

Maximizing the value free software to your organization using copyleft

Marc Jones

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Redis' Labs Motivation

"However, today's cloud providers have repeatedly violated this ethos by taking advantage of successful open source projects and repackaging them into *competitive, proprietary service offerings*. Cloud providers contribute very little (if anything) to those open source projects."

[Why did Redis Labs adopt it?](#), [Licenses](#), [redislabs](#)

Redis' Labs Motivation

We initially licensed them under AGPL. However, later on we realized AGPL does not prevent cloud providers from creating managed services from our code. Furthermore, we got requests from developers working at large enterprises, to move from AGPL to a more permissive license, because the use of AGPL is against their company policies.

[Why didn't you use AGPL for Redis Modules?](#), [Licenses](#), [redislabs](#)

MongoDB's Motivation

"The reality, however, is that once an open source project becomes interesting, it is too easy for large cloud vendors to *capture all the value* but contribute nothing back to the community. As an example, MongoDB has become one of the most popular databases in the industry. As a result, we have observed organizations, especially the international cloud vendors, begin to *test the boundaries of the AGPL license*."

[Why are you changing the license for MongoDB?](#), [Server Side Public License FAQ](#)

What are they trying to sell

Prohibiting & Punishing Competitors

- Common clause is focused on monetizing the value of the functionality of the software
 - SSPL substantially increases the burden of compliance on those making the functionally available to others
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What are they doing wrong

- They think the commercial value is in the existing software
 - They think the cloud hosting providers are "capturing" the value of the software
 - The commercial value of Free Software is not in the functionality of the existing software.
 - Free Software is essentially a commodity, its hard to make a lot of money selling commodities
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What's a commodity

"In economics, a commodity is an economic good or service that has full or substantial fungibility: that is, the market treats instances of the good as equivalent or nearly so with *no regard to who produced them*."

Wikipedia - Commodity

What's a commodity

3. a good or service whose wide availability typically *leads to smaller profit margins and diminishes the importance of factors (such as brand name) other than price*

Merriam-Webster - commodity

The Problem

- The marginal production cost of making another unit of the last release of is essentially zero.
 - The fixed cost of producing new software including free software is not zero
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The wrong solution

"Commons Clause stops open-source abuse", Salil Deshpande, Tech Crunch September 7, 2018

Salil Deshpande is a investor in RedisLabs

The wrong solution to a none existant problem

"First, do not worry about Redis Labs. The company is doing very, very well. And Redis is stronger, more loved and more BSD than ever before."

"Commons Clause stops open-source abuse", Salil Deshpande, Tech Crunch September 7, 2018

They are leaving the wrong money on the table

- MongoDB and redis require a CLA
 - CLA's reserve the right to the company to change the license later
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They are leaving the wrong money on the table

- The top thirty contributors to MongoDB worked for MongoDB or affiliate

They are leaving the wrong money on the table

1. They are complaining that the cloud providers aren't contributing back, but
2. They require people to give them a unlimited license

They are leaving the wrong money on the table

1. I am mad you are getting paid for doing work.
2. No, being partners to share the costs and the benefits is not an option.
3. I want you to work for me for free.

How does open source actually work

Linux Kernel's business model

1. GPLv2, plus some exceptions
2. Open participation

By making a contribution to this project, I certify that:

- (a) The contribution was created in whole or in part by me and I have the right to submit it under the open source license indicated in the file;

Developer's Certificate of Origin 1.1

How does open source actually work

- No one sells the linux kernel, the contributors are pooling their resources to share the fixed cost of production
- Companies do sell services
- Companies find value in their reputation and brand for providing those services

RedHat

- Sells support services (ex: back ports patches)
- Sells engineering services
- Sells certification and training

Other Open Source companies

- "Complete code freedom"
 - "You also aren't locked into a vendor and you never need to worry about paying for software licenses"
- "Product support"
 - "No matter your choice for hosting, we're here to help you get the most out of RT."
- "How to Deploy"
 - "Choose from managed hosting, self-hosted, or cloud hosting through AWS."
- "Managed Hosting"
- "Join us at our next Public Training!"
 - "Receive real time unparalleled instruction from the people who make RT ..."

Best Practical's [Homepage](#) (producer of Request Tracker)

How does open source actually work

- You don't sell software or software functionality
- Part of value you are giving to customers is freedom to fork you at minimal cost
- You are competing on the quality of services
- ex: CivicAction's is "Monitizing Presence"

What to do

- Recognize the real value you are trying selling (hint it isn't the software)
- Develop a plan to minimize your costs
 - Treat your partners with respect, operate under the same licenses you give to others
 - Cooperate with your competitors to minimize the fix costs of production on equal terms
- Focus on earning revenue from your services
 - Creating custom modifications
 - Develop new features and releases
 - Providing long term support (back porting security fixes)
 - Expertise in the software

What is the value of copyleft

- Copyleft helps you cooperate with your competitors
- Forces the product to stay a commodity
- Eliminates the technology advantage
- Forces your focus on services and reputation
- Provides you with the widest pool of commons available

What is the value of copyleft

- You can only get the full advantage of copyleft if you are subject to it as well
- Easier for you to share if you know a competitor can't make it proprietary
- Easier for your competitor to share with you, if your competitor knows you can't make it proprietary

What is the value of copyleft

- Copyleft Licenses are essentially JV agreements
- Using standardize licenses lowers the transaction costs
- No lawyers required to negotiate the agreement
- Minimal overhead (no separate entities, minimal paperwork)
- You can cooperate with someone you aren't talking to you (or even someone you hate)

Redis's Real Motivation

I admire Amazon's execution. In the venture business we are used to the large software incumbents . . . being primarily big sales and distribution channels, which need to acquire innovation (i.e. startups) to feed their channel. Not Amazon. In July 2015, The Wall Street Journal quoted me as saying, "Amazon executes too well, almost like a startup. This is scary for everyone in the ecosystem."

"Commons Clause stops open-source abuse", Salil Deshpande, Tech Crunch September 7, 2018

Redis's new problem

- Goodforms Exists
- Closed off any possibility of cooperation
- No one believes them that they aren't pursuing vendor lock in
- They still don't know what value they are adding