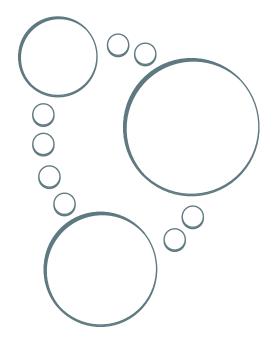
Fair Trade Software Licensing

A Guide To Licensing Options For Neo4j

Andreas Kollegger \rightarrow February 2012





Fair Trade Software Licensing

A guide to licensing options for Neo4j

Disclaimer: This paper is not legal advice. We encourage you to consult with your Attorney about specific legal questions. Please see "Legal Disclaimer" at the end for full details.

Neo4j is a dual-licensed commercial open-source database. Commercial software is closed and costs money. Open source is transparent and cost-free. How can Neo4j be both commercial and open source? Why would you pay for free software? How can a business safely use open source software?

Confusing. Commercial software can be given away, with openly published source code. Open source software always has published source code, but may be distributed at a price, with many successful businesses built around open source software.

For a clear understanding of how Neo4j is both commercial and open-source, let's take a closer look at Neo Technology's dual-license business model.

Neo4j Dual-License

As the commercial sponsor of Neo4j, Neo Technology has established a business model that incorporates both commercial and open source sensibilities. Simply, if you are open source, then Neo4j is open source; if you are closed source, then Neo4j is commercial. This fair minded approach is business-friendly and open source responsible.

The choice of license is a choice in what you will do with Neo4j. If you incorporate Neo4j in a closed, proprietary project, then you require a commercial license. Importantly, it does not matter whether or how you will profit from using Neo4j. Conversely, you are free to use Neo4j as open-source by adopting a compatible license¹ for your software.

There is a fair cost for using Neo4j: either money, or code. As a user, you can either buy commercial software, or contribute to open-source software.

¹ Must be GPL or AGPL compatible, see http://en.wikipedia.org/wiki/List_of_FSF approved software licenses

Commercial Software

Neo4j is commercial software sold by Neo Technology. Buying a license entitles the purchaser to use Neo4j in a proprietary setting with industry standard terms.² A commercial license comes with support and the right to receive software updates.

Software is a service. Buying that service is a guarantee for future use. Neo Technology fulfills this promise with a service agreement that supports feature updates, bug fixes and assistance.

Purchasing a commercial license at a fair price supports the continued development of Neo4j, and brings the full benefits of a commercial relationship with Neo Technology.

Open Source Software

Neo4j is fully open source software. Every single line of code in every component can be evaluated with full transparency. This is the best way of building software that provides value to customers, partners and to the open source community.

Open source solutions by nature produce better software because developers can take advantage of other developers' good work with the added advantage of saving time and development cycles. Open source solutions have to abide by certain rules, which can be viewed at <u>opensource.org</u>.

Rather than just delivering software for free, an open-source approach asks that you honor the value of the software you receive by contributing your own software, a fair exchange of time and effort.

Because a license is a formal relationship, you might consider a commercial license even if you intend to make your software open source, so that you can benefit from the support and guidance provided through a commercial relationship with Neo Technology.

² Full commercial terms and conditions are contained in the Neo Technology Commercial License.

Neo Technology & Neo4j

Neo Technology is the commercial sponsor of the Neo4j project, funding the development of Neo4j; and it is the legal steward of the source code and binaries produced by the project. The particulars of the fair trade offered by Neo Technology for Neo4j has some variations.

Neo4j is packaged in "editions" with varying capabilities and features. All packaged editions are available with either a commercial license or an open source license. The choice of license depends on how you wish to use Neo4j.

EDITION	FEATURES	OPEN SOURCE LICENSE	COMMERCIAL LICENSE
Community	full featured, scalable graph database	GPLv3	NTCL*
Advanced	advanced monitoring	AGPLv3	NTCL
Enterprise	robust, fault-tolerant replicated cluster for demanding production use	AGPLv3	NTCL

^{*} Neo Technology Commercial License

For full details about each Neo4j edition, visit <u>Neo Technology</u> and the Neo4j <u>product</u> <u>site</u>. Let's take a closer look at each license.

Neo Technology Commercial License (NTCL)

The Neo Technology Commerical License (NTCL) is a commercial license which grants the licensee the right to use Neo4j in a commercial setting. A commercial licensee has the right to create products and services which may remain proprietary and protected. Without a commercial license, software incorporating Neo4j must also be open source.

The NTCL is available for businesses who wish to use Neo4j and benefit from a commercial relationship with Neo Technology, without incurring the obligations of open-source software. This is normal software purchasing.

GNU Public License (GPL)

The GNU Public License Version 3 (GPLv3)³ is the common license of the Free Software Foundation⁴, crafted to protect the following four freedoms:

- 1. the freedom to use the software for any purpose,
- 2. the freedom to change the software to suit your needs,
- 3. the freedom to share the software with your friends and neighbors, and
- 4. the freedom to share the changes you make.

