



# COMMERCIALIZATION OF OPEN SOURCE

RICHARD FONTANA  
SCaLE 14X



## **DFSG/OSD 6. No Discrimination Against Fields of Endeavor**

The license must not restrict anyone from making use of the program in a specific field of endeavor. For example, it may not restrict the program from being used in a business, or from being used for genetic research.

“ 'Free software' does not mean 'noncommercial'. A free program must be available for commercial use, commercial development, and commercial distribution. Commercial development of free software is no longer unusual; such free commercial software is very important.

Free Software Foundation, *What is free software?*



# 'OPEN SOURCE IS NOT A BUSINESS MODEL'



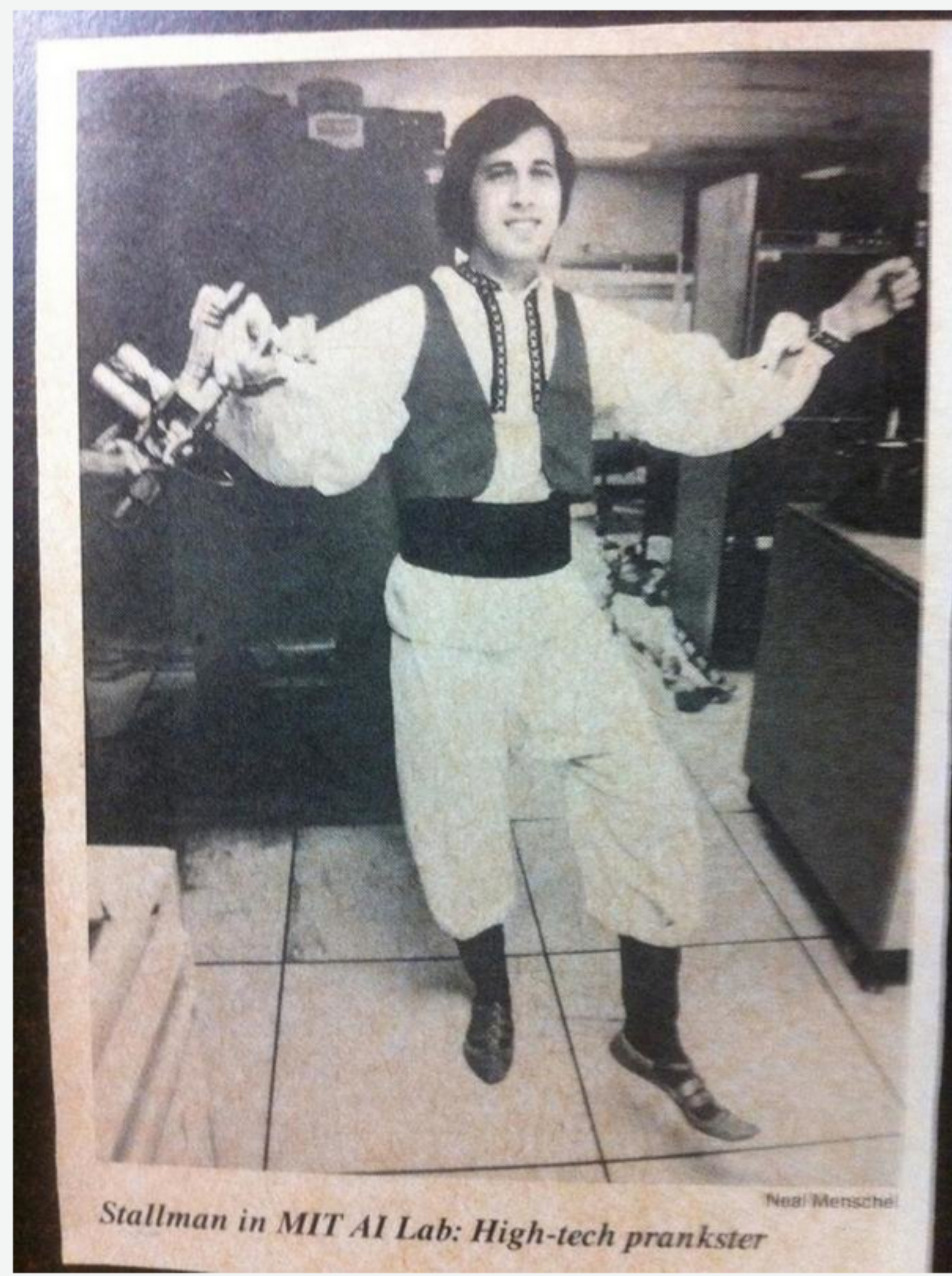
# HARDWARE VENDORS AND SOURCE CODE



Freely-available, widely-adopted, customizable software can help businesses monetize nonsoftware goods and services




