Open:UK

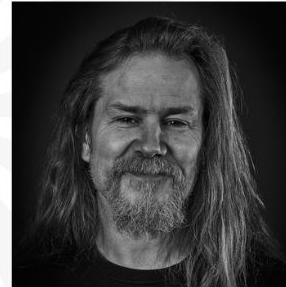# Research and Reporting Show and Tell "Licence Shifts, Open Washing and Forking in Open Source"

Amanda Brock
CEO,
OpenUK

Dr Dawn Foster
Director of Data Science,
CHAOSS Project

James Governor
Analyst & Co-
Founder, RedMonk

Dr Jennifer Barth
Cheif Research Officer,
OpenUK

Friday, 27th September, 16:00 - 17:30, Digital

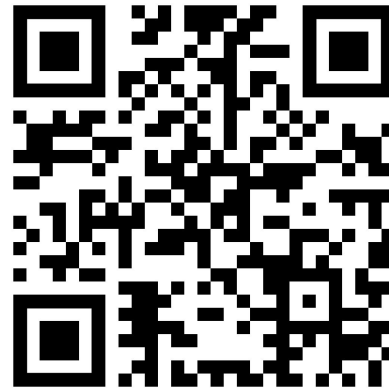**openukresearchandreporting-september2024.eventbrite.co.uk**

Open:UK

Code of Respect and Competition Policy

Visit OpenUK's website to view
our **Code of Respect** and **Competition Policy**

Contributor
Covenant
Code of Respect

Competition /
Antitrust
Compliance Policy

Save the date!

OpenUK Data Centres, Open Tech and Sustainability Round Table
Wednesday, 9th October, 14:00 - 15:30

Data Centres, Open Tech and Sustainability Round Table

Wednesday, 9th October 2024, 14:00 - 15:30

Committee Room G, House of Lords, London

Parliament Square London SW1A 0PW

Please arrive 30 minutes before for airport style security check

Sign up on Eventbrite: OpenUKDataandOpenSourceRoundTable.eventbrite.co.uk
Capacity is limited

OpenUK is a not-for-profit company limited by guarantee registered in England at 8 Coldbath Square London EC1R 5HL. Company number 11209475. https://openuk.uk/

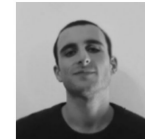## Sign up on Eventbrite

OpenUK Apprentice Meetup London #2
Wednesday, 9th October, 18:00 - 20:30

Open:UK ⬤ Apprentice Meetup London #2

Apprentice - people who are interested in open source or have been involved in it less than 10 years

Host	Host	Speaker
Thomas Meadows	Nelson Batsford	Alexander Scammon
TestifySec	SUSE	G-Research

| 9 Oct | 18:00 - 20:30 | 4th Floor, 2 Old Street Yard, London EC1Y 8AF |

Sponsored by **RED BADGER**   #openukapprentice   meetup.com/openuk/events

Sign up on Meetup

Save the date!

OpenUK London Meetup #18 "Can Open Source Be a Business?"
Tuesday, 15th October,
18:00 - 20:45

OpenUK Filling the Gap in the UK's Tech Sector Skills with Open Source Round Table
Thursday, 7th November, 14:00 - 15:30

OpenUK London Meetup #18
Tues 15th Oct, 18:30 - 20:45

Can Open Source Be a Business?

Speaker | Speaker | Speaker | Speaker

Amanda Brock
CEO, OpenUK

Lee Wright
GTM Leader Data Infrastructure

Paula Kennedy
Syntasso

Matt Barker
Venafi

Sponsored By avanade

#OpenUKMeetup

Open:UK

Filling the Gap in the UK's Tech Sector Skills with Open Source Round Table

Thursday, 7th November 2024, 14:00 - 15:30
Committee Room G, House of Lords, London
Parliament Square London SW1A 0PW
Please arrive 30 minutes before for airport style security check
Sign up on Eventbrite: OpenUKSkillsRoundtable.eventbrite.co.uk Capacity is limited

OpenUK is a not-for-profit company limited by guarantee registered in England at 8 Coldbath Square London EC1R 5HL. Company number 11209475. https://openuk.uk/

Sign up on Meetup

Sign up on Eventbrite

Open:UK

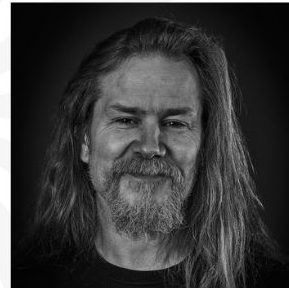# Research and Reporting Show and Tell "Licence Shifts, Open Washing and Forking in Open Source"

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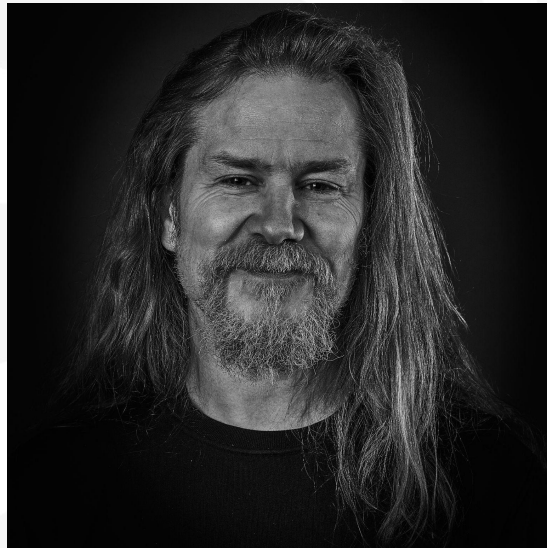**Friday, 27th September, 16:00 - 17:30, Digital**

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Open:UK

Research and Reporting Show & Tell
"Redmonk Licence Shift Report"

Speaker

James Governor

Analyst & Co-Founder, RedMonk

Open Source Business Models & License Changes

RedMonk **James Governor @monkchips**

What is a business model?

"A design for the successful operation of a business, identifying revenue sources, customer base, products, and details of financing."

