

An Open Source Software Primer for Lawyers

November 8, 2011

Presentation to The 49th Annual Conference on Intellectual Property Law,
The Center for American and International Law

Joanne Montague
joannemontague@dwt.com
Davis Wright Tremaine LLP

Anchorage
Bellevue
Los Angeles

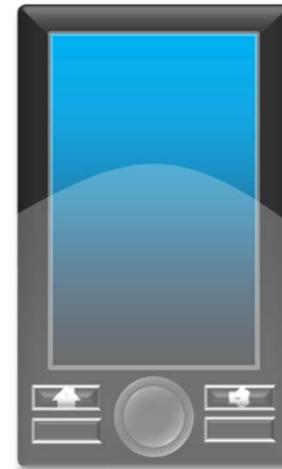
New York
Portland
San Francisco

Seattle
Shanghai
Washington, D.C.

1

When legal issues arise

- Developing and releasing products containing OSS
- Running a web-based service using OSS
- Using OSS for business operations
- Embedding/bundling third party supplied software into your products
- Acquiring ownership of another's software



Overview

Legal risks

Open Source Software (OSS) landscape

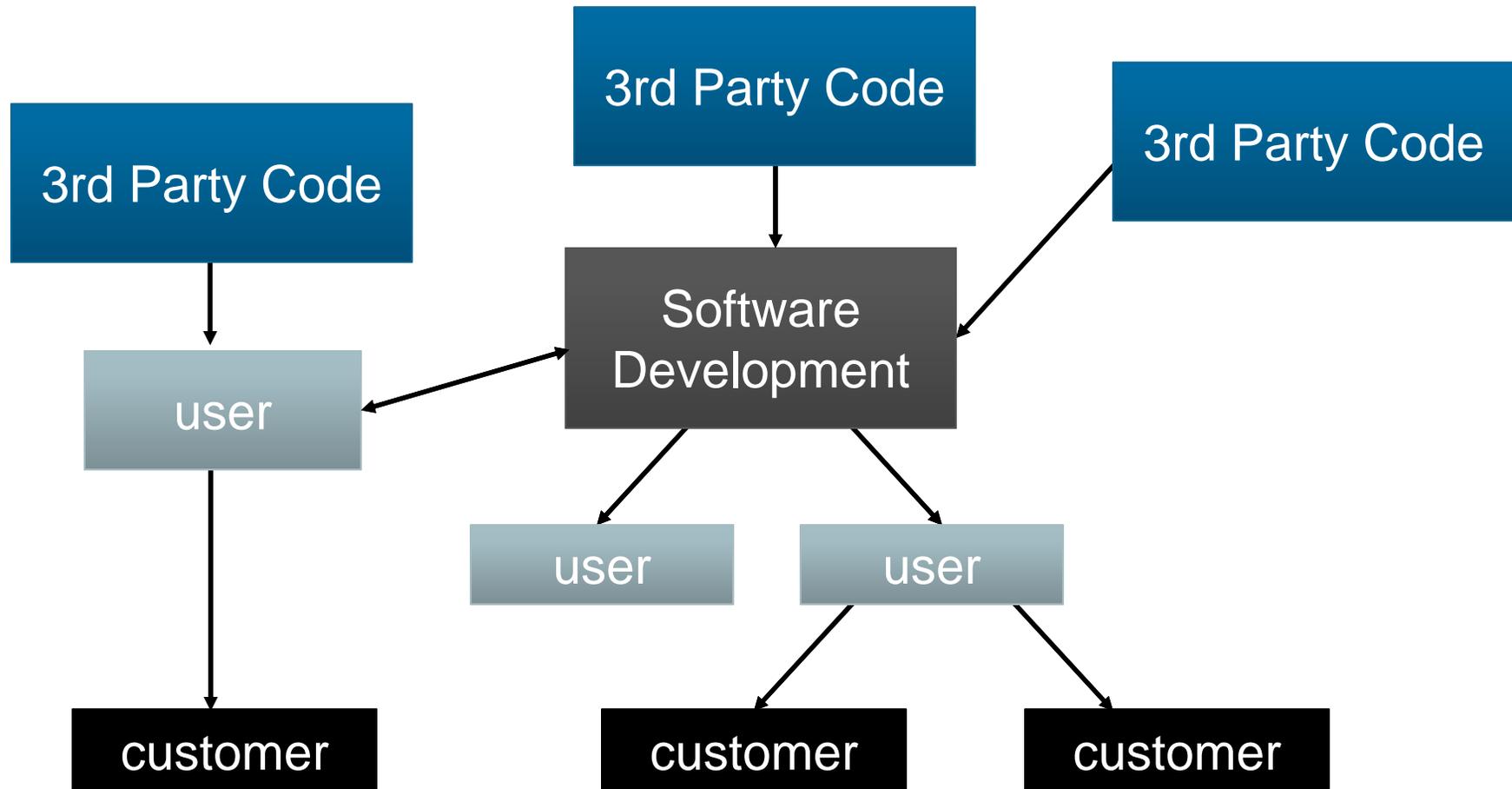
OSS licenses

Key risks to avoid

Compliance and enforcement

Understanding the legal issues

Flow of IP Rights in OSS



The open source landscape

Primary definition of Open Source Software

