The GNU General Public License: Constitutional Subversion?

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Introduction

The General Public License ("GPL") is the cornerstone of the Free Software movement, and the license governing the source code that makes up the Linux operating system.[1] Unlike proprietary software,[2] which is generally only distributed in machine readable executable code, software licensed under the GPL, if distributed, must be made available by the provider to anyone who receives the software in the form of human-readable source code, which can then be compiled into machine executable code.[3] The effect of this requirement is that software solutions distributed under the GPL may not be kept secret because anyone who can read source code is free to view the solution or modify it as they please.

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1. GNU General Public License, Version 2 (1991), http://www.gnu.org/licenses/gpl.txt.

2. "The word *proprietary* is often confused with the word commercial. But a *commercial* license – which is merely a term used to describe a license used in commerce – can be either open source or proprietary." LAWRENCE ROSEN, OPEN SOURCE LICENSING: SOFTWARE FREEDOM AND INTELLECTUAL PROPERTY LAW 52 (2005) (emphases added).

3. GNU General Public License, Version 2, *supra* note 1.

The GPL is often described as "copyleft"[4] because where typical copyright licenses vest control over the creation in the creator, the GPL requires that, when copyrighted works are distributed, it is without limitation on who can use them, and who can see how they work.[5] Although a German court recently held the GPL to be enforceable,[6] the GPL has never been fully litigated for enforceability in the United States.[7]

Allegations of Unconstitutionality

On March 3, 2003, the SCO Group filed a complaint in Utah state court accusing IBM of unfair competition, and specifically, "of incorporating (and inducing, encouraging, and enabling others to incorporate) SCO's proprietary software into open source software offerings."[8] Predictably, IBM filed counterclaims. On October 24, 2003, the SCO Group filed an answer to IBM's counterclaims alleging that "[t]he GPL violates the U.S. Constitution, together with copyright, antitrust, and export control laws . . . ."[9,10] These allegations were summarily dismissed by the Free Software and Open Source communities.[11] SCO's April 24, 2004 filing in response to IBM's amended counterclaims does not explicitly claim that the GPL is unconstitutional: rather, SCO argues that the GPL is "unenforceable, void, or voidable."[12] However, despite their apparent

4. Richard Stallman, *The GNU Project,* http://www.gnu.org/gnu/thegnuproject.html.

5. GNU General Public License, Version 2, *supra* note 1.

6. Landgericht [LG] München I [Dist. Ct. I Munich] May 19, 2004, docket no. 21 O 6123/04, *available at* http://www.jbb.de/urteil_lg_muenchen_gpl.pdf, *translated at* http://www.jbb.de/judgment_dc_munich_gpl.pdf.

7. Ira V. Heffan, Note, *Copyleft: Licensing Collaborative Works in the Digital Age*, 49 STAN. L. REV. 1487, 1511 n.137 (1997). *See generally infra* notes 17-28.

8. SCO's Complaint, SCO Group v. IBM, No. 030905199 (Utah 3d Dist. filed Mar. 3, 2003), *available at* http://www.groklaw.net/pdf/IBM-819ExA.pdf.

9. SCO's Answer to IBM's Amended Counterclaims at 16, SCO Group v. IBM, No. 03-CV-0294 (D. Utah filed Oct. 24, 2003), *available at* http://www.groklaw.net/pdf/AnswerAmendCC.10-24-03.pdf.

10. From the date of filing until at least March 9, 2005, SCO's legal filings in the case were available to the public at http://www.sco.com/ibmlawsuit. As of March 17, 2005, all English references to the IBM lawsuit have been removed from the SCO website.

11. *See, e.g.*, *SCO: GPL Unconstitutional. Lawyers Scratch Heads*, NEWS.OSDIR, Oct. 29, 2003, http://web.archive.org/web/20050305120323/http://news.osdir.com/article311.html; LinuxWorld News Desk, *SCO's GPL position is "Just Invalid" Says Professor*, LINUXWORLD, Dec. 4, 2003, http://web.archive.org/web/20040217085236/http://www.linuxworld.com/story/38115.htm.

12. SCO's Answer to IBM's Second Amended Counterclaims at 20, SCO Group v. IBM, No. 03-CV-0294 (D. Utah filed Apr. 23, 2004), *available at* http://www.groklaw.net/

capitulation, on April 30, 2004, SCO executives claimed to be continuing their pursuit of the unconstitutionality of the GPL as a defense to IBM's counterclaims.[13]

Since filing the lawsuit, SCO has suffered large losses and has been notified that NASDAQ intends to delist them.[14] Although the lawsuit against IBM is still pending, the district court's order denying IBM's motion for summary judgment indicates that SCO's case-to-date suffers from a severe lack of evidentiary support.[15] Given SCO's financial position and the district court's order precluding any further dispositive motions until after the close of discovery,[16] it is unlikely that the constitutionality of the GPL will be litigated in the SCO-IBM suit in the near future, if at all.

This note addresses the two main areas of argument surrounding the constitutionality of the GPL: (1) that its enforcement as a bare license[17] is unconstitutional because the GPL circumvents the copyright clause of the United States Constitution; (2) that its enforcement as a binding contract is unconstitutional because the state law upholding the GPL is preempted by United States Copyright law.

History and Overview of the GPL

The GPL evolved during 1985-1989 out of Richard M. Stallman's interactions with proprietary software vendors regarding Emacs code that he believed was freely available and they believed was proprietary. Stallman created the first Emacs, a human-readable

pdf/IBM-141-1.pdf.

13. Steven J. Vaughan Nichols, *SCO Still Contends GPL is Unconstitutional*, EWEEK, Apr. 30, 2004, http://www.eweek.com/article2/0,1759,1581586,00.asp.

14. SCO Investor Relations, *The SCO Group Inc., Receives Notice From Nasdaq Regarding Potential Delisting and Intends to Appeal*, Feb. 17, 2005, http://ir.sco.com/ReleaseDetail.cfm?ReleaseID=156192.

15. Memorandum Decision and Order at 10-11, SCO Group v. IBM, No. 2:03CV294 DAK (D. Utah filed Feb. 9, 2005), *available at* http://www.groklaw.net/pdf/IBM-398.pdf ("Nevertheless, despite the vast disparity between SCO's public accusations and its actual evidence-or complete lack thereof-and the resulting temptation to grant IBM's motion, the court has determined that it would be premature to grant summary judgment on IBM's Tenth Counterclaim.").

16. *Id.* at 16.

17. In the software licensing context, a bare license is defined as: "A grant by the holder of a copyright or patent to another of any of the rights embodied in the copyright or patent short of an assignment of all rights." ROSEN, *supra* note 2, at 53 (quoting MERRIAM-WEBSTER'S DICTIONARY OF LAW (1996)).

code editor, in 1976.[18] In 1981, James Gosling wrote his own version of Emacs ("Gosling Emacs").[19] In May of 1983, Unipress Software released a proprietary version of Gosling Emacs, based upon Gosling's claimed copyright to the code, called Unipress Emacs.[20]

In 1985, Stallman released GNU Emacs, utilizing some of the C code from Gosling Emacs.[21] Stallman claims that he had permission from Gosling to utilize the code.[22] Unipress threatened legal action based on Gosling's copyright against Stallman and the Free Software Foundation,[23] so Stallman was forced to stop distributing GNU Emacs until he could replace all of the code that was originally written by Gosling.[24]

In 1989, the Free Software Foundation, founded by Stallman as a result of his Emacs experiences, released the first version of the GNU General Public License.[25] The GPL is described as "copyleft" because it flips copyright law to serve the opposite purpose than it normally serves in the field of software — "instead of a means of privatizing software, it becomes a means of keeping software free."[26] "[T]he GNU General Public License is intended to guarantee your freedom to share and change free software — to make sure the software is free for all its users."[27] The license aims to exercise control over the distribution of derivative or collective works based on

18. Jamie Zawinski, *Emacs Timeline*, June 21, 2005, http://www.jwz.org/doc/emacs-timeline.html.

19. *Id.*; THE FREE DICTIONARY, http://encyclopedia.thefreedictionary.com/Gosling+Emacs (last visited Oct. 9, 2006) (definition of "Gosling Emacs").

