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## A PROMISE WITHOUT A REMEDY: THE SUPPOSED INCOMPATIBILITY OF THE GPLv2 AND APACHE V2 LICENSES

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# **A PROMISE WITHOUT A REMEDY: THE SUPPOSED INCOMPATIBILITY OF THE GPLv2 AND APACHE v2 LICENSES**

*Pamela S. Chestek\**

*License “incompatibility” in free and open source software licensing means that, when two differently licensed pieces of software are combined, one cannot comply with both licenses at the same time. It is commonly accepted that the GNU General Public License version 2 is incompatible with the Apache License, version 2 because certain provisions of the Apache License would be considered “further restrictions” not permitted by the GPLv2. However, this article will explain why there is no legally cognizable claim for combining the two, either under a copyright infringement theory or a breach of contract theory.*

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## I. INTRODUCTION

Little is more well-settled in open source software license interpretation than the rule that the GNU General Public License version 2 (“GPLv2”)<sup>1</sup> is incompatible with the Apache License, version 2 (“Apache”).<sup>2</sup> This article will explain, however, that there is no legally cognizable claim for combining the two.<sup>3</sup> All the time spent and work done ensuring that two computer programs with these two different licenses aren’t combined isn’t necessary—they can be combined because no one will ever be harmed by the combination.

## II. THE INCOMPATIBILITY THEORY

The incompatibility theory starts with a requirement in the GPLv2 that says, “You must cause any work that you distribute or publish, that in whole or in part contains or is derived from the Program or any part thereof, to be licensed as a whole at no charge to all third parties under the terms of this License.”<sup>4</sup> That is, when Apache-licensed software (or software under any license) is combined with GPLv2-licensed software, the differently licensed software must be distributed in compliance with the GPLv2 license terms, as well as the terms of its own license.<sup>5</sup> Conventional wisdom is that the Apache and

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<sup>1</sup> *GNU General Public License, version 2*, GNU OPERATING SYSTEM (June 1991), <https://www.gnu.org/licenses/old-licenses/gpl-2.0.en.html> [hereinafter GPLv2].

<sup>2</sup> *Apache License, Version 2*, THE APACHE SOFTWARE FOUND. (Jan. 2004), <https://www.apache.org/licenses/LICENSE-2.0> [hereinafter Apache]. This article does not apply to the possible incompatibility between the GPLv2 and the Apache License, Versions 1.0 and 1.1. *Apache License, Version 1.0*, APACHE SOFTWARE FOUND., <https://www.apache.org/licenses/LICENSE-1.0> (last visited Nov. 11, 2023); *Apache License, Version 1.1*, APACHE SOFTWARE FOUND., <https://www.apache.org/licenses/LICENSE-1.1> (last visited Mar. 26, 2024). The Free Software Foundation considers these two licenses incompatible for different reasons. See *Various Licenses and Comments about Them*, GNU OPERATING SYS., <https://www.gnu.org/licenses/license-list.en.html> (last visited Oct. 17, 2023).

<sup>3</sup> While this article discusses only the GPLv2, the same obligation is in the GNU Lesser General Public License, version 2.1. *GNU Lesser General Public License, version 2.1*, GNU OPERATING SYS., § 7 (Feb. 1999), <https://www.gnu.org/licenses/old-licenses/lgpl-2.1.en.html>.

<sup>4</sup> GPLv2, *supra* note 1, § 2(b). This concept is referred to as “copyleft.”

<sup>5</sup>

What does it mean to say a license is “compatible with the GPL?”

GPLv2 licenses are “incompatible”; that is, it is not possible for one to comply with both the GPLv2 and Apache licenses at the same time.

The stated theory for the incompatibility is that the GPLv2 does not allow the imposition of any restrictions on the use of the software not found in the GPLv2 itself: “You may not impose any further restrictions on the recipients’ exercise of the rights granted herein,”<sup>6</sup> which is commonly referred to as the “no further restrictions” clause. This clause is designed to prevent anyone from taking away the liberal rights granted to the user in the GPLv2.<sup>7</sup> It applies to any kind of restrictions, including those found in other open source licenses.

According to the Free Software Foundation, the license steward of the GPLv2,<sup>8</sup> the Apache license has two provisions that act as further restrictions: its patent termination provision and its indemnification provision.<sup>9</sup> Thus, the Apache-licensed portion of the

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It means that the other license and the GNU GPL are compatible; you can combine code released under the other license with code released under the GNU GPL in one larger program.

All GNU GPL versions permit such combinations privately; they also permit the distribution of such combinations, provided that the combination is released under the same GNU GPL version. The first license is compatible with the GPL if it permits this too.

*Frequently Asked Questions about the GNU Licenses*, GNU OPERATING SYS., <https://www.gnu.org/licenses/gpl-faq.html#WhatDoesCompatMean> (last visited Mar. 11, 2023).

<sup>6</sup> GPLv2, *supra* note 1, § 6.

<sup>7</sup> See RICHARD M. STALLMAN, *The GNU Project*, in FREE SOFTWARE, FREE SOCIETY: SELECTED ESSAYS OF RICHARD M. STALLMAN 17, 22 (Joshua Gay ed., 1st ed. 2002), <https://www.gnu.org/philosophy/fsfs/rms-essays.pdf> (“The central idea of copyleft is that we give everyone permission to run the program, copy the program, modify the program, and distribute modified versions—but not permission to add restrictions of their own. Thus, the crucial freedoms that define ‘free software’ are guaranteed to everyone who has a copy; they become inalienable rights.”)

<sup>8</sup> The Free Software Foundation drafted the GPL family of licenses; however, they are hosted not on the Free Software Foundation website, but at GNU.org, the website for the GNU operating system. See *About the GNU Operating System*, GNU OPERATING SYS., <https://www.gnu.org/gnu/gnu.html> (last visited May 15, 2023). Presumably, this is because Richard Stallman, the driving force behind the GNU family of licenses, was also the creator of the GNU operating system, and the GNU operating system was the intended audience for the license.

<sup>9</sup> See *Various Licenses and Comments about Them*, GNU OPERATING SYS., <https://www.gnu.org/licenses/license-list.html#apache2> (last visited Oct. 13, 2023) (“Please note that this license is not compatible with GPL

combination work, being distributed under the GPLv2 license too, when combined, has further restrictions that are in breach of the GPLv2.

Below are the terms in the Apache license that are the source of the supposed incompatibility. First is the restriction regarding patents. Note that the Apache license has an express grant of a patent license, but the GPLv2 does not.<sup>10</sup> There is instead a working assumption that the GPLv2 grants an implied patent license, so the patent grant itself is not the source of the incompatibility.<sup>11</sup> However, the Apache license also expressly terminates all patent licenses granted to the user (but not the copyright licenses) if a user of the Apache-licensed software brings a claim that the Apache-licensed software infringes their patent:

If You institute patent litigation against any entity (including a cross-claim or counterclaim in a lawsuit) alleging that the Work or a Contribution incorporated within the Work constitutes direct or contributory patent infringement, then any patent licenses granted to You under this License for that Work shall terminate as of the date such litigation is filed.<sup>12</sup>

This automatic revocation of the patent grant in the Apache license is the first unacceptable further restriction.<sup>13</sup>

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version 2, because it has some requirements that are not in that GPL version. These include certain patent termination and indemnification provisions.”).

