

## Top Three Tips to Ensure Software Compliance

By Keli Johnson Swan

Companies facing copyright infringement claims from software publishers or their representatives have few options to navigate an audit and resolve the matter out of court. The costly nature of a software audit has prompted companies to take pre-emptive steps to avoid expensive audits by utilizing three key strategies.

First, educating the workforce is a fundamental approach to prevent potential copyright infringement through improper use and installation of software. Many companies choose to implement a software use policy to outline specific expectations for employees, describe which online activity is authorized, and list improper activities regarding computer use. Some use policies educate employees about software license agreements, how to remain compliant by only installing one copy per user, and advise against installing software without authorization from management. Some businesses opt to issue the use policy at the commencement of employment, but others choose to circulate it on an annual basis.

A good software use policy is not complete without oversight from management to ensure compliance. The second step to preventing employee misuse of computer software is to appoint an administrator or trusted internal IT staff member to monitor and restrict access to download software. Once faced with an audit, company management often discovers that employees have installed unlicensed software without authorization, sometimes resulting in tens of thousands of dollars of potential copyright infringement damages. Hiring an administrator or IT consultant to monitor the internal network may reduce instances of unauthorized downloads. Some companies opt to completely restrict downloads by locking down the desktops, while others target specific network activity and conduct regular audits of its network and remove unauthorized or unnecessary software. Regardless of the level of security implemented by a network administrator, it is critical to regularly audit a network for software compliance.

Finally, employers should ensure that they enter into confidentiality agreements with employees. Confidentiality agreements can help prevent employees from reporting software installation information to software publishers or entities such as the Business Software Alliance or the Software & Information Industry Association by restricting the amount of information the employee can legally transmit to a third party. These three steps work in tandem to protect a company against claims of copyright infringement, and ensure the company's network is routinely evaluated to ensure software compliance and prevent unwarranted disclosure to third parties.



**About the author Keli Johnson Swan:**

As an associate attorney at Scott & Scott, LLP, Keli is primarily focused on software licensing and copyright infringement matters. She advises clients in a variety of industries to ensure compliance with software licenses and develop strategies for maximizing the value of software licenses.

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