20. Zawinski, *supra* note 18.

21. *Id.*

22. Richard M. Stallman, Lecture at Royal Institute of Technology, Stockholm, Sweden, Oct. 30, 1986, http://www.gnu.org/philosophy/stallman-kth.html ("[A] friend of mine told me that because of his work in early development of Gosling Emacs, he had permission from Gosling in a message he had been sent to distribute his version of that. Gosling originally had set up his Emacs and distributed it free and gotten many people to help develop it, under the expectation based on Gosling's own words in his own manual that he was going to follow the same spirit that I started with the original Emacs. Then he stabbed everyone in the back by putting copyrights on it, making people promise not to redistribute it and then selling it to a software-house.").

23. Free Software Foundation, http://www.fsf.org (last visited Oct. 9, 2006).

24. Free Software, *The History of the GPL*, July 4, 2001, http://www.free-soft.org/gpl_history/.

25. The GNU General Public License, Version 1.0 (1989), http://www.gnu.org/copyleft/copying-1.0.html.

26. Stallman, *supra* note 4.

27. GNU General Public License, Version 2, *supra* note 1, Preamble.

previously GPL-licensed code, not completely original works.[28]

The GPL is the license behind the GNU C language compiler ("GCC")[29] and Linux, the most popular free open source operating system.[30] Arguably, these two works make the GPL the keystone of the entire Open Source Community because the three things that most programmers need are: hardware (the computer), a compiler (GCC) to convert human readable source code into executable code, and an operating system (Linux) to facilitate the running of executable code on the hardware. Because GCC is licensed under the GPL, anyone who wishes to understand how human readable code is converted into machine executable code can see the inner workings and modify their own version of the compiler if they so choose. Similarly, because Linux is licensed under the GPL, anyone who wishes to understand how the Linux operating system interacts with the hardware itself, or other programs, can view every line of the human readable code that defines its operations and modify it in any way they choose.

This model is different from the model employed by proprietary operating systems, such as Microsoft Windows,[31] and proprietary compilers, such as Visual Studio,[32] Microsoft's multi-language compiler. Unlike GCC and Linux, with Microsoft Windows and Visual Studio, the programmer is not allowed to see, modify, or learn from the human readable code that governs the machine executable code behind the operating system and compiler. The proprietary model centralizes control with the copyright holder such that programmers are dependent upon the copyright holder or vendor for changes to core functionality. In contrast, the GPL decentralizes control and allows each programmer to make their own changes. Linus Torvalds, the original creator of Linux, has compared the open source model to the scientific method, saying, "[E]ngineering and science are all about the open-source method. It's mainly about knowledge and information. You can spread it without losing it yourself."[33]

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28. *Id.* at § 2.

29. The GCC Team, *GCC Development Mission Statement*, Apr. 22, 1999, http://gcc.gnu.org/gccmission.html.

30. Linux Online!, http://www.linux.org (last visited Oct. 9, 2006).

31. Microsoft Windows, http://www.microsoft.com/windows/default.mspx (last visited Oct. 9, 2006).

32. Microsoft Visual Studio, http://msdn.microsoft.com/vstudio/ (last visited Oct. 9, 2006).

33. Business Week Online, *Linus Torvald's Benevolent Dictatorship*, Aug. 18, 2004,

One popular Linux distribution allows the user to select from over 8,000 software packages licensed under the GPL.[34] This includes several GPL-licensed alternatives to popular proprietary software programs such as desktop word processing programs,[35] desktop spreadsheet and calculator programs,[36] email and calendar programs,[37] and web browsers.[38]

Although much of the software governed by the GPL is distributed without charge,[39] the GPL does not prohibit charging money for distributions of GPL-licensed code. The philosophy of "free," meaning freedom, not price, is stated in the preamble to the GPL:

> When we speak of free software, we are referring to freedom, not price. Our General Public Licenses are designed to make sure that you have the freedom to distribute copies of free software (and charge for this service if you wish), that you receive source code or can get it if you want it, that you can change the software or use pieces of it in new free programs; and that you know you can do these things.[40]

Indeed, operative provisions of the GPL give the receiver of a GPL-licensed work the freedom to make and distribute copies of the work,[41] require that source code of any distributed GPL-licensed work must be made available to the receivers of the work,[42] allow for modification of GPL-licensed works,[43] and require that the license be displayed to receivers of GPL-licensed works.[44] In keeping with this idea, several profitable businesses simultaneously comply with the GPL's "freedom" requirements while charging for distribution, hardware, or support-services.[45]

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http://www.businessweek.com/print/technology/content/aug2004/tc20040818_1593.htm?tc.

34. Debian, http://www.debian.org (last visited Oct. 9, 2006).

35. Abisource, http://www.abisource.com (last visited Oct. 9, 2006).

36. Gnumeric, http://www.gnome.org/projects/gnumeric/ (last visited Oct. 9, 2006).

37. Evolution, http://gnome.org/projects/evolution/ (last visited Oct. 9, 2006).

38. Konqueror, http://www.konqueror.org (last visited Oct. 9, 2006).

39. GNU FAQ, *Does the GPL allow me to sell copies of the program for money?*, http://www.gnu.org/licenses/gpl-faq.html#DoesTheGPLAllowMoney (last visited Oct. 9, 2006).

40. GNU General Public License, Version 2, *supra* note 1, Preamble.

41. *Id.* at § 1.

42. *Id.* at § 3.

43. *Id.* at § 2.

44. *Id.* at § 1.

45. *See* Red Hat, http://www.redhat.com/ (last visited Oct. 9, 2006) (distributing Red Hat Linux, which includes the Linux operating system as well as a collection of

Unlike most copyright licenses, the GPL allows anyone to copy and distribute exact copies of the works that it covers as long as an appropriate copyright notice and disclaimer of warranty are included in the distributed copy.[46] This license term is unusual because most copyright licenses are written to prevent distribution of copies without compensation to the copyright holder. It is important to make the distinction between placing an obligation on the receiver and giving the receiver permission: the GPL does not require distribution of copies, but it does allow anyone who receives a copy to distribute as many copies as they wish.[47]

It is axiomatic that a copyright holder is free to donate her work to the public.[48] Section one of the GPL, which codifies this choice, is not the subject of much controversy. The more controversial GPL terms, however, are those that apply to derivative works based upon GPL-licensed works. Generally, in order to modify and distribute a derivative work of a GPL-licensed work, the author must: (1) place a conspicuous notice on the files showing that they were changed, and by whom; (2) license the modified work as a whole under the GPL at no charge to any third parties who receive the software from the author who created the modified version; and (3) if the modified program runs in an interactive manner, it must display an appropriate copyright notice, disclaimer of warranty, notice that users may redistribute the program under the GPL, and instruction on how to view a copy of the GPL.[49] It is because of these terms that the GPL is often referred to as "viral," because it "infects," or subjects all modified works to the GPL, which in turn subjects all modified works of modified works to the GPL, and so on.[50]

Some corporate software manufacturers avoid releasing any software under the GPL because they fear it may "infect" their other,

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applications to run on the operating system); IBM, http://www-1.ibm.com/linux/ (last visited Oct. 9, 2006) (distributing Red Hat Linux on IBM hardware running propriety software industry-specific software applications, and providing professional services and support); Hewlett Packard, http://h10018.www1.hp.com/wwsolutions/linux/ (last visited Oct. 9, 2006) (distributing Novell and Red Hat Linux on Hewlett Packard hardware); Novell, http://www.novell.com/products/ (last visited Oct. 9, 2006) (distributing Novell Linux Desktop, the Linux operating system, and a suite of desktop applications including the GPL-licensed mail and a calendar program); Evolution, *supra* note 37.