<sup>10</sup> See Apache, *supra* note 2, § 3.

<sup>11</sup> See *Why Upgrade to GPLv3*, GNU OPERATING SYS. (Jan. 8, 2022), <https://www.gnu.org/licenses/rms-why-gplv3.en.html> (“With GPLv2, users rely on an implicit patent license to make sure that the company which provided them a copy won’t sue them, or the people they redistribute copies to, for patent infringement”); see also *Chapter 6: GPL’s Implied Patent Grant*, COPYLEFT.ORG, <https://copyleft.org/guide/comprehensive-gpl-guidech7.html> (last visited Oct. 14, 2023).

<sup>12</sup> Apache, *supra* note 2, § 3.

<sup>13</sup> The Apache Foundation has provided its understanding of the Free Software Foundation’s theory on patent termination:

After spending a couple hours on the phone with the FSF, we have a better understanding of the particular interpretation of the GPL that might lead one to construe the following:

1. granting an explicit patent license causes any implicit patent licenses to be null and void;
2. revoking that explicit patent license causes the person who is claiming infringement of their patent to lose the patent rights that would otherwise have been attained via the GPL’s implicit rights;

Second, the Apache license has an indemnification provision that the FSF claims is a restriction:

While redistributing the Work or Derivative Works thereof, You may choose to offer, and charge a fee for, acceptance of support, warranty, indemnity, or other liability obligations and/or rights consistent with this License. However, in accepting such obligations, You may act only on Your own behalf and on Your sole responsibility, not on behalf of any other Contributor, and only if You agree to indemnify, defend, and hold each Contributor harmless for any liability incurred by, or claims asserted against, such Contributor by reason of your accepting any such warranty or additional liability.<sup>14</sup>

However, as will be shown, no one would have a legal claim for wrongdoing if GPLv2-licensed and Apache-licensed software are combined. Combining the software may mean that there is an unmet contractual promise not to include “further restrictions,” but there is no cognizable legal wrong for failing to keep that promise.

### III. CONTRACTUAL COVENANTS AND LICENSE CONDITIONS

There is much discussion in legal scholarship about whether the GPLv2 is a “bare license,” enforceable only as a matter of copyright

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3. loss of patent rights means loss of right to use;
  4. GPL section 7 allows a patent owner to claim infringement of a patent within a GPL'd work and continue to distribute that work as GPL up until a third party imposes a restriction on the rights of others to distribute (i.e., until a judgment or injunction is placed on the work).
  5. GPL section 6 saying “You may not impose any further restrictions on the recipients’ exercise of the rights granted herein” does not apply to patents because the “rights granted herein” are only copyright.

This is our current understanding of the position held by the FSF; whether or not our understanding is correct has not yet been confirmed.

Apache Foundation, *Apache License v2.0 and GPL Compatibility*, WAYBACK MACH.,  
<https://web.archive.org/web/20040330135621/http://www.apache.org/licenses/GPL-compatibility.html> (as captured on Mar. 30, 2004).

<sup>14</sup> Apache, *supra* note 2, § 9.

infringement, or a contract, enforceable under contract law.<sup>15</sup> However, the enforceability of an open source license as a contract is not subject to legitimate dispute—they can be.<sup>16</sup> When the breach of an open source license can also be a copyright infringement is more nuanced.

“Copyright licenses are a type of contract and, therefore, governed by common law contracting principles.”<sup>17</sup> Contracts are made up of “covenants,” or contractual promises, that are a party’s

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<sup>15</sup> See, e.g., David McGowan, *The Tory Anarchism of F/OSS Licensing*, 78 U. CHI. L. REV. 207 (2010); Robert A. Hillman & Maureen A. O’Rourke, *Rethinking Consideration in the Electronic Age*, 61 HASTINGS L. J. 311 (2009); Dr. José J. González de Alaiza Cardona, *Open Source, Free Software, and Contractual Issues*, 15 TEX. INTELL. PROP. L. J. 157 (2007); Jason B. Wacha, *Taking the Case: Is the GPL Enforceable?*, 21 SANTA CLARA COMP. AND HIGH TECH. L. J. 451 (2005); Pamela Jones, *The GPL Is a License, Not a Contract, Which Is Why the Sky Isn’t Falling*, LWN.NET (Dec. 3, 2003), <https://lwn.net/Articles/61292/>. There are also discussions of other theories for enforcement (for example, promissory estoppel or a license as a property right). See, e.g., Sapna Kumar, *Enforcing the GNU GPL*, U. ILL. J. L. TECH. & POL’Y, Spring 2006, 24–25 (2006); Lawrence Rosen, *OPEN SOURCE LICENSING* 64–66 (2004), <https://www.immagic.com/eLibrary/ARCHIVES/EBOOKS/R050225R.pdf>; Robert Pierce, *Principles of Software Licensing*, ROBERT PIERCE TECH L. (Aug. 30, 2009), <https://web.archive.org/web/20131112213723/http://piercespace.com/2009/08/>; but see Mark R. Patterson, *Must Licenses Be Contracts? Consent and Notice in Intellectual Property*, 40 FLA. ST. U. L. REV. 105, 142–43 (2012) (criticizing Pierce, *supra* note 15).

<sup>16</sup> See *Versata Software, Inc. v. Ameriprise Fin., Inc.*, No. A-14-CA-12-SS, 2014 WL 950065, at \*5 (W.D. Tex. Mar. 11, 2014) (holding counterclaim for breach of the GPLv2 on contract theory was not preempted by copyright law); see also *Artifex Software, Inc. v. Hancom, Inc.*, No. 16-CV-06982-JSC, 2017 WL 1477373, at \*3 (N.D. Cal. Apr. 25, 2017) (denying motion to dismiss breach of contract claim based on breach of the GPLv2, holding it was not preempted by copyright); *Software Freedom Conservancy, Inc. v. Vizio, Inc.*, No. 821CV01943JLSKES, 2022 WL 1527518, at \*3 (C.D. Cal. May 13, 2022) (holding that claim for breach of contract was not completely preempted by the Copyright Act); Robert W. Gomulkiewicz, *Conditions and Covenants in License Contracts: Tales from A Test of the Artistic License*, 17 TEX. INTELL. PROP. L. J. 335, 345 (2009) (“The final lesson: contract law applies to open source licenses”); cf. 6 Patry on Copyright § 18:25 (Sep. 2023 update) (“The mere fact that a contract licenses use of a copyrighted work cannot by itself take a dispute over a breach of that contract out of state court via preemption,” citing cases).

<sup>17</sup> *Bitmanagement Software GmbH v. United States*, 989 F.3d 938, 946 (Fed. Cir. 2021) (citing *Dep’t of Parks & Recreation v. Bazaar Del Mundo Inc.*, 448 F.3d 1118, 1130 (9th Cir. 2006)).



manifestation of their intent to act or refrain from acting in a particular way such that the promisee is justified in understanding that the promisor has made a commitment.<sup>18</sup>

Some of those covenants may also be a condition of the copyright grant.<sup>19</sup> A condition is “an event, not certain to occur, which must occur, unless occurrence is excused, before performance under a contract becomes due.”<sup>20</sup>

[A] condition creates no rights or duties as such but only limits or modifies rights or duties . . . . A condition is distinguished from a promise in that it creates no right or duty in and of itself but is merely a limiting or modifying factor. If the condition is not fulfilled, the right to enforce the contract does not come into existence.<sup>21</sup>

Thus, not every promise made in a copyright license agreement, whether a proprietary one or an open source one, is a condition defining the scope of the license grant. It is only a breach of those covenants that are also conditions of the copyright license that will lead to a copyright infringement claim.<sup>22</sup> Failing to meet a

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<sup>18</sup> See *MDY Indus., LLC v. Blizzard Ent., Inc.*, 629 F.3d 928, 939 (9th Cir. 2011); see also *Sun Microsystems, Inc. v. Microsoft Corp.*, 188 F.3d 1115, 1117 (9th Cir. 1999) (referring to conditions and “independent contractual covenants”).