OxfordLanguages

What is open source?

Open source projects are projects licensed with an OSI-approved open source license.

That's it. It's that simple, and there are no exceptions

See the list:

https://opensource.org/licenses/

TWO THINGS CAN BE TRUE

OPEN SOURCE IS NOT ITSELF A BUSINESS MODEL

Open source is a software development model, not a business model.

OPEN SOURCE CAN ENABLE BUSINESS MODELS

It is possible to monetize open source directly, to monetize it indirectly; it is possible to make money both from open source and with open source, in other words, but it's crucial to understand the difference between the two.

COMMON OSS BUSINESS MODELS

01   **DUAL LICENSE**

02   **OPEN CORE**

03   **SERVICE/SUPPORT**

04   **MANAGED SERVICE / SAAS**

OPEN SOURCE LICENSE STYLES

There are some that don't fit cleanly into these lists, but these are the major styles from least to most restrictive

01
PERMISSIVE

Examples

Apache, BSD, MIT

02
FILE-BASED

Examples

CDDL, EPL, MPL

03
COPYLEFT (AKA RECIPROCAL)

Examples

AGPL, GPL

WHY OPEN SOURCE?

- Accessibility and distribution advantages
- Developer and enterprise affinity for open source
- Community expansion and enablement
- Lowered friction for commercial software partners
- Potential for greater security
- Optionally: external code contributions

WHY NOT OPEN SOURCE?

- Few barriers to competitive implementations
- Decreased purchasing incentive for buyers
- It's hard, often thankless work
- It's expensive work
- Investors may not be aligned with project needs

ARE YOU SURE OPEN SOURCE IS RIGHT FOR YOU?

ARE YOU *REALLY* SURE?

1. Pulling back from open source is problematic
2. Changing the OSS license is equally problematic
3. Open source makes traditional commercialization models challenging
4. Open source can enable competitors
5. Open source requires significant investments in both time and money
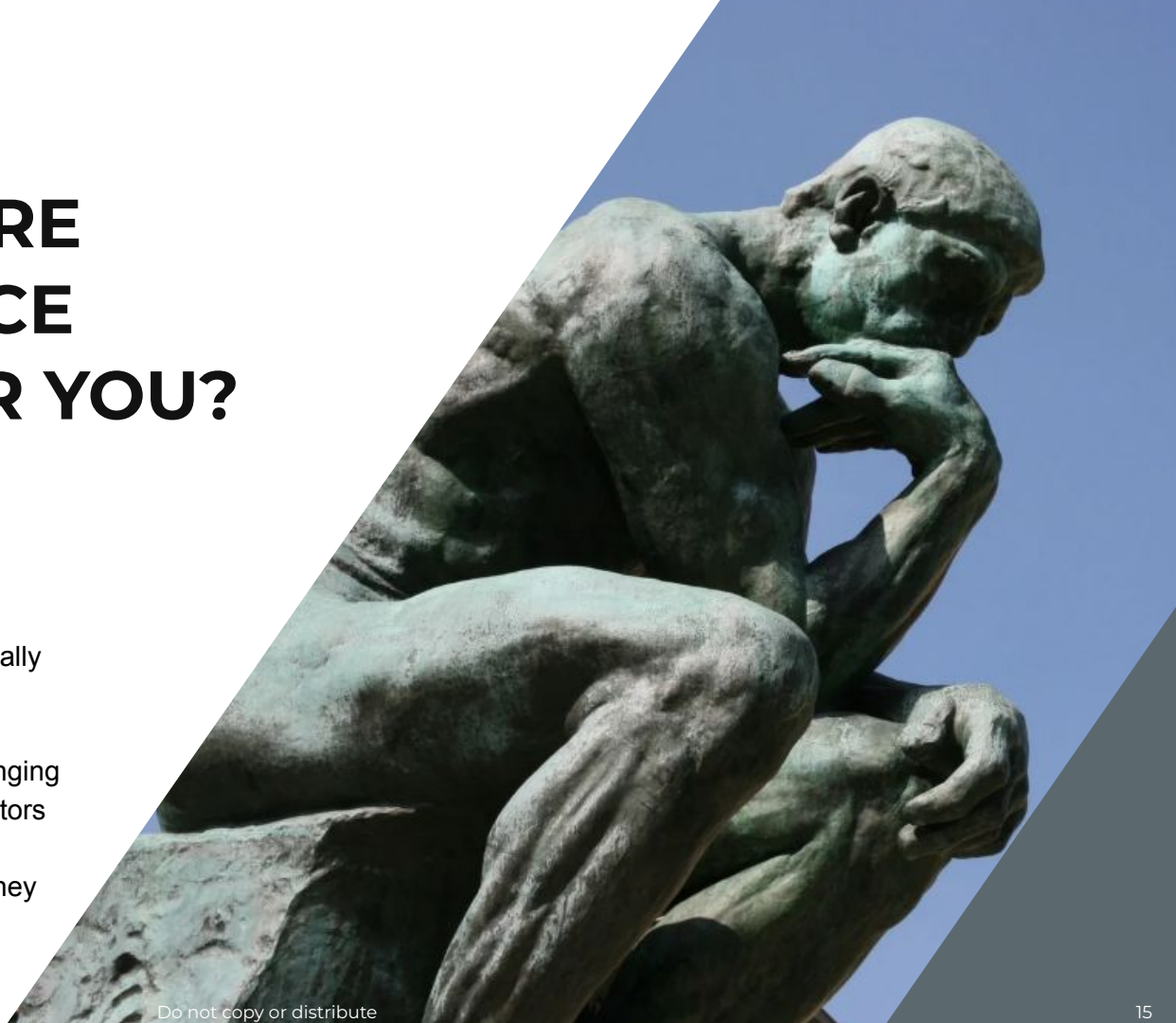
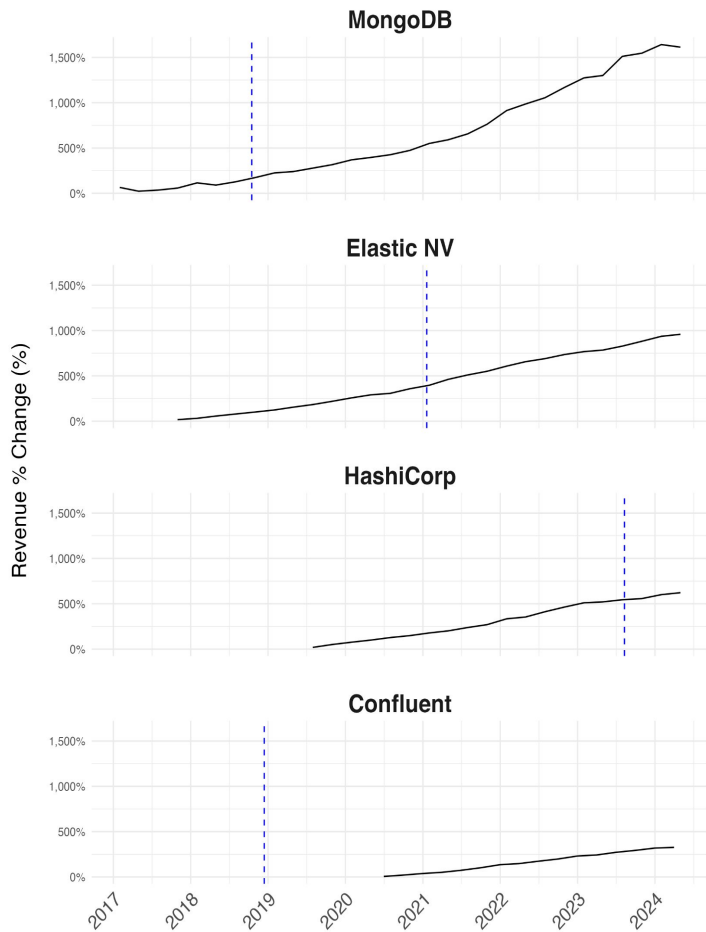# What happens when businesses change from **open source** to **proprietary** licenses?