46. GNU General Public License, Version 2, *supra* note 1, § 1.

47. *Id.* at § 2.

48. *See* Fox Film Corp. v. Doyal, 286 U.S. 123, 127 (1932).

49. GNU General Public License, Version 2, *supra* note 1.

50. WIKIPEDIA *Copyleft*, http://en.wikipedia.org/wiki/Copyleft (last visited Oct. 9, 2006).

non-GPL-licensed software by turning it into a derivative work if the non-GPL-licensed and GPL-licensed software work together, for example.[51] The GPL does not purport to extend its terms to works that "can be reasonably considered independent and separate works in themselves."[52] However, because the GPL has not yet been litigated, no one knows exactly what type of separation is required in order to ensure that the non-GPL-licensed code is not considered to be GPL-licensed by its association with GPL-licensed code.

It is no surprise that the strongest arguments against the GPL's constitutionality focus on the GPL's terms governing derivative works. In general, a bare license of intellectual property rights is a transfer of a subset of the intellectual property rights held by the owner.[53] When the GPL is viewed as a bare license, it is seen, in part, as a limited grant by the copyright holder of the rights to distribute derivative works. Opponents of the GPL argue that the bare license is a conditional grant to distribute derivative works that subverts the Founding Fathers' intent in framing the copyright clause. In contrast, when the GPL is viewed as a binding contract or condition precedent, the aggrieved party's action is for breach of contract under state law. Critics of the GPL argue that its enforcement as a contract suffers from the same inherent unconstitutionality regarding derivative works as the bare license, but that it is further unconstitutional because state enforcement of the GPL is preempted by the Copyright Act.

Case Law Addressing the GPL

In May of 2004, a district court in Munich, Germany, granted an injunction against the distribution of GPL-licensed software in a manner that was contrary to its terms.[54] Key to its analysis was the German court's determination that the GPL did not circumvent the German Copyright Act.[55] To date, no United States court has performed a parallel analysis of the GPL's constitutionality by addressing, for example, whether the GPL circumvents the Copyright

51. Phil Albert, *GPL: Viral Infection or Just Your Imagination?*, MAC NEWS WORLD, May 25, 2004, http://www.macnewsworld.com/story/33968.html.

52. GNU General Public License, Version 2, *supra* note 1, § 2.

53. THE FREE DICTIONARY, http://legal-dictionary.thefreedictionary.com/license (last visited Oct. 9, 2006) (definition of "License").

54. Landgericht [LG] München I [Dist. Ct. I Munich] May 19, 2004, docket no. 21 O 6123/04, at 11-13, *available at* http://www.jbb.de/urteil_lg_muenchen_gpl.pdf, *translated at* http://www.jbb.de/judgment_dc_munich_gpl.pdf.

55. *Id.*

Clause, or whether its enforcement is preempted by the United States Copyright Act. Rather, a few courts have dealt with the GPL in the context of other conflicts and refrained from addressing its possible problems.

In *Progress Software Corp. v MySQL*, a United States district court denied a motion for preliminary injunction based on the GPL because MySQL failed to show a likelihood of success on the merits and irreparable harm.[56] There, the court appeared to assume that the GPL might be enforceable as a contract, but found the parties' affidavits to establish a factual dispute as to whether the software at issue was covered by the GPL.[57] Furthermore, the court opined that even if MySQL could show a likelihood of success on the merits, it could not demonstrate the requisite irreparable harm for a preliminary injunction.[58] The court based this finding upon Progress's stipulation that future distribution of the software at issue would be under terms similar, if not identical, to the GPL.[59]

In 2004, a different set of GPL-based claims was sidestepped by the District Court for the Northern District of Illinois in *Computer Associates International v. Quest Software*.[60] In that case, Quest challenged the validity of Computer Associates' ("CA") copyright to its EDBA source code by claiming that the EDBA source code was a derivative work of a GPL-licensed work, called Bison.[61] The court commenced its analysis with an assumption that GPL was a binding contract:

> Any user of that code is, however, bound by the terms of the GNU General Public License (GPL). The GPL puts restrictions on the modification and subsequent distribution of freeware programs. Essentially, once the programs are freely released into the public domain, the creators intend for them to stay free. Defendants claim that plaintiff's [sic] are violating the GPL by attempting to claim a copyright in a program that contains Bison source code.[62]

While this statement appears to show the court's opinion that the GPL is valid and enforceable, it merely allowed the court to dispose

56. Progress Software Corp. v. MySQL AB, 195 F. Supp. 2d 328, 329 (D. Mass. 2002).

57. *Id.*

58. *Id.*

59. *Id.*

60. Computer Assocs. Int'l v. Quest Software, Inc., 333 F. Supp. 2d 688 (N.D. Ill. 2004).

61. *Id.* at 698.

62. *Id.* at 697-98.

of the GPL claims in the easiest manner possible. The court determined that CA was not trying to lay copyright claim to the Bison source code (the copyrighted material), but rather, that CA used Bison as a program in executable form to create new source code.[63] In order to create the new source code, CA modified the Bison source code.[64] The court found that "[t]he GPL would prevent plaintiff from attempting to claim a copyright in that modified version of Bison."[65] But, CA did not claim any rights to the modified version of Bison. Instead, CA claimed copyright to the output file created by the modified version of Bison, which was governed by an explicit exception to the GPL, and the court used this exception to dismiss the claims: "/* As a special exception, when this file is copied by Bison into a Bison output file, you may use that output file without restriction. This special exception was added by the Free Software Foundation in version 1.24 of Bison */." [66]

Thus, while the district courts in *Progress Software* and *Computer Associates* assumed arguendo that the GPL was constitutional and enforceable, they did so in order to eliminate the GPL-based claims for other, more straightforward, reasons. Given its ubiquity in the world of open source software, future conflicts regarding the GPL are certain to arise. In particular, those who wish to be relieved of their apparent obligations under the GPL will certainly argue that it is unenforceable, and in doing so, raise the specter of the GPL's unconstitutionality in a manner similar to SCO.

The GPL and the Copyright Clause

Article I, Section 8, of the U.S. Constitution states, "Congress shall have Power . . . . [t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."[67] Congress first exercised this power in 1790, by enacting the first federal copyright statute granting an initial copyright term of fourteen years, which could be extended for another term of fourteen years if the author survived the first term.[68] Subsequently, Congress extended

63. *Id.* at 698.
64. *Id.*
65. *Id.*
66. *Id.*
67. U.S. CONST. art. I, § 8.
68. Act of May 31, 1790, 1 Stat 124 (repealed 1831).

and altered the federal copyright term on four major occasions.[69] Most recently, the Sonny Bono Copyright Term Extension Act ("CTEA"), passed in 1998, extended the copyright term to the length of the author's life plus seventy years for all works created after January 1, 1978.[70] Additionally, the copyright term for works for hire, pseudonymous works, and anonymous works was extended to 95 years from publication or 120 years from creation, whichever expires first.[71]

