SheppardMullin

→ Open Source

Sheppard Mullin attorneys are at the forefront of the emerging legal issues arising from and risk management necessitated by the rapid increase in the use of open source software. We work with business, technical and legal personnel to provide comprehensive advice regarding all aspects of use and distribution of open source software and contribution to open source projects.

A number of attorneys on our Open Source Team have been advising clients on open source issues since the 1990's. Some of our attorneys are recognized as Black Duck Certified Legal Specialists. Our team includes software programmers, leading IP practitioners and experienced software licensing professionals. Our team has analyzed hundreds of open source licenses on behalf of clients. Through this extensive experience we have developed a library of knowledge about open source licenses that cover over 93% of the open source components in use today. We leverage this experience to provide cost-effective advice to clients relating to open source issues.

Our open source services include:

Open Source Education

Open source legal issues can be complex and often are misunderstood. Many companies are not aware of the full range of potential issues that can result from the use of open source software. We offer in-house briefings to ensure clients are informed of the relevant legal issues with and business ramifications of using open source. We tailor the briefings to a C-level audience to assist in developing corporate policies and procedures or a developer/project manager audience regarding compliance with the policies and day-to-day management and use of open source software.

Open Source Policies and Procedures

We have worked with companies of all sizes, from start-ups to one of the largest international banks, to develop customized corporate policies and procedures to manage the usage and risk of open source software.

Open Source Usage Assessment

When clients desire to use open source software, we interpret the applicable open source licenses, explain the risks, and develop practical solutions to reduce risks.

Due to the nature of open source licenses, it is often hard to provide blanket approval for certain licenses or always prohibit the use of other licenses. It is also inefficient to seek approval for each piece of software developers would like to use. As an efficient compromise we have helped numerous clients develop pre-approval matrices for some of the more commonly used open source licenses, based on different use cases.

Open Source in Transactions

Our attorneys have developed a process and tools (including a comprehensive Open Source Questionnaire) that allows us to efficiently assess Open Source issues during the diligence process and make recommendations, if necessary to remediate problems.

Open Source Audits and Remediation

Our attorneys have extensive experience advising on open source audits and assessing the results to develop remediation plans. A number of our attorneys are recognized as Black Duck Certified Legal Specialists. When audits reveal open source issues inconsistent with business objectives, we help clients develop and implement remediation plans to abate the issues.

Avoiding Tainting of Proprietary Software

We frequently advise clients on how to avoid unintentional tainting of proprietary software, which for some companies is one of the most potentially harmful impacts of using certain open source software. Some licenses require that any software that is a derivative of or based on open source code must be licensed under the terms of the open source license. This can be a problem for companies that intend the software to be licensable under a proprietary license. Among other things, when applicable, this may require a company to make their proprietary source code available to recipients, and grant a right to copy, modify and redistribute that code.

The Impact of Open Source Usage on Company Patents

Many of our team members are software patent attorneys and understand the complex patent issues implicated by some open source licenses.

- **Patent License Grants Triggered By Distribution of Open Source Software** - We ensure clients understand when distribution of open source software triggers the grant of a patent license to recipients and the scope of the license granted.
- **Patent "Non-Assertion" Clauses** - We also advise clients on the so-called "patent non-assertion" clauses of open source licenses, which trigger ramifications under certain open source licenses when a user of open source software sues other users for patent infringement.
- **Patent Protection** - Contrary to some common misunderstandings, software that is distributed under an open source license can be patented. We advise clients on developing and implementing patent prosecution strategies for companies using or distributing open source software.

Cloud/SaaS Issues

Most open source issues arise upon "distribution" of software under an open source license. This mistakenly causes some people to think the use of open source software in the cloud or a Software-as-a-service (SaaS) deployment is free of risk. We advise clients on the legal impact of certain open source licenses on cloud/SaaS deployments. It is commonly known that the Affero GPL license has "network access" provisions that can be relevant in these scenarios, but many other licenses have similar provisions.

Dual/Multiple License Issues

It has become more common for software to be distributed under a dual license or multiple license regime. In some cases this gives users the freedom to choose the license option they prefer. In other cases, the choice is dictated by other facts. We assist clients in addressing these issues.

Many Other Issues

We routinely advise clients on a host of other issues that can arise from open source usage. Some examples include:

- Open source license incompatibility
- Open source compliance obligations
- Indemnity and warranty issues with open source
- Complying with government agency requirements for the use and distribution of open source software, including export control issues
- Ownership of, and patent and copyright issues associated with, derivative works based on open source software
- Advising on whether to release software under an open source license, and if so, facilitating the clearance of intellectual property issues and advising on an appropriate license to use, including drafting unique license terms suitable to the company's needs and requirements, as necessary
- Assessing potential infringement or license breach liability issues