

Appeals Court Vindicates the Enforceability of Open Source Licenses

By David Blau, Patent Associate

Developers of open source software are rejoicing over a recent high court ruling that they can rely on standard license terms to enforce their copyright interest in such software. In its decision of August 13, 2008 in *Jacobsen v. Katzer*, the Court of Appeals for the Federal Circuit opened the door to potentially stiff statutory fines and injunctions for violators of open source licenses.

Robert Jacobsen manages JMRI, an open source software group that created software called DecoderPro for programming model-train decoder chips. Jacobsen made DecoderPro available for download on SourceForge, an open source incubator website, under a non-exclusive copyright license called the Artistic License.

This license allows individuals to use and modify the software free of charge, so long as the modifications include a description of the changes, identification of JMRI or SourceForge as the original source of the software, and notice of JMRI's copyright.

Matthew Katzer and Kamind Associates develop commercial software for the model-train industry. Katzer and Kamind created Decoder Commander, a product in direct competition with DecoderPro.

Detecting similarities between Kamind's software and portions of DecoderPro, and observing Kamind's utter disregard of the license terms, Jacobsen sued Katzer/Kamind for copyright infringement and asked the court for an injunction prohibiting further distribution of Decoder Commander.

Jacobsen argued to the trial court, in the Northern District of California, that Kamind's violation of the Artistic License constituted copyright infringement and that Jacobsen was entitled to an injunction to prevent the irreparable harm that continuing infringement would inflict.

The trial court, however, favored Kamind's contention that its violation of the attribution requirement resulted in breach of contract, but not copyright infringement. Injunctive relief was therefore not justified.

Jacobsen appealed the ruling to an unlikely court, the Federal Circuit. Ordinarily, that court does not hear cases involving copyright, as the court acquires its jurisdiction primarily from patent-related subject matter.

However, the court was able to hear the appeal because Jacobsen's lawsuit requested a declaratory judgment that Decoder Pro did not infringe a Katzer/Kamind patent. Using its jurisdiction over matters supplemental to patent matters, the Federal Circuit issued an important ruling on the copyright question.

The court took note of the proliferation of open source licenses, which it called "public licenses." These licenses, it noted, allow both the original and downstream developers to retain attribution for their respective contributions to a collaborative project, while permitting the original developer to derive economic benefit from the collaboration. Such benefit includes receiving the labor and input of experts entirely unknown to the original developer.

Even if no money changes hands, the court noted, developers may generate market share for their programs by providing certain components free of charge, or enhance their industry reputations by incubating open source projects.

The court explained that copyright holders who engage in open source licensing have the right to control the modification and distribution of their copyrighted material, just as other copyright holders do. The court found that the "clear language" of the Artistic License sets conditions on licensed use, not covenants on contract use, as such.

The appeals court found that the District Court had improperly discounted the express restrictive terms of the license. The case was sent back to the District Court for a finding on whether an injunction should issue based on copyright law, not contract law.

While the decision brought victory for Jacobsen and the Artistic License, the impact on other open source licenses is unclear. The Artistic License itself has fairly specific terms and, while not uncommon, is not in broad use.

Licenses more frequently used, such as the General Public License (GPL) published by the Free Software Foundation, and the licenses proffered by the Creative Commons organization having “mix-and-match” use and copying terms, have yet to be tested in court.

Given the Federal Circuit’s strong reliance on the “clear language” of the license in its ruling, it seems inevitable that each of these other licenses will have to be vetted in litigation before software developers can safely rely on them.

Still, the Federal Circuit’s ruling validates the *practice* of this licensing model, and advocates of open source software licensing will be banking on this decision for some time to come. ✧