

Why Code Ownership Must Be Important for You as a Customer

Imagine a situation

You have come to an expensive salon where exclusive clothes are sewed. You've ordered a unique piece for yourself and paid a large sum of money for it. And then, the same salon puts your model in the mass market.

It is unpleasant, isn't it?

Do you own exclusive rights on the one and unique piece? Or are you cheated and now the sales are made on your idea? The same may happen with your code on the project.



{ Code is the most important part of the project and the most expensive

It should be not only protected by agreements but owned physically. What does it mean? Further, we will tell you how to prevent unpleasant situations like these from happening:

- Development agency doesn't give you code back and the rights on it or keeps all or some of the rights on changes, management, etc. to itself.
- Development agency blackmails you to continue the development process, or otherwise, it won't give you the part that is already completed.
- Development agency stole your code and applied it to a different project (maybe even to your competitor's one).
- Development agency blackmails you so you can't leave it and are attached to it since the code isn't yours.

An Example from Life

One of our clients came to Anadea after such an unpleasant experience and told us a scary story.



They are a small startup of two girls co-owners who started to cooperate with a vendor from ... let us say far East. The development company breached all the possible deadlines for the MVP and the girls lost the investor. Moreover, the vendor refused to give back what has already been developed, saying that they **MUST finish the project with THEM, not some other team.**

You can probably ask, what about the contract?

Didn't it protect their rights and all? We also asked => It did but it is useless, as the international litigation is not so easy to win and it drags on for years. As a result of a violation of their rights, they have lost an enormous amount of time and finances.

The Dos and Don'ts of Cooperation with an Outsourcing Company

First of all, when you hire an outsourcer for your IT project, you should know who owns the source code (and the rights of the parties - who exactly can edit, copy, transfer, admin, superadmin, etc.) while the project is under development and once the project is done. Code ownership is very important.

If you own the source code, you get to decide who works on the next version, otherwise, you have no freedom of action. Moreover, in case if the vendor with the source code goes out of business or becomes bankrupt, it will be challenging or rather impossible to get the source code.

Before starting any works, ask your future vendor the following questions:

- How is code storage organized?
- Where does it exist?
- Who and to what extent has the access to it?

Have you ever thought about it as a customer?

Unless you are given clear and satisfactory answers to the following questions, do not continue the negotiation process. Read about some shoulds and shouldn'ts in the development process further on. The way it is supposed to be:

You start your own Git Hub account and give access to your vendor.

You check agreements and if the necessary points about the copyright are simply included. Ideally, you should consult with a lawyer.

The Way It Isn't Supposed to Be:

Our customer's design concepts are the top priority for us.

- ✗ You don't have access to code, you are only shown a demo version of code on the screen, which is located elsewhere.
- ✗ You don't own a personal account in Github and you don't control access.
- ✗ You gave super admin rights to the vendor.
- ✗ You signed a contract without paying attention to the point about how the code and rights on it will be conveyed.

Another common situation that arises is when **developers reuse the code without their company's awareness.** Developers can upload the code on their devices or flash drives for their personal use then start to work with a different company, where this code travels from one similar solution to another.

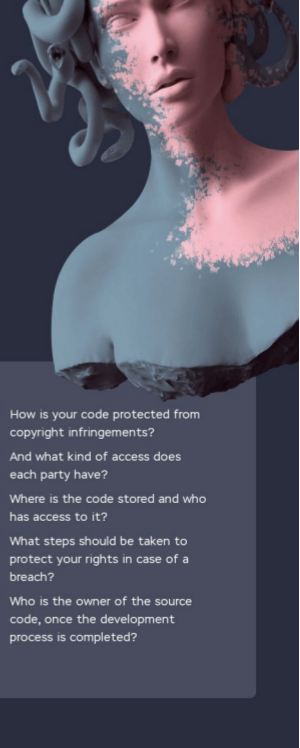
Developers think the following way - **I wrote this code to solve some difficult tasks and make it work. Why should I reinvent the wheel next time I come across exactly the same task?** It makes sense from this point of view but it's still illegal and should be suppressed.

If you don't want to find yourself in this story, ask the company what measures are taken to avoid the following situations. Let them tell you. Here, for example, **what we do in Anadea:**

- 1. We don't resell code that we wrote for our client.
- 2. Instead, we reuse the experience gained from doing other projects.
- 3. We reuse open-sourced code.
- 4. We rarely make our code open-sourced. We don't extract it from the client's side but write it from scratch.
- 5. We encourage our clients to own a repository.

Risks and Consequences

The consequences of negligence in the communication between a client and an outsourcer can be tremendous: starting from missed deadlines to financial losses.



Once you don't have access to the source code, an outsourcer can exploit their position and impose costs for development, maintenance, and editing of the code as well as ignore agreed terms. This, in turn, may lead to the loss of business connections, market opportunities, as well as reputational and personal damage on your side.

Business connections as investors and partners are hard to establish but easy to break, therefore such loss has a great invisible cost. The same is applied to market opportunities that have to be used at the right moment, otherwise, they are lost forever.

What Do You Need to Know as a Customer?

Let's summarise and check through this checklist what you should get to know as a customer before you start a collaboration with an outsourcer.

- ✓ How is your code protected from copyright infringements?
- ✓ And what kind of access does each party have?
- ✓ Where is the code stored and who has access to it?
- ✓ What steps should be taken to protect your rights in case of a breach?
- ✓ Who is the owner of the source code, once the development process is completed?

What We Do at Anadea to Protect Your Interests

We, at Anadea, are not trying to attach you to us artificially. It simply doesn't make sense for us. We want you to stay with us because you feel good about our cooperation and are happy with the results.

We use only mainstream technologies so that you won't have trouble finding another company to continue the code and won't find yourself in vendor lock-in.

We are crystal clear on the fact that the code belongs to you not only from the legal point of view but also physically.

Let's discuss your project

