an Outsourcing Vendor

IPRs are very important in the development process. Your know-how and technologies and ideas needs to be protected properly. By dealing with a vendor who is local and US based, you can mitigate some of these factors. It is also important to understand how a vendor protects your IPRs.

We will discuss some of these processes using our company as an example. Rapidsoft Systems Inc. is a professional offshore outsourcing service provider headquartered in in the USA with development center in India. It is specializes in helping US, European and other International companies to reduce their development costs.

Since its establishment in 2005, it has successfully completed over 300+ development projects, covering e-business, e-government, mobile applications, education, finance, manufacturing and consulting. Its clients are spread over in the US, Canada, Australia, UK, Ireland, Singapore, Cost Rica, West Indies, St, Marten Finland, Belgium, Norway, Malaysia, Middle East and so on.

Intellectual Property (IP) protection plays a crucial role in motivating and attracting Rapidsoft Systems' customers, and it has already been indispensable to Rapidsoft Systems' long-term development strategy. In Rapidsoft Systems, IP doesn't just mean patents, trademarks and copyrights, but significantly is the processes, techniques, methodology and talent. Rapidsoft Systems supports strong intellectual property protection and understands the vital importance of intellectual property to its customers' business development. The IP protection policy of Rapidsoft Systems addressed five primary areas, each of which is regularly validated by its internal and third-party audit program.

The five primary areas of this IPR protection policy are:

Non-Disclosure Agreements

The first step that Rapidsoft Systems takes, to assure its customers of Rapidsoft Systems' commitment to protecting their IP, is the Non-Disclosure Agreement (NDA). As an act of assurance that Rapidsoft Systems will treat its customers' intellectual property with the utmost care, it is Rapidsoft Systems' policy to sign an NDA with all its customers at the start of a business relationship. This NDA sets out the rules and responsibilities of both parties, and is strictly followed by all Rapidsoft Systems employees. In addition, the details of the content, in relation to which IP protection is assured, are also included in the contract.

Project-related IP Protection

Throughout the project cycle, Rapidsoft Systems protects its customers' IP in both physical and electronic formats.

Rapidsoft Systems has a special and sensitive office for each client with a security door with password access and only the relevant staffs are permitted to enter the relevant office room(s). No one is allowed

access to any hardware devices, except the network administrator. The security procedures and precautions are also enforced systematically after working hours. For example, the monitoring devices record all visitors. Further, it is clearly stated in the company's policy that talking about project related information even outside working hours is strictly forbidden.

Rapidsoft Systems guarantees high degree of confidentiality and security in every project to secure the clients' documents and prototypes. All clients' information remains strictly confidential by using Active Directory to manage the users' authorities. The data can only be viewed by the authorized staffs, and all the copies or editions of the data are clearly recorded by logs that clients can check at any time.

Maintaining Data and Process Security

Rapidsoft Systems employs high-level security for client database information. Client database will not be used for any purpose other than development. Access by Rapidsoft Systems employees is permitted solely on a 'need-to-know basis'. The database is well protected during the entire project period. Database media storage and management integrity is ensured by Document Control (DC), which is supervised by Rapidsoft Systems' Quality Assurance (QA) department. For sensitive data, Rapidsoft Systems always put it into an isolated data server in a blocked shelf. Access to sensitive information is limited to a key person only.

As each employee of the company has his/her own computer with a startup password, therefore no one, other than the network administrator, cannot access anyone else's computer. Rapidsoft Systems has very strict rules for the network administrator to prevent him from disclosing other's password/information. The company has systems in place to ensure that the access of an employee who has left the company is totally terminated or denied by withdrawing all relevant access authorizations and invalidating access to the computer system of the company. Also, the company promptly terminates the permission of an employee who ends his/her employment with the company, and disables inactive and orphaned accounts.

Rapidsoft Systems uses only trustworthy and long-term postal service providers to send its deliveries; it has agreements with them to protect its rights and interests. When data needs to be transferred, it is delivered securely by and to an appointed person.

IPR Rights Transfers

The ownership of jointly created IP assets or of IP assets created by Rapidsoft Systems, as part of the work done for a client, belongs to its clients, unless agreed otherwise. Also all other IP assets, e.g. , patents and copyright involved in its activities concerning outsourcing, belong to its clients, in accordance with the agreement signed prior to the start of any project development work. All the project related data is transferred promptly and in full to the client with the projects' formal delivery.

Confidential Document Control (DC)

Rapidsoft Systems has established a stringent process for managing and protecting its customers' confidential documents. Every copy of every confidential document is separately numbered and tracked, and is distributed to a Rapidsoft Systems employee only on a 'need-to-know basis'. All copies of

customers' confidential documents are regularly accounted for, and deleted when usage needs have expired. All such confidential documents are returned and disposed of by the relevant customer/client.