Revenue % Change Over Time

"From this data set, we see that revenue increases after the license change, but the rate of increase is not materially different than the rate of increase prior to the license change."
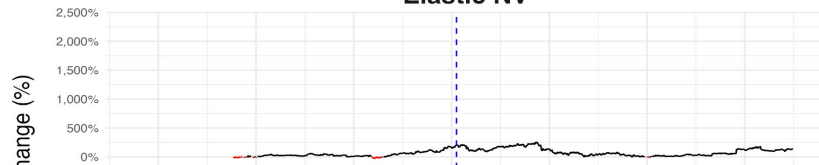
- Rachel Stephens, RedMonk

Market Cap % Change Over Time
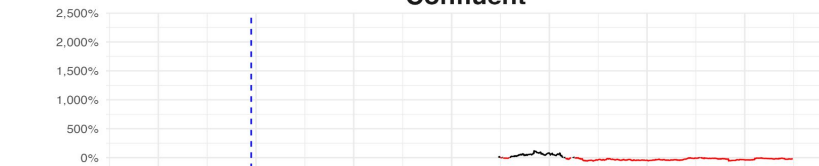
MongoDB

Elastic NV

HashiCorp

Confluent
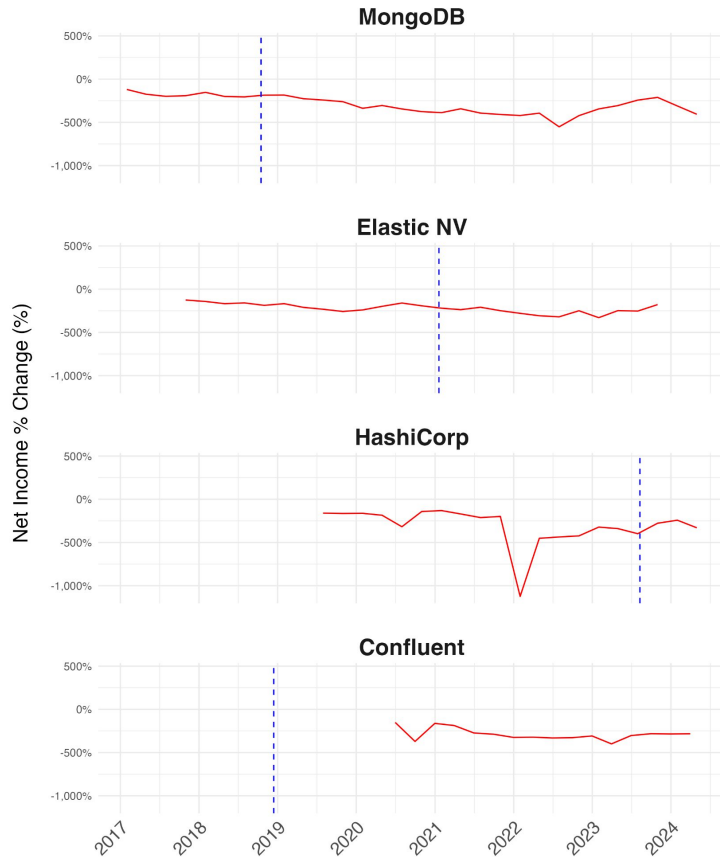
Market Cap % Change Over Time

MongoDB

Elastic NV

HashiCorp

Confluent

Net Income % Change Over Time

"Finally, it's worth noting that none of these companies are profitable yet. This means that valuation is primarily driven by expected growth in future cash flow."

- Rachel Stephens, RedMonk

Open Source Foundations Considered Helpful

By James Governor | @monkchips | September 13, 2024

In the era of the open source rug pull, the role of open source foundations is more important than ever. The "rug pull" here refers to companies that have used open source as a distribution mechanism, building a community and user base, before changing the license to be restricted, rather than truly open source. "This is capitalism, yo. We've got shareholders to satisfy. It's time to relicense that software, move to a Business Source license.".

