The Association of the Bar of the City of New York

Committee on Information Technology

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Via Overnight Delivery

Free Software Foundation
51 Franklin Street, Fifth Floor
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Re: *Comments of the New York City Bar Association to GPL Version 3*

To Whom it May Concern:

The Association of the Bar of the City of New York (the "Association") is one of the oldest and largest local bar associations in the United States, with a current membership of over 22,000 lawyers. The Association serves not only as a professional association, but also as a leader and advocate in the legal community on a local, state, national, and international level. The Association pursues its advocacy role through the work of over 160 committees, each devoted to a substantive area of law. Among other activities, the Association's committees prepare comments for legislative bodies, regulatory agencies, and rule making committees on pending and existing laws, regulations, and rules that have broad legal, regulatory, practical, or policy implications. Further information regarding the Association can be found at its web site, www.nycbar.org.

Members of the Association hold a wide variety of views about open source software and the free software movement. The Association has no institutional view regarding the desirability of "free" software or the principles of "copyleft." The Association and its members, however, recognize that the body of open source software is large and growing larger, and that over the

past decade there has been a huge increase in the use of open source software in the business and commercial environment. Given the tremendous economic and technological importance that free software has taken on in our society, the Association strongly believes that the rules governing the use of such software should be as clear as possible for both creators and users.

Although only one of many forms of license utilized in distributing the plethora of open source programs, the GNU General Public License (GPL) is probably the most important because of the large body of software works governed by the GPL, most especially Linux. The Association agrees that the current Version 2 of the GPL, now in use for some 15 years, could benefit from a review and overhaul in light of experience and today's legal and technological environment. The Association welcomes the opportunity to comment on the draft of proposed Version 3 of the GPL in the open revision process the Free Software Foundation has adopted.

The Association is firmly of the view that, when it comes to the GPL, ambiguity should be dispelled to the maximum extent possible. Before undertaking the commitment to use software subject to the GPL in a project, with all the cost and risk entailed in such commitment, a prospective licensee should clearly understand the conditions and obligations to which it is subjecting itself. In particular, the Association feels that additional clarification is necessary with respect to the following issues: when the obligation to distribute modified source code attaches; what constitutes a private modification; the consequences of a merger or acquisition on the right to continued use of a private modification; and the GPL's assertion that it is not a contract.

We recognize that there is a tension in the free software community regarding the use of open source in commercial products, especially when commercial developers wish to preserve the proprietary nature of all or some of their enhancements, extensions and compatible software. In principle, advocates of free software believe that any retention of proprietary rights is inconsistent with the concept of free software. In practice, however, many in the free software community wish to encourage the broadest possible use of open source, even if that means a certain amount of compromise.

As a consequence of this tension, activity that is arguably violative of Version 2 of the GPL has not been challenged, or not been challenged consistently, in order not to discourage the widespread use of open source software. On the other hand, rather than concede the desirability of compromise with free software principles, there appears to be a reluctance to expressly clarify the GPL to make such activity permissible. The hope seems to be that ambiguity will discourage and limit the extent of such activity.

The Association believes there is too much at stake to perpetuate such ambiguity in Version 3. While there may be a "gentlemen's agreement" in some quarters of the free software community that certain types of activity will be tolerated, even if in technical violation of the GPL, not every contributor to an open source program necessarily subscribes to such a "gentlemen's agreement," and the potential for being subjected to copyright infringement litigation, and monetary and injunctive relief, is a significant risk for potential licensees. The extent of that risk is impossible to gauge, given the often hundreds of copyright owners in any given open source program and the ambiguity of the GPL itself. The Association believes that licensees should be put on clear notice of what is and is not permissible, rather than being forced

to either risk violating the GPL, now or in the future, or forego the use of open source software altogether. This is especially true in today's legal environment, when guessing wrong on the status of intellectual property assets potentially can subject a public company's officers to criminal liability under the Sarbanes-Oxley Act.