In 2002, the Supreme Court heard arguments from a group that challenged the constitutionality of CTEA because the term extension applied not only to newly created works but also to existing copyrighted works and, therefore, they argued that it extended the previously "limited time" of the existing copyright terms.[72] The Court held that CTEA was an appropriate exercise of Congress's constitutional power to determine copyright terms for limited times, and further stated that, "the 'constitutional command' . . . is that Congress, to the extent it enacts copyright laws at all, create a 'system' that 'promotes the Progress of Science.'"[73] Behind this command is the understanding that "the Framers intended copyright itself to be the engine of free expression."[74] Indeed, James Madison saw that the grant of power to Congress to establish copyright terms redounded benefit to both the creator of the copyrighted work and to the public at large:

> The utility of this power will scarcely be questioned. The copyright of authors has been solemnly adjudged in Great Britain to be a right of common law. The right to useful inventions seems with equal reason to belong to the inventors. The public good fully coincides in both cases with the claims of individuals.[75]

When the GPL functions as a bare license, it gives permission to the receiver of the GPL-licensed work to distribute the GPL-licensed work according to its terms.[76] However, the GPL can also function as an offer from the copyright owner to the receiver whereby the offered

69. Eldred v. Ashcroft, 537 U.S. 186, 194-95 (2003).

70. Sonny Bono Copyright Term Extension Act, Pub. L. No. 105-298, 112 Stat. 2827 (1998) (codified as amended in scattered sections of 17 U.S.C.).

71. *Id.*

72. *Eldred*, 537 U.S. at 193.

73. *Id.* at 212 (quoting Graham v. John Deere Co., 383 U.S. 1, 6 (1966)).

74. Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 558 (1985).

75. THE FEDERALIST NO. 43, at 271-72 (James Madison) (Clinton Rossiter ed., 1788).

76. GNU General Public License, Version 2, *supra* note 1, § 1.

exchange, or quid pro quo, is the permission to distribute the copyrighted work in exchange for a promise to distribute the copyrighted work, if at all, according to the terms of the GPL.[77]

If the receiver of the GPL-licensed work opts not to accept the license terms, but instead chooses to distribute copies of the GPL-licensed work outside of the GPL's prescribed manner, the license is irrelevant. The license only grants permission for the distribution of the work according to its terms. If someone distributes the work in a manner directly in conflict with its terms, then the copyright holder has not granted any relevant rights to the distributor. If there has been no grant of rights, the copyright holder may seek remedies for copyright infringement under federal copyright law. This is the case when the GPL functions as a bare license.

The Second Circuit has held that, when a copyright license grants limited rights to the receiver of a work, it is copyright infringement to use the work in a manner that exceeds the rights granted by the copyright holder.[78] In other words, when a licensee breaks a copyright license that grants limited rights, there are two possible causes of action: (1) breach of contract; and (2) copyright infringement. Professor Nimmer agrees:

> If the nature of a licensee's violation consists of a failure to satisfy a condition to the license (as distinguished from a breach of a covenant), it follows that the rights dependent upon satisfaction of such condition have not been effectively licensed, and therefore, any use by the licensee is without authority from the licensor and may therefore, constitute an infringement of copyright.[79]

In this way, when the GPL functions as a bare license, it does not interfere with, nor is it contrary to copyright law in any way. Rather, the license merely informs the receiver of the GPL-licensed works of the exclusive copyright uses that are authorized by the copyright holder (and that the receiver may undergo without fear of liability under federal copyright law). Essentially, when the GPL functions as a bare license, the copyright holder gives some, but not all, of his or her rights to the receiver. Those rights include: the right to reproduce, modify, and distribute copies of the original work, as well as the right to prepare derivative works, and a conditional right to distribute derivative works. Therefore, credible arguments that the

77. *See id.*

78. Gilliam v. Am. Broad. Cos., 538 F.2d 14, 21 (2d Cir. 1976).

79. 10 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 10.15 (2006) (footnotes omitted).

GPL is unconstitutional as a bare license must identify how the grant of this subset of the author's copyrights deprives or interferes with Congress's power to "promote the Progress of Science and useful Arts" or how it interferes with the power to "secur[e] for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."[80]

It is well-established in United States copyright law that "Authors" includes computer programmers and "Writings" includes original works made in human-readable code, typically referred to as computer "programs."[81] Therefore, the Constitution gives Congress the power to grant to programmers the "exclusive right" to their programs.[82]

One argument that the GPL is unconstitutional is based on the idea that the profit motive is central to the intent behind the Copyright Clause.[83] This argument mirrors the ideological struggle between the Free Software and proprietary software communities. This argument focuses on whether Congress intended to make the profit motive one of many incentives behind the exclusive copyrights granted, or whether Congress intended the profit motive to be the *main* incentive.[84] This position, which was explained by SCO in their open letter on copyrights, asserts that the GPL is unconstitutional because congressional authority:

> "to promote the Progress of Science and the useful arts. . ." inherently includes a profit motive, and that protection for this profit motive includes a Constitutional [sic] dimension. We believe that the "progress of science" is best advanced by vigorously protecting the right of authors and inventors to earn a profit from their work.[85]

Furthermore, if Congress intended the profit motive to be the *only* incentive in the copyright system, opponents of the GPL may have an abuse of copyright defense if they utilize GPL-licensed works in abrogation of the GPL. Abuse of copyright is an equitable

80. U.S. CONST. art. I, § 8.

81. *See* 17 U.S.C. § 101 (2006) (defining "computer program" as "a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result"); Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 346 (1991) (interpreting "Writings" to require originality, and "Authors" to mean "he to whom anything owes its origin").

82. U.S. CONST. art. I, § 8.

83. Darl McBride, President & CEO of The SCO Group, Inc., Open Letter on Copyrights (Dec. 3, 2003), http://www.thescogroup.com/copyright/.

84. *Id.*

85. *Id.*

affirmative defense to a copyright infringement claim which focuses on the public policy embodied in the grant of a copyright (as opposed to whether the use is violative of antitrust law).[86] Copyright misuse does not invalidate the copyright, but it does preclude the enforcement of copyrights during the period of misuse.[87]

Those who wrote the House Report on the landmark Copyright Act of 1909, however, explained the overriding policy and intent behind the Act, saying that copyright was not designed "primarily" to "benefit" the "author" or "any particular class of citizens, however worthy," but was instead "for the benefit of the great body of people, in that it will stimulate writing and invention."[88] The Supreme Court has held that there is nothing in the copyright statutes to prevent an author from "hoarding all of his works during the term of the copyright."[89] Indeed, "[t]he owner of the copyright, if he pleases, may refrain from vending or licensing and [sic] content himself with simply exercising the right to exclude others from using his property."[90]

When a programmer of an original program chooses to license her work under the GPL, it is, at worst, no less a proper exercise of her right than the "hoarding all of [her] works during the term of [her] copyright."[91] In practice, placing an original work under the GPL ensures that more people will have access to it and be able to learn from it than excluding everyone from access to the copyrighted work during its copyright term. Thus, when authors choose to license their original works under the GPL, it furthers the "sole interest of the United States and the primary object in conferring the monopoly [which] lie[s] in the general benefits derived by the public from the labors of authors."[92]

As a bare license, the GPL merely grants permission for the receiver to copy, distribute, and/or modify the GPL-licensed program under certain conditions. If those conditions are not met, the license is irrelevant, because no permission has been granted and the person who has copied, distributed, and/or modified outside of those

86. Davidson & Assocs., Inc. v. Internet Gateway, 334 F. Supp. 2d 1164 (E.D. Mo. 2004).

87. *Id.*

88. *See* Eldred v. Ashcroft, 537 U.S. 186, 247 (2003) (Breyer, J., dissenting) (quoting H.R. Rep. No. 2222, 60th Cong., 2d Sess., 6-7 (1909)).