Employee Confidentiality Contracts

To provide further assurance that all Rapidsoft Systems employees are fully aware of, and sensitive to, the critical importance of protecting customers' rights, all Rapidsoft Systems employees sign applicable confidentiality contracts along with their employee agreement upon joining Rapidsoft Systems. These agreements affirm that the employees will comply with Rapidsoft Systems IP Protection regulations. Employees regularly attend seminars designed to reinforce the importance of customers' rights regarding confidential information.

Employee Training and Education

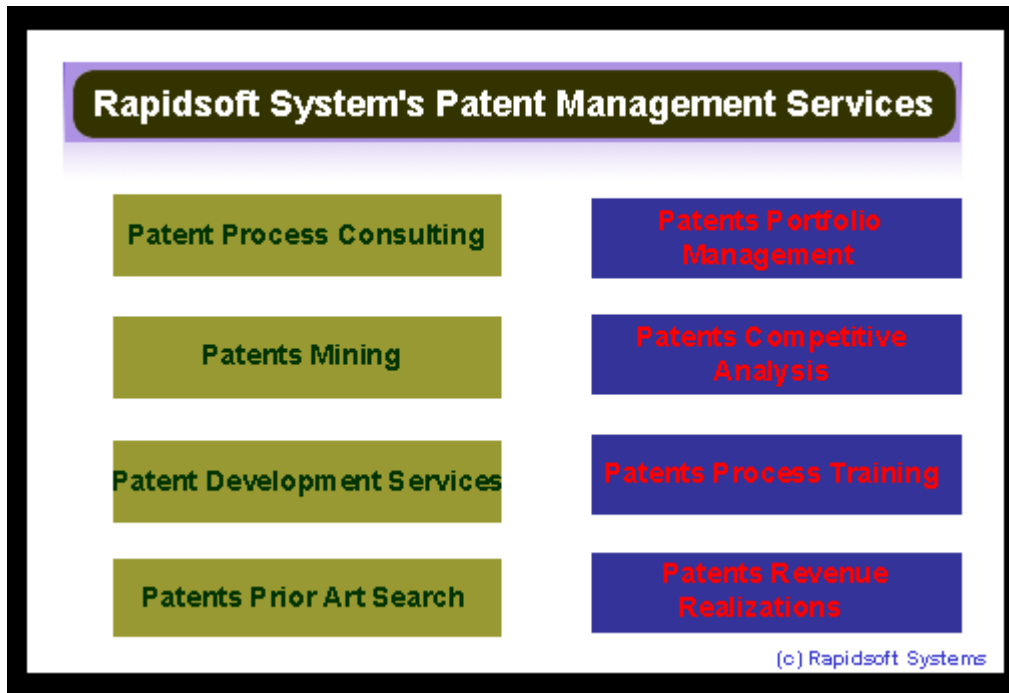
Rapidsoft Systems' has an IP Protection Manual and conducts regularly training courses to ensure the implementation of its IP Policy. The IP Manual elaborates the IP Policy in a practical way, paying special attention to the particulars of offshore software development and customers' IP protection. All of the issues and rules on IP are explained in detail in the training of new employees that join the company. To ensure proper enforcement of the IP Policy, Rapidsoft Systems has regular training programs on IP for its employees, which are conducted by IP experts.

Development of Patents

Rapidsoft Systems is Unique in that it offers broad range of patent development and patent portfolio management services.

Rapidsoft makes use of a specially developed portfolio management tools. That gives us access to all kind of patents making accessing patents information by countries, by companies, by competitors and by persons. We can evaluate and compare patents. We can advise our clients about likely misuse of their patents using special data mining techniques developed by us in-house.

One of the services that we provide is Patent development and consulting services to our clients. These services include, but not limited to:



Rapidsoft Systems' Patents Development Services

Intellectual Property Development Consulting Services

- Patent Process Consulting to Companies, specially Start Ups. We will talk to your engineering team and teach them how to convert simple ideas into big valuable patents.
- Examining your ideas for patentability. We combine a thorough research of prior art combined with our intuition/experience in dealing with USPTO in regards to our own patents to recommend which of the your ideas might be patentable and are likely to be approved by USPTO.
- Technology Research and Idea Mining for Patent generation in your R&D department- We will examine your current products, ideas and source code, hardware design etc. to generate certain ideas for patent generation
- Writing Provisional and/or Full patents applications in the US jurisdiction
- Prior Art Search and Analysis of prior Art in the area of your patent.
- Working with your patent attorneys to draft a technically strong patent application.
- Finding you an Attorney who understands your area and will write a good patent legal patent for you.
- Patent Writing Training and Seminars for your R&D team or engineers

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