In the balance of this letter, the Association highlights the four instances in which it believes the current draft of GPL Version 3 could benefit from clarification. These four instances are not exhaustive, and the Association hopes that further areas deserving clarification will be identified by the comment process.

1. Distributing Modified Source Versions.

Section 5 of proposed Version 3 permits the copying and distribution of modified versions of a licensed Program if certain conditions are met, chief among these being that the GPL applies to the modified work as a whole and that the "Complete Corresponding Source Code" of the entire modified work must be made available. (See Section 6.) Section 5(c) provides that, when the licensee "distribute[s] ["identifiable sections" of the work added by the licensee which are not derived from the unmodified version of the Program]" for use in combination with covered works, no matter in what form such combination occurs, the whole of the combination must be licensed under this License . . . ."

Proposed Version 3 does not define the phrases "identifiable sections" or "for use in combination with covered works." The question thus arises as to the distinction between sections of a modified work that are used "in combination with covered works" and separate works that interoperate with the covered work. On the one hand, we assume for example that it is not the intent of Version 3 to mandate that every application program written to run under Linux be subject to the GPL. On the other hand, the definition of "Complete Corresponding Source Code" indicates that a work includes "any shared libraries and dynamically linked subprograms that the work is designed to require, such as by intimate data communication or control flow between those subprograms and other parts of the work, and interface definition files associated with the program source files."

Though an improvement over Version 2 in terms of clarity, Version 3 leaves uncertain where the line lies between "identifiable sections" of a covered work and a separate interoperable program. Proposed Version 3 suggests that "intimate communication or control flow" may often be a key to the distinction, but the Association does not believe this phrase has a sufficiently uniform meaning, even to programmers, to serve as a legal criterion.

Accordingly, the Association suggests that the term "identifiable section" of a work and the phrase "for use in combination with covered works" be further clarified. In that connection, it would help to elucidate in more detail the concept of "intimate data communication or control flow" or, alternatively, to substitute for this phrase more specific and generally understood criteria.

2. Propagation

Proposed Version 3, Section 0, defines the term "propagate" as follows: "To 'propagate' a work means doing anything with it that requires permission under applicable copyright law,

other than executing it on a computer or ***making private modifications***. This includes copying, distribution (with or without modification), sublicensing, and in some countries other activities as well." (Emphasis added.) While the foregoing definition indicates that "making private modifications" does not constitute propagation, the phrase "making private modifications" is not defined. Section 2, paragraph 2, provides that: "This License gives unlimited permission to privately modify and run the Program . . . . " Again, however, the phrase "to privately modify" is not defined.

Presumably, a private modification must be private to the licensee, but who is the licensee? Is it the individual who downloads the software? If the individual downloads the software within the scope of his or her employment, is the licensee the corporation or other entity by which the individual is employed? Might the licensee be a group of related companies, one of which is the employer for whom the individual works? These are not academic questions, but rather go directly to whether there is an obligation to make source code of the modified work generally available.

One very practical question is whether making a modified version of a program available to a consultant or outsourcer destroys the private nature of the modification and constitutes a propagation requiring that source code be made available. Neither the license nor the accompanying Rationale document answers this question.

The Free Software Foundation's FAQs regarding GPL Version 2, however, has the following to say: "[P]roviding copies to contractors for use off-site is distribution." In discussions with the Association's Information Technology Law Committee, Professor Eben Moglen has suggested that this statement would apply to Version 3. If this is the intent, we fail to see any persuasive rationale for distinguishing between on-site and off-site usage. Nothing in the license suggests that an employee's off-site usage would destroy the private nature of a modification. Why is a consultant's off-site usage different? If a distinction is to be drawn between employees and contractors, it does not seem to the Association that basing that distinction on the place where users are located makes much sense. Indeed, in some cases, where off-site personnel access on-site servers, it may be unclear whether the "usage" is on-site or off-site – further blurring any logical or discernible distinction.

