

The increasing threat of enforcement actions and regulatory liability is driving many companies to implement or strengthen their approaches to software compliance. Organizations with immature or non-existent programs face unlimited financial exposure for breaches of licensing agreements, copyright infringement, and violations of the Securities and Exchange Act. Learning from other organizations' mistakes can assist your company in developing a strategy to achieve software compliance. There are many tools available to determine what software applications are installed on a corporate network, but true risk management requires an integrated approach involving tools, technical expertise, and legal expertise.

### **Legal Catalysts for Software Compliance Initiatives**

- Breach of Contract Liability
- Violation of Copyright Act Liability
- Securities Act Liability (Compliance with Sarbanes-Oxley s. 404)
- Successor Liability Resulting from Mergers or Acquisitions
- Individual liability for Officers of Non-compliant Organizations

### **Common Mistakes that Lead to Legal Liability**

- Reliance on technology personnel or publisher sales force to interpret licensing contracts
- Lack of technical controls to prevent unauthorized software proliferation
- Decentralized buying and **poor document management**
- Merging with or acquiring other entities without conducting software asset due diligence

### **An Integrated Solution is Required to Avoid Liability**

- Discovery tools are not enough
- Understanding what constitutes proof of ownership
- Combining legal and technical expertise to determine licensing requirements
- Software Asset Management process strategic design
- Incorporating software asset due diligence in mergers and acquisitions
- Using software asset management data to confirm financial reporting
- A set of reports executed periodically that demonstrate compliance with software license agreements. They should accurately profile what is deployed with what is legally purchased and any discrepancies.