QUESTIONS?

License Changes and Forking Data

OpenUK Research Show & Tell Sept 2024
Dr. Dawn M. Foster
Director of Data Science for CHAOSS

https://chaoss.community/   https://fastwonderblog.com/
https://github.com/chaoss   https://github.com/geekygirldawn
@chaoss@fosstodon.org   @geekygirldawn@hachyderm.io

Thank You!

ALFRED P. SLOAN
FOUNDATION

THE
LINUX
FOUNDATION

FORD
FOUNDATION

CHAOSS

Whoami

Photos by Mom, Josh Bancroft, Don Park

- Geek, traveler, reader
- 20+ yr tech career focused on open source (VMware, Intel, Puppet, …)
- OpenUK Board
- CHAOSS Board and Maintainer
- CNCF TAG Contrib Strategy co-chair
- PhD on Linux kernel collaboration

CHAOSS

Assessing Organizational

Participation

Company Controlled OSS

A single company in control has a higher risk of forks and other disruptions.

CHAOSS

@geekygirldawn

Organizational Participation

Projects dominated by a single organization might be less sustainable and more likely to fork.

Key metrics:

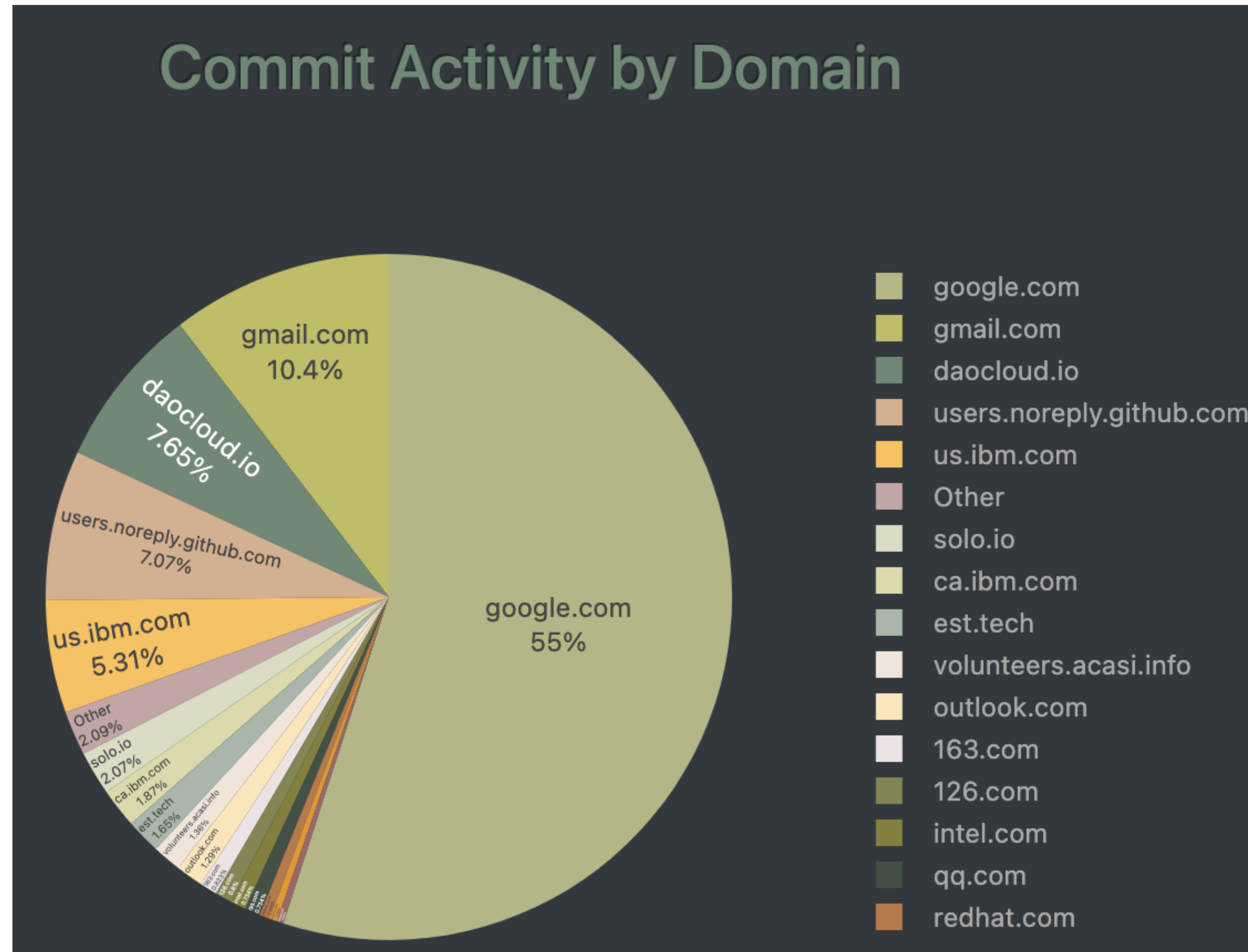- Elephant Factor
- Organizational Influence
- Organizational Diversity

