

Liability, Reliability, and Safety Issues

Chapter 7
Cases 7.1 through 7.7
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Second Edition



Case 7.1 – Prodigy Services Co. and Bulletin Board Liability

Overview and Study Questions



Case 7.1 – Prodigy Services Co. and Bulletin Board Liability

- Overview
 - The Prodigy case raises questions about liability for what is said on semi-public on-line bulletin boards. The catalyst for this is a court opinion against Prodigy. In this opinion the Court ruled that Prodigy should be held liable for slanderous remarks made about a brokerage house, Stratton Oakmont, Inc., on one of its bulletin boards. In the midst of this lawsuit there are also more pressures on Prodigy to block access to Internet sites set up by White supremacists.



Case 7.1 – Study Questions

- Do you agree with the Court's decision that Prodigy should be held liable for these slanderous remarks? Why or why not?
- In your opinion should Prodigy continue to censor its bulletin boards? Should they comply with the recent request from the Simon Wiesenthal Center?



Case 7.1 – Study Questions



- What course of action do you recommend for the company?
- In general, should service providers such as Prodigy be immune from liability for what its users do and say?

Case 7.2 – The Therac-25

Overview and Study Questions



Case 7.2 – The Therac-25



- Overview
 - This is undoubtedly one of the most famous software liability cases to emerge during the last two decades. It involves a malfunctioning radiotherapy machine, allegedly responsible for several deaths because of flawed software. The case provides a summary of events and milestones leading to the product's eventual recall and repair.

Case – Study Questions



- How do you assess and evaluate the behavior of Atomic Energy of Canada throughout this ordeal? Did they act in a morally responsible way?
- What lessons can be learned from this tragic case?
- What recommendations would you make to avoid such tragedies in the future?

Case 7.3 – NCR's Warehouse Manager

Overview and Study Questions



Case 7.3 – NCR's Warehouse Manager



- Overview
 - NCR's *Warehouse Manager* product has had a troubled history. The product's many flaws forced a moratorium, on future sales, but not before it was purchased by Hopper Specialty Co. The case describes how this bug-ridden software disrupted Hopper's business operations. A key issue in the case is the extent of NCR's liability for the problems caused by this software.

Case 7.3 – Study Questions



- What were some of the main flaws in this software and how did it adversely impact Hopper's business?
- How would you evaluate NCR's behavior in this situation? At what stages could it have behaved more responsibly?

Case 7.4 – Intel's Pentium Chip Product Controversy

Overview and Study Questions



Case 7.4 – Intel’s Pentium Chip Product Controversy



- Overview
 - This incident received a great deal of publicity at the time. It involves a small flaw in the new Pentium chip that very occasionally led to erroneous calculations. The case details the events leading up to Intel's final resolution of this product reliability controversy.

Case 7.4 – Study Questions



- Briefly explain the background behind this new Pentium chip and the flaw in this product?
- Can you identify various stages in Intel's response to this controversy which many considered to be rather laggard?

Case 7.4 – Study Questions



- What cultural forces at Intel affected its responsiveness?
- What lessons can be learned from this case, especially regarding ethical responsibilities of IT vendors?

Case 7.5 – Sun’s Server Problems

Overview and Study Questions



Case 7.6 – The Product Manager

Overview and Study Questions



Case 7.6 – The Product Manager



- Overview
 - This is an intriguing case about a product manager who must make a critical decision about whether to continue exaggerating truth about the release date of a new version of RDBMS software. The company has lagged behind and this has alienated its present customer base while reducing revenues. It now needs to be upbeat and optimistic to prevent further defections among its present customers. As product manager Martin is on the "hot seat" and must determine how truthful to be in this situation with the company's survival at stake.

Case 7.6 – Study Questions



- Identify and analyze the primary ethical issues in this case.
- In a well-known article in the Harvard Business Review in the early 1960's Albert Carr argued that sometimes it's necessary to "bluff and bluff hard" in business just as one might do so in a poker game. Can the actions of Jupiter's executives be justified by an appeal to these arguments?

Case 7.6 – Study Questions



- What would you do if you were Richard Martin? (Before answering this question you should consider Martin's options; your answer should also incorporate some sort of ethical justification.)

Case 7.7 – Chicago

Overview and Study Questions



Case 7.7 – Chicago



- Overview
 - This case reviews the events leading up to the release of Windows 95 a product that was apparently "pre-announced" and delayed several times. Given Microsoft's past history, the case raises questions about the intentionality of Microsoft's actions. The case compares Microsoft to IBM's similar strategy in the 1960's when it "pre-announced" a new mainframe product to prevent losing market share to Honeywell

Case 7.7 – Study Questions



- Was this a deliberate strategy to preserve market share? Did Microsoft "take a page from IBM's play book" as the computer press alleged?
- How serious is the issue of vaporware from an ethical viewpoint?
- Evaluate Microsoft's actions. Have they done anything wrong here?