89. Stewart v. Abend, 495 U.S. 207, 228-29 (1990).

90. Fox Film Corp. v. Doyal, 286 U.S. 123, 127 (1932).

91. *Stewart*, 495 U.S. at 229.

92. United States v. Paramount Pictures, Inc., 334 U.S. 131, 158 (1948) (quoting *Fox Film Corp.*, 286 U.S. at 127).

conditions has committed copyright infringement.

In analyzing the GPL's constitutionality, it is instructive to realize that there are only two ways that a work can come to be licensed under the GPL: (1) the creator of an original work can license their work under the GPL; and (2) a creator of a derivative work can alter an existing work that is currently licensed under the GPL.[93] It would be very difficult, if not impossible to argue that the GPL, as it applies to the creator of an original work, deprives Congress of the power to secure copyright terms to the author's work. Rather than challenging Congress's power to secure an exclusive copyright to programmers who create new works, the GPL accepts as true that Congress *has* secured an exclusive copyright to the work in the programmer, and as a result, the programmer is free to license the program as he chooses.

Furthermore, although some have argued otherwise,[94] the GPL does not purport to have the power to circumvent copyright law by interfering with the exclusive copyright of authors who have not chosen to license their original works under the GPL: "Thus, it is not the intent of this section to claim rights or contest your rights to work written entirely by you; rather, the intent is to exercise the right to control the distribution of derivative or collective works based on the Program."[95]

In fact, the GPL relies upon the statutory definition of computer program copyright infringement as the lease, sale, or other transfer of a copy or adaptation of a computer program without the authorization of the copyright owner.[96] In defining acceptance of the license, the GPL notes that if parties use the GPL without accepting the license, they are doing so in violation of U.S. Copyright law, because they do not have the authorization of the copyright owner:[97] "You are not required to accept this License . . . . However, nothing else grants you permission to modify or distribute the Program or its derivative works. These actions are prohibited by law if you do not accept this License."[98]

93. GNU General Public License, Version 2, *supra* note 1, § 1.

94. Windows IT Pro, *SCO Backs Up Claims of Linux IP Theft*, June 10, 2003, http://www.windowsitpro.com/Article/ArticleID/39258/39258.html.

95. GNU General Public License, Version 2, *supra* note 1, § 2.

96. *See* 17 U.S.C. § 106 (2006); *see also* 17 U.S.C. § 117 (2006) (establishing the limitations on exclusive rights to computer programs).

97. *See* 17 U.S.C. §§ 106, 117 (2006).

98. GNU General Public License, Version 2, *supra* note 1, § 5.

The strongest argument for the GPL's unconstitutionality when it functions as a bare license is that the conditional grant of permission to prepare and distribute derivative works is not "for limited times." It could be argued that because the bare license purports to apply to derivative works of derivate works, it takes Congress's grant of a limited copyright term and extends it in perpetuity — beyond the constitutionally allowed realm. In *Brulotte v. Thys Co.*, the Supreme Court held that patent royalties may not be collected beyond the life of a patent, even if both parties willingly contract for payments that extend beyond the patent term.[99] By analogy, if "a patentee's use of a royalty agreement that projects beyond the expiration date of the patent is unlawful *per se*,"[100] then so, perhaps, is a copyright holder's use of a license that restricts the future preparation and distribution of derivative works beyond the expiration date of the copyright term.

When the GPL functions as a bare license, however, it is very different from the patent royalty agreement in *Brulotte*. First, the royalty agreement in *Brulotte* attempted to extend the patent holder's monopoly by a contract that extracted private payments for an invention that legally belonged to the public. The GPL, when it functions as a bare license, does not attempt to extend the private monopoly of the author's copyright by forming a tying agreement to collect future payments. Rather, as a bare license, the GPL gives a *subset* of the copyrights held by the author to the receiver. If the copyright term has expired, the author no longer has a superset of copyrights from which to give the receiver a subset and thus, the GPL as a bare license has no effect when the work is beyond its copyright term.

Second, the majority of the works licensed under the GPL are software programs. Much of the software licensed under the GPL is attributed to the author who wrote it, although some works are unattributed, and others are works for hire. Under the Sonny Bono Act, the attributed non-for-hire works have terms of the author's life plus seventy years, while the works for hire and the anonymous works have terms of at least ninety-five years. As Gordon Moore observed, the processing capacity of the hardware on which software runs doubles approximately every two years.[101] As a result of this

99. Brulotte v. Thys Co., 379 U.S. 29, 32 (1964).

100. *Id.*

101. Gordon E. Moore, *Cramming More Components onto Integrated Circuits*, ELECTRONICS Vol. 38, No. 8 (1965), *available at* ftp://download.intel.com/research/silicon/

breakneck pace, the field of computer software grows, changes, and evolves rapidly with each new hardware revision. Consequently, the average software program ceases to be relevant well before the expiration of the applicable copyright term and there is little pragmatic sense in the argument that software copyrights could be abused by exercise of the exclusive rights in extension of the allowed term.

Accordingly, when the GPL functions as a bare license, it (1) relies upon Congress's grant of exclusive copyright to the creators of original works, (2) does *not* endorse or encourage the circumvention of the copyrights of works not licensed under it, and (3) promotes progress of computer science by allowing those who receive copies of GPL-licensed work to share the human-readable code with others who can learn from it as well. Furthermore, as a bare license the GPL cannot limit the preparation and distribution of derivative works after the expiration of the copyright term. As such, when applied to original works as a bare license, the GPL is a constitutional grant of a subset of the copyright holder's rights.

Federal Pre-emption

Article VI of the Constitution establishes federal law as the "supreme Law of the Land."[102] Therefore, any state law that "interferes with or is contrary to federal law, must yield."[103] The GPL is capable of functioning in two capacities: (1) as a bare license, before the receiver of the program has accepted its terms; and (2) as a contract, after the receiver of the program has accepted its terms.[104] The pre-emption arguments are relevant only to determine whether an action based on the terms of the GPL for breach of contract under state law "interferes with or is contrary to federal law."[105]

While it functions as a bare license, the GPL is not enforceable, per se, and the licensor must seek redress in copyright law. In order for the GPL to be enforceable on its own, an enforceable contract based upon its terms must be formed. Contracts are governed by state law, and as such, an action to enforce the GPL will be controlled

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102. U.S. CONST. art. VI.

103. Gade v. Nat'l Solid Waste Mgmt. Ass'n, 505 U.S. 88, 108 (1992) (quoting Felder v. Casey, 487 U.S. 131, 138 (1988)).

104. *See* GNU General Public License, Version 2, *supra* note 1.

105. *Gade*, 505 U.S. at 108.

by the laws of the state where the action is brought.[106] In order for the GPL to function as a contract, there must be a manifestation of assent, which typically takes the form of an offer (the bare license terms) and acceptance.[107] If the receiver of a GPL-licensed work distributes the work in accordance with the GPL's terms, the act of distribution functions as a manifestation of assent because the copyright holder would infer acceptance of the GPL's terms from the act of complying with those terms.[108] Although distribution of the GPL-licensed work according to the GPL's terms is the most obvious form of assent, a contract may be formed when the receiver promises to comply with the GPL's terms, or undertakes other actions which manifest his assent.[109] After a contract is formed, state contract law is preempted if the enforcement of the contract is expressly preempted by federal law or the contract's enforcement is impliedly preempted by the structure and purpose of federal law.[110] It is important to note that the United States Constitution is binding upon governments, not individuals, and as such, it cannot be unconstitutional for individuals to enter into a GPL-license agreement, but it could be unconstitutional for the court system to enforce that agreement.[111]

Direct Conflict Pre-emption

Direct conflict pre-emption occurs when the enforcement of a state law directly conflicts with the enforcement of a federal law.[112] In other words, it is physically impossible to simultaneously comply with both the state and federal laws. As discussed above, the GPL is in perfect agreement with federal law when an author licenses a completely original work. Conflicts may arise, however, as a result of the limitations that the license places on derivative works.