https://chaoss.community/practitioner-guide-organizational-participation/
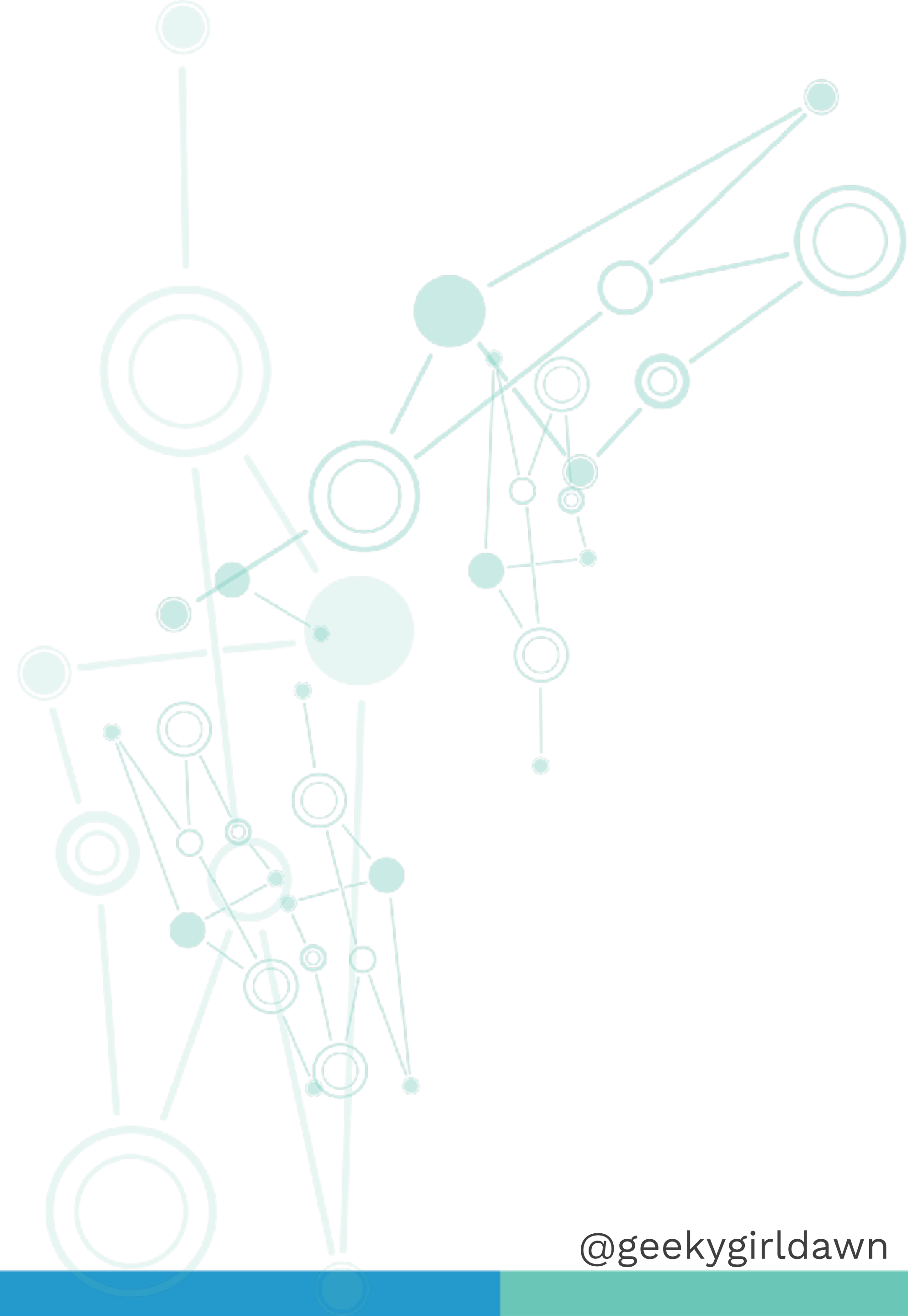
@geekygirldawn

Organizational Participation

Getting clean organizational affiliation data can be a challenge. It just needs to be good enough to understand the dominant players.

Commit Activity by Domain

- google.com 55%
- gmail.com 10.4%
- daocloud.io 7.65%
- users.noreply.github.com 7.07%
- us.ibm.com 5.31%
- Other 2.09%
- solo.io 2.07%
- ca.ibm.com 1.87%
- est.tech 1.65%
- volunteers.acasi.info 1.39%
- outlook.com 1.29%

Legend:
- google.com
- gmail.com
- daocloud.io
- users.noreply.github.com
- us.ibm.com
- Other
- solo.io
- ca.ibm.com
- est.tech
- volunteers.acasi.info
- outlook.com
- 163.com
- 126.com
- intel.com
- qq.com
- redhat.com

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Impacts and Data

About the Data
(Contributions Welcome!)

Caveat:

- **All of this is WIP data that hasn't been validated by the projects.**

Current Focus:

- Organizations / Employers (challenging to gather)

Commits:

- Used for thresholds

Additions / Deletions:

