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OPEN SOURCE LICENSING COMES OF AGE

A tale of a gang that says "Njet to .net"



 by [Nancy Cohen](#)
February 21, 2003

A Helsinki team could finally tell the world, Use all of Java’s features without writing any Java code! Now for that second step: Form a company, have a business plan, call the lawyers. The result: a promising web-server package that consists of Open Source Anvil and proprietary add-ons and a flexible business model that does not violate their Open Source ethics. Getting that far was not trivial.

We are still at the stage,” Ottawa LUG event organizer Dave Edwards told *Open* magazine last year, “where software made freely available just boggles business users’ minds.” Edwards was referring to the fact that Open Source as a methodology and the way it fits into a business computing environment still was distorted by a screen of FUD and loathing, with the encouragement of proprietary vendors like Microsoft. Gartner has said that “Nothing is more controversial and less understood than the licensing practices of the Open Source community.”

To address that problem, Edwards and crew managed to pull together an educative Business of Open Source Software event to hook up developers, vendors and business customers for shared interchange. This year, the BOSS event returned for a second year in a row. Thanks to other forward-thinking groups like the Ottawa LUG and their corporate sponsors, other symposiums around the world with an educative focus on the very business of Open Source share credit too for less minds being boggled and more software buyers and sellers becoming aware of Open Source.

Nonetheless, we can also see that, in 2003, the road to grasping all the niceties is still rough. What doesn’t make it any easier is that [Open Source licensing literacy remains a hurdle in the marketplace.](#)

At the least, those trying to make a living with Open Source can say that the marketplace has come a long way from the Dark Ages of fear and confusion, with Microsoft’s suggestion that Linux, with its GPL killer cells, was cancerous. Realities, even for those knowing little about Linux under the hood, render the disease metaphor absurd. High-visibility architects at Shell BP, Deutsche Telekom, Morgan Stanley, and the Jet Propulsion Laboratory, to name just a few, would not be investing in cancerous software.

Open Reader Survey

- Do you currently use J2EE? Yes No No Answer
- Do you currently use .net? Yes No No Answer
- Will you be trying to integrate J2EE with .net applications Yes No No Answer

 [Click for Current Tally](#)

The fact remains, however, that there are business managers who are still uncertain about what different Open Source licenses bring in freedoms and restrictions. Even the father of the Open Source definition [Bruce Perens](#) commented in a recent interview with *Open* magazine that, in the earlier years, he never bargained for such a licensing pile-up. “When I wrote the Open Source

Definition, I did not expect there would be 50 licenses. It's a mess that I created. At the time, we have seven or eight licenses we were trying to classify, without thinking every lawyer in the world would to add his little flavor."

As if that was not challenge enough, IT software entrepreneurs are still struggling with fundamental business and legal questions as they prepare to hang up their open-for-business signs. Mikko Valimaki, a partner at Turre Legal Consulting, a Helsinki-based law firm that gives legal and business-roadmap advice to developers and business executives, says, "Most of the questions are at the level of, 'Do we benefit from Open Source? Which license should we use? Do we lose our copyright if we Open Source our software? What if we go bust? What will happen to the Open Source code?'"

But that's not where the homework ends. Add to that executives with windows on the world who also need to be able to interpret licenses as they exist in European and other countries. While Open Source is global, laws are national. Disputes involving the QT license, for one, would be settled in the city courts of Oslo, as the license is governed by Norwegian law.

ANVIL So what's the process of figuring all this out really like for a company that has its hands on a good technology and wants to take it to a business level? A useful case in point is Helsinki-based Njet Communications, a young company founded by the people who bring you Anvil. This is a programming language suited for web applications, what Njet CEO Jeripekka Salinen refers to as "a kind of PHP for Java."

The Open Source programming language was introduced around three years ago. Jani Lehtimaki is credited as the creator of the Anvil language, having written 95% of the code. Subsequently, Anvil's author and team went looking for a company business model to take Anvil to a next level. They sought out Turre Consulting to help them through the hurdles of revenue models and licensing choices.

Together with Turre advisers, [they worked it all out](#). They kept Anvil, the core technology, as Open Source under an Apache license. Then with commercial viability the goal, they sought a business model that would go further than just dependence on fees-for-services.

Tools and components that sit on top of the Open Source Anvil would be proprietary licensed products. Revenue would come from licensing fees, project consulting, professional services, and, in the case of a big customer like Nokia, they could work with a dual-licensing scheme.

The Anvil Java application platform is licensed as an embedded part of the 'Nokia One' service, which Nokia targets for customers seeking fast mobile access to their corporate mail and directories. This indicates an identifiable user base for Anvil. "End-user customers may need a custom Internet application made cost-effectively for business portals and mobile services," says Salinen.

