

KN Tech Law Roundup

Summer 2022

Dear ,

Welcome to our Summer 2022 Edition of the KN Tech Law Roundup, we hope you find it useful and interesting!

The impact of the Russian invasion on the Ukrainian technology sector

Russia's invasion of Ukraine has dominated the headlines in 2022 and has inevitably had a significant impact on the Ukrainian technology sector.

Prior to the war, the [Ukraine IT report 2021](#) painted a picture of a thriving tech ecosystem, with exports of tech services from the country growing by 36% from US\$5 bn to US\$6.8 bn during 2021. The UK was second only to the USA as the largest recipient of those services.

Ukraine is also recognised a hotbed of highly skilled software development talent. In 2020 [1 in 5 Fortune 500 companies](#) had a remote development team based in Ukraine.

Developers are being redeployed to help the war effort

However, many developers will have picked up arms after the invasion and those who haven't appear to be supporting the war effort in other ways. The BBC has [reported](#) on technology companies relocating to the west of Ukraine in an effort to remain operational and are now developing apps which allow donations to be made towards the Ukrainian war effort.

In addition, Ukraine's deputy prime minister, Mykhailo Fedorov, called on the nation's tech sector to volunteer for an "IT Army of Ukraine". Over 300,000 responded to the call, many of whom are cyber hackers. These 'hacktivists' have reportedly been focussing on distributed denial-of-service attacks (DDoS) on Russian web servers (which overwhelm the victim's server with a view to causing an outage). Targets have included major Russian oil, gas and infrastructure companies, the Moscow Stock Exchange and the Kremlin's website.

What does this mean for UK businesses?

Given the considerable disruption to the sector, British businesses which are reliant on Ukrainian developers may, at least temporarily, have to source expertise from elsewhere. As we explain in our inaugural '[KN Talks Tech](#)' [feature](#) involving a Q & A with John Thornhill (a founder of multiple tech businesses), if that expertise is outsourced, ownership of the IP developed during the engagement will vest in the developer, rather the company paying for their services, unless a clearly drafted contract is put in place from the outset assigning that IP to the company.

Some businesses may be thinking of obtaining permission for their freelance Ukrainian developers to live and work in the UK? Our '[Lifecycle of a tech startup](#)' [series](#) discusses the process of obtaining a sponsor licence which would allow overseas talent to be brought the UK and employed directly .

Finally, buyers in M&A transactions involving target companies which are reliant on Ukrainian developers should also exercise caution and carry out careful due diligence on the contracts governing key development work. Can existing contracts be suspended or terminated if needed, perhaps in accordance with force majeure provisions which specifically allow for suspension and/or termination following the outbreak of war?


Do get in contact with any of the team with your feedback or any suggestions for future topics you would like covered, or indeed if there is anything in this edition that you would like more information on.

Kind regards,
KN Tech Law team

Lifecycle of a tech startup series: Obtaining a Sponsor License

Blog

Lifecycle of a tech startup series: Obtaining a Sponsor License



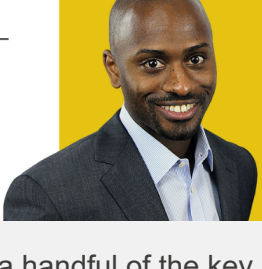
Following their seed raise in [episode 7](#), and having secured some additional capital through an R&D repayment claim in [episode 9](#), KNow Wear Limited have identified some overseas talent that they would like to hire to help to expand the business.

[READ THE BLOG](#)

Software support helpdesk services – key contracting principles

Blog

Software support helpdesk services – key contracting principles



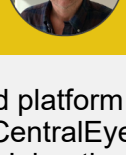

This blog considers a handful of the key issues to bear in mind when documenting the terms of a Work Order relating to the supply of a software support helpdesk service.

[READ THE BLOG](#)

KN Talks Tech: Q&A with John Thornhill

Blog

KN Talks Tech: Q&A with John Thornhill




John Thornhill is the founder of [CentralEyes](#), a cloud-based platform which assists owners of retail and hospitality venues in the management of their sites. CentralEyes' customer list includes [Pix Pinxtos](#), a chain of Central London tapas bars founded by John, the first of which opened in 2009 and was customer zero.

[READ THE BLOG](#)

WATCH

Raising investment for startups: leaver provisions


In this video, Emer Hughes and Mei Chung in our Corporate, Commercial and Finance team discuss the principles of leaver provisions, with a focus on the difference between a good leaver and a bad leaver, who should be caught by leaver provisions and points of negotiation between founders and investors. Click [here](#) to watch.




WATCH

Raising investment for startups: articles of association

In this video, Emer Hughes and Mei Chung in our Corporate, Commercial and Finance team discuss some of the key elements in a company's articles of association, with a focus on points of negotiation between founders and investors. Click [here](#) to watch.






ANGEL ACADEME


Angel Academe

Supported by Kingsley Napley for over five years, Angel Academe is an award-winning network dedicated to investing in female-founded tech businesses and introducing more women to angel investing. If you're a female-founded tech startup currently fundraising, applications are currently open for the [Angel Academe 2022 pitch events](#). If you're a high-net worth individual interested in knowing more about the angel investment process, you can find out more and contact the team on the [Angel Academe website](#).


[LEARN MORE ABOUT ANGEL ACADEME](#)




Startup investment services



Follow us on Twitter












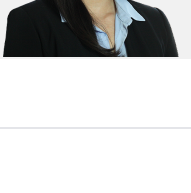


Tech Law services



Watch our tech videos

Should you need assistance with any legal matters, especially those that are technology focused or investment related, please get in touch with our [Technology Law](#) and [Startup Investment](#) teams.

You can also follow us on Twitter via [@KNTechLaw](#) and on LinkedIn via our showcase page [Corporate, Commercial & Finance | Kingsley Napley](#)

| | | |
|---|---|--|
|  | <div>Andrew Solomon</div> <div>Legal Counsel</div> <div>TECHNOLOGY LAW, CORPORATE, COMMERCIAL & FINANCE</div> | <div> +44 (0)20 7369 3794</div> <div> Email Andrew</div> |
|  | <div>David Davies</div> <div>Partner</div> <div>TECHNOLOGY LAW, CORPORATE, COMMERCIAL & FINANCE</div> | <div> +44 (0)20 3535 1639</div> <div> Email David</div> |
|  | <div>Emer Hughes</div> <div>Senior Associate</div> <div>STARTUPS & INVESTMENTS, CORPORATE, COMMERCIAL & FINANCE</div> | <div> +44 (0)20 3535 1509</div> <div> Email Emer</div> |
|  | <div>Mei Chung</div> <div>Associate</div> <div>STARTUPS & INVESTMENTS, CORPORATE, COMMERCIAL & FINANCE</div> | <div> +44 (0)20 7369 3836</div> <div> Email Mei</div> |