- Software that is licensed under a license that conforms to the Open Source Definition (OSD)

Community Development Projects

- May be used to produce OSS but not always

Business Models

- Save in development costs particularly for operations and web-based services
- Promote commercial sales of other software, hardware, and/or support services

OSS licenses

Important requirements of the OSD

Must be royalty free

Must permit modifications and redistribution

Must not require license execution

Must permit code extraction and separate redistribution



REMEMBER

Just because you do not need to sign a license does not mean that there are not significant terms and conditions. Nor does it mean that the IP is in the “public domain.”

Permissive and reciprocal licenses

Permissive Licenses

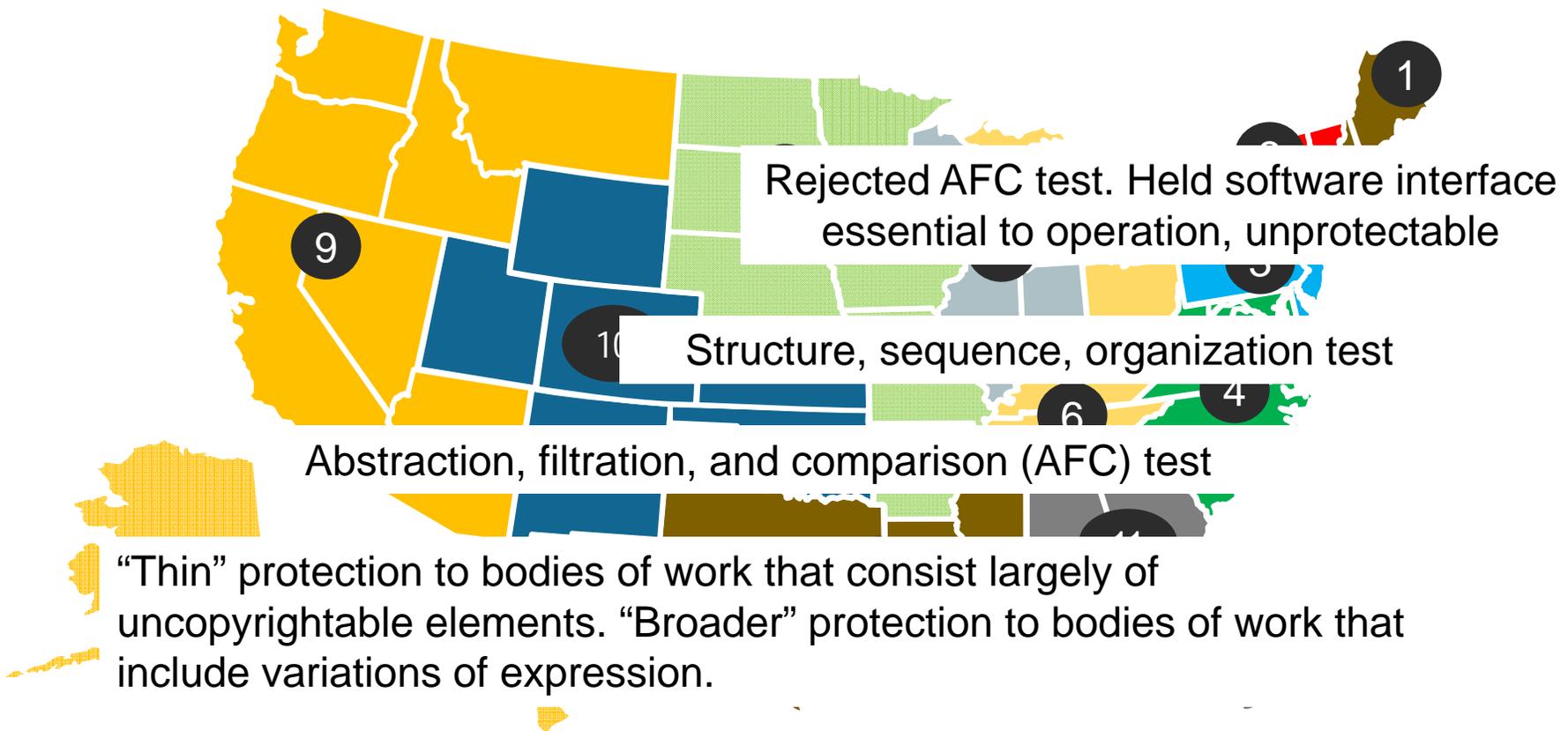
- BSD, MIT, Apache
- Reproduce notices and license
- **No requirement** to make source code available