The spirit of the GPL is to promote open-source software by requiring modifications or elaborations of open-source software to also be open-source. The freedoms concern access to software, considered a public good.

To protect that good, the GPL obligates developers who incorporate open-source software to also release their software as open source. Here, the fair trade for receiving software is to contribute software back to the community.

Affero GNU Public License (AGPL)

The Affero GNU Public License (AGPLv3)⁵ guarantees the same open source freedoms as the GPL, but extends those rights when using the software across a network. With GPLv3, it is possible to insulate your software from the requirements of the license by accessing the GPL'd code remotely using a network protocol. AGPL considers such use across a network to be the equivalent of linking at runtime.

This means that any software which integrates with any Neo4j interface, across any mechanism and through interposing drivers and routers, is obligated to honor the open-source requirements.

³ GPLv3 License http://www.gnu.org/licenses/gpl.html

⁴ Free Software according to the Free Software Foundation - http://www.gnu.org/philosophy/free-sw.html

⁵ AGPLv3 License http://www.gnu.org/licenses/agpl.html

Fair Trade Software

Play fair. That's the motivation behind the idea of fair trade software. Fair trade recognizes that the inherent value of software deserves compensation. While rooted in open-source culture, it embraces the legitimate needs of a business environment. Software should be equally available to all users in any setting.

This pragmatic approach to open source accepts either contributing code or funding. Contributing code in the spirit of open-source benefits the entire community with new capabilities, better reliability and broader availability.

The alternative is to fund the continued development of open-source software by purchasing a license. In return, a licensee gets the ability to protect their own software. This can be critical in many business circumstances where proprietary software is a strategic advantage.

Neo4j is available on terms that are fair for any intended use. The choice is yours.

Appendices

Appendix A: License Use Cases

You are developing Open Source Software

Neo Technology loves open source development, so if all your software is open source then you are free to use any of the Neo4j editions for your project. Even if you are developing software or services that you get paid for – as long as the source of the system is available to the customer, commercial use of Neo4j is not a problem.

You are developing closed source software (non OEM)

If the application or service using Neo4j is closed source, you should purchase a NTCL license to benefit from a commercial relationship with Neo Technology. This is mandatory for using the production-oriented editions Neo4j Advanced or Neo4j Enterprise, and for the single-server edition Neo4j Community when used in an OEM setting.

If you need monitoring and/or your system can't afford downtime

Consider Neo4j Advanced for monitoring and management and Neo4j Enterprise for disaster-grade failover and online backup. Most production deployments need the features in Advanced and/or Enterprise, but every situation is unique. In addition to enterprise grade production features, both Neo4j Advanced and Enterprise include commercial support and maintenance from Neo Technology.

If you don't need the production-oriented features of Neo4j Advanced and Enterprise, in particular if you can live without monitoring/management and a fault tolerant high availability configuration, then you can use Neo4j Community under the GPL in most closed source (non OEM) scenarios.

You want to embed Neo4j as an OEM component

You distribute your software and wish to distribute Neo4j with it. If your product is Open Source software – Neo4j is, too. If not, you contact Neo Technology for a commercial OEM setup since neither the GPL nor the AGPL permit closed source OEM scenarios. This applies equally to all editions of Neo4j.

Appendix B: Contact Neo Technology

To initiate a discussion of what license is right for you, please contact Neo Technology.

In North America, please call 1-855-636-4532.

In Europe, please call 0808-189 0493.

On the web, please visit http://neotechnology.com/contact-us/

Appendix C: References for further reading

- A) Open Source Software according to the Open Source Initiative http://opensource.org/docs/osd
- B) Eric Raymond's "The Cathedral and the Bazaar" http://catb.org/~esr/writings/homesteading/cathedral-bazaar/
- C) Eric Raymond's "The Magic Cauldron" http://catb.org/~esr/writings/homesteading/magic-cauldron/
- D) GPLv3 License http://www.gnu.org/licenses/gpl.html
- E) AGPLv3 http://www.gnu.org/licenses/agpl.html

LEGAL DISCLAIMER

No advice

This document contains general information about Fair Trade Software. The information is not legal advice, and should not be treated as such.

Limitation of warranties

The information in this document is provided "as is" without any representations or warranties, express or implied. Neo Technology makes no representations or warranties in relation to the information in this document.

Without prejudice to the generality of the foregoing paragraph, Neo Technology does not warrant that:

- the information in this document will be constantly available, or available at all; or
- the information in this document is complete, true, accurate, up-to-date, or non-misleading.

Professional assistance

You must not rely on the information in this document as an alternative to legal advice from your attorney or other professional legal services provider.

If you have any specific questions about any legal matter you should consult your attorney or other professional legal services provider.

You should never delay seeking legal advice, disregard legal advice, or commence or discontinue any legal action because of information in this document.

About this legal disclaimer

We created this <u>legal disclaimer</u> with the help of a free legal disclaimer form developed by Contractology and available at <u>www.freenetlaw.com</u>. Other precedents available from Contractology include <u>hosting terms and conditions forms</u>.