



Snippets from Silicon Valley

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The dire economic news continues to be the major source of focus here in Silicon Valley. Everyone worries about the economic indicators here in America and from the Euro area debt crisis. In a latest move to bolster the economy, Ben Bernanke (Chairman of the Federal Reserve) announced “Operation Twist” designed to “twist” the usual yield (or interest rate) curve to encourage companies and individuals to borrow more. President Obama continues to try to introduce stimulus packages, amidst formidable political opposition. But as the IMF leader, Christine Lagarde, said recently, we need more concerted action across all economies to get out of the “danger zone”.

Despite all the economic gloom, the mood and spirit here in Silicon Valley is reasonably upbeat. We are forging ahead with innovative IT related business projects. People want to see their “social” networking philosophies and practices being used in the “enterprise” (work) world. Many companies, systems and services are driving ahead in the direction of social and collaborative working, and using the “cloud” to do so. These positive changes throw up many opportunities and many challenges in terms of social and legal issues, such as data protection and privacy. Many high growth companies here are looking to expand quickly into Europe, where those challenges are even greater than here.

In other news:

- The change of leadership (again) at HP, and severe local criticism of the HP Board, shows how quickly the IT and related markets are moving.
- The recent judgment (on appeal by SAP) about the Oracle / SAP damages award for intellectual property infringement gives an interesting illustration about how Courts view the measure of damages, and how important it is to have in place appropriate policies, procedures and trainings .
- President Obama recently signed a new law designed to make the patent application process more efficient and effective. The process here takes at least 3 years from application to grant, so the plan is to speed that up to help protect innovation and return on investment.
- There is significant media coverage here about the news from the CERN Large Hadron Collider. Scientists believe their experiments have shown neutrinos moving faster than the speed of light! The reports here talk about “upending Einstein and a century of physics”. In keeping with the founding principles behind CERN LHC, and in the true spirit of an “open source” environment, it is reported that the results from the experiments are being turned over to the worldwide scientific community for comment.

Something else moving or at least growing at the speed of light (or beyond!) is the market for cloud computing services. According to a recent announcement from Verizon, one of the biggest US phone companies, the total market for cloud computing services will grow to \$150 billion by 2020 (from about \$10 billion now).

If you have any questions about data protection, privacy, intellectual property, open source, cloud computing, or other issues about contracting in the IT space in Europe or globally, please call.

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