

Technical Verification Services



Statistics show that 40% of all Level I verifications were determined to be incomplete and 15% of all Level II verifications could not be successfully built, even after receiving input from the depositor.

Iron Mountain is the world's most trusted partner for outsourced records and information management services, and also sets the industry standard for intellectual property management services. With over 235,000 clients across 151 geographic markets, Iron Mountain draws on more than 50 years of experience to specialise in technology escrow and domain name records management.

Risk Management for Mission Critical Technology

By taking the first step in establishing an escrow arrangement, you have recognised that your mission critical technology assets are an important aspect of your organisation's business operations. Aligning verification services alongside your escrow arrangement will help to assuage any potential risk by providing complete intellectual property protection and management.

Why Verification is Necessary

A technology escrow arrangement is an excellent vehicle to protect all parties involved in licensing technology, but the value of the escrow arrangement is heavily dependent on the quality of the escrow deposit materials. A thorough verification of the materials provides assurance that, in the event of a deposit release, a licensee would be able to more quickly and effectively read, recreate and maintain the licensor's technology in-house.

Just as lenders examine collateral when they sign a loan, the best practice in technology escrow is to verify and test the deposit materials. This should happen soon after an escrow agreement is executed to ensure that all of the components necessary to rebuild the executable program are part of the deposit and are in working order. Since software vendors are most familiar with the escrow materials at the time they prepare the deposit, the verification process tends to move more quickly if conducted shortly after Iron Mountain has received the materials.

Depositing only source code is insufficient; information on utilities, compilers, and operating systems are also required to replicate the original development environment. Without this information and access to the required technology, licensees will likely waste significant time and money attempting to re-engineer software, or

they will be forced to find a replacement technology. It can take a year to research new products and vendors, months to negotiate the technology license and longer still to deploy and integrate that technology into operations.

Iron Mountain's verification services provide your company with insight into the composition of your escrow deposits. We identify what is needed to use the technology, including anything that is missing from your deposit; Iron Mountain can also recreate the technology for you. Then, Iron Mountain records that information in an easy to read report, which you can use as a guide to reconstruct the technology from the deposit materials.

No one enters into a technology licensing relationship expecting it to terminate prematurely or abruptly. But the risk is real. Every month, Iron Mountain receives requests to release deposit materials. Although it would be nice to believe that everything will be in order, a thorough verification strengthens the value of the escrow by enabling a quick, successful deployment of deposit materials.

An incomplete escrow deposit can expose your company to the following risks:

- ▶ Costs associated with replacing licensed software and hardware
- ▶ Lost profits and/or savings
- ▶ Lost time
- ▶ Customer dissatisfaction
- ▶ Breach of contract(s)
- ▶ Costs associated with consultants' fees, court costs, arbitration fees and lawyers' fees
- ▶ Costs associated with retraining personnel

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Verification Level Overview

Iron Mountain offers three levels of technical verification. Our dedicated staff of technical verification experts will consult with you to determine the level of verification that best suits your requirements. The recommended level largely depends on the risk associated with licensing the technology.

Each verification level is built upon the next; Level I must be completed before work can begin on Level II, and so forth. Iron Mountain recommends Level III verification for optimal protection against inadequate technology escrow deposits for mission critical software. The following is a brief explanation of each:

Level I – Inventory

Level I validates the ability to read the media in deposit and is able to identify the tools and systems needed to maintain the escrow. Steps include:

- Analysis of deposit media readability
- Virus scanning
- File classification
- Investigation of development environment and build instructions
- Identification of third-party libraries
- Report of findings

Level II – Build

Level II tests build upon Level I tests and involve compiling the product and building the executable code. Steps include:

- Recreating the software vendor's development environment
- Compiling source files and modules
- Recreating executable code
- Providing a comprehensive listing of the hardware and software configurations
- Creating a report detailing the steps necessary to recreate the development environment

Level III – Validation

Level III verification consists of testing the functionality of the compiled deposit materials through one of the following three options:

Option A – With the software developer's approval, executables created by Iron Mountain during Level II testing are provided to the licensee for functionality testing.

Option B – Iron Mountain is provided with a copy of the licensed executables. Iron Mountain compares the executables created during Level II testing with the licensed executables. Iron Mountain provides a comparison report to all parties.

Option C – Iron Mountain recreates the runtime environment for the licensed technology and installs the executables created during Level II testing into that environment. (The environment is generally "scaled down" from the actual live environment.) Test scripts supplied by the licensee are then run. Iron Mountain provides a report of the test results to all parties.

Verification Next Steps

To find out more information or to request verification services for deposited materials, contact your local Iron Mountain representative at 0800 919 7 917.

Recent data on deposit testing has revealed the following:

- ▶ 31% of all Level I verifications did not contain any build instructions which are critical to recreating the software development environment.
- ▶ 25% of all Level I verifications had either corrupt media, missing files, or components that did not match depositor specifications.
- ▶ 80% of successful Level II verifications still required direct input from the depositor to resolve issues that were preventing a successful build.



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Iron Mountain is the leading global service provider of intellectual property management services specialising in technology escrow and domain name records management. As the founder of the industry, Iron Mountain has the integrity, reputation, resources, and experience to ensure intellectual property is properly managed and protected. Iron Mountain's Intellectual Property Management services set the industry standard by providing quality customer service and unmatched solutions to 75% of the Fortune 500. Since 1951, Iron Mountain has provided service to over 235,000 customer accounts worldwide. For more information, visit the Company's Web site at www.ironmountain.com/ipm.