

# 100 Million Reasons For Open Source Compliance

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CoKinetic Systems Corporation filed suit against Panasonic Avionics Corporation, seeking damages in excess of \$100 million, in part, for violation of the GPL v2 open source license. CoKinetic alleged that Panasonic blocked competitors from having the ability to develop software for Panasonic's In-flight Entertainment (IFE) hardware by refusing to distribute the source code for its open-source Linux based operating system. CoKinetic alleged that this software controls the basic functions of Panasonic IFE hardware systems. According to CoKinetic, this is a willful violation of the GPL License, exposing Panasonic as a willful infringer of the copyrights of thousands of software developers that have contributed to Linux. The suit includes other very interesting legal claims, detailed below.

This is another recent example of a lawsuit, between competitors, where open source issues will play a prominent role. We recently [reported](#) on another competitor-competitor open source law suit, where a federal district court decision denied a motion to dismiss a complaint brought by Artifex Software Inc. for breach of contract and copyright infringement claims against Defendant Hancom, Inc. based on breach of an open source software license.

The growing use of open source and the increasing number of enforcements for non-compliance with open source licenses highlights the need for well-thought out open source policies. To help companies understand these policies, we have prepared a guide on "Open Source Policies — Why You Need Them And What They Should Include."

The complaint lists a litany of other allegations, including that Panasonic breached

contractual obligations to CoKinetic, abused FAA regulatory processes, conducted corporate espionage, defamed CoKinetic and sabotaged its products, degraded airline IFE systems to interfere with customer relationships, purportedly paid commercial bribes, and otherwise employed unlawful means to monopolize the market for in-flight entertainment software and media services used by airlines to offer airline passengers customized entertainment amenities, such as movies, games, food ordering, shopping and other interactive services on Panasonic's IFE hardware systems.

CoKinetic further alleges an array of anticompetitive acts engineered by Panasonic to force CoKinetic from the market, including: allegedly degrading and damaging IFE hardware systems owned by Panasonic's own airline customers, in order to create the appearance that only Panasonic is able to provide reliable software and media services on Panasonic IFE hardware; allegedly entering into an exclusive license agreement to use CoKinetic's "AirPlay" technology after CoKinetic successfully entered the market with a major carrier; only to engage in a concerted campaign to disparage and sabotage the performance of CoKinetic's software products; allegedly secretly wiring a listening device to spy on CoKinetic and eavesdropping on the company's business meetings, as well as private discussions with airline employees; and allegedly making illicit payments and otherwise providing expensive gifts, excursions and entertainment to influence airline employees, interfere with relationships between the airline and CoKinetic and induce airlines to discontinue using CoKinetic's software.

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