# COMMUNITIZING THE COMMUNITY WITH COMMUNITY TOOLS



# SOFTWARE AS INTELLECTUAL PROPERTY

UNITED STATES PATENTS AND FOREIGN COPYRIGHTS AND TRADE-MARKS



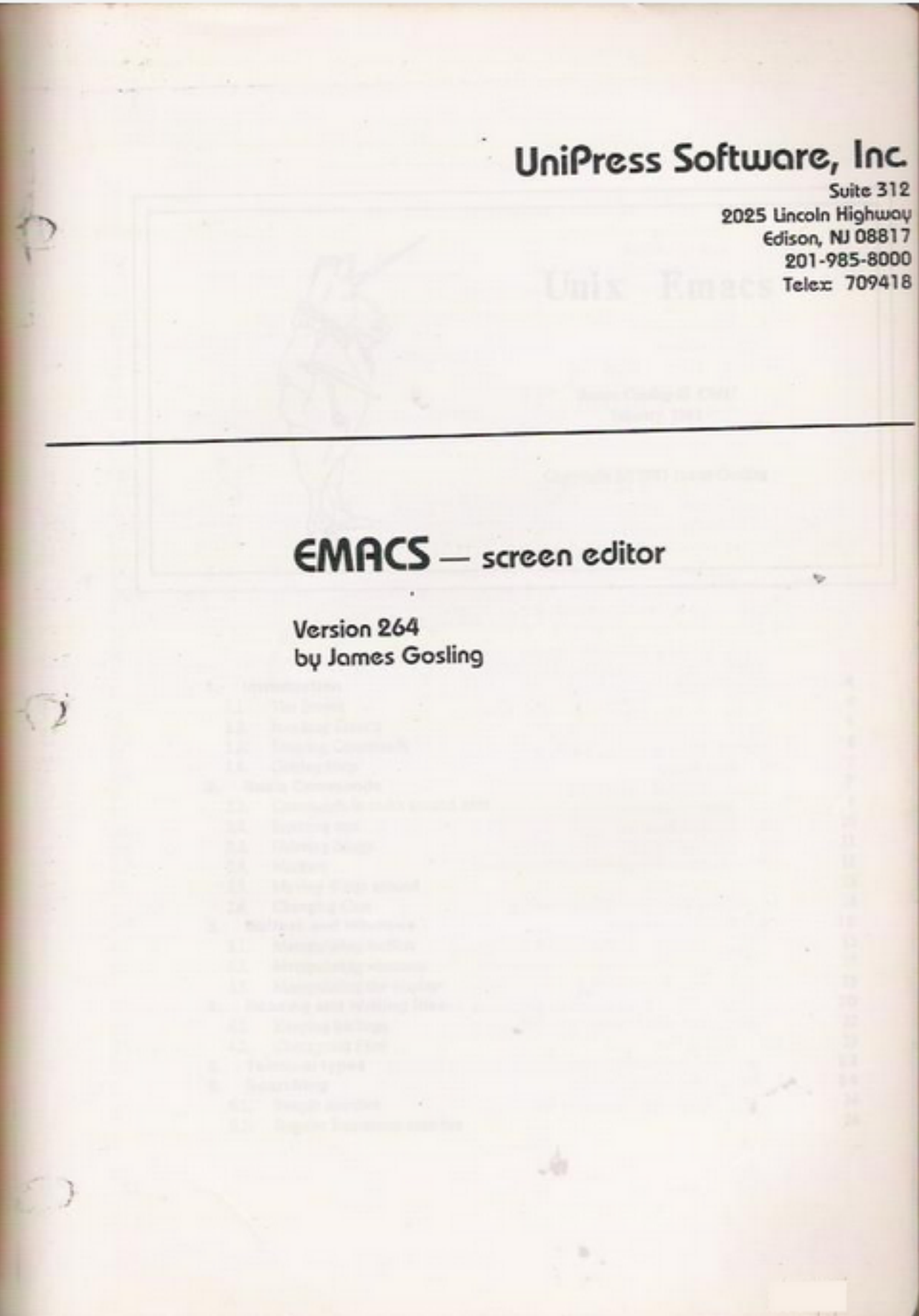
**A COPYRIGHT**  
WILL PROTECT YOU FROM PIRATES.

And make you a fortune. If you have a PLAY, SKETCH, PHOTO, ACT, SONG or BOOK that is worth anything, you should copyright it. Don't take chances when you can secure our services at small cost. Send for our **SPECIAL OFFER TO INVENTORS** before applying for a patent, *it will pay you.* **HANDBOOK on patents sent FREE.** We advise if patentable or not, **FREE.** We incorporate **STOCK COMPANIES.** Small fees. Consult us.