106. Subject to the choice of laws of the state, if applicable.

107. RESTATEMENT (SECOND) OF CONTRACTS § 22 (1981).

108. "The conduct of a party is not effective as a manifestation of his assent unless he intends to engage in the conduct and knows or has reason to know that the other party may infer from his conduct that he assents." *Id.* § 19.

109. "A manifestation of mutual assent may be made even though neither offer nor acceptance can be identified and even though the moment of formation cannot be determined." *Id.* § 22.

110. ERWIN CHEMERINSKY, CONSTITUTIONAL LAW: PRINCIPLES AND POLICIES 376 (2d ed. 2002).

111. *See, e.g.*, Shelley v. Kraemer, 334 U.S. 1 (1948) (holding that racial covenants between private parties did not violate the Fourteenth Amendment, but that the enforcement of those covenants by the courts would be unconstitutional state action).

112. CHEMERINSKY, *supra* note 110, at 376-78.

Because original works are not controversial, the primary area of constitutional debate centers around how the GPL purports to function in the case of derivative works. The Copyright Act defines a derivative work as:

> [A] work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a "derivative work."[113]

The GPL refers to derivative works as "a work based on the Program," where Program refers to an original work licensed under the GPL.[114] Specifically, the GPL defines derivative works under copyright law to include "a work containing the Program or a portion of it, either verbatim or with modifications and/or translated into another language."[115] Copyright law grants authors the exclusive right to prepare derivative works based on the copyrighted work or to authorize the preparation of derivative works.[116] Through the GPL, the author of an original work authorizes the preparation of derivative works, according to the terms of the GPL.[117]

The GPL claims to apply to "derivative works" as they are defined in copyright law.[118] Generally, software distributors look to the Free Software Foundation to determine whether derivative works made from two separately licensed works may be distributed together.[119] This usually requires a determination of whether the license of the work seeking to be combined with the GPL-licensed work is "compatible."[120] Because the GPL requires that all derivative works be licensed under the terms of the GPL, any license that does not allow its derivative works to be licensed under GPL terms is incompatible. The GPL explicitly states that, if you distribute a

113. 17 U.S.C. § 101 (2006).

114. GNU General Public License, Version 2, *supra* note 1, § 0.

115. "Hereinafter, translation is included without limitation in the term 'modification.'" *Id.*

116. 17 U.S.C. § 106 (2006).

117. GNU General Public License, Version 2, *supra* note 1, § 2.

118. "'[W]ork based on the Program' means either the Program or any derivative work under copyright law." *Id.* § 0.

119. *See, e.g.*, Mozilla Relicensing FAQ, http://www.mozilla.org/MPL/relicensing-faq.html (last visited Oct. 9, 2006).

120. *Id.*

whole work, and some part of that work is derivative of work licensed under the GPL, then the entire distribution "of the whole must be on the terms of this License, whose permissions for other licensees extend to the entire whole, and thus to each and every part regardless of who wrote it."[121]

The majority of the fear surrounding the GPL is directed to this requirement that all derivative works made from the GPL be licensed under the GPL as well.[122] Opponents argue that these terms cause a problem, because they could require that existing copyrights be subverted simply because one who is not the holder of the copyright distributes it in combination with GPL-licensed code.[123] If the GPL does purport to authorize the distribution of copyrighted works without the permission of the copyright holders, its enforcement would be in direct conflict with Title 17 of the United States Code, and therefore a state legal action enforcing the contract would be unconstitutional, so it must be preempted.[124] However, according to its own terms, no work may be licensed under the GPL without the permission of the copyright holder.[125] In order for unauthorized distribution of copyrighted works to occur under the GPL, *the copyright holder must authorize the license* of the work under the GPL.[126] If the distribution and licensing is authorized, by definition, it does not circumvent copyright law by purporting to legalize the unauthorized distribution of a copyrighted work.

The analogous argument would be that a proprietary fee-for-use license is unconstitutional simply because one could distribute and attempt to license copyrighted works without authorization under it. The more proper analysis, of course, is to recognize that because the distribution was unauthorized, the copying and distribution of the work is copyright infringement and the license predicated upon that infringement is invalid. The same analysis applies to the GPL.

121. General Public License, Version 2, *supra* note 1, § 2.

122. *Id.*

123. "SCO intends to fully protect its rights granted under these Acts against all who would use and distribute our intellectual property for free, and would strip out copyright management information from our proprietary code, use it in Linux, and distribute it under the GPL." Darl McBride, *supra* note 83.

124. 17 U.S.C. §§ 106, 501 (2006).

125. "This License applies to any program or other work which contains a notice *placed by the copyright holder* saying it may be distributed under the terms of this General Public License." GNU General Public License, Version 2, *supra* note 1, § 0 (emphasis added).

126. *Id.*

Unfortunately, due to the fundamental ideological differences between the proprietary software and Free Software communities, unauthorized licensing accusations rarely undergo a logical process to determine whether the copying was authorized, and instead typically become public "flame wars" involving accusations of simple theft.[127]

Although opponents believe otherwise, the GPL explicitly forbids the incorporation of protected intellectual property into derivative works derived from GPL-licensed code if the incorporation results in legally required additions or conditions that conflict with the GPL:

> If, as a consequence of a court judgment or allegation of patent infringement or for any other reason (not limited to patent issues), conditions are imposed on you (whether by court order, agreement or otherwise) that contradict the conditions of this License, they do not excuse you from the conditions of this License. *If you cannot distribute so as to satisfy simultaneously your obligations under this License and any other pertinent obligations, then as a consequence you may not distribute the Program at all.* For example, if a patent license would not permit royalty-free redistribution of the Program by all those who receive copies directly or indirectly through you, then the only way you could satisfy both it and this License would be to refrain entirely from distribution of the Program.[128]

This license term prevents the GPL from directly conflicting with copyright law, patent law, and contract law (where existing licenses cover a work which is attempted to be included in a GPL-licensed work). Basically, the GPL cannot be in direct conflict with federal law as a result of combinations of GPL-licensed work with other works because it refuses to extend its own terms to the distribution of any derivative work that would result in direct conflict pre-emption.

While the extension of copyright term argument based on *Brulotte*[129] can be avoided in the case of the bare license, it is much more problematic when the GPL functions as a contract. The tying agreement requiring that all future derivative works must be distributed according to its terms appears to make it unconstitutional for the same reason as the royalty agreement governing the machines in *Brulotte*. The GPL purports to require that all its terms apply to all derivative works, even those derivative works prepared outside the

127. *A Matter of Inspiration*, http://www.icsharpcode.net/pub/relations/amatterofinspiration.aspx (last visited Mar. 20, 2005).

128. GNU General Public License, Version 2, *supra* note 1, § 7 (emphasis added).

129. Brulotte v. Thys Co., 379 U.S. 29, 32 (1964).

term of the copyright of the work whose license purports to bind the future preparations. In effect, the GPL attempts to utilize the exclusive rights in the copyrighted material to require that creators give up their exclusive rights of distribution in the future.