- Lines of code for magnitude

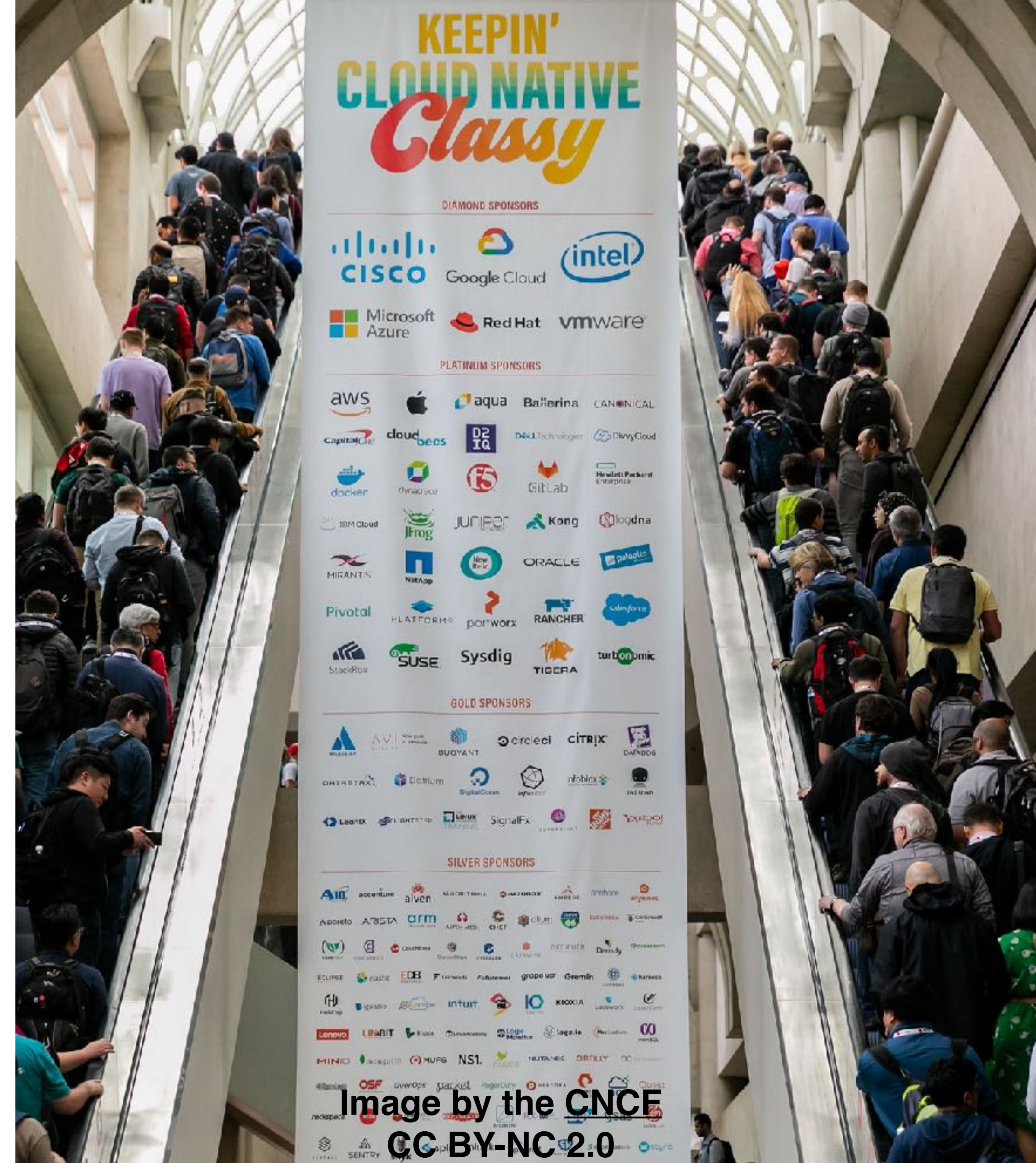### Coming Soon:

- Additional community health measurements

Image by the CNCF
CC BY-NC 2.0

https://github.com/chaoss/wg-data-science/tree/main/dataset/license-changes/fork-case-study/notebooks

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Relicensing: Users Drove Fork

Relicense had bigger impact on users than contributors.

Key Dates:

- **2021-02-03: Elastic relicenses to SSPL & Elastic**
- **2021-04-12: OpenSearch fork owned by AWS**
- **2024-08-29: Elastic adds AGPL**
- **2024-09-16: OpenSearch moves under LF**

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Elasticsearch repo (https://github.com/elastic/elasticsearch)

1 year before orig relicense (2020-02-03 to 2021-02-03)

- Elastic employees with
  >= 10 commits (67 people):

  - 96% of total additions

  - 97% of total deletions

- Other people with
  >= 10 commits (3 people):

  - 0.3% of total additions

  - 0.1% of total deletions

1 year before AGPL relicense (2023-08-29 to 2024-08-29)

- Elastic employees with
  >= 10 commits (99 people):

  - 95% of total additions

  - 97% of total deletions

- Other people with
  >= 10 commits (1 person):

  - 0.01% of total additions

  - 0.03% of total deletions

OpenSearch Repo (https://github.com/opensearch-project/OpenSearch)

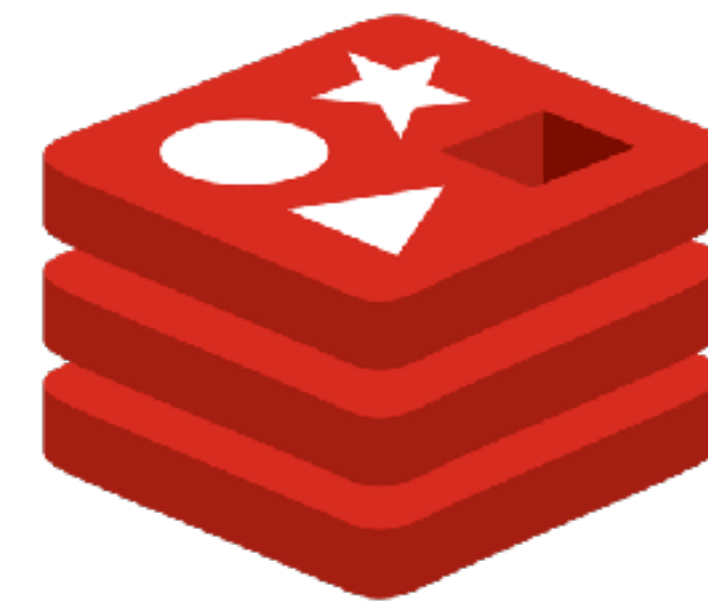## First Year of the Fork (2021-04-12 to 2022-04-12)

- Amazon / AWS Employees with >= 10 commits (7 people):

  - 80% of total additions

  - 91% of total deletions

- Other people with >= 10 commits (2 people):

  - 7% of total additions

  - 4% of total deletions

Final Year under AWS before LF (2023-09-16 to 2024-09-16)

- Amazon / AWS Employees with >= 10 commits (40 people):

  - 63% of total additions

  - 65% of total deletions

- Other people with >= 10 commits (6 people):

  - 11% of total additions

  - 13% of total deletions

Relicensing: Contributors Drove Fork

The external contributors making significant contributions to Redis have moved to Valkey.

