

“Free” & Open-Source Software Terms

Software licensing terms govern how software can be used, modified, and shared. Proprietary licenses, such as those from Microsoft, Adobe, or other enterprise software publishers, restrict usage of the software and any modifications to it. Subscription licenses, common in cloud software, require ongoing fees—using the software after canceling is considered unauthorized. Unauthorized use can lead to lawsuits. Enterprises often overlook the licensing terms of freeware, shareware, and open-source software. Freeware is free to use but legally cannot be altered or redistributed without permission. Open-source licenses, like the GPL or MIT, grant more freedom, but users must comply with conditions like sharing source code or giving credit. Shareware allows limited trial use and continued use without payment breaches the software license terms. Failure to comply with these conditions can trigger serious implications such as license termination and financial penalties.

Why it Matters. All software licenses are legally binding, and breaching their terms risks lawsuits, fines, or loss of usage rights. In 2023, Neo4j accused a developer of breaching its open-source license by failing to comply with attribution terms. This lawsuit, though ongoing, shows that even in open-source arrangements, license violations can lead to legal action. Undermining the core tenets of the “copyleft” licensing method, this critical precedent means companies cannot add non-removable restrictions to open-source licenses. So be sure to read the fine print because “free and open” does not necessarily mean no obligations.

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