Reciprocal or Copyleft

- Reproduce notices and license
- **Requirement** to make source code available
- Strong Copyleft licenses (GPL, LGPL)
 - Do you need to understand inner workings of Copyleft code or just standard interface?
- Weaker Copyleft licenses (MPL, EPL, CPL)
 - Usually limited to modifications to the Copyleft code

What is a software derivative work?

Circuit split with respect to the test used



Key risks to avoid

Loss of trade secrets

Noncompliance with OSS Licenses

- Copyright infringement – Injunction, statutory damages
- Breach of agreement – Damages, specific performance
- Community outrage

OSS Integrity/Pedigree

- Damages
- Injunction

Unauthorized contributions to community

Is OSS enforcement different?

OSS Differs from Other Acquired Software

Infringement may be more “innocent”

- No “physical” acceptance
- Use may avoid internal legal review
- Slips through internal procurement processes

Copyright ownership and standing to sue may be unclear

Violations easier to detect

Why it matters

Remedies for breach of contract

- Damages most common
- Specific performance
- Injunction

Remedies for Copyright Infringement

- Damages
 - Copyright owner's actual damages plus infringer's profits; OR
 - Statutory Damages (# of infringing copies multiplied by statutory amount)
- Injunction
- Costs and attorneys fees

Enforcement Objectives

- Follow rules
- Raise “social” awareness
- Ensure intended value is recognized
 - Attribution
 - Marketing
 - Sales of other products/services
 - Improve software
- Discouraging use is NOT an objective

Compliance and Enforcement

Jacobsen v. Katzer (Fed. Cir. 2008)

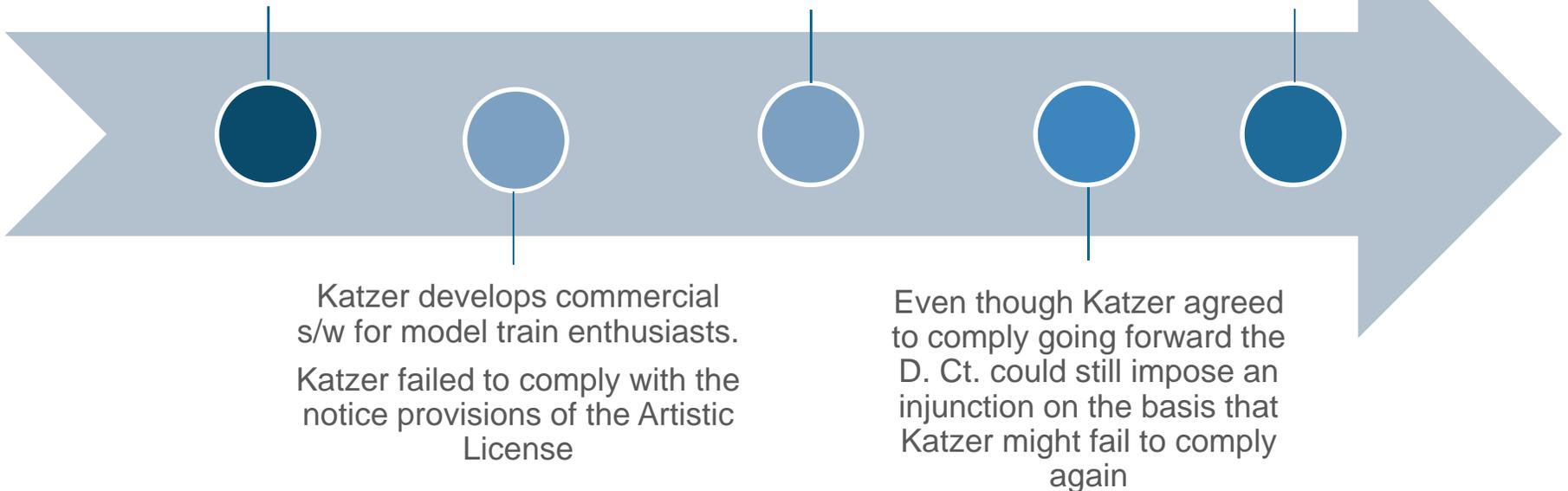
Jacobsen manages OSS group called Java Model RR Interface (JMRI).

