

Covering your bases with IP Indemnity

Deep Dive: Defining Open Source Al



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Thanks for this great Cody AI tool



Overview

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Code AI platform

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Protecting Customers **Tammy Zhu**

Low copyright risk. Litigation landscape. Other mitigation. 3

IP Indemnity
Samantha Mandell

Cover your bases. Reduce copyright risk. Negotiating.

Justin Dorfman



What is Cody?

- Al coding assistant
- Writes, understands, and fixes code
- Web, VS Code, & JetBrains/Intellij
- Open source under Apache 2.0 license

```
7 const calculatePower = (base, exponent) => {
8     return base ** exponent;
9 }

This code helps you find the power (exponent). For example, in 8.

Detailed helps you find the power (exponent). For example, in 8.
```



What is Cody?



Momil



Deepak



Catalin



Szymon



Tino



How Cody Works

- Prompt
- LLM
- Context







Hugging Face presents

Training Cluster

As a service

Train your LLM at scale on our infrastructure

I want to train a 70B v parameters multimodal v model on a

7T tokens





Estimate: 184 days on 1000 GPUs

\$18,461,354



The Copyleft problem

- "Does Cody use GPL code?"
- Unable to get a straight answer
- Sourcegraph Legal to the rescue



Tammy Zhu

Protecting Customers

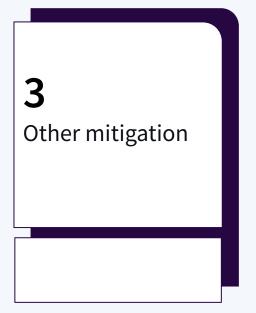
Tammy Zhu



Protecting customers: overview









What's the risk?

Copyright risks

- Copyleft virality
- Breach of OSS license
- Infringement







For AI coding users, copyright risk is low

Why?

In no case does copyright protection for an original work of authorship extend to any

- procedure
- process
- system
- method of operation



Litigation landscape: AI coding providers

No lawsuits to date against *users* of AI coding providers

No lawsuits to date against AI coding providers alleging copyright infringement

• Doe v. GitHub alleges the following

```
    DMCA violation

            Copyright 2022 Sourcegraph, Inc.

    Breach of contract

                  Licensed under the Apache License, Version 2.0 (the "License");
                  Interference with economic relations this file except in compliance with the License.
                  Unjust enrichment
                  Unfair competition
                  http://www.apache.org/licenses/LICENSE-2.0
                  Negligence
```

No copyright claim



Other mitigation

- Large training sets
- Permissively licensed training sets
- Filters and attribution
- OSS scans
- IP indemnity

IP Indemnity

Samantha Mandell



Indemnity Flows to the End User

What is Indemnity?

- A contractual agreement between two parties in which one party agrees to pay for potential losses or damages claimed by a third party as a result of their relationship
- Software: if Party A is sued because they use Party B's software as intended, Party B will cover Party A's losses
- Often, if there are multiple parties involved in a relationship or transaction, there might be multiple indemnification agreements



What AI tool users should look for with Indemnity

A comprehensive IP indemnity clause is:

- Uncapped
- Covers all plausible third parties (ie. individual copyright holders and open source licensors)
- Applies even if a user makes changes to the Output



Landscape of Indemnity among AI Coding Assistants

Cody (Sourcegraph)	Sample Tool #1	Sample Tool #2	Sample Tool #3
Uncapped	Caps dependent on agreement with provider for other services	None, <i>and</i> user required to indemnify provider for copyright infringement	None (but users not required to indemnify provider)
Covers all plausible 3rd parties	Covers all plausible 3rd parties		
Applies even if a user makes changes to the output	Does not apply if user makes changes to the output		
	Requires use of filtering		

Closing

Justin Dorfman