

IP ADVISOR

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2007 ISSUE**JACOBSEN V. KATZER: A NEW DECISION AFFECTING OPEN SOURCE LICENSING***By Robert S. Blasi and Kenda J. Stewart*

The District Court for the Northern District of California recently ruled in *Jacobsen v. Katzer*, No. 3:06-cv-01905 (N.D. Cal. Aug. 17, 2007), that the defendant's alleged failure to adhere to the provisions of an open source license, by distributing copies of the licensed source code without the inclusion of the required attribution notice, constituted a claim for breach of contract and *not* a claim for copyright infringement.

The plaintiff in the case was Robert Jacobsen, a model train hobbyist and member of the Java Model Railroad Interface Project ("JMRI"). Jacobsen developed model train software made available through the JMRI online community subject to a standard open source software license. Under that license (the "Artistic License"), the licensee receives a nonexclusive license to use, distribute and copy the licensed software. The nonexclusive license is subject to various conditions, notably the licensee's proper attribution of the author of the licensed software.

The defendants were Matthew Katzer and Kamind Associates, Inc. ("KAM"). Katzer is the chief executive officer of KAM, a company that develops software for model railroad enthusiasts. Katzer obtained certain patents relating to model railroad software and sought royalties from Jacobsen and JMRI, on the basis that the patents covered the JMRI software.

In March 2006, Jacobsen filed suit alleging that Katzer's patents were invalid for inequitable conduct before the PTO. Plaintiffs later amended their complaint to add a copyright infringement claim, alleging that Katzer copied source code from the JMRI project and distributed it with his proprietary software, but failed to comply with the portion of the Artistic License that requires attribution of the code to the JMRI project.

In January 2007, Jacobsen moved for a preliminary injunction to enjoin the defendants from willfully infringing Jacobsen's software. The court denied that motion, holding that because the Artistic License permitted potential licensees (*e.g.*, members of the public) to copy, distribute and create derivative works from software covered by that license, Katzer did not commit copyright infringement by copying and redistributing the JMRI software source code files. Instead the court held that Katzer only breached the terms of the license by not including the required attributions.

The court observed that a nonexclusive license effectively constitutes a waiver of the right to sue for infringement, so long as the licensee's use of the work is within the scope of the license. The court also found that the license provisions requiring attribution was not a restriction on the scope of the license. Therefore, Katzer's failure to include attribution did not exceed the scope of the license and create liability for copyright infringement, but rather constituted a breach of a term in the license agreement. Thus, the court concluded that Jacobsen, while possibly having a breach of contract claim

against the defendants, did not have a copyright infringement claim and therefore could not demonstrate a likelihood of success on the merits of his copyright claim, a required element for the grant of a preliminary injunction.

The *Katzer* case is significant for several reasons. First, the Free Software Foundation, the organization responsible for the maintenance and the development of the GNU General Public License (“GPL”), has publicly taken the position that the GPL is a “license,” not a “contract,” because it purportedly doesn’t require a licensee to commit to any obligations to a licensor. The *Katzer* decision would seem to undercut that position. In addition, if *Katzer* is followed by other courts, it could affect the remedies available to open source licensors.

A plaintiff is entitled to a preliminary injunction when it can prove a combination of probable success on the merits and the possibility of irreparable injury. Under federal copyright law, a plaintiff who demonstrates a likelihood of success on the merits of his or her copyright infringement claim is entitled to a presumption of irreparable harm and can thereby obtain preliminary injunctive relief as a matter of course. For contract claims, the remedy is simply damages, which effectively lets an accused infringer continue his or her activities in exchange for a fee. Significantly, the amount of that fee is an open question – what type of damages can be claimed when open source software is licensed with no royalties or fees?

The *Katzer* case, however, certainly does not represent the last word on the enforceability of open source licenses. The decision has not yet been appealed, and the Artistic License, the terms of which were at issue in *Katzer*, is very different from the terms of the GNU General Public License, which is far and away the most popular open source software license. *Katzer* does, however, provide important and much-needed insight as to how courts may choose to enforce (or not enforce) open source licenses and is an example of the types of issues that will arise as open source licenses are litigated.

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