If *Brulotte* is read narrowly, the GPL can be distinguished. First, the GPL does not tie the "purchase or sale" of the future derivative works to the use or sale of GPL-licensed work. Second the GPL does not attempt to project the "royalty payments" for the GPL-licensed work beyond the copyright term. However, if *Brulotte* is read more generally, enforcement of the GPL is an unconstitutional extension of the copyright term. It is irrelevant that the "royalty payment" extracted by the GPL is in the form of future exclusive rights. Any payment for the exclusive rights defined by copyright law is a royalty payment, and a contract that seeks to extract royalties beyond the congressionally mandated term of a copyright or patent is unconstitutional, so the analysis in *Brulotte* is directly on point. Accordingly, to the extent that the GPL attempts to govern the distribution of derivative works that are prepared beyond the copyright term, it is unenforceable because it is unconstitutional.[130] However, as discussed above, due to the speed with which software becomes obsolete, it is unlikely that anyone would try to enforce one of the exclusive rights of copyright beyond the copyright term.

In sum, outside of the extremely unlikely case where a GPL-licensed work would be used to extend the exclusive right to prepare and distribute derivative works to a time past the expiration of the copyright term, direct conflict pre-emption does not apply.

Field Pre-emption

In addition to direct conflict pre-emption, a state law can be preempted by implied conflict pre-emption and field pre-emption.[131] Field pre-emption occurs "where the scheme of federal regulation is so pervasive as to make reasonable the inference that Congress left no room for the States to supplement it."[132] Congress enacted the first federal patent and copyright law in 1790, and the Supreme Court has stated that:

> These laws, like other laws of the United States enacted pursuant to constitutional authority, are the supreme law of the

130. *Id.* at 30 (reversing opinion below insofar as it allowed royalties to be collected which accrued after the last of the patents incorporated into the machines had expired).

131. CHEMERINSKY, *supra* note 110, at 376-78.

132. *Id.* at 98.

> land. When state law touches upon the area of these federal statutes, it is "familiar doctrine" that the federal policy "may not be set at naught, or its benefits denied" by the state law. This is true, of course, even if the state law is enacted in the exercise of otherwise undoubted state power.[133]

Software works under the Copyright Act of 1976 are commonly licensed under state contract law. These licenses have been held to be enforceable in both shrinkwrap and click-through form. In 1996, the Seventh Circuit held that a shrinkwrap end user license agreement ("EULA") of copyrighted code was enforceable and not preempted.[134] In September 2004, one district court held a click-through EULA to be enforceable.[135] The Second Circuit, however, analyzed a browse-through license and found it to be unenforceable for failure to require a manifestation of assent.[136] Perhaps the most informative case regarding field pre-emption of copyright law and software license agreements comes from the Ninth Circuit, where a license governing the use of copyrighted software was held to be breached under state contract law, and the case was remanded for determination of whether defendant simultaneously infringed plaintiff's copyright as well.[137]

Congress has not completely occupied the field of the GPL's application. When field pre-emption applies, "federal law is exclusive in the area and preempts state laws even if they serve the same purposes as the federal law and do not impede the implementation of federal law."[138] The cases discussed above show that federal law is not exclusive in the area of copyright-based contracts governing the use and distribution of software, but rather that Congress intended to legislate in a manner that did not completely preclude the enforcement of contracts governing the field of the use of software covered by federal copyright. Therefore, field pre-emption is not a wholesale bar to the enforcement of contracts predicated upon federal copyright law, and as such, the enforcement of the GPL is not subject to field pre-emption.

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133. Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, 229 (1964) (citations omitted).

134. ProCD, Inc. v. Zeidenberg, 86 F.3d 1447 (7th Cir. 1996).

135. Davidson & Assocs. Inc. v. Internet Gateway, 334 F. Supp. 2d 1164 (E.D. Mo. 2004).

136. Specht v. Netscape Commc'ns Corp., 306 F.3d 17 (2d Cir. 2002) (click-through license held unenforceable, but analyzed from the perspective that it could have been enforceable).

137. S.O.S., Inc. v. Payday, Inc., 886 F.2d 1081, 1089 (9th Cir. 1989).

138. CHEMERINSKY, *supra* note 110, at 386.

Implied Pre-emption

Even when there is no direct conflict pre-emption, and courts have determined that Congress did not intend to exclusively regulate the field, implied pre-emption may still be found if a state law "stands as an obstacle to the accomplishment and execution of the full purposes or objectives of Congress."[139] Accordingly, the key inquiry for implied pre-emption is whether the enforcement of the GPL is contrary to congressional intent in enacting the Copyright Act.

Legislative history shows that Congress enacted and amended the 1976 Copyright Act in furtherance of the constitutional command that it "create a 'system' that 'promote[s] the Progress of Science.'"[140] The House Judiciary Report on the Copyright Act of 1976 states the following:

> Pre-emption of State Law. The intention of section 301 is to preempt and abolish any rights under the common law or statutes of a State that are equivalent to copyright and that extend to works coming within the scope of the Federal copyright law. The declaration of this principle in section 301 is intended to be stated *in the clearest and most unequivocal language possible*, so as to foreclose any conceivable misinterpretation of its unqualified intention that Congress shall act preemptively, and *to avoid the development of any vague borderline areas between State and Federal protection.*[141]

Accordingly, section 301 of the Copyright Act must be construed strictly.[142]

In *National Car Rental System, Inc. v. Computer Associates International, Inc.*, the Eighth Circuit held that the copyright system created by Congress allows for the negotiation of license agreements governing the use of copyrighted software.[143] The district court held that the licensor's breach of contract claim was preempted by 17 U.S.C. § 301(a),[144] which in relevant part states:

> [A]ll legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as

139. Hines v. Davidowitz, 312 U.S. 52, 67 (1941).

140. Eldred v. Ashcroft, 537 U.S. 186, 212 (2003) (quoting Graham v. John Deere Co., 383 U.S. 1, 6 (1966)).

141. Daboub v. Gibbons, 42 F.3d 285, 290 n.8 (5th Cir. 1995) (quoting H.R. Rep. No. 94-1476, at 130 (1976), 94th Cong., 2d Sess. 132, *as reprinted in* 1976 U.S.C.C.A.N. 5659, 5746).

142. Twentieth Century Music Corp. v. Aiken, 422 U.S. 151 (1975).

143. Nat'l Car Rental Sys., Inc. v. Computer Assocs. Int'l, Inc., 991 F.2d 426 (8th Cir. 1993).

144. *Id.* at 428.

> specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103 . . . are governed exclusively by this title. Thereafter, *no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.*[145]

The Eighth Circuit reversed, holding that the contract governed activities other than those defined as the exclusive rights in copyright.[146] Specifically, the court noted that the cause of action, as pled, did not allege any of the activities listed in 17 U.S.C. § 106,[147] which would be required to state a claim for copyright infringement.[148] Since the breach of contract claim did not rely on any of the rights secured by copyright law, the Eighth Circuit reversed, holding that the contract claim was not preempted.[149] In doing so, the court relied in part on congressional intent:

> We believe that the legislative history of the Copyright Act supports this conclusion. In elaborating the meaning of the term "equivalent rights" the House committee report to the Copyright Act suggests that breaches of contract were not generally preempted: "nothing in the bill derogates from the rights of parties to contract with each other and to sue for breaches of contract."[150]

Although the Supreme Court has not addressed a case regarding pre-emption of contracts governing copyrighted software, the Court has stated that the Copyright Act has an "express objective of creating national, uniform copyright law by broadly pre-empting state statutory and common-law copyright regulation."[151] In keeping with the Supreme Court's classification of congressional intent, a majority of circuits have joined the Eighth Circuit in embracing the "extra element" test for determining whether federal copyright law preempts state law claims.[152]

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145. 17 U.S.C. § 301(a) (2006) (emphasis added).

146. *National*, 991 F.2d at 432-33.

147. The relevant exclusive rights for software are: (1) the right to reproduce copies, (2) the right to prepare derivative works based on the copyrighted work, and (3) to distribute copies.

148. *National*, 991 F.2d at 430.

