

IP and cybersecurity disputes are top legal concerns for tech companies

Andrea D'Ambra and Susana Medeiros, *TechCrunch* – May 24, 2022

No industry is a stranger to litigation, but for the tech sector, it appears intellectual property (IP) and patent disputes, followed by cybersecurity and data protection issues, are among the top legal matters that keep tech company managers up at night.

According to the 17th Annual Litigation Trends Survey by Norton Rose Fulbright, which surveys hundreds of in-house litigation leaders from global corporations, labor and employment disputes are also high on the list for tech companies.

Startup teams, legal counsel and other internal stakeholders looking to address these legal challenges should consider three key factors impacting the sector.

IP disputes: The top litigation concerns facing the sector

Technology respondents were more likely to be concerned about IP disputes than any other potential dispute source, with 46% listing them among the most concerning, compared to 16% across all industries.

Given that the core function of most technology companies is to develop and market innovative technology and solutions, it is unsurprising that tech companies listed IP disputes as having the most relevance and importance to them. Respondents cited the critical nature of IP assets to their core business as the reason why disputes were such a concern.

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The costs associated with these disputes, particularly when defending against accusations of patent infringement, were top of mind for respondents. Defending against IP disputes can be a drain on resources, particularly given the continued cost and prevalence of disputes initiated by "patent trolls" – entities whose primary business is to obtain and enforce patents against technology companies – far exceed the costs associated with leveraging the patent to provide goods and services.

Many respondents reportedly are expanding their legal teams. Strategies include adding additional in-house legal staff, engaging outside counsel to focus on specific IP strategies, expanding investigation and enforcement actions against potentially infringing activity, enhancing the protection of company patents and building a more mature and robust contract drafting and review process for IP-related contracts.

Tech firms feel exposed to cybersecurity, data protection disputes

Technology respondents listed cybersecurity and data protection issues as the top concerning dispute trend, more than any other industry – 71% reported they felt more exposed to cyber security / data protection disputes, compared to the previous 12 months. They said protecting both their own proprietary information and their customer's information was critical, particularly in an increasingly global market.