

## Pay Attention to the Expiration Date

By Brian Von Hatten

In various types of technology contracts, you often have change orders or separate scope of work agreements (“SOW”), which ultimately refer to or amend some sort of Master Service Agreement (“MSA”). These documents are typically “contracts” however they are often limited in scope and detail as they generally just pertain to the discreet, specific project at hand. Much of the legal verbiage regarding the actual rights and obligations of the parties to the contract are contained in the MSA.

Most MSA documents have a set term, and while some will automatically renew, some by their own terms do not. We recently came across a situation in which our client wanted to review SOW documents with respect to a significant application development project. Naturally, the SOWs referred to the MSA, however after reviewing the MSA, it was apparent that the MSA had expired. The MSA was actually well done and in general, protected the interests of the client. The appropriate language required for the client to retain their valuable intellectual property rights was contained in the MSA, so had the MSA still been effective, the client would have owned these rights (our desired result). Because the terms contained in the MSA had expired, execution of the SOW and completion of the contemplated development work would have resulted in the contractor owning the intellectual property rights to the work—not our client.

The potential error was caught in this case, but this example underscores how important it is for someone to closely review all agreements. Simply “rubber stamping” even seemingly simple documents could result in a very draconian and undesired result such as the one that was avoided in the above example.



About the author Brian Von Hatten:

Brian represents many large and mid-market organizations on matters related to transactions, software licensing, and disputes. Brian’s focus includes substantial attention to complex information technology issues for companies of all sizes.

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