We believe that a more reasoned way to determine whether a modified work remains private is to ask whether the modified work is being used solely for the benefit of the licensee, regardless of whether the use is by a contractor or an employee. Thus, if the contractor or employee uses the modified program for a purpose other than for the licensee's benefit (*i.e.*, for his or her own or another's benefit), whether or not such use is in breach of a contract between the employee/contractor and the licensee, the modification would no longer be private to the licensee, and the licensee would have a duty to make source code available. The failure to comply with that duty would negate the license as a defense and, hence, continued use of the program would constitute copyright infringement.

At a minimum, the license should be clarified to make clear the consequences of providing a contractor with access (both on-site or off-site) to a work that otherwise constitutes a private modification.

3. Mergers and Acquisitions

Proposed Version 3 remains unclear with respect to the effect of the merger or acquisition of a licensee on the right to use private modifications without publishing the source code of such modifications. Under Section 2 of Version 3, a licensee has unlimited permission privately to modify and run the licensed program (provided it does not bring suit for patent infringement). There is an ambiguity, however, as to whether such private modifications become subject to the GPL's distribution requirements in the event of an assignment of the licensee's stock by operation of law (as by merger of the licensee into another surviving entity) or an assignment in the context of a sale of all or substantially all the licensee's assets.

The definition of "propagate" does not appear to address this ambiguity. Nor is there any definition of "licensee" or "you." The Association perceives no good reason why a successor should not continue to enjoy a licensee's right to use private modifications without making the source code of such modifications publicly available. This ambiguity should be clarified by adding a sentence to the definition of propagate making it clear that neither an assignment by operation of law nor an assignment accompanying the sale of all or substantially all the licensee's assets (or the assets of the line of business in which the licensed program is used) constitutes propagation.

4. A License, Not a Contract

Section 9 of proposed Version 3, entitled "Not a Contract," states as follows: "You are not required to accept this License in order to receive a copy of the Program. However, nothing else grants you permission to propagate or modify the Program or any covered works. These actions infringe copyright if you do not accept this License. Therefore, by modifying or propagating the Program (or any covered work), you indicate your acceptance of this License to do so, and all its terms and conditions." In discussions with the Association's Information Technology Law Committee, Professor Moglen reiterated that the GPL is a "license" and not a "contract."

Given the title of Section 9, and Professor Moglen's statement, we do not understand the intended import of the last sentence of Section 9, namely, that "by modifying or propagating the Program (or any covered work), you indicate your acceptance of this License to do so, and all its terms and conditions." Use of the term "acceptance" suggests formation of a contract.

The distinction can be significant. Professor Moglen has publicly expressed the view that, if a recipient of GPL software violates a condition of the GPL, for example by distributing a modified version of a GPL program in object code only, the consequence is simply to remove the license as a defense to an action for copyright infringement. In an action for copyright infringement, the defendant could be held liable for damages and enjoined from further distribution of the infringing software, but the defendant could not be compelled to make the source code of the modified program publicly available because that is not a remedy provided by copyright law.

However, if the recipient has "accepted" the terms of the GPL by modifying or propagating the work, then the recipient's distribution of a modified version in object code only

is arguably also a breach of contract. Potentially, that breach may be remedied by an order of specific performance, at least if a court determines that money damages are not an adequate remedy.

If the GPL is, in fact, not a contract, the last sentence of Section 9 of proposed Version 3 should be modified to make it clear that, under no circumstances, will any of the conditions of the GPL (such as distribution of source code) be affirmatively enforced. In such event, the licensors' sole remedy would be an action for copyright infringement.

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The Association hopes the foregoing comments prove useful, and that they will contribute to the adoption of a Version 3 of the GPL which is both clear and fair to both licensors and licensees. We thank you for your consideration of these issues.

Very truly yours,

Association of the Bar of the
City of New York

By: The Committee on Information
Technology and the Law