JBoss Certified Technology Partner

Israel JBoss User Group

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JBoss and Red Hat: Union of Brands

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Agenda

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Newsbreak!

- ...Red Hat, the leading Linux distributor, announced on April 10 that it has entered into a definitive agreement to acquire JBoss, an open-source Java middleware company.

The Motivation

- RH:
  - » Red Hat Linux as a “superplatform”
  - » Complex Software Stacks == Expensive Consultants
  - » “If you do not have an app server in your product line, you do not have enough of the stack to remain relevant”
  - » More complete open-source portfolio(*analyst case*)
- JB:
  - » JBoss will richly reward its employees and investors
  - » Teamed with RH: more traction on the SOA frontier

What It Says About...

- **The Industry**:
  The late-1990s dream has changed...
- **The Technology**:
  When the OS and the middleware become a well-integrated intelligent platform, good things can happen
- **Software development craft**:
  open-source development is professional software development, not a leisure-time activity

MF's Quotes...

- "...a pole will emerge around the open source pure play we represent. I believe this will strengthen our **ecosystem** as we merge with the Redhat ecosystem"
- "The Red Hat presence and sales force will help us increase the reach of JEMS. Red Hat was always the big brother as far as a business model standpoint."
- But also(in 2004):
  "RH is a packager, it doesn't create JACK, it doesn't create Linux, it wraps it up in proprietary shit. And no the contributions that they make don't really count.

Professional OS Strategies

- Service-Level-Agreement Model
  - Revenue model built around product support
  - Used when individual contributors own the copyright to the source code
  - Example: cellular phone companies gave away cell phones in exchange for contract agreements

Professional OS Strategies – Cont'

- Dual Licensing Model
  - A company distributes the software under two different licenses: one open source, one commercial
  - The open source license(GPL), usually prohibits you from taking the code, create your own brand of software with it, and then sell it for profit
  - Using the developer community to develop – the customer community to pay
  - Used in various forms by such companies as MySQL, Red Hat, Trolltech and Sleepycat

Professional OS Strategies – Cont'

- The Ecosystem Model
  - Company creates a network of partners or preferred ISVs
  - Partners provide integration tests or other mutual quality certifications
  - The goal of this network is to create a lock-in of sorts
- Marc Fleury: “We think we're inventing the new open source. It's not the pony-tailed faction on the communist fringe. There needs to be **professionalism** and **credibility.** There needs to be sales and marketing, and all the things that make a business.”

Advocates

- ”The deal is further proof that open source has transformed the enterprise software market“ (Rod Johnson)
- “...successful evangelization and commercialization of open source.” (Gavin King)
- “Now for the first time, Red Hat has taken responsibility for developing an OS project. This marks a significant adjustment to the Red Hat business model.” (analyst)

Critiques

- It will take time for RH to **gain credibility** as a serious application platform partner
- A **service business** fundamentally **scales linearly** with the number of employees, JBoss will hit a wall in the near future, regardless of Red Hat's deeper pockets
- "Adopting JBoss is **taking a stake**. If the Red Hat reputation is damaged by JBoss, main revenue stream will be affected."
- "JBoss's trademark strategy is designed to create a **monopoly**, coupled with a pricing strategy that is quite **aggressive** and far from 'free.' " – *Rickard Oberg*
- "JBoss guys **just made money on us**, playing with the community, sending strong messages..."

JBoss License Issues

- Fleury, 2003: If the group of retired developers attempts to fork the JBoss code base, I would sue them.
- Rickard Oberg, 2005: The copyright ownership of JBoss is quite messy. The LGPL license can not apply to JBoss. It is currently illegal to distribute JBoss...
- Sacha Labourey, in response: When Fleury started JBoss, Oberg was no longer involved
- However: Fleury, 2003: BEA unsuccessfully tried several times to hire Rickard Oberg, who gave us the JBoss 2.X codebase"
- Rumor mill, 2006: has Oracle uncovered code ownership issues when doing due diligence in preparation for an acquisition of JBoss?

Market Effect

- Novel: SUSE May gain more popularity at Red Hat's expense, be adopted or even bought by IBM/Oracle
- IBM: May seek for salvation in SUSE?
- Sun: Red Hat will continue cannibalizing the market for Sun's Solaris OS, now with JBoss.
- Oracle: Why did it skip the purchase? Is it waiting for Red Hat-JBoss to stabilize, and then purchase?
- BEA: Regain popularity due to its standing alone as a neutral provider of J2EE solutions with no alternate agenda? Or continue to die hard(no vengence in sight)?
- Geronimo: Massive adoption is possible, since JBoss' partners will probably need to fill the void

Issues with JBoss Competitors

- Matthew Szulik, the CEO of Red Hat:

  "The reputation JBoss has in the market gives me a strong indication that that brand will continue.

  [We] understand the concerns of competing middleware companies that currently support Red Hat, such as IBM and Oracle. Red Hat will continue to partner with those companies. There will be areas where we'll compete, but we'll let the customers ultimately make those decisions."

  But how exactly?

Time to Get Phylosiphical...

- Is JBoss Still Open Source?
  - **Yes**:
    That's the new trend, getting wrapped by a brand name gives JBoss the power to keep on manufacturing innovative technology for all(*).
  - **No**:
    OS started as a free market movement targeted against monopolies and vendor lock-ins[*1997, Eric Raymond, "The Cathedral and the Bazaar"*], JBoss acquisition will re-introduce the monopoly. Time to move on to a true OS project, such as Geronimo.

Q&A

Thank You

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