

Meta Description: Streamlabs, one of the internet's most popular live-streaming tools, recently came under controversy when it was slated on Twitter for plagiarizing the website of its competitor, Lightstream, and using the OBS Project's name without permission.

Streamlabs vs OBS and Lightstream: The IP Questions and Potential Fallout

Streamlabs, one of the internet's most popular live-streaming services, recently came under controversy when it was slated on Twitter for plagiarizing the product and marketing content of its competitor, Lightstream.

In a November 17 tweet, Lightstream <u>called out</u> Streamlabs for copying its website landing page – down to customer reviews – in Streamlabs' promo materials for its new product. Hot on the heels of this tweet, the OBS Project fired off allegations of its own, saying that Streamlabs <u>used its name</u> without permission and failed to "live up to the spirit" of open source.

Since Lightstream's tweet, a deluge of allegations – ranging from further IP infringements to shady business practices – have dogged Streamlabs, forcing the company to respond to some of these claims and even backtrack in respect of others.



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Here's a breakdown of the facts behind the controversy and brief analysis of the IP issues involved.

The background

Streamlabs, formerly Streamlabs OBS, is a well-known maker of live streaming software. Their video streaming service enjoys widespread use amongst content creators on platforms such as Twitch and YouTube. The company started as a service called Twitch Alerts, but they rebranded to Streamlabs OBS in 2018.

Streamlabs' software isn't proprietary, though. Instead, they built their service on open-source software developed and maintained by the OBS Project. OBS means Open Broadcaster Service, and it's an open-source group that helped make live-streaming possible. Streamlabs created a "fork" in OBS software by exploiting the source code, which is free to use, and taking it in a different direction that is more user-friendly and still free but monetized in several respects.

Recently, Streamlabs moved to launch a new service, called Streamlabs Studio, designed to help streamers live-stream directly from their Xbox. And that's where the controversy begins.

Allegations against Streamlabs

Apparently, Streamlabs' brand new service was not so new. Lightstream, another live-streaming provider, has an earlier product called Lightstream Studio that also helps Xbox players stream videos from their console. According to Lightstream, Streamlabs Studio directly ripped off their streaming service and their website copy. They tweeted an image showing an uncomfortably similar side-by-side comparison of their website with Streamlabs Studio's. Even the testimonials on the pages were identical, with just the customer names swapped out.

Lightstream's CEO followed up the tweet with another, <u>saying</u>, "The team at @streamlabs should be ashamed. Not satisfied enough to ride @OBSProject's hard work. Now to copy ours down to the layout and every word on our marketing site and our UX in this product."

Perhaps triggered by this tweet, the OBS Project also responded to the tweet thread, stating that Streamlabs <u>had no permission</u> to use the "OBS" name for their service. Streamlabs asked and was refused, but "they did so anyway and followed up by filing a trademark", says the OBS Project. "We've tried to sort this out in private but they have been uncooperative at every turn."



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Unsurprisingly, the allegations unleashed a flood of criticism directed at Streamlabs, including former employees who accused the company of sketchy practices such as a predatory opt-out only premium service. In addition, top Twitch personalities, Pokimane and Hasanabi, threatened to stop using the service if Streamlabs failed to address the issues.

Streamlabs <u>responded</u> first by claiming a mea culpa relating to the Lightstream allegation. They said the "text on the landing page was placeholder text that went into production by error." Later, the company <u>announced</u> that it would be immediately changing its name by deleting the offending "OBS". While Streamlabs has taken some remedial action regarding these allegations, critics are still unimpressed, with many seeing the company's efforts as slapping a band-aid on a crater-sized leak.

The IP issues

The big questions are: did Streamlabs breach any of Lightstream's or the OBS Project's IP rights? As with most cases where the facts are thin, there might be no straight answer to these questions. But, based on what we already know, we can still consider some of these issues.

The Lightstream complaint

First, regarding the Lightstream complaint. The substance of the claim revolves around the lifting of Lightstream's UX and website content. Per US Copyright law, these pieces of intellectual property are protectable since they amount to works of authorship. Therefore, they do not need to be registered before Lightstream can enjoy and enforce IP rights in them.

Notably, Streamlabs only admitted to using part of Lightstream's web content. By using that content without permission, they may have breached Lightstream's copyright. Also, since the use of that content was for commercial purposes, which might demonstrably affect Lightstream's business, Lightstream might enjoy a good day in court should they take up the matter.

Potential questions about Streamlabs ripping off Lightstream's idea are another proposition, however. Business ideas are generally not protected under IP laws and principles, primarily due to their abstract nature. Thus, there's no question of IP theft unless the core idea or expression is demonstrated and protected by a patent, copyright, trademark, or other established IP vehicle.



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The OBS Project complaint

Second, as for the OBS Project complaint, matters are a bit more complex. Streamlabs accepts that its use of OBS in its name was wrong. But has the company done anything illegal here?

The name of a company or its branded product may be protected as a trademark under US law. That protection can happen in any of two ways. It may be automatic, which is where a company is the first to use a specific mark commercially. Or it may be as a result of registration with the US Patents and Trademarks Office. The problem, however, is that automatic protection is limited to the geographical area in which the company does business, while USPTO registration is national and carries broader rights of action. Essentially, an automatic trademark leaves too much room for questions about what rights it protects and to what extent.

There's no indication that the OBS Project filed for a trademark, meaning it may have no more than a limited automatic trademark. As a result, Streamlabs may not have done anything wrong legally by using OBS in its name, and the OBS Project acknowledges this in its tweet.

There's also a question of whether Streamlabs exploited OBS source code in an unethical and potentially illegal manner, mainly because they monetized aspects of the service.

As mentioned earlier, the OBS Project's work is open source. An open-source work is free to use by anybody, subject to the specific terms of the license that authorizes access to the work. In the case of OBS' source code, that license is the GNU General Public License v2. But, the fact that open source work is free to use does not necessarily mean it does not carry a price. "Free to use" in this case relates to freedom to access, not to the price attached to it.

Under the GPL, developers may access, share, or build upon OBS source code and they may choose to take it in a new direction without feeding back to the original. This is what OBS did, although in a manner that some would call unimaginative and barely original. Per the GPL, anyone can exploit the source code, and the licensee can make money off the software. The primary limitation to using GPL-protected material is that whatever work is developed with it must also license its source code as free to use.

Therefore, Streamlabs was not wrong to build entirely on OBS work, strictly speaking. Was