<sup>19</sup> See *Ticketmaster L.L.C. v. Prestige Ent. W., Inc.*, 315 F. Supp. 3d 1147, 1164 (C.D. Cal. 2018) (citing *MDY*, 629 F.3d at 940) (stating that the parties erred in characterizing the agreement’s terms as conditions or covenants: “Defendants misconstrue *MDY* and the underlying copyright laws. Under *MDY*, a violation of a provision of a Terms of Use is copyright infringement if the violation implicates one of the copyright holder’s exclusive rights, regardless of whether the violated provision is a covenant or a condition.”).

<sup>20</sup> RESTATEMENT (SECOND) OF CONTRACTS § 224 (AM. L. INST. 1981) [hereinafter RESTATEMENT].

<sup>21</sup> 13 Richard A. Lord, WILLISTON ON CONTRACTS § 38.1 (4th ed. 2013) (ellipsis added; ellipses in original omitted). In the case of a copyright license, where there is a failure to satisfy the condition by the licensee, and thus the licensee has no right to enforce the contract, the right the licensee cannot enforce is the licensor’s promise not to sue them for copyright infringement.

<sup>22</sup> A condition of a copyright license grant is, therefore, in theory, also enforceable as a breach of contract, with contract remedies. However, doing so then raises the issue of copyright preemption. Section 301 of the Copyright Act says “all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright . . . are governed exclusively by this title.” 17 U.S.C. § 301. Preemption of breach of contract claims based on

condition on the license means that the license wasn't granted, and the user, without the benefit of a license, might be an infringer:

Generally, if the licensee's improper conduct constitutes a breach of a covenant undertaken by the licensee and if such covenant constitutes an enforceable contractual obligation, then the licensor will have a cause of action for breach of contract, not copyright infringement. However, if the nature of a licensee's violation consists of a failure to satisfy a condition to the license, 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.<sup>23</sup>

#### IV. WHY COMBINING THE WORKS IS NOT A COPYRIGHT INFRINGEMENT

Is the No Further Restrictions clause a condition of the license grant? If so, then the combination of the Apache-licensed software and GPLv2-licensed software would mean that the copyright license has not been granted, and the use of the software is a copyright infringement. If the No Further Restrictions clause is not a condition of the grant, then the requirement is only enforceable as a contractual obligation.

The license defense is often characterized as evaluating whether or not an actor was "outside the scope of the license."<sup>24</sup> More rigorously, courts have described three scenarios where there is a copyright license but, nevertheless, infringement may be occurring. A

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non-compliance with a condition on the license grant is outside the scope of this article.

<sup>23</sup> *Sohm v. Scholastic Inc.*, 959 F.3d 39, 45 (2d Cir. 2020) (cleaned up) (quoting *Graham v. James*, 144 F.3d 229, 236–37 (2d Cir. 1998)); see also *Fantastic Fakes, Inc. v. Pickwick Int'l, Inc.*, 661 F.2d 479, 483–84 (5th Cir. 1981); *Bridgeport Music, Inc. v. Sony Music Ent., Inc.*, 114 F. App'x 645, 652 (6th Cir. 2004) (citing *Graham*, 144 F.3d at 237) (distinguishing a condition from a covenant); *Yellow Pages Photos, Inc. v. YP, LLC*, 856 F. App'x 846, 858 (11th Cir. 2021); *Costello Pub. Co. v. Rotelle*, 670 F.2d 1035, 1041 (D.C. Cir. 1981); *Jacobsen v. Katzer*, 535 F.3d 1373, 1380 (Fed. Cir. 2008).

<sup>24</sup> *Yellow Pages Photos*, 856 F. App'x at 857; *Spinelli v. Nat'l Football League*, 903 F.3d 185, 202 (2d Cir. 2018); *MDY*, 629 F.3d at 939; *Jacobsen*, 535 F.3d at 1379; *Storage Tech. Corp. v. Custom Hardware Eng'g & Consulting, Inc.*, 421 F.3d 1307, 1311 (Fed. Cir. 2005); *Sun Microsystems, Inc. v. Microsoft Corp.*, 188 F.3d 1115, 1119 (9th Cir. 1999); *S.O.S., Inc. v. Payday, Inc.*, 886 F.2d 1081, 1087 (9th Cir. 1989).

copyright owner may bring a claim for infringement against a licensee where: (1) the licensee's alleged infringement is outside the scope of the license; (2) the licensee failed to satisfy a condition precedent to the license, such that the license is invalid; or (3) the licensor rescinded the license after the licensee materially breached one of its covenants.<sup>25</sup>

The distinction between the first category of infringement and the second is most easily understood by example. Where the rights granted in a license are to print only a certain number of copies, and a licensee makes more copies, the excess copies are outside the scope of the license.<sup>26</sup>

The failure to perform a condition precedent in order to receive a license is the second category.<sup>27</sup> For example, a licensee might be required to make a payment before they are granted the license to use the copyrighted work.<sup>28</sup>

The GPLv2 expressly provides for the third category, rescission, which will be discussed below in Section IV(C).

The Courts of Appeal for the Second and Ninth Circuits have taken different approaches for how one decides whether an obligation is a condition of a copyright license. The two standards will be discussed separately below.

#### A. *The Second Circuit View of Copyright Conditions*

In a license case, in deciding whether there is a copyright infringement, the analysis necessarily starts with interpreting the meaning of the written agreement.<sup>29</sup> The Court of Appeals for the

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<sup>25</sup> See *Graham*, 144 F.3d at 235–38; see also *Rano v. Sipa Press, Inc.*, 987 F.2d 580, 586 (9th Cir. 1993), *as amended* (Mar. 24, 1993).

<sup>26</sup> See *Jose Luis Pelaez, Inc. v. McGraw-Hill Glob. Educ. Holdings LLC*, 399 F. Supp. 3d 120, 128–29 (S.D.N.Y. 2019).

<sup>27</sup> Court decisions generally use the term “condition” but also refer to them as “condition precedent.” There does not seem to be a meaningful distinction. Where the allegation is that the licensee at first performed, but then failed to perform, one can think of it as a license imposing an ongoing obligation to meet its conditions, so that the failure to perform means the licensee lacks permission to use the copyrighted work going forward, and the condition is thus a condition precedent.

<sup>28</sup> See *BroadVision, Inc. v. Med. Protective Co.*, No. 08 CIV 1478 WHP, 2010 WL 5158129, at \*5 (S.D.N.Y. Nov. 23, 2010) (initial payment was a condition precedent of the license but subsequent non-payment violated a covenant of the license that was not a condition that resulted in copyright infringement). As will be discussed in Section IV(B), the Ninth Circuit has essentially collapsed these first and second categories.