**WORMELLE & VAN MATER,**  
Managers,  
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WASHINGTON, D. C.



# COMMONS ENCLOSURE



Software under nonrestrictive terms == low-cost input for development of proprietary commercial software



# THE ANTI-COMMERCIAL COMMONS

```
Message-ID: <bnews.decvax.371>
Newsgroups: net.sources
Path: utzoo!decvax!betz
X-Path: utzoo!decvax!betz
From: decvax!betz
Date: Fri Jan 7 02:11:24 1983
Subject: xlisp part 1 of 4
Posted: Thu Jan 6 12:11:19 1983
Received: Fri Jan 7 02:11:24 1983

::::::::::::
xlisp.mem
::::::::::::
XLISP code and documentation

Copyright 1983, by David M. Betz
                114 Davenport Ave.
                Manchester, NH 03103
                603-625-4691
                UUCP: decvax!betz
    All rights reserved
    Permission granted for unrestricted non-commercial use
```

(Years later Betz released XLISP under 3-clause BSD)





# ORIGINS OF 'MULTI-VENDOR OPEN SOURCE'



“ a large part of this success [of X] is due to MIT's decision to distribute X sources without any licensing restrictions, and the willingness of people in both educational and commercial institutions to contribute code without restrictions.

R. W. Scheifler & J. Gettys, *The X Window System* (April 1987)



# 'NEW UNIX IMPLEMENTATION'

“ I cannot in good conscience sign a nondisclosure agreement or a software license agreement. . . .

I am asking computer manufacturers for donations of machines and money. I'm asking individuals for donations of programs and work.

Richard M. Stallman, net.unix-wizards, 1983-09-27



# 'GNU IS NOT IN THE PUBLIC DOMAIN'



*The GNU Manifesto (March 1985)*



# 'RESTRICTING COPYING IS NOT THE ONLY BASIS FOR BUSINESS IN SOFTWARE'

- Service businesses (support, customization, training, maintenance) *enabled* by lower barriers to entry (no vendor lock-in)
- "Copying and mailing GNU for a fee" (distribution-as-a-service)
- Contracting with hardware vendors to port GNU to new hardware
- Release new "freeware", then ask for donations or offer support
- "GNU will remove operating systems from the realm of competition (i.e., commoditize the platform, develop value-add on top)



'THE *GNU MANIFESTO* WAS REALLY A BUSINESS PLAN IN DISGUISE'



# RISE OF THE DUAL-LICENSING MODEL



- L Peter Deutsch and Ghostscript
- Trolltech and Qt
- Reaches maturity in MySQL AB
  - Relied on exploitation of fear of copyleft to drive license sales
  - GPL 'shakedowns', overreaching interpretation
  - Repulsion of contributor community



# 'BADGEWARE HUCKSTERS' & OPEN CORE



- Badgeware licenses featured burdensome attribution requirements designed to discourage commercial forks
- Open core: late variant on dual-licensing - copyleft feature-limited 'community' version + proprietary 'enterprise' version
  - Contracts make enhancement of open source version a breach event



# BACKLASH AND DENOUEMENT



- Rapid decline in use of dual-license model after 2011
- Legal equality and diversity in developer communities become important open source development norms
- Growing interest in non-license governance of projects
- May have aided "shift to permissive"
- Possibly related to new wave of consortium-style projects





# RED HAT MODEL



- Products are integrated platforms 'productized' from numerous open source project codebases
- Community expertise and authenticity
  - "upstream is our trunk"
  - "open source supply chain management"
- Product licensing: all upstream open source licenses passed through; no proprietization, no dual licensing/open core
- 1 or 3-year renewable subscriptions (service bundle: access, maintenance, support, certifications)
- Scalable subscription pricing: if any resource leverages subscription services, must pay subscription fees based on number of installs of the product
- Challenge has been competition from 'free'
- Culture/brand shaped by community reaction to termination of RHL



# THE WEB COMPANIES



“ The sheer number of companies not in the business of selling software who are releasing their creations as open source has dramatically inflated both the number and quality of available open source solutions.

Sean O'Grady, *Open Source and the Rise of as-a-Service Businesses*

“ Don't open source anything that represents core business value . . . [E]verything we keep closed has specific business value that could be compromised by giving it away to our competitors. Everything we open is a general purpose tool that can be used by all kinds of people and companies to build all kinds of things.

Tom Preston-Werner, *Open Source (Almost) Everything*





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@richardfontana

