A Software License For One Is Not a License For All

Dennis Walsh
Mar 1, 2018 · 5 min read

. . .

This is part 1 in my new series "IP for Software Developers — What Every Developer Should Know." I am a former IP attorney turned entrepreneur developer that greatly benefits from open source. This series is my attempt to give back.

. . .

A recent software developer podcast discussed Facebook's React open source license legalities. The podcast developers groused, "… and then if you sue Facebook, you lose your React license!"

But which React license and what are the repercussions? There are several licenses at work with all open source software. Let's clear up the various licenses and how they work together!

In this post, we are going to get a high view of the various legal regimes and how each of those regimes work into licenses. Finally, we will answer the React license question — if you sued Facebook under the old BSD + Patents license, what license did you lose with what potential outcome?

Four Legal Regimes of Software Licensing

Typically, four legal regimes protect software: contract, copyright, patent, and trademark. Each regime comes with different protections and remedies.

Contract

This is the open source LICENSE.txt file or End User Licensing Agreement (EULA) for commercial software. These are "take it or leave it" contracts and detail permitted uses. Permitted uses may include a cap to the number of installed machines, obligations to contribute back, and anything else that could pass acceptable public policy muster.

The license also grants rights in the other legal regimes. For example, a grant to copy the software.

But if there is no license or other agreement, there is no contractual obligation. This is where trouble can start. One may naively think if the software owner did not to include a license, it is a royalty free tech transfer. 🤦‍♂️

Not quite. Because…

Copyright

The most misunderstood regime in all of IP. Allow me to go a little deeper on this one, and I think you'll get a lot of practical information back out.

Copyright protects "original works of authorship that are fixed in a tangible medium of expression." 17 U.S.C. § 102.

Copyright also grants a "bag of rights": reproduction (don't copy Gladiator, my favorite movie), derivative works (don't make Gladiator 2), distribute copies (don't sell

Gladiator), right to perform (don't sell tickets to Gladiator the musical), and right to display (don't show Gladiator).

Those rules are expansive, but in practice, copyright doesn't seem to grant those bag of rights to software. That's generally true because copyright protects "original works of authorship", not facts or ideas.

Therefore, software enjoys little copyright protection because code is utilitarian and represents little artistic expression. It is safe to assume that copyright protects wholesale copying of code (save for Fair Use arguments) but little else. However, the copying of code without permission is infringement. And if you want to protect your software, copyright registration grants additional statutory damages if infringement occurs after registration — that's how single song copying results in outrageous lawsuit awards.

Also, be aware that copyright exists on many levels. For instance, take the CSS framework Bootstrap. Bootstrap is code, but Bootstrap also produces visual arrangements. Those arrangements are somewhat expressive and will enjoy more copyright protection than the underlying code. And the more expressive, the more protection.

Given the copyright primer, you can see why software without a copyright grant is so dangerous. With few exceptions, you cannot copy it. And courts have held copying can be as simple as moving code from a hard drive into RAM.

All open source software licenses also contain copyright licenses. For instance, with the MIT license… "including without limitation the rights to use, copy, modify, merge, publish, distribute, sublicense, and/or sell copies…" That's the fully copyright "bundle of rights" mentioned above!

Always make sure there is an explicit grant to copy the code!

Patents

Patents protect inventions. In context of copyright, patents protect the utility not covered by copyright. A patent application must start within one year of public disclosure (or before public disclosure outside of the US), the application must be novel (first to do it), non-obvious, and describe the invention with such detail that one of ordinary skill in the art could replicate it.

A patent grants the right to exclude others from practicing all claimed patent elements. For instance, if there is a patent for a pencil, and the patent claims a pencil is "a writing instrument disposed of graphite, wood, and eraser stuff," you can use a pencil with graphite, plastic, and eraser stuff because the patent claimed its invention uses wood.

Software patents typically suffer from similar "design around" loopholes as the previous pencil example. Just as the use of wood in a pencil is somewhat arbitrary, many of the claimed elements of a software patent are arbitrary. The exception is software standards, like mp3 encoding, where the arbitrary elements are required to practice the standard.

To legally use, make, or sell the claimed patented invention, you must have a patent license.

Trademark

A trademark is a recognizable sign, design, or expression that identifies products or services to a particular source. Common law trademarks attach when the mark is put into commerce. (In other words, they do not need to be registered, but registration grants additional rights.)

Most software developers trample all over trademarks. Be cautious. Almost no software owner grants a trademark right. Therefore, you are running a risk calling your application, say, "GraphQL-Now" because it may suggest that Facebook — the owner of the GraphQL common law trademark — is the source. You wouldn't call your application "Facebook-Now" for those reasons, and the same logic applies to, say, "Vue-Visuals."

It's always a good idea to contact the software's owner and get approval when using their mark!

Why Suing Facebook Terminates the React Patent Grant, Only

There are three licenses with BSD + Patents React — contractual, copyright, and patent. Their language in the patent grant said:

"The license granted hereunder will terminate … if you … initiate … any Patent Assertion." That limited the termination to the patent grant.

They could have said “All licenses associated with the software terminate …” and the contract license could have read “… parties agree that non-licensed use of this software results in liquidated damages of $10M.” But they didn’t!

Assuming they have patents protecting React, they could assert those claims in response to your initial patent suit. The damages for such infringement is lost profits or reasonable royalties. What lost profits or reasonable royalties are to a patent that’s, ostensibly, given away to millions of other people is not an argument I would want to make.

That’s the denouement to the entire React licensing legal war game — a claim for lost profits on a patent for which they make no profit. That is not worth anyone’s time to prosecute. But if you listened to developers (or this particular podcast), you might think Facebook could leave everyone homeless.

But now you know that it is all about the licenses, that there are difference licenses, and to check which licenses are in play. You know that infringement of those license have different remedies, some more substantial than others.

. . .

I like blogging about new software patterns and intellectual property law. If we share those interests, please consider following me here and on Twitter @LawJolla.

Patents Software Licensing React Copyright