JMRI, with many participants, created DecoderPro.

Jacobsen holds copyright in the code, which he makes available for download under the Artistic License.

Court held Katzer was a copyright infringer

Settlement Feb. 18, 2010



Compliance and Enforcement

BusyBox Cases

- BusyBox – Set of Unix utilities used in limited resource devices such as cell phones and PDAs
- Licensed under the GPLv2
- Widely used in products sold by more than 100 manufacturers
- Many manufacturers apparently did not know that they were distributing BusyBox under the GPL
- Spawned several lawsuits; most have settled



Compliance and Enforcement

Latest BusyBox Suit

Dec 2009:

- SFLC filed suit against 14 consumer electronics companies
- Lawsuit covers almost 20 Linux-based products
- Suit filed on behalf of the SFC and Erik Andersen, a BusyBox developer and CR holder

Most
defendants
have settled



July 2010: Default judgment ordered against Westinghouse; SFC awarded attorney fees

July 2011: Best Buy and SFC make significant progress; preliminary injunction motion withdrawn. SFC may refile against Phoebe Micro

Compliance and Enforcement

BusyBox Allegations

- Complaints have not alleged exotic copyright infringement, such as whether the software is a derivative
- Complaints have alleged
 - Lack of inclusion of source code or an offer for source code
 - Lack of copyright notice
 - Lack of inclusion of a copy of the GPL itself

Enforcement and Compliance

BusyBox Settlement Terms

- Retain Open Source Compliance Officer
- Disclose source code for the version of BusyBox distributed
- Take substantial efforts to inform previous recipients of their rights under the GPL
- Pay an undisclosed amount to the owners of BusyBox



Compliance and Enforcement

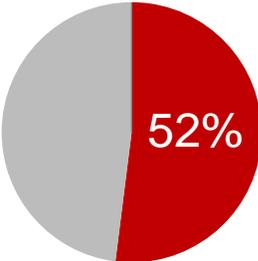
Cisco/Linksys

- FSF filed suit against Cisco in Dec 2008 alleging CR infringement by Linksys products of GCC, binutils, and the GNU C Library, licensed under GPL and LGPL
- Settled May 2009; Cisco agreed to:
 - Appoint Free Software Director for Linksys, who will periodically report to FSF
 - Notification on Linksys website and in publications
 - Provide source code on website to FSF programs
 - Monetary contribution to FSF

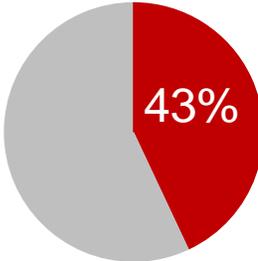
Compliance and Enforcement Issues Surrounding Android

August 2011:

U.S. smartphones running Android



Worldwide smartphones running Android



Compliance and Enforcement Issues Surrounding Android

- Dozens of cases filed alleging patent infringement by devices using Android OS
- Oracle Am., Inc. v. Google, Inc.: alleges copyright and patent infringement
 - Oracle alleges that the Android code is directly copied from copyrighted Oracle code and that about one-third of Android's APIs are derived from Oracle's copyrighted Java APIs and documents
 - Google asserts:
 - the API package and method names are unprotectable
 - alleged similarities in the remaining twelve files are *de minimis*
 - Court found
 - names of Java language API files, packages, classes and methods are not protected because words and short phrases are not copyrightable
 - However, the selection or arrangement of the names may be subject to copyright
 - the remaining twelve files are each a separate work

Good Practices To Avoid Painful Enforcement Situations

- Comply with the licenses for OSS you use
 - Institute an OSS Corporate Policy and Procedures
- But failing that:
 - Identify an internal point of contact
 - Respond immediately to any notification
 - Be constructive
 - Take corrective action
 - Pay a fine

Thank You!



Joanne Montague
joannemontague@dwt.com

Anchorage
Bellevue
Los Angeles

New York
Portland
San Francisco

Seattle
Shanghai
Washington, D.C.

22