

Patent Issues with Open Source Software (OSS)

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OSS licenses are primarily copyright licenses, granting licensees the rights to copy, modify and distribute computer code. However, there are significant patent issues that can arise with OSS licenses. These issues can include express and implied patent license grants in OSS licenses, patent assertion retaliation clauses, and litigation strategies and tactics. Also, it is a common misconception that open source software cannot be patented.

This module will cover these and other legal issues that arise from the interplay between open source software and patents.

EXPRESS PATENT LICENSE GRANTS

Certain OSS licenses include an express patent license grant to the OSS licensee. These grants extend a license from the original developer of the OSS to licensees. However, in some cases, if you use OSS with your patented software, you may be granting a patent license to others as well. This is due to the fact that some OSS licenses specify that a combination of OSS with other software requires the combination to be licensed under the OSS license. If you redistribute the OSS, with modifications, you may also be granting a patent license.

Many otherwise “benign” OSS licenses include patent license grants, most notably the Apache 2.0 license.

SCOPE OF EXPRESS PATENT GRANTS

The scope of express patent license grants varies among different OSS licenses. There are several key variables in the express patent license grant clauses. These variables include who is granting a patent license and what patents/activities are included.

WHO IS GRANTING THE PATENT LICENSE?

Nearly all OSS licenses, which have an express patent license grant, extend a license from the original developer of the OSS to licensees. Many subject certain downstream users to granting a patent license as well. For example, a downstream user of such OSS may be subject to granting a patent license if it modifies the original OSS and redistributes it, or if it combines the OSS with other software.

WHAT PATENTS/ACTIVITIES ARE INCLUDED?

The scope of the patents included in these grants varies by license as well. Some include the relevant patents owned by the licensor at the time of distribution. Some include after-acquired patents

as well. Some license grants cover only patents that are infringed by the original developers’ or downstream licensee’s contributions (e.g., modifications or enhancements) or their contributions in combination with the version of the OSS that the licensee received. Some broadly grant rights to permit anyone downstream of the licensee to make additional modifications. As a result of this, if even if you only make minor contributions to an OSS component, you may be granting a fairly broad patent license. So too is the case if you combine a covered OSS component with other software.

The bottom line is that if you own patents and you use open source, you need to understand the patent license grants in the OSS licenses and how they may impact your patent rights. This includes patents you presently own and potentially those you may acquire in the future.

IMPLIED PATENT LICENSE

Some OSS licenses do not expressly address patents. Arguably, at least some OSS licenses may nonetheless provide an implied patent license.

One argument for this is that many OSS licenses grant a right to “use” copyrighted software, in addition to the right to copy, modify and distribute the software. The rights to copy, modify and distribute are rights under copyright law. The right to use is not. The right to use is one of the rights that arises under patent law, along with the right to make, sell, offer to sell and import what is patented.

To the extent that a patent covers functions of software that a licensee has a right to “use,” arguably, this implies a patent license. Otherwise, a recipient would be granted an express right to use the software, but be liable for patent infringement to the licensee for exercising that right.

Whether OSS licenses include an implied patent license has not been fully tested by the courts. However, in one case involving GPL-licensed code, the court suggested, in ruling on a preliminary motion, that the GPL’s right to use implied a right to use under patent law. See *Ximplyware, Corp. v. Versata Software, Inc.* The court did not opine on the full scope of such an implied license. For example, it did not address whether an implied patent license (if one exists) extends only to the right to “use” what is patented, or whether it would also extend to the other patent rights, i.e., the right to make, sell, offer to sell or import what is patented. Unlike the right to use, these other patent rights are not rights

typically addressed in OSS licenses. This case settled, before a final decision could be rendered. Nevertheless, this case hints that courts might hold certain OSS licenses include an implied patent license.

PATENT RETALIATION CLAUSES

Certain OSS licenses seek to deter a licensee from asserting certain patent infringement claims relating to the use of the OSS Components by terminating the licensee's rights to use the OSS if it makes such an assertion. These provisions are often referred to as patent retaliation clauses. Sometimes they are referred to as patent non-assertion clauses, but this is a misnomer. None of these clauses, of which we are aware, legally prevent you from making a patent assertion. So you are not waiving rights to assert. Rather, they impose some penalty (e.g., terminating your right to use the OSS component) if you do assert.

The scope of the patent retaliation provisions varies among OSS licenses. To the extent that an OSS license contains a patent retaliation clause that would trigger termination of rights, you may not want to use OSS Components covered by that license. However, the decision is dependent on a number of facts, such as whether the OSS component is easily replaced. Due to the fact that typically you control whether you make a patent assertion, some companies will use the OSS Component, and if such a scenario arises, remove the OSS Component and replace it before the assertion. Whether this is feasible is fact dependent. However, some OSS licenses restrict even patent infringement counter-claims. In these cases you may have less control over whether this will impact you.

SCOPE OF SAMPLE TRIGGERING CONDITIONS

- If you assert a patent infringement claim against anyone
- If you assert a patent infringement claim against contributors of the OSS
- If you assert a counter-claim of patent infringement

PATENT INFRINGEMENT DEFENSE STRATEGIES

If you are the subject of a patent infringement claim by a third party, it is advisable to determine whether the plaintiff uses or distributes OSS. You should craft discovery requests to obtain information on plaintiff's OSS distribution and/or usage and its OSS license compliance.

Some discovery strategies include seeking facts to consider the ability to develop the following defenses or counterclaims.

License Defense. Seek discovery on plaintiff's distribution and/or use of OSS. It is possible that it has granted a patent license, whether express or implied, as discussed above. This might provide you a patent license defense.

Counterclaim Against Plaintiff. If you distribute OSS, seek discovery on whether plaintiff uses that OSS and whether the plaintiff has complied with the terms of the relevant OSS license. If not, you may have a basis for a copyright infringement or a breach of contract counterclaim. Under some OSS licenses, certain breaches terminate the license. Thus, continued distribution can constitute copyright infringement. In at least one case, of which we are aware, this type of fact scenario occurred. See, *Twin Peaks v. Red Hat*, 5:12-cv-00911-RMW (N.D. Cal. Jan. 29, 2013).

Patent Retaliation. If plaintiff uses OSS, it is possible that it may be subject to a patent retaliation clause that requires it to cease use of the OSS. This may create leverage to settle.

These discovery tactics have not yet become routine in patent litigation, but we believe that they should and likely will.

Patenting Open Source Software. A common misconception is that open source software cannot be patented. This is simply not true. The reality is that even if software is licensed under an OSS license, it can be patented, if it otherwise meets the conditions of patentability. Some question why one would want to patent OSS. The reasons can vary. One reason is that this provides a defense against someone else patenting that functionality and asserting the patent against the OSS. An offensive example is to prevent someone from replicating the functionality of the OSS and licensing it under a proprietary license.

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