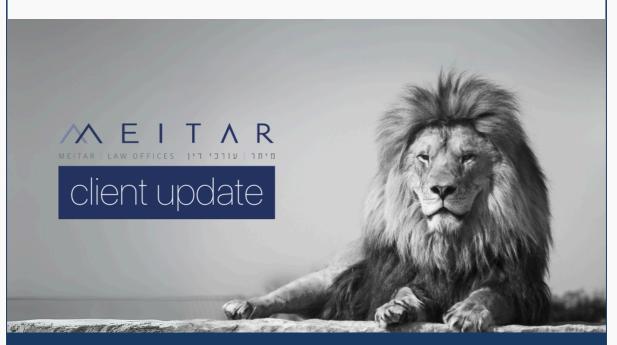
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# Contamination Alert: Third Parties Can Now Enforce the Terms of the GPL License

## February 1, 2024

A recent California trial court decided that a third party, even though they were not the copyright owner, was permitted to bring a claim against the licensee of GPLlicensed software. In this case, the licensee, in violation of the GPL license terms, refrained from disclosing the source code of its proprietary software into which it incorporated the open-source component. The impact of this case is that users of copyleft licenses, such as the GPL, Affero GPL and Server Side Public License, are now subject to enforcement from <u>any third party</u>, and can be required to release their code in source code form if they violate the terms of these licenses.

#### The Facts

The Software Freedom Conservancy (SFC), a not-for-profit which advocates for use of open source software, sued Vizio, a developer of smart TVs, to release the source code of Vizio's proprietary software. Vizio was the licensee of GPL-licensed software developed by an independent third party.

The source code disclosure obligation is one of the main obligations under the GPL license, a potentially "contaminating" copyleft open-source license that requires the licensee, under certain circumstances, to disclose the source code of the software into which the GPL component was incorporated. It is important to point out that the SFC is <u>not</u> the copyright owner of the GPL software, but rather only a third party.

The court addressed two critical questions:

First: Should a Third Party, Not the Licensor, be Able to Enforce the GPL License?

Yes! According to the California court, every party in the world is a legitimate thirdparty beneficiary of a GPL license. In other words, it is not only the copyright owner or licensor of the GPL component in question that can sue a licensee who is not complying with the license terms; rather, any third party can sue.

The court emphasized that there are strong public policy arguments in favor of the above conclusion. A licensor of a GPL component is not incentivized enough to bring a claim against its licensee who refuses to comply with the license terms, as it will not bring the licensor any benefit and could also cost tens of thousands of dollars in litigation costs. For this reason, allowing a third party to enforce the GPL is in line with the policy agenda of the open source license itself.

# Second: Is the Plaintiff's Claim Requiring Source Code Disclosure Preempted by the Copyright Claim?

No! The US Copyright Act is a federal law which preempts state law claims that are equivalent to the exclusive rights of a copyright holder. Those exclusive rights include the right to control copying, distribution or making derivative works (modifications) of the copyrighted software.

The question before the court was whether ruling on the plaintiff's breach of contract claim requiring the defendant to disclose the source code under the GPL is preempted by the Copyright Act. The legal standard is whether the contract claim contains an "extra element" not covered by the copyright owner's exclusive rights.

The court held that it <u>did</u> contain an extra element. According to the court, the source code disclosure claim is a <u>contractual</u> claim, and not one of the "exclusive rights" saved for copyright owners under the Copyright Act. Thus, it is not preempted by the copyright claim.

This conclusion is important because, as noted above, copyright owners will not have an incentive to bring this claim against the breaching licensee.

### Analysis and Practical Suggestions

Although this case is from a state trial court, it is an important decision indicating the significantly increased risk of enforcement when using copyleft licenses. Now it is not just the copyright owner, the licensor, which may bring certain claims, but any third party, including competitors and public advocacy groups, is a potential plaintiff enforcing the GPL.

In light of this case, we would recommend that our clients carefully consider the incorporation of GPL, Affero GPL, Server Side Public License and other copyleft opensource components in their proprietary software. If the GPL component is clearly "separate and independent" from the client's proprietary software, there is no requirement to release source code. Clients who are not certain whether their proprietary software is "separate and independent" from the GPL software should feel free to contact their regular Meitar attorney.

We will be following this case to see whether it is appealed, and the result on appeal.

# **Contact Information**



Roi Ohayon, Adv. +972-3-6142676 roioh@meitar.com



David Mirchin, Partner +972-3-6103199 dmirchin@meitar.com

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