<sup>29</sup> See *Chapman v. New York State Div. for Youth*, 546 F.3d 230, 236 (2d Cir. 2008) (construing a copyright license under New York law, “the presence

Second Circuit treats the condition question as one of ordinary contract construction, looking for the intent of the parties within the document<sup>30</sup>:

Under New York law, a covenant is a manifestation of intention to act or refrain from acting in a specified way, so made as to justify a promise in understanding that a commitment has been made. A condition precedent, on the other hand, is an act or event which, unless the condition is excused, must occur before a duty to perform a promise in the agreement arises. New York respects a presumption that terms of a contract are covenants rather than conditions and conditions precedent are not readily assumed. Nevertheless, though conditions precedent must be expressed in unmistakable language, specific, talismanic words are not required. Linguistic conventions of condition—such as “if,” “on condition that,” “provided that,” in the event that,” and “subject to”—can make plain a condition precedent. It is for the court to decide, as a matter of law, whether a condition precedent exists under the terms of a contract.<sup>31</sup>

[A]lmost any event may be made a condition . . . . Although a condition is usually an event of significance to the obligor, this need not be the case. In exercising their freedom of contract the parties are not fettered by any test of materiality or

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or absence of ambiguity is determined by looking within the four corners of the document, without reference to extrinsic evidence.”).

<sup>30</sup> Note that contract interpretation is a matter of state law, not federal law. One therefore cannot generalize how a federal court in a particular circuit will make the distinction because it will depend on the choice of law for the contract in dispute. However, the question of whether a contract term is a condition is essentially the same everywhere, it is only that the Ninth Circuit has added some gloss specific to a copyright license.

<sup>31</sup> *Sohm v. Scholastic Inc.*, 959 F.3d 39, 45–46 (2d Cir. 2020) (applying New York law); *accord Graham v. James*, 144 F.3d 229, 237 (2d Cir. 1998) (“Generally speaking, New York respects a presumption that terms of a contract are covenants rather than conditions.”) (internal citations omitted); *see also Photographic Illustrators Corp. v. Orgill, Inc.*, 953 F.3d 56 (1st Cir. 2020) (describing Massachusetts law similarly); E. ALLAN FARNSWORTH, FARNSWORTH ON CONTRACTS § 8.02 (4th ed. 2024-1 Supp.) (“Parties often use language such as ‘if,’ ‘on condition that,’ ‘provided that,’ ‘in the event that,’ and ‘subject to’ to make an event a condition, but other words may suffice.”).

reasonableness. If they agree, they can make even an apparently insignificant event a condition.<sup>32</sup>

As an example of the distinction, making copies in excess of the number contemplated in the license, a clear exercise of one of the exclusive rights of the author, may or may not be a copyright infringement, depending on how the license is written. In *BroadVision, Inc. v. Medical Protective Co.*, the license agreement stated that “[i]n the event [MedPro’s] use of the Software exceed[s] the number of licenses for which fees have been paid [,] [MedPro] shall promptly provide BroadVision with written notice and pay the required additional fees.”<sup>33</sup> Broadvision also had the right to audit the use of the software “to ensure that [MedPro] is using the software in compliance with this Agreement and to ensure that license and other fees have been properly paid.”<sup>34</sup> The court concluded that “[s]ince neither clause states a condition in ‘plain, unambiguous language,’ this Court therefore interprets them as covenants,” and dismissed the copyright infringement claim.<sup>35</sup>

But excess copies can also be a copyright infringement, depending on the wording of the agreement. In *Sohm v. Scholastic Inc.*, photographer Sohm accused Scholastic, Inc. of printing more copies of textbooks using his photographs than was permitted in Scholastic’s agreement with the licensing agency, Corbis:

The Terms and Conditions incorporated into and attached to the 2004 PVA state that “any license granted by Corbis is conditioned upon (i) your meeting all conditions and restrictions imposed by Corbis, and (ii) Corbis’ receipt of full payment by you for such use as invoiced by Corbis.” The Terms further state that “unless otherwise specified in a separate writing signed by Corbis, your reproduction of Images is limited to (i) internal evaluation or comps, or (ii) the specific use described in your invoice, which together with these terms shall constitute the full license granted.” The Terms also explain that “except as specified in the Corbis invoice, Images obtained from

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<sup>32</sup> FARNSWORTH, *supra* note 31, § 8.02.

<sup>33</sup> *BroadVision*, 2010 WL 5158129, at \*5 (brackets in original).

<sup>34</sup> *Id.*

<sup>35</sup> *Id.* at \*5–6; *see also I.A.E., Inc. v. Shaver*, 74 F.3d 768, 778 (7th Cir. 1996) (holding that full payment was not a condition precedent when licensee received copyrighted drawings after tendering only half the required payment).

Corbis are licensed on a non-transferable, one-time, non-exclusive basis, and are strictly limited to the use, medium, time period, print run, placement, size of image, territory, and any other restrictions indicated in the invoice.” The invoices, in turn, specified the quantity and uses that were licensed. The Terms also explicitly warned that “unauthorized use of these Images constitutes copyright infringement and shall entitle Corbis to exercise all rights and remedies under applicable copyright law.”<sup>36</sup>

The court had no trouble finding that Scholastic’s print overrun was a copyright infringement:

These provisions are replete with the conditional language of conditions precedent—“unless,” “conditioned upon,” “except where specifically permitted”—thereby directly refuting the conclusion that the license agreements created only contractual covenants, the violation of which sounds in breach of contract. Sohm asserts that Scholastic exceeded print-run limitations contained in the invoices forming part of the license agreements, and thus he properly pleads that Scholastic has violated a restriction upon which the license is conditioned.<sup>37</sup>

Now, applying this standard to the GPLv2, some parts of the GPLv2 are very clear conditions on the license grant:

1. You may copy and distribute verbatim copies of the Program’s source code as you receive it, in any medium, *provided that* you conspicuously and appropriately publish on each copy an appropriate copyright notice and disclaimer of warranty; keep intact all the notices that refer to this License and to the absence of any warranty; and give any other recipients of the Program a copy of this License along with the Program. . . .
2. You may modify your copy or copies of the Program or any portion of it, thus forming a work based on the Program, and copy and distribute such

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<sup>36</sup> *Sohm*, 959 F.3d at 46–47 (alteration in original) (internal citations omitted).

<sup>37</sup> *Id.* at 47.

modifications or work under the terms of Section 1 above, *provided that* you also meet all of these conditions . . . .

3. You may copy and distribute the Program (or a work based on it, under Section 2) in object code or executable form under the terms of Sections 1 and 2 above *provided that* you also do one of the following:  
 . . . .<sup>38</sup>

The next sections in the GPLv2 explain the significance of the grants. Section 4 states the truism that “You may not copy, modify, sublicense, or distribute the Program except as expressly provided under this License,” continues on to state that any use other than as granted is “void” and terminates the rights under the license, and finishes by clarifying that the licenses of those who received the software from a licensee are not terminated.<sup>39</sup>

Section 5 explains how the licensee has manifested their assent to the terms of the agreement.<sup>40</sup>

Section 6, which contains the No Further Restrictions clause, is a bit of a mixed bag. It says, in full:

Each time you redistribute the Program (or any work based on the Program), the recipient automatically receives a license from the original licensor to copy, distribute or modify the Program subject to these terms and conditions. You may not impose any further restrictions on the recipients’ exercise of the rights granted herein. You are not responsible for enforcing compliance by third parties to this License.<sup>41</sup>

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<sup>38</sup> GPLv2, § 1–3 (emphasis added).