Key Dates:
- **2024-03-20: Redis relicenses to SSPL & RSAL**
- **2024-03-28: Valkey fork launched as an LF project**

Redis Repo (https://github.com/redis/redis)

1 year before relicense (2023-03-20 - 2024-03-20)

- **Redis Employees with >= 5 commits (6 people):**

  - **80% of total additions (189,656)**

  - **74 % of total deletions (83,122)**

- **Other people with >= 5 commits (12 people):**

  - **12% of total additions**

  - **15% of total deletions**

After relicense (2024-03-20 - 2024-08-21)

- **Redis Employees with >= 5 commits (7 people):**

  - **75% of total additions (38,270)**

  - **72% of total deletions (10,464)**

- **Other people with >= 5 commits (0):**

Valkey Repo (https://github.com/valkey-io/valkey)

After 2024-03-28 Fork (until 2024-08-20):

- **Companies with
  >= 5 commits
  (27 people at 9 companies):**

- **79% of total additions (70,708)**

- **76% of total deletions (50,158)**

People	Company	Commits	Additions	Addition%	Deletions	Deletion%
2	Google	27	40191	44.82%	38406	58.35%
12	Amazon	122	15072	16.81%	5772	8.77%
2	Alibaba	6	303	0.34%	51	0.08%
2	ByteDance	5	3913	4.36%	562	0.85%
4	Huawei	66	3205	3.57%	2764	4.20%
1	Tencent Cloud	46	1690	1.88%	703	1.07%
1	Intel	10	559	0.62%	455	0.69%
2	Ericsson	37	5671	6.32%	1372	2.08%
1	@gnet-io	8	104	0.12%	73	0.11%

Relicensing: Users Drove Fork

OpenTofu contributors were not Terraform contributors, so there was an impact to users, but not contributors.

Key Dates:

- **2023-08-10: Terraform relicenses to BSL**
- **2023-09-05: OpenTofu launched as fork under the LF**

Terraform Repo (https://github.com/hashicorp/terraform)

1 year before relicense (2022-08-10 - 2023-08-10

- HashiCorp Employees with >= 5 commits (21 people):

  - 93% of total additions

  - 95% of total deletions

- Other - people with >= 5 commits (2):

  - 0.04% of total additions

  - 0.04% of total deletions

After relicense (2023-08-10 to 2024-08-10)

- Hashicorp employees with >= 5 commits (24 people):

  - 90% of total additions

  - 93% of total deletions

- Other people with >= 5 commits (2 people - 1 might be employee):

  - 0.05% of total additions

  - 0.01% of total deletions

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OpenTofu Repo (https://github.com/opentofu/opentofu)

After 2023-09-05 fork until 2024-09-05:

- **Companies with >= 5 commits (27 people at 11 companies):**

  - **80% of total additions**

  - **82% of total deletions**

People	Company	Commits	Additions	Addition%	Deletions	Deletion%
1	Chainguard	6	266	0.17%	93	0.10%
3	Harness	17	2948	1.85%	366	0.40%
6	Env0	99	26507	16.61%	12248	13.23%
8	Spacelift	305	81271	50.91%	59111	63.87%
1	@claranet	6	118	0.07%	20	0.02%
1	@Cooby-inc	5	72	0.05%	69	0.07%
1	Hangzhou Dianzi University	6	891	0.56%	242	0.26%
3	Red Hat	15	1605	1.01%	159	0.17%
1	@OpenTofu	44	12350	7.74%	3373	3.64%
1	@lessops	6	2017	1.26%	226	0.24%
1	@nvdnc	5	68	0.04%	11	0.01%

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Resources

chaoss.community

github.com/chaoss/wg-data-science

github.com/chaoss/wg-data-science/tree/main/dataset/license-changes/fork-case-study

chaoss.community/about-chaoss-practitioner-guides

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Final Thoughts

As companies face increasing
pressure to generate revenue
from open source efforts,
it's likely that we'll continue
to see an increase in
license changes and forks.
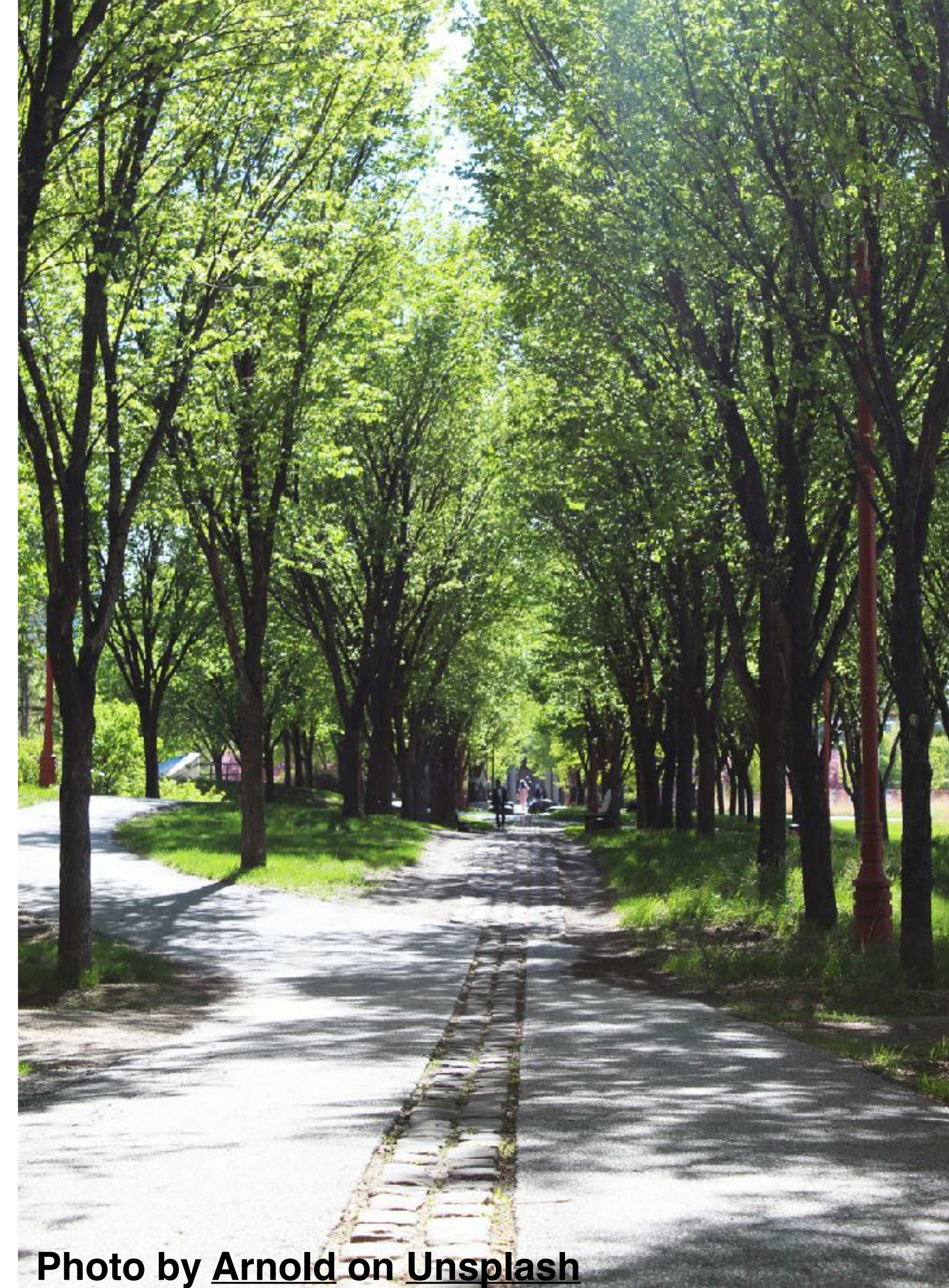
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THANK YOU!
Any Questions?

