

CLOUD COMPUTING

Industry

PRIMARY CONTACTS

RANDALL E. COLSON
T +1 214.651.5665
F +1 214.200.0405

GAVIN D. GEORGE
T +1 214.651.5148
F +1 214.200.0453

For many executives, the term cloud computing sounds like the latest buzzword being promoted by IT providers. However, while it remains relatively young as a corporate resource, there is little doubt that cloud computing will play a permanent and significant role in structuring, processing, maintaining and accessing corporate data.

In its most basic application, cloud computing creates an infrastructure of interconnected computer servers, network equipment, data storage devices and software applications allowing users to access scalable resources, on demand, without the constraints of in-house data centers. For businesses, cloud computing enables applications to be deployed more efficiently and saves on costly software and IT resources.

Haynes and Boone has been at the forefront of representing both customers and providers of what is now known as cloud computing and the supporting technologies. Stretching back to the time before the Internet became pervasive, Haynes and Boone represented both customers and providers of network-provided hardware and software solutions. Haynes and Boone continued that tradition into and through the “Internet Bubble” with its representation of eCommerce companies. In fact, Haynes and Boone, through its ClientCentric Solutions subsidiary, has long provided cloud computing services for project and document management.

Typical Cloud Computing Challenges

Cloud computing service transactions present the typical issues that are found in technology agreements, as well as many of the unique issues found in information technology and business process outsourcing transactions. A few of the more significant issues found in these agreements include:

- Data Access
- Data Security and Legal Compliance
- Service Level Descriptions and Remedies
- Affiliate Use of Resources
- Continued use by Divested Entities
- Indemnification/Limitations of Liability
- Termination and Transition Assistance

Security and Privacy Issues

Cloud computing will facilitate more efficient outsourced data handling. Yet businesses turning over data to third-party vendors also lose a degree of control over their sensitive information. The Haynes and Boone approach to data privacy and security issues blends a cross-functional group of attorneys who together bring comprehensive understanding to the

myriad of data protection laws in the United States and abroad.

Our attorneys help clients:

- Understand data protection laws and implement best practices for sensitive data protection, ongoing compliance, and emergency response in the event of a data security breach.
- Prepare and review complex agreements for international companies that must address the differences in the law amongst jurisdictions.
- Prepare and review complex agreements with cloud providers to ensure privacy is protected across vendors and borders.

Outsourcing

The primary driver for the growth in the outsourcing industry has always been financial (i.e., cost savings, redeployment of capital) but other key drivers include performance improvement, risk management and the desire to focus resources on company strategy and core competencies. These drivers have led to the expansion of outsourcing which now includes both Information Technology Outsourcing (ITO) (e.g., computers, network connectivity, applications development and maintenance) Business Process Outsourcing (BPO) (e.g., Human Resources, Call Centers, Finance and Accounting, Facilities Management, Procurement) and managed services generally.

Our industry experience in outsourcing transactions is global and includes banking, energy, computer, health care, hospitality and restaurant, manufacturing, software, telecommunications, transportation and utilities. In addition, we have relationships with some of the leading outsourcing consulting groups who often assist with the nonlegal aspects of transactions. Our attorneys have worked with clients in formulating and responding to RFPs, conducting due diligence, determining baseline pricing and addressing service level issues and benchmarking. We can provide helpful insights regarding international, employment, Sarbanes-Oxley, intellectual property, governmental compliance, immigration and tax issues that commonly arise in outsourcing arrangements.

Industry Experience

Haynes and Boone understands what drives this important and dynamic industry. We represent many of its major players, as well as some of its most exciting up-and-comers. Many of our attorneys hold degrees in computer science, electrical engineering and other relevant scientific and engineering fields, and our attorneys have worked in-house and have represented leading service provider companies for many years.

All of our cloud and outsourcing clients get the benefit of our broad experience though our understanding of market terms, important legal developments, legal risk, and trends in strategy, documentation and litigation. Our industry experience translates into more effective legal representation for you and your company. We enable you to achieve your goals quickly and efficiently, and at a competitive advantage.