<sup>39</sup> *Id.* § 4.

<sup>40</sup> Section 5 provides:

You are not required to accept this License, since you have not signed it. 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. Therefore, by modifying or distributing the Program (or any work based on the Program), you indicate your acceptance of this License to do so, and all its terms and conditions for copying, distributing or modifying the Program or works based on it.

*Id.* § 5.

<sup>41</sup> *Id.* § 6.

This section covers three areas—it explains that the software license to the direct licensee’s users will itself be a direct license (not a sublicense) to those downstream users; states the No Further Restrictions clause; and reassures the licensee that it has no duty to enforce the license against anyone.

Based on this structuring, it is unlikely that the No Further Restrictions clause would be construed as a condition of the copyright license. The GPLv2 very clearly and obviously imposed conditions on the license grants in Sections 1, 2, and 3. Sections 4, 5, and 6 are only advisory, with the possible exception of the No Further Restrictions sentence.<sup>42</sup> The No Further Restrictions sentence is a covenant on the part of licensee, which is that the licensee will refrain from imposing terms that restrict any of the rights granted in the GPLv2 on someone’s use of the software licensed under the GPLv2. But the No Further Restrictions sentence does not state in “unmistakable language” that the failure to comply with the promise is a condition of the license. Had the prohibition on further restrictions been intended as a condition of the license, it could have been included as one of the clearly stated conditions in the grants in Sections 1, 2, or 3. Or, it could have been expressed in conditional language in Section 6, such as stating instead “As a condition of your exercise of the rights granted in this license, you may not impose any further restrictions on the recipients’ exercise of the rights granted herein.”

In the Second Circuit, where the court uses only the standard textual interpretation approach; there is a presumption that terms of a contract are covenants rather than conditions; and conditions precedent are not readily assumed; the No Further Restrictions clause will not likely be construed as condition on the grant of the copyright license.

#### B. *The Ninth Circuit View of Copyright Conditions*

In the Court of Appeals for the Ninth Circuit, “[w]e distinguish between conditions and covenants according to state contract law, to the extent consistent with federal copyright law and policy.”<sup>43</sup> Thus, as elsewhere, the court looks to the state law applicable to contract interpretation to make the covenant/condition construction, but then

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<sup>42</sup> See Robert W. Gomulkiewicz, *De-Bugging Open Source Software Licensing*, 64 U. PITT. L. REV. 75, 87 (2002) (describing the various terms of the GPLv2 as either conditions, independent covenants, or “merely advisory”).

<sup>43</sup> *MDY Indus., LLC v. Blizzard Ent., Inc.*, 629 F.3d 928, 939 (9th Cir. 2011); cf. *S.O.S., Inc. v. Payday, Inc.*, 886 F.2d 1081, 1088 (9th Cir. 1989) (“The license must be construed in accordance with the purposes underlying federal copyright law.”).



adds another requirement to be considered a condition: “the copyright owner’s complaint must be grounded in an exclusive right of copyright (e.g., unlawful reproduction or distribution).”<sup>44</sup>

The court gives the following example:

Consider a license in which the copyright owner grants a person the right to make one and only one copy of a book with the caveat that the licensee may not read the last ten pages. Obviously, a licensee who made a hundred copies of the book would be liable for copyright infringement because the copying would violate the Copyright Act’s prohibition on reproduction and would exceed the scope of the license. Alternatively, if the licensee made a single copy of the book, but read the last ten pages, the only cause of action would be for breach of contract, because reading a book does not violate any right protected by copyright law.<sup>45</sup>

The court refers to this as the “nexus” requirement: “We conclude that for a licensee’s violation of a contract to constitute copyright infringement, there must be a nexus between the condition and the licensor’s exclusive rights of copyright.”<sup>46</sup>

The court gives a policy basis for this additional requirement: if any kind of disfavored conduct could be characterized as a copyright infringement, it would “allow software copyright owners far greater rights than Congress has generally conferred on copyright owners.”<sup>47</sup>

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<sup>44</sup> *MDY*, 629 F.3d at 940.

<sup>45</sup> *Id.* (quoting *Storage Tech. Corp. v. Custom Hardware Eng’g & Consulting, Inc.*, 421 F.3d 1307, 1316 (Fed. Cir. 2005)).

<sup>46</sup> *Id.* at 941. Though, the court acknowledges there is a problem with this concept right off the bat—the Copyright Act does not include an exclusive right to get paid. The court disposes of the problem in a footnote:

A licensee arguably may commit copyright infringement by continuing to use the licensed work while failing to make required payments, even though a failure to make payments otherwise lacks a nexus to the licensor’s exclusive statutory rights. We view payment as *sui generis*, however, because of the distinct nexus between payment and all commercial copyright licenses, not just those concerning software.

*Id.* at 941, n.4.

<sup>47</sup> *Id.* at 941.

The application of this rule is anything but consistent.<sup>48</sup> *MDY* held that the use of bots does not implicate an exclusive right of copyright.<sup>49</sup> Limits on the number of requests for a webpage, ticket reservations requests, and page refreshes do not implicate any exclusive right of copyright,<sup>50</sup> even though the requests could be characterized as making copies in RAM in the requester's computer.

With respect to the No Further Restrictions clause, one could argue nexus on the theory that the No Further Restrictions requirement has a copyright-related purpose, which is to ensure that the rights granted to copy, modify, and distribute the software are not abrogated. But all terms of any copyright license are there to further the purpose of the license being granted, because granting the copyright license is motivation, at least in part, for the agreement. Audit rights, payment, and attribution are all in furtherance of the licensor's benefits from granting the license, but courts have held these obligations are not part of the exclusive rights of an author granted in the Copyright Act.<sup>51</sup>

The No Further Restrictions requirement is not directly related to any of the exclusive rights granted under copyright law. It is simply a promise on the part of the licensee not to place restrictions on the use of the software that might interfere with the exercise of the permissions given in the GPLv2 license.<sup>52</sup> There is no description or limit on the type of restrictions that must be avoided. It could be a restriction not to read the last ten pages of the code, which we know doesn't implicate

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<sup>48</sup> See Guy A. Rub, *Against Copyright Customization*, 107 IOWA L. REV. 677 (2022) (reporting on a survey of forty-six decisions and stating the cases "were unable to develop a normative approach that would give meaning to the nexus test and allow parties, and potential parties, to assess ex-ante the implications of a breach of the license agreement").

<sup>49</sup> See *MDY*, 629 F.3d at 941.

<sup>50</sup> See *Ticketmaster L.L.C. v. Prestige Ent., Inc.*, 306 F. Supp. 3d 1164, 1173 (C.D. Cal. 2018).

<sup>51</sup> See, e.g., *Young-Wolff v. McGraw-Hill Companies*, No. 13-CV-4372 KMW JCF, 2014 WL 349711, at \*6 (S.D.N.Y. Jan. 31, 2014) ("[N]one of the rights enumerated in the Copyright Act involve an entitlement to information from a third party; nor can such an entitlement be located within the penumbra of the copyright rights.") (cleaned up); *eScholar, LLC v. Otis Educ. Sys., Inc.*, 387 F. Supp. 2d 329, 333 (S.D.N.Y. 2005) (right to audit books and receive royalty payments not an exclusive right of the author and are only enforceable under contract); *UMG Recordings, Inc. v. Disco Azteca Distribs., Inc.*, 446 F. Supp. 2d 1164, 1178 (E.D. Cal. 2006) ("[I]t is well established that the right to attribution is not a protected right under the Copyright Act.").