In maintaining profitability, one big concern, shared by both Njet's founders and Turre advisers, lay in Anvil technology ownership. Turre's Valimaki, in his paper, "Dual Licensing in Open Source Software," warns that "rights ownership must be managed

BUSINESS SNAPSHOT

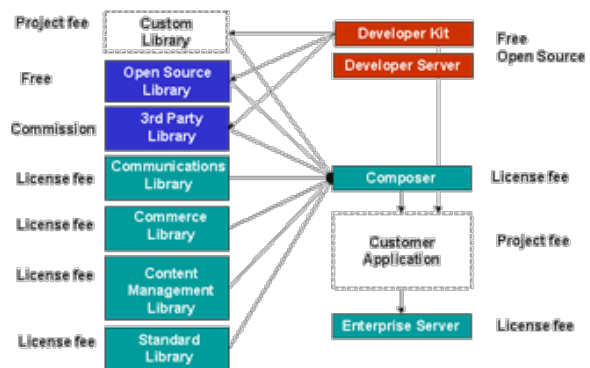
Njet Communications Ltd.:

Employee-owned Helsinki company developing, supporting, and marketing the Anvil application platform

Leaders: Jaripekka Salminen (CEO), Jani Lehtimaki (chief developer and Anvil creator), and Heikki Luhtala (principal concept designer)

Modus Operandi: Like MySQL AB, Njet depends on an ecosphere of partners to supplement its staff, and is constantly expanding its partner network. Many Anvil-related developments are actually produced by partner companies, such as Pan Design Oy, Qreek Software Finland, and Medios Group Ltd.

Open Source business model: Njet Communications has a sophisticated model that includes proprietary licenses for tools and software components, project consulting, professional services, and dual licensing.



carefully.” In the case of dual licensing, “ownership of rights is central, because it allows the company to price its software, change its licensing policy, and distribute software with different licenses.”

Valimaki explains that control of a core development product is held in one hand and one hand only—the original developer’s. The ability to license the product along with terms other than Open Source requires full ownership of all the rights to the product.

Salminen likewise underscores the importance of ownership in the ‘free’ business world of Open Source. “We do not lose anything in releasing the source code, as we keep the full copyright to ourselves. Since we have the copyright, we are free to have individual license agreements with any customer. And with dual licensing, a big corporation can use Anvil as an embedded part of their mobile ASP service with a proprietary license that best fits their needs.”

Salminen says Njet’s partnership with Nokia has definitely evolved from being one of research projects to “world class service production.” The ‘Nokia One Mobile Connectivity Service’ deal is a good example of how Nokia, as well as Njet, leverage the benefits of embedded Anvil, thanks to dual licensing: Since Anvil supports user interfaces in a terminal-independent way, Nokia can offer their customers access from a variety of Internet devices, such as PDAs and WAP phones.

OPEN SOURCE LICENSE USAGE

Research by Mikko Valimaki and Ville Oksanen presents the following statistics about the share of projects under three popular categories of Open Source licenses.

GNU GPL	67%
LGPL	10%
BSD, MIT, Apache, Public Domain	12%

GNU GPL— Free distribution and modifying are allowed, but bundled and derivate works must be under GNU GPL (also described as “viral”)

LGPL—Free distribution, modifying, and license change are allowed if bundled as a whole into new work. Derivate works must be under GPL or LGPL.

BSD, MIT, Apache— All permissive. You are allowed free distribution, modifying, and license change. Public-domain software, carrying no copyright, is in this category.

Source: [Evaluation of Open Source Licensing Models for Company Developing Mass Market Software](#), Mikko Valimaki and Ville Oksanen.

By now it can be said that perceptions of Open Source are showing signs of evolving, from just attention to Linux as the only Open Source story of consequence, to the fact that Open Source software in business goes beyond Linux. It can also be seen that Open Source software startups are making use of business and legal guidance to go beyond simplistic models of ‘fees for service and support’ to more sophisticated models. Many have found that this model just can’t cut it to pay the developers, pay the rent, and show viable growth. In contrast, the contemporary business models protect the validity of Open Source principles and license terms but at the same time allow for varied streams of revenue.

Njet Communications is becoming a textbook case in point. They’ve managed to take on the following:

- A dual licensing scheme—in the case of Nokia, the commercial license allows Anvil to be an embedded part of a mobile ASP service package
- Components and tools sitting on top of Anvil can be under proprietary license
- Revenue from project consulting
- Revenue from professional services

Just as MySQL AB emerged as the “MySQL company” making use of dual licensing, and Wasabi became known as the “commercial NetBSD company,” Njet Communications is enjoying its status as the “Anvil” company—with promising results.

In 2001, just one year after the Anvil development project began, Tekes, the National Technology Agency of Finland, gave Njet Communications a grant for R&D to focus on the Anvil Java web application development platform. Anvil’s ascent to component-based platform is attracting attention because Anvil minimizes the need for custom programming for each Internet project. Anvil is seen as a language for creating wired and wireless services for the Internet—without needing to know Java

when coding applications. Written itself in Java, Anvil can produce Java byte code that runs on a Java virtual machine.

One thing is certain. Njet is taking the opportunity to attract all levels of programmers. Not everyone, they contend, is a master of programming languages. Those working with limited programming language skills are likely to feel stymied in their ability to master new network applications. Anvil offers the power of programming to a range of users.

Salminen and executive crew (Jani Lehtimaki, Heikki Luhtala) are aggressively pushing Anvil as much greater than sliced bread and much more useful than Java. Don't get us wrong, says Salminen. "We like Java. We use it a lot, all the time. The Anvil core was written 100% in standard Java (J2SE) and it produces 100% standard Java bytecode. But, we and our customers aren't that happy with J2EEE application server licensing issues."

Which brings us to another point of attraction toward Njet: Everyone loves to know more about a company with a title that promises a lot of attitude: Rebels with a cause, they turned business developer' heads with the pronouncement that "Njet Communications is a true Linux-spirit company who has created some revolutionary rebel code: the Anvil Java application platform." Njet Communications was the title they invented for writing "rebel code," with the catchy message to "Just say Njet" to .NET and J2EE. 🚫

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