149. *Id.*

150. *Id.* at 433 (quoting H.R. Rep. No. 94-1476, at 132, *as reprinted in* 1976 U.S.C.C.A.N., 5748).

151. Cmty. for Creative Non-Violence v. Reid, 490 U.S. 730, 740 (1989) (citing 17 U.S.C. § 301(a)).

152. *See* Ritchie v. Williams, 395 F.3d 283, 288 (6th Cir. 2005); Dunlap v. G&L Holding Group, Inc., 381 F.3d 1285, 93-94 (11th Cir. 2004); Carson v. Dynegy, Inc., 344 F.3d 446,

Under the "extra element test," 17 U.S.C. § 106 is considered a floor that state breach of contract claims may build upon. A state law claim is preempted by federal copyright law if (1) the subject matter of the state law claim falls within the subject matter of the copyright laws as set forth in 17 U.S.C. §§ 102-03, and (2) the state law creates rights which are equivalent to any of the exclusive rights granted to the copyright holder by 17 U.S.C. § 106.[153] In order for a contract claim to survive the extra element test, the contract breach must require an extra element instead of or in addition to the acts of reproduction, performance, distribution, or display of the copyrighted work.[154]

The Seventh Circuit is alone in its refusal to explicitly adopt the "extra element test" stating, "one cannot simply call every element in a state statute (or otherwise extracted from state common law) an 'element' and conclude that the statute includes 'extra elements' and should not be preempted."[155] However, in application, the Seventh Circuit's test is essentially the same as the "extra element" test in that, "to avoid pre-emption, a state law must regulate conduct qualitatively distinguishable from that governed by federal copyright law — i.e., conduct other than reproduction, adaptation, publication, performance, and display."[156]

Applying the extra element test is straightforward. For example, in *Davidson & Associates, Inc. v. Internet Gateway*, the District Court for the Eastern District of Missouri addressed a complicated breach of contract and copyright infringement case and held, in reliance on *National*, that the terms of use and EULA governing the software created contractual restrictions that did not exist in copyright law.[157] Thus, an action for breach of the contract in *Davidson* was not

456 (5th Cir. 2003); Bowers v. Baystate Techs., 320 F.3d 1317, 1324 (Fed. Cir. 2003); Dun & Bradstreet Software Servs., Inc. v. Grace Consulting, Inc., 307 F.3d 197, 216-18 (3d Cir. 2002); Sturdza v. United Arab Emirates, 281 F.3d 1287, 1303-04 (D.C. Cir. 2002); Samara Bros., Inc. v. Wal-Mart Stores, Inc., 165 F.3d 120, 131 (2d Cir. 1998); Harolds Stores, Inc. v. Dillard Dep't Stores, Inc., 82 F.3d 1533, 1542-43 (10th Cir. 1996); Data Gen. Corp. v. Grumman Sys. Support Corp., 36 F.3d 1147, 1164 (1st Cir. 1994); Trandes Corp. v. Guy F. Atkinson Co., 996 F.2d 655, 659 (4th Cir. 1993); Del Madera Props. v. Rhodes & Gardner, Inc., 820 F.2d 973, 976 (9th Cir. 1987).

153. *See supra* notes 134-44.

154. 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 1.01[B] (2006) (footnotes omitted).

155. Toney v. L'Oreal U.S.A., Inc., 384 F.3d 486, 491 (7th Cir. 2004).

156. *Id.*

157. Davidson & Assocs. Inc. v. Internet Gateway, 334 F. Supp. 2d 1164 (E.D. Mo. 2004).

preempted by federal law because the action for breach required proof of an "extra-element" in addition to the necessary elements of § 106.

In the case of the GPL, because the majority of GPL-licensed works are software programs,[158] they are explicitly within the Copyright Act's coverage, and the first prong of the "extra-element" test is easily satisfied. The second prong of the extra-element test requires that the elements of proof to state a cause of action based on the GPL's terms be identified and compared against the exclusive rights of copyright iterated in 17 U.S.C. § 106.[159] When identifying the necessary elements of a cause of action for breach of contract, one must interpret a copyright license narrowly.[160] Read narrowly, the GPL establishes three ways that a licensee could fail to comply with the agreement and create a cause of action for breach of contract: the licensee could (1) *distribute* copies of a GPL-licensed work while failing to comply with the GPL's terms of distribution,[161] (2) *distribute* derivative works of the GPL-licensed work while failing to comply with the GPL's terms of distribution for derivative works,[162] or (3) *distribute* a copy of a GPL-licensed work or a derivative work such that it is subject to additional legal conditions other than those defined by the GPL (including patent royalty obligations).[163]

Failure to comply with any one of these terms involves distribution of copies, preparation of derivative works, and/or distribution of derivative works in a manner that would allow the copyright holder to set out a claim for copyright infringement under 17 U.S.C. § 106. Therefore, the GPL fails to state an extra element that will allow for a breach of contract claim in jurisdictions that apply the "extra element" test. Thus, the GPL is preempted by federal copyright law and its enforcement as a contract under state law is preempted.

158. *See supra* notes 59-61.

159. Nat'l Car Rental Sys., Inc. v. Computer Assocs. Int'l, Inc., 991 F.2d 426, 428-29 (8th Cir. 1993) (citing Harper & Row, Publishers, Inc. v. Nation Enters., 723 F.2d 195, 200 (2d Cir. 1983)).

160. Apple Computer, Inc. v. Microsoft Corp., 759 F. Supp. 1444, 1451 (N.D. Cal. 1991), *aff'd*, 35 F.3d 1435 (9th Cir. 1994), *cert. denied*, 513 U.S. 1184 (1995).

161. GNU General Public License, Version 2, *supra* note 1, §§ 1, 3

162. *Id.* at §§ 2-3.

163. *Id.* at §§ 6-7.

Conclusion

Challenges to the GNU General Public License alleging that it is unconstitutional are properly divided into two categories: those alleging that the bare license granted by the GPL is unconstitutional, and those alleging that enforcing the GPL under state contract law is unconstitutional. When it functions as a bare license, the GPL is the tool through which the copyright holder grants a subset of her exclusive rights to the receiver. As a bare license, the GPL is in parallel with the Copyright Clause of Article I of the United States Constitution because it relies upon existing federal copyright law to ensure that the copyright holder's work is distributed according to the copyright holder's wishes. If someone attempts to distribute the copyrighted work in a manner outside of the GPL's terms as a bare license, the GPL does not grant any permission for that distribution, and as such, the copyright holder may pursue an action under federal copyright law for copyright infringement.

Although the GPL, if enforced as a contract, could be viewed as part of the "system" that "promotes the Progress of Science,"[164] the most credible unconstitutionality claims argue that the GPL's enforcement as a contract is contrary to and preempted by federal copyright law. Direct conflict pre-emption does not apply because it is possible to simultaneously satisfy federal copyright law and the terms of the GPL. Field pre-emption does not apply because software licensing agreements governing the use and/or distribution of copyrighted software have been repeatedly held to be enforceable by federal courts. However, federal copyright law impliedly preempts enforcement of the GPL as a contract because the GPL fails the pass the "extra element" test. Any action arising out of the GPL as an enforceable contract requires the same elements of proof as an action under 17 U.S.C. § 106 for copyright infringement, and as such, the GPL is preempted from being an enforceable contract under state law because the action is properly brought under federal copyright law.

Accordingly, when it functions as a bare license, the GPL is a constitutional, conditional grant of rights from the copyright holder. However, attempts to enforce the GPL as a contract under state law would be null and void because the GPL is preempted by federal copyright law under Article VI of the United States Constitution.

164. Eldred v. Ashcroft, 537 U.S. 186, 212 (2003) (quoting Graham v. John Deere Co., 383 U.S. 1, 6 (1966)).