

That's Not Your Code!

Jacobsen v. Katzer and Open Source Licensing

**Significant
Developments in
Computer &
Cyberspace Law**

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Roadmap

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 - Open Source Initiative
 - Open Source Definition
 - Open standard requirements
 - Types of open source licenses
- Jacobsen v. Katzer
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 - Open source policies

Open Source Software On the Rise

- \$3 Billion in venture capital invested in 163 open source firms between 1997 and 2008
- Nearly 40% of US firms surveyed between Dec. 2008 and Feb. 2009 are implementing or expanding use of open source software
 - Another 25% are piloting or considering use of open source software
- Red Hat grew by 18% in the Q1 2009, despite (or because of?) recession

Open Source Initiative

- California public-benefit corporation founded in 1998
- Sets the community-recognized rules for open source licenses
 - “Open Source Definition” (OSD)
- Reviews and approves licenses as OSD-conformant
- 65 licenses approved as of June 2009

Open Source Definition

- Free redistribution under the same license
- Source code distributed or available
- Permit modifications and derivative works, and allow them to be distributed under same license
- Distribute license with the program
- No discrimination
- Right to extract the code
- No restrictions on other software
- No restrictions on technology or interface

Open Standard Requirements

- Standard = detail necessary for interoperable implementation
- Publicly available under royalty-free terms
- No royalties for patents essential to implementation
- No requirement for execution of an agreement
- Must not require technology that fails to meet criteria

Additional Restrictions

- Each individual public license may place additional restrictions
 - Beyond those required under the OSI definition
 - Each license is different
- Example: the GNU General Public License (GPL) prohibits distribution with software components licensed under the Mozilla Public License

Types of Open Source Licenses

- Hereditary or “strong copyleft” licenses
 - GNU General Public License (GPL)
- Permissive or “non-viral” licenses
 - Berkeley Software Distribution (BSD)
 - Apache Software License
 - MIT (X11) License
- Hybrid or “weak copyleft” licenses
 - GNU Lesser General Public License (LGPL)
 - Mozilla Public License (MPL)
- “Otherware”
 - Beerware
 - Catware
 - Postcardware

Jacobsen v. Katzer: Basic Facts

- Ct. of Appeals for the Federal Circuit – August 2008
- Jacobsen and Katzer develop and distribute software for controlling model railroads
 - Robert Jacobsen
 - Physics professor at University of California, Berkeley
 - Makes his software for the Java Model Railroad Interface Project available under an open source license
 - Matthew Katzer
 - Owns Kamind Associates, Inc. and sells commercial products
 - Copies some of Jacobsen's software and uses it in his proprietary product

Jacobsen v. Katzer: Basic Facts

- Open source license at issue: Artistic License version 1.0
 - Rarely used; poorly worded
 - Originally written to provide rights to PERL programming language interpreter
 - Permissive license; requires:
 - Copyright and license notices
 - Identification of changes to original source code
 - Allows alternatives to relicensing of modifications on open source terms
- Katzer violated the terms of use
 - Failed to reference the original source of the code
 - Failed to identify how the original source code was modified

Jacobsen v. Katzer: Decision

- Real issue – can the licensor sue the licensee for copyright infringement? Generally:
 - If the breached term is only a contractual “covenant” → NO, can only sue for breach of contract
 - If the breached term is also a “condition” on the license → YES
- Longstanding issue in the open source community
- Why it matters: remedies
 - Since open source software is distributed for free, quantifiable damages under breach of contract most likely equals zero
 - But copyright infringement allows for injunctive relief, statutory damages, costs and attorney’s fees

Jacobsen v. Katzer: Holding

- Holding: The terms of the Artistic License are enforceable copyright conditions; Jacobsen can sue for copyright infringement
- Implication: A software developer who uses open source code in violation of its license can be held liable for copyright infringement
 - A copyright owner who grants a nonexclusive license waives his right to sue for copyright infringement, unless the license is conditioned on compliance with its terms
- Note: case does not hold that open source licenses are not contracts (this was not at issue)

Jacobsen v. Katzer: Reasoning

- Language of the Artistic License
 - Preamble: “the intent of this document is to state the conditions under which” the code may be copied
 - Terms allow users to modify and distribute code, provided that certain conditions are met
 - “Provided that” denotes conditional language under California law
- Substantively, the conditions in the Artistic License are vital to enable Jacobsen to benefit from the work of downstream users
 - This “downstream benefit” is Jacobsen’s consideration for sharing his code

Jacobsen v. Katzer: Significance

- Case viewed as a victory for open source licensing
- Court of appeals followed guidance of the open source community on a key legal issue
- No real surprises
 - Most lawyers assumed violation of an open source license carries risk of copyright infringement
- Publicity of the case focused attention on importance of risk mitigation for using open source software
- Ironies
 - Obscure open source license
 - Ct. of Appeals
 - Originally a patent claim

Mitigating the Risks

- Two steps
 - Information gathering
 - Legal review and analysis

Mitigating the Risks

- Information gathering
 - Provenance checking (cheaper)
 - Record and follow precisely what version of what code is used
 - Examine how code is used
 - Determine which license the code is subject to
 - Code scanning (more expensive)
 - Use of automated tools to find third party code
 - Simple: search for copyright notices
 - Complex: search for matching algorithms
 - Hire an open source consultant that specializes in code scanning

Mitigating the Risks

- Legal review and analysis
 - Develop an open source submission form
 - Develop an open source software policy and apply it
 - Still controversial, but probably a best practice (if followed)
 - Most policies classify open source licenses into 3 categories:
 - Always approved – usually applied to permissive licenses
 - Never approved
 - Requires further legal review – usually applied to GPL and LGPL

Mitigating the Risks

- Open source Submission Forms
 - A form for engineers to complete before using open source software
 - Name of software, release/version, how/where obtained
 - How software will be used/integrated
 - Static or dynamic linking?
 - To whom will the open source software ultimately be distributed?
 - Process involves purchasing and contract administration
 - Often avoided because no fee payment is required
 - Determine how you intend to comply if the license:
 - Contains attribution/notice requirements
 - Requires source code to be offered on request
 - Requires distribution of derivative works

Mitigating the Risks

- Open source policies
 - Still controversial, but probably a best practice (if followed)
 - Policies vary considerably
 - Contents typically include:
 - General approach
 - Categorized lists: acceptable, not acceptable, TBD
 - Notices
 - Interplay with patents
 - Tools for tracking
 - Procurement requirements
 - Modifications process

Mitigating the Risks

- Record-keeping is important
 - Critical in avoiding evaluating open source licenses multiple times
 - But note that re-evaluation may be necessary if open source code is used in a different product or used differently in the same product
- Watch out for client requests for opinion letters
 - Too many uncertain legal principles

Questions

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