



**IP NEWS BRIEF**  
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## **Federal Circuit Finds That Violation of Open Source License Restrictions Could Constitute Copyright Infringement**

The Federal Circuit recently vacated and remanded a district court's denial of preliminary injunctive relief for a plaintiff copyright holder who made certain computer programming code available for public download, but with an "open source" license. In *Jacobsen v. Katzer*, 535 F.3d 1373 (Fed. Cir. Aug. 13, 2008), Robert Jacobsen was the copyright holder of DecoderPro, a programming application that controlled a decoder chip for model railroad trains. Jacobsen made the DecoderPro program available for free download via his website, but downloading parties were required to accept certain license conditions, including attribution to the original author, a copyright notice, and a description of any alterations made to the original source code.

The defendants, Matthew Katzer and Kamind Associates, Inc. downloaded Jacobsen's program and used portions of the DecoderPro code in their Decoder Commander program. However, Katzer and Kamind failed to identify Jacobsen as the author and failed to include a copyright notice and alteration description. Jacobsen sought a preliminary injunction, claiming copyright infringement and breach of contract. The U.S. District Court for the Northern District of California held that there were no grounds for injunctive relief, stating that Jacobsen's only relief was through breach of contract grounds.

Rather than appealing the denial to the Ninth Circuit, Jacobsen appealed to the Federal Circuit, which had proper jurisdiction because of a related patent infringement declaratory judgment action in the case. The Federal Circuit applied Ninth Circuit law to analyze the copyright infringement claim. The court described the benefits of open source licensing, particularly enhancements to creative collaboration. The court reflected on the utility of open source software, stating that users around the world can view code, make changes and improvements, while also allowing programs to be debugged faster and cheaper than if the original author made changes alone. Additionally, the court noted that open source licensing offers immense

benefits for copyright holders, potentially generating increased market reach and share for their projects and improving reputation.

The Federal Circuit discussed whether the terms of the license were conditions, or merely covenants to, the open source license. Under the former view, the defendants could be liable for copyright infringement. Under the latter view, apparently adopted by the district court, breach of a covenant would only give rise to contract remedies. Analyzing the plain language of the license, the court found that the license expressly stated the terms upon which a party could modify and distribute the material. The license contained the magic words “provided that,” which the court construed as an express condition.

The court held that use outside the scope of the license could result in copyright infringement, not merely a breach of contract. This decision provides strong support for the validity and enforceability of open source licenses, assuming the copyright holder provides express conditional language in the license agreement. However, the Federal Circuit cautioned that its holding in *Jacobsen* was distinguishable from mere author attribution cases, stating that “[c]opyright law does not automatically protect the rights of authors to credit for copyrighted materials.” Thus, one must recognize that open source licensing is a unique issue in copyright law, and enforceability of a license may turn upon the types of conditions set forth in the license agreement.

The use of open source software, particularly in the corporate IT arena, is on the rise. As a result, *Jacobsen* has several practical implications for the business world, both for developers and for end-users. Software creators can now be more certain of meaningful protection of their rights, as long as they select appropriate license terms. On the other hand, software users must take care to understand and adhere to the terms of licenses, or risk copyright infringement liability. It remains to be seen whether this case will dampen corporate enthusiasm for open source software.

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For more information on this IP News Brief, please contact one of our attorneys listed below:

**Daniel J. Schaeffer**

dschaeffer@nealmcdevitt.com

**Jeremy M. Roe**

jroe@nealmcdevitt.com

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