<sup>52</sup> Recall that the license to the downstream recipient is a direct license. Therefore, any contractual obligation on a GPLv2 software user can only relate to how they may use their copy of the software and cannot change what their rights may be under the GPLv2.

copyright. It therefore seems unlikely that a court in the Ninth Circuit would hold that the No Further Restrictions sentence meets the nexus requirement.

Therefore, most likely, the prohibition on further restrictions is not a condition of the copyright license, whether in the Ninth Circuit or the more generous Second Circuit (and the courts that have followed them).

### C. *The GPLv2 Automatic Termination*

The GPLv2 also has an “automatic termination” provision. It says: “You may not copy, modify, sublicense, or distribute the Program except as expressly provided under this License. Any attempt otherwise to copy, modify, sublicense or distribute the Program is void, and will automatically terminate your rights under this License.”<sup>53</sup>

If the license agreement automatically terminates, the non-complying licensee will then be an infringer without a license defense, whether the No Further Restrictions clause is a condition or not.

But “[e]very contract imposes upon each party a duty of good faith and fair dealing in its performance and its enforcement.”<sup>54</sup> The Restatement (Second) of Contracts describes the concept of good faith as “exclud[ing] a variety of types of conduct characterized as involving ‘bad faith’ because they violate community standards of decency, fairness or reasonableness.”<sup>55</sup> Describing “good faith performance” in particular, it goes on:

[B]ad faith may be overt or may consist of inaction, and fair dealing may require more than honesty. A complete catalogue of types of bad faith is impossible, but the following types are among those which have been recognized in judicial decisions: evasion of the

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<sup>53</sup> GPLv2, § 4.

<sup>54</sup> RESTATEMENT, § 205; *see also* *Cordero v. Transamerica Annuity Serv. Corp.*, 39 N.Y.3d 399, 409 (2023) (“In New York, all contracts imply a covenant of good faith and fair dealing in the course of performance”); *De La Concha of Hartford, Inc. v. Aetna Life Ins. Co.*, 269 Conn. 424, 432 (2004) (In Connecticut, “[i]t is axiomatic that the . . . duty of good faith and fair dealing is a covenant implied into a contract or a contractual relationship”); *Egan v. Mut. of Omaha Ins. Co.*, 24 Cal. 3d 809, 818 (1979) (Under California law, “[i]n addition to the duties imposed on contracting parties by the express terms of their agreement, the law implies in every contract a covenant of good faith and fair dealing.”); *Blish v. Thompson Automatic Arms Corp.*, 30 Del. Ch. 538, 569 (1948) (The same is true in Delaware: “The question involved is one of good faith, proper motive and fair dealing, which by express terms or by implication is written into every contract.”).

<sup>55</sup> RESTATEMENT, § 205, cmt. a.

spirit of the bargain, lack of diligence and slacking off, willful rendering of imperfect performance, abuse of a power to specify terms, and interference with or failure to cooperate in the other party's performance.<sup>56</sup>

As will be shown below, no one is harmed by the combination of the Apache and GPLv2 licenses. Even the Free Software Foundation considers the patent termination provision a beneficial term.<sup>57</sup> Enforcing the No Further Restrictions clause merely for the sake of enforcement, when there is no harm caused by it, might be paradigmatic bad faith contrary to the duty of good faith and fair dealing.

In sum, the wrongful addition of more restrictions to the Apache+GPLv2-licensed software will not be considered a copyright infringement, nor should it be grounds for termination of the GPLv2 under its automatic termination clause. If enforceable at all, it is only enforceable as a breach of contract.

#### V. WHY COMBINING THE WORKS IS NOT A BREACH OF CONTRACT

As noted at the outset, the claim that the Apache license is incompatible with the GPLv2 is based on two provisions in the GPLv2: its patent termination provision and its indemnification clause.<sup>58</sup> These will be discussed in that order below.

The alleged incompatibility arises when a third party, who we'll call the integrator, copies the Apache-licensed software into the GPLv2-licensed software, or distributes the GPLv2-licensed software and the Apache-licensed software together in the same binary, which invokes the copyleft provision of the GPLv2 license.<sup>59</sup> For the sake of

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<sup>56</sup> *Id.* at cmt. d.

<sup>57</sup> See *Various Licenses and Comments about Them, Apache License, Version 2.0*, GNU OPERATING SYS., <https://www.gnu.org/licenses/license-list.en.html> (last updated Oct. 17, 2023, 8:12 AM) ("The patent termination provision is a good thing."). Presumably because the FSF considered this provision beneficial, a similar term was included in Version 3 of the GNU General Public License, making the version 3 license compatible with the Apache license. See Richard Stallman, *Why Upgrade to GPLv3*, GNU OPERATING SYS., <https://www.gnu.org/licenses/rms-why-gplv3.en.html> (last updated Jan. 8, 2022, 4:38 PM) ("Further advantages of GPLv3 include better internationalization, gentler termination, support for BitTorrent, and compatibility with the Apache license.")

<sup>58</sup> See *supra* Part II.

<sup>59</sup> See *supra* note 4 and accompanying text describing the copyleft terms of the GPLv2.

discussion, we will assume that the combination is of pre-existing, Apache-licensed software, not code written specifically for the GPLv2 codebase.<sup>60</sup> Thus, the Apache-licensed software is subject to two licenses that, at least in theory, cannot both be complied with—the addition of an opportunity to terminate a patent grant does not exist in the GPLv2 license and therefore is an impermissible “further restriction.”

But who is the person harmed by this combination? It is not the licensor of the Apache-licensed software portion—the two provisions in question are part of their license.<sup>61</sup> This leaves the licensor of the GPLv2 software as the theoretically harmed party.<sup>62</sup>

A. *What Constitutes a Breach of Contract*

To plead a cause of action for breach of contract, a plaintiff must allege that: (1) a contract exists; (2) the plaintiff performed in accordance with the contract; (3) the defendant breached its contractual obligations and (4) the defendant’s breach resulted in damages.<sup>63</sup>

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<sup>60</sup> Just don’t.

<sup>61</sup> The Apache licensor could make the claim that they are harmed by the imposition of a new requirement, which is that the source code be provided. However, this is not a breach of the Apache license because the Apache license does not prohibit further restrictions, as the GPLv2 license does. Apache software is also commonly used as part of a proprietary distribution that will impose much more significant impairments on the exercise of the Apache license than the GPLv2 does, like no redistribution and no reverse engineering. This added source code requirement for the Apache-licensed software does not seem to be qualitatively different from these acceptable impairments.

<sup>62</sup> There is a lawsuit currently pending in state court in California alleging that the duty to provide source code under the GPLv2 accrues to third-party beneficiaries. *See Software Freedom Conservancy v. Vizio*, No. 30-2021-01226723-CU-BC-CJC (Sup. Ct. of Cal. Orange County, complaint filed Oct. 19, 2021), <https://sfconservancy.org/docs/software-freedom-conservancy-v-vizio-complaint-2021-10-19.pdf>. However, a mere user of the GPLv2 license would not have a claim based on the addition of the Apache license because the third-party beneficiary provision of the GPLv2, if confirmed by the court, is specific to the duty to provide source code. Without going into detailed analysis of third-party beneficiary contracts, it is unlikely that the No Further Restrictions clause would be enforceable by third parties.