🌐 https://chaoss.community/ 🌐 https://fastwonderblog.com/

⬛ https://github.com/chaoss ⬛ https://github.com/geekygirldawn

Ⓜ️ @chaoss@fosstodon.org Ⓜ️ @geekygirldawn@hachyderm.io

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![Open:UK logo]
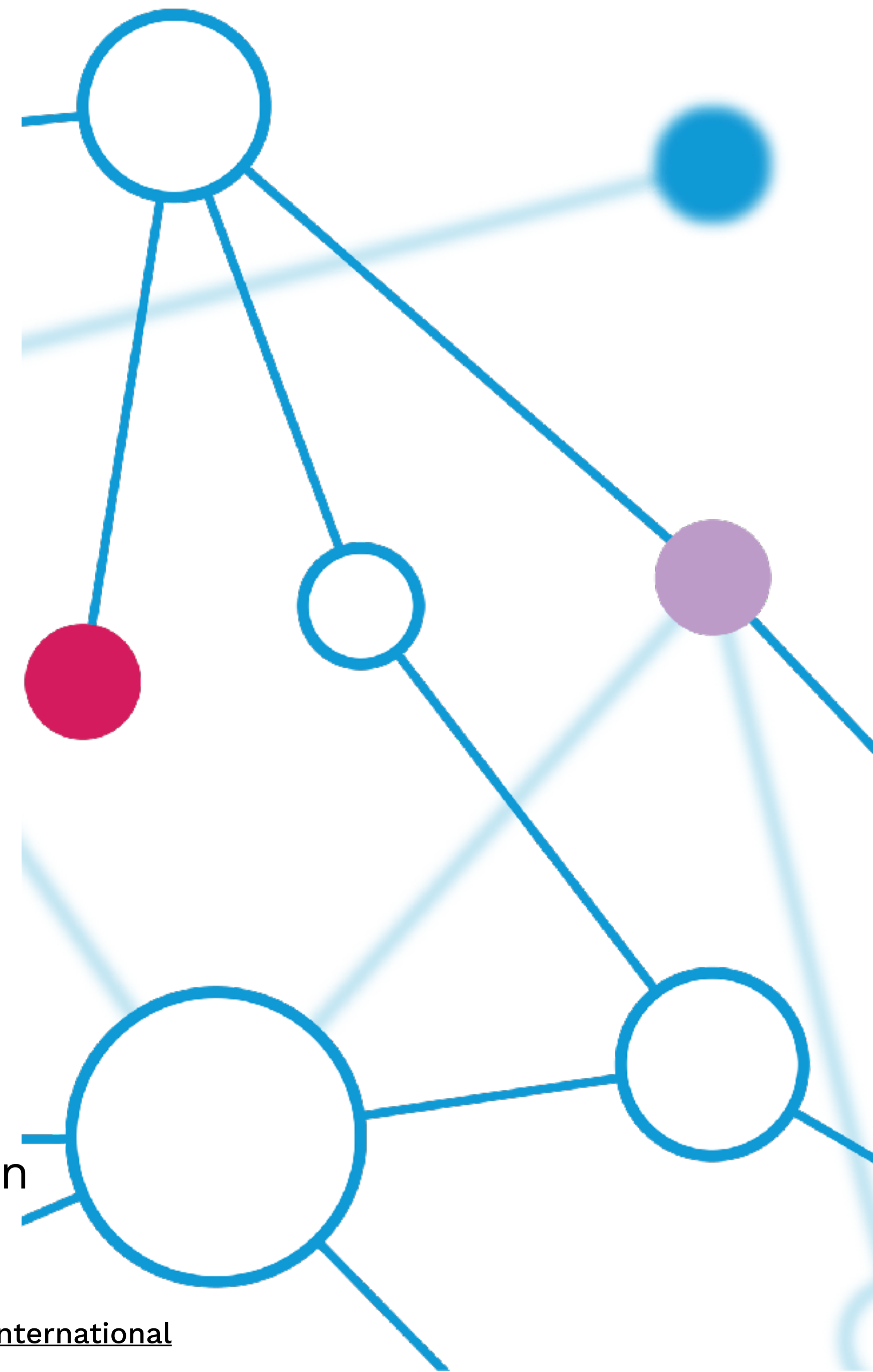
Research and Reporting Show & Tell
"Shaping Markets Report"

Speaker

Amanda Brock
CEO, OpenUK

Any Questions?

Thank you

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https://www.linkedin.com/in/amandabrocktech/
Contact: amanda.brock@openuk.uk