Open source software projects invite computer programmers to view the software’s source code and make changes and improvements to it. Traditionally, software developers have treated source code as a trade secret and prevent outside developers from viewing how the code is written. This way, software developers can license the use of the object code in attempts to turn a profit. Open source, on the other hand, is based on the theory that ‘many hands make light work.’ Any number of developers can donate time and efforts to contribute their own code to the creation of the original author. When multiple programmers contribute, bugs are more easily detected and eliminated, and the costs of development are greatly reduced. Even after the software has been developed to the point where it can properly serve its purpose, users can alter the code to suit their individualized needs or incorporate the code into other open source projects. Because of the collaborative nature of these projects, the original author profits by providing ancillary services and support.

As open source has developed over time, programmers have begun to include license conditions for the code’s use within the code itself. Usually, these conditions require derivative works to identify the original author and the scope of the license granted by the original owner.

Yet, conditions for the use of open source software seem to restrict free use, which is seemingly intended by these types of projects. The use of these licenses begs the question, what would happen if the conditions were violated?

In August 2008, the United States Court of Appeals for the Federal Circuit answered this question by ruling in Jacobsen v. Katzer that open source license conditions could be enforced under copyright law.

The issue arose when Jacobsen posted on his hobbyist website open source software which could control model railroads via a personal computer. The software contained an Artistic License which required that changes to the source code be tracked so subsequent users would know which parts of the code are from the original author and which parts have been added by other collaborators. Jacobsen argued that Katzer/Kamind, a competitor and defendant in this case, used his code in their Decoder Commander program without complying with the license conditions. Specifically, Decoder Commander failed to include Jacobsen’s name as the original author or indicate how his source code had been changed. Arguing that Katzer/Kamind had infringed on Jacobsen’s copyright, he requested that the District Court issue an injunction, preventing Defendant from distributing Decoder Commander software.
The District Court determined that “Defendants' alleged violation of the conditions of the license may have constituted a breach of the nonexclusive license, but does not create liability for copyright infringement where it would not otherwise exist.” Instead, the court determined that Jacobsen had a cause of action only for breach of contract and therefore was not entitled to a preliminary injunction.

Jacobsen appealed the finding that he did not have a cause of action for copyright infringement. The Court of Appeals found that “the lack of money changing hands in open source licensing should not be presumed to mean that there is no economic consideration.” The court wrote that “[c]opyright holders who engage in open source licensing have the right to control the modification and distribution of copyrighted material,” and concluded that “money damages may not be sufficient.” Accordingly, the Court of Appeals vacated the District Court's ruling and remanded for further proceedings.

This ruling by the court may have a major impact on the industry, especially considering that there are more than 100 million open source licenses protecting collaborative works. Business owners and management at all levels should be mindful of the software used in their businesses and make sure compliance with the license terms is a top priority.

Sources:
Jacobsen v. Katzer, 535 F.3d 1373 (Fed. Cir. 2008)