<sup>63</sup> *See 34-06 73, LLC v. Seneca Ins. Co.*, 39 N.Y.3d 44, 52, 198 N.E.3d 1282, 1287 (2022); *see also Oasis W. Realty, LLC v. Goldman*, 51 Cal. 4th 811, 821, 250 P.3d 1115, 1121 (2011) (stating that the elements of a cause of action for breach of contract are (1) the existence of the contract, (2) plaintiff’s performance or excuse for nonperformance, (3) defendant’s breach, and (4) the resulting damages to the plaintiff); *Connelly v. State Farm Mut. Auto. Ins. Co.*, 135 A.3d 1271, 1281, n.28 (Del. 2016) (“In order to survive a motion to

We will assume that the GPLv2 licensor can prove the first three elements. There is a contract;<sup>64</sup> the licensor performed their end of the bargain, that is, they had not brought a copyright infringement claim against the licensee; and the addition of the Apache license terms to GPLv2-licensed software was a failure on the part of the licensee to comply with the No Further Restrictions clause. What is lacking, though, is the GPLv2 licensor's damages.

Under New York law, “[i]n the absence of any allegations of fact showing damage, mere allegations of breach of contract are not sufficient to sustain a complaint.”<sup>65</sup> California arguably has a higher standard, where the damages element for a breach of contract claim requires a showing of “appreciable and actual damage.”<sup>66</sup> The harm must constitute something more than nominal damages, speculative harm, or the threat of future harm not yet realized.<sup>67</sup> However, there is no harm to anyone caused by the distribution of Apache-licensed software under the GPLv2 license.

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dismiss for failure to state a breach of contract claim, the plaintiff must demonstrate: first, the existence of the contract, whether express or implied; second, the breach of an obligation imposed by that contract; and third, the resultant damage to the plaintiff.”).

<sup>64</sup> If the GPLv2 is not a contract, as some claim, then the licensor will lack a claim altogether, since, as shown above, there is no claim for copyright infringement. Without a contract, the licensor has no path to a remedy at all.

<sup>65</sup> *Lexington 360 Assocs. v. First Union Nat. Bank of N. Carolina*, 234 A.D.2d 187, 189–90, 651 N.Y.S.2d 490, 492 (1996) (quoting *Gordon v. Dino De Laurentiis Corp.*, 141 A.D.2d 435, 436, 529 N.Y.S.2d 777 (1988)); see also *Proper v. State Farm Mut. Auto. Ins. Co.*, 63 A.D.3d 1486, 1487, 882 N.Y.S.2d 340, 341 (2009) (“Failure to prove the essential element of damages is fatal to a cause of action for breach of contract”; plaintiff had not personally paid any medical bills and so failed to prove damages.); *W. Park Assocs., Inc. v. Everest Nat. Ins. Co.*, 113 A.D.3d 38, 44, 975 N.Y.S.2d 445, 450 (2013) (breach of contract claim dismissed where plaintiff did not pay a premium when the demand for the premium was the alleged breach).

<sup>66</sup> *Aguilera v. Pirelli Armstrong Tire Corp.*, 223 F.3d 1010, 1015 (9th Cir. 2000) (having a fear of future layoff is not an actionable injury).

<sup>67</sup> See *id.* (quoting *Buttram v. Owens–Corning Fiberglas Corp.*, 16 Cal.4th 520, 531 n. 4, 66 Cal.Rptr.2d 438, 941 P.2d 71, n.4 (1997)); see also *Patent Scaffolding Co. v. William Simpson Constr. Co.*, 256 Cal. App. 2d 506, 511, 64 Cal. Rptr. 187, 191 (Ct. App. 1967) (“Patent suffered no uncompensated detriment caused by Simpson’s breach of contract. It was fully paid for its fire loss. It could not recover the cost of the premiums it had paid to the insurers because it did not incur that expense as a consequence of its contract with Simpson or as a result of Simpson’s breach of contract. A breach of contract without damage is not actionable.”).

B. *No One Has a Claim for Breach of Contract Based on the Patent Termination Provision of the Apache License*

There are two time periods to consider when evaluating a claim that the patent termination clause of the Apache license breaches the GPLv2: before any patent infringement claim is filed and after one is.<sup>68</sup>

1. There is no harm by the mere combination without exercise of the patent termination clause

The offending Apache clause is this:

If You institute patent litigation against any entity (including a cross-claim or counterclaim in a lawsuit) alleging that the Work or a Contribution incorporated within the Work constitutes direct or contributory patent infringement, then any patent licenses granted to You under this License for that Work shall terminate as of the date such litigation is filed.<sup>69</sup>

Note the conditional “*if* You institute patent litigation,” where “You” is someone exercising permissions granted in the Apache license.<sup>70</sup> During any time period in which an Apache user never sues any other user of the software for patent infringement, the patent termination is inoperative and the GPLv2 licensor has suffered no harm. No user of the GPLv2 licensor’s software with an expectation of a continuing grant of a patent license as assured by the GPLv2 license (even in light of their own offensive patent infringement suit) has their expectation unmet. No user has suffered any loss due to their reliance on the GPLv2 licensor’s promise that they would not be sued for patent infringement. There is thus no breach of contract claim.

2. There is no harm even if the patent termination clause can be exercised

Suppose the condition for the patent termination clause arises, that is, a patent infringement suit is instituted. The sequence of events would be that a user of the combination program brings a patent infringement suit alleging that the Apache-licensed portion of the work

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<sup>68</sup> The author is not aware of any patent infringement case where the patent termination clause of the Apache license has been invoked.

<sup>69</sup> Apache, *supra* note 2, § 3.

<sup>70</sup> *Id.* § 1 (emphasis added).

infringes their patent.<sup>71</sup> In that case, the patent license to the Apache-licensed portion of the work terminates, but not any patent license to the original GPLv2 portion of the work. The patent plaintiff's ability to use the GPLv2 portion of the work (whether or not the patent infringement allegation is brought against the GPLv2-licensed software too) is unaffected and the GPLv2 licensor therefore unharmed.

Even assuming, for the sake of argument, that the patent infringement claim terminates any patent licenses granted to the GPLv2 software too, there is still no harm to the GPLv2 licensor. The application of the termination provision would mean that the owners of patents that read on the GPLv2 software are no longer obliged to refrain from suing the user who brought the original patent infringement suit. In other words, all that the termination provision does is relieve a patent owner of what had formerly been an obligation to refrain from acting. A relief from an obligation, not exercised, cannot cause any harm to anyone.<sup>72</sup> The GPLv2 licensor, even though now relieved of the obligation, can continue *not* to sue for patent infringement as they originally promised, remaining in compliance with the implied, presumably irrevocable, patent license granted in the GPLv2. And if the GPLv2 licensor does sue, they are the one in breach, not the integrator. No matter the timing, pre-or post-patent infringement suit, the GPLv2 licensor can never be harmed by the combination of the two licenses.

