

## CLIENT ALERT

### In Rare Copyright Decision, Federal Circuit Affirms Enforceability of Open Source License Conditions

August 14, 2008

In *Jacobsen v. Katzer* (No. 2008-1001; August 13, 2008), the Federal Circuit reverses and remands a district court's decision denying a preliminary injunction to enforce the conditions of an Open Source software license. The Court notes that although the defendant appears to have conceded noncompliance with the conditions, the district court failed to make factual findings on the plaintiff's likelihood of success on the merits, and remands for such a determination. The Federal Circuit holds that it has appellate jurisdiction over this copyright infringement ruling because the complaint also sought a declaratory judgment of non-infringement and invalidity of the defendant's patent.

The plaintiff created a computer application used by model train enthusiasts, which he published as part of a SourceForge open source software group. The code was made available for free download under the Artistic License, a form approved by the Open Source Initiative. The license requires anyone who uses the code as part of a new software application to embed certain information in the new product, including the identity of the creator of the original code and a description of any changes to the original code. The defendant incorporated the code in a commercial product for sale to model train enthusiasts but failed to include the required information. The district court found that the plaintiff had effectively dedicated his software for free public use, that the information requirements were contractual provisions that did not affect the scope of the license itself, and that there could be no copyright infringement for the defendant's use, notwithstanding its noncompliance with the "attribution" requirement.

In reversing, the Federal Circuit applies California law to find that the information requirements are conditions of the license, not mere contractual covenants, and that use of the code without complying with them constitutes copyright infringement. The Court discusses the general Open Source licensing model, explaining that a copyright owner may receive substantial economic benefits under such a license, including cost-free improvements flowing from the collaborative process, an expansion of market share, and an enhancement of reputation. It notes that the "attribution and modification transparency" conditions of the Artistic License are designed to promote these interests, through a "controlled spread of information" about the creator of the code and modifications that others have used to enhance the software. Under an Open Source license, a copyright owner may require public users to comply with such conditions, and enjoin use of the free software if they are ignored.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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