C. *The Indemnification Clause in the Apache License Is Misunderstood by the Free Software Foundation*

The FSF also says that the indemnification clause of the Apache license is incompatible with the GPL. Here is the provision:

While redistributing the Work or Derivative Works thereof, You may choose to offer, and charge a fee for, acceptance of support, warranty, indemnity, or other

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<sup>71</sup> Based on the definition of "Work" and "Contribution" in the Apache license, the patent termination provision may only be invoked where the patent infringement claim is brought against the Apache-licensed work, not the GPLv2 portion of the work. *See* Apache, *supra* note 2, § 1 (defining "Contribution" as "any work of authorship, including the original version of the Work and any modifications or additions to that Work or Derivative Works thereof"; "Work" as "the work of authorship . . . made available under the License"; and "the License" as "the terms and conditions for use, reproduction, and distribution as defined by Sections 1 through 9 of this document.").

<sup>72</sup> *See supra*, Section V(B)(1).



liability obligations and/or rights consistent with this License. However, in accepting such obligations, You may act only on Your own behalf and on Your sole responsibility, not on behalf of any other Contributor, and only if You agree to indemnify, defend, and hold each Contributor harmless for any liability incurred by, or claims asserted against, such Contributor by reason of your accepting any such warranty or additional liability.<sup>73</sup>

However, by its express language, the indemnification clause imposes no obligation. It only says that someone may “choose to offer” indemnification as a value-add, and, if they do, they must also indemnify the original copyright owners. There are at least two flaws in the FSF’s reasoning about this provision.

First, this is a voluntary choice by someone distributing the Apache-licensed software; it does not impose any duty on anyone. The integrator could well say “because it might be an additional restriction to offer a warranty and indemnity, I will not offer it.” It therefore is not a “restriction,” at least not a mandatory one, at all.

Moreover, this provision will not affect the GPLv2 licensor. The duty to indemnify and defend is owed only to the Apache licensor, not the GPLv2 licensor. The GPLv2 licensor is therefore unaffected by the requirement; nothing has been imposed on them or their users—nor will they gain the benefit of the indemnification, if being indemnified could somehow be considered a harm.

D. *The Apache Foundation’s Concern That Its Software Cannot Be Combined with GPLv2 Software*

The Apache Foundation has addressed the FSF’s view that the licenses are incompatible:

Despite our best efforts, the FSF has never considered the Apache License to be compatible with GPL version 2, citing the patent termination and indemnification provisions as restrictions not present in the older GPL license. The Apache Software Foundation believes that you should always try to

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<sup>73</sup> Apache, *supra* note 2, § 9.

obey the constraints expressed by the copyright holder when redistributing their work.<sup>74</sup>

The Apache Foundation has characterized the restriction as one they support out of respect for the FSF, not that they agree with the FSF's view on incompatibility. It appears that the Apache Foundation would prefer that the licenses be considered compatible, not incompatible.

E. *The No Further Restrictions Clause Remains Significant*

There isn't, though, any death knell for the No Further Restrictions clause. It is the specific nature of the supposed Apache incompatibility that makes the combination of Apache- and GPLv2-licensed software unproblematic.

As mentioned above,<sup>75</sup> the remedy of rescission is available where a licensee materially breaches one of the license covenants, whether it is a condition or not. A breach is "material" when the performance was so central to the parties' agreement that "it defeated the essential purpose of the contract. Conversely, where a breach causes no damages or prejudice to the other party, it may be deemed not to be 'material.'"<sup>76</sup> Once the contract is fully rescinded, any further use of the software would be without the benefit of a license defense, thus, an infringement. The rescission will generally require an affirmative act on the part of the licensor to rescind the agreement.<sup>77</sup>

As also previously noted, every contract imposes upon each party a duty of good faith and fair dealing in its performance.<sup>78</sup> Efforts

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<sup>74</sup> *Apache License v2.0 and GPL Compatibility*, APACHE FOUND., <https://www.apache.org/licenses/GPL-compatibility.html> (last visited Oct. 14, 2023).

<sup>75</sup> See *supra* note 25 and accompanying text.

<sup>76</sup> 23 Richard A. Lord, WILLISTON ON CONTRACTS, § 63.3 (4th ed. 2018).

<sup>77</sup> See *Graham v. James*, 144 F.3d 229, 237–38 (2d Cir. 1998) (citing 22A N.Y. JUR.2D CONTRACTS § 497 (1996)) (stating that rescission does not occur automatically without affirmative steps by licensor); see also *Jacob Maxwell, Inc. v. Veeck*, 110 F.3d 749, 753 (11th Cir. 1997) ("[E]ven assuming arguendo that the [the licensee's] conduct constituted a material breach of the parties' oral understanding, this fact alone would not render the [licensee's] playing of the song pursuant to [the licensor's] permission a violation of [the licensor's] copyright. Such a breach would do no more than entitle [the licensor] to rescind the agreement and revoke its permission to play the song in the future, actions it did not take during the relevant period. One party's breach does not automatically cause rescission of a bilateral contract.").

<sup>78</sup> See *supra* note 54 and accompanying text.

to impose further restrictions may well be a failure to meet this obligation, the consequence of which would be a material breach of the contract.<sup>79</sup>

For example, the “Commons Clause” is a license addendum that prohibits “selling” software, defined as “to provide to third parties, for a fee or other consideration (including without limitation fees for hosting or consulting/support services related to the Software), a product or service whose value derives, entirely or substantially, from the functionality of the Software.”<sup>80</sup> If a third party were to try to impose the Commons Clause on software licensed to it under the GPLv2 that it was further distributing, that addition would create a limitation on the use of the GPLv2-licensed software that is profoundly contrary to the purposes and goals of the GPLv2 license, which permits selling GPLv2-licensed software.<sup>81</sup> Such an addition would therefore likely be considered a material breach of the duty of good faith and fair dealing, allowing the GPLv2 licensor to terminate the license to the party attempting to add the Commons Clause to the original GPLv2 software.

As another example, the GPLv2 also describes one of its fundamental goals as “mak[ing] sure that you have the freedom to distribute copies of free software.” An imposed contractual obligation that prohibits further redistribution would “evade the spirit of the bargain” under the duty of good faith and fair dealing. Any licensee who is getting the benefit of the bargain—use of the software—but who then tries to repudiate the very motive the licensor had for making the software available to them, is a bad faith actor.

Thus, efforts to further restrict the use of the software under the GPLv2 license that thwart the stated purposes and goals manifested in the GPLv2—such as prohibiting further distribution, reverse engineering, or commercial use—would likely result in a material breach and the ability to rescind the GPLv2 grant.

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<sup>79</sup> See RESTATEMENT, § 241 (stating that “the extent to which the behavior of the party failing to perform or to offer to perform comports with standards of good faith and fair dealing” goes to material breach).

<sup>80</sup> *Commons Clause License Condition v1.0*, THE COMMONS CLAUSE, <https://commonsclause.com/> (last visited 8 Nov. 2023).

<sup>81</sup> See GPLv2, Preamble (“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).”).

## VI. CONCLUSION

Much effort is spent in software development organizations ensuring that software licensed under the GPLv2 is never combined with software licensed under the Apache license, because of the longstanding position taken by the Free Software Foundation that the two licenses are “incompatible.” However, as shown, there is no cognizable copyright infringement claim or breach of contract claim for the combination and distribution of GPLv2-licensed software and Apache-licensed software. We should instead make it conventional wisdom that developers can feel free to choose the software that is most suited to their needs, rather than be impaired in their choices by the risk of breaking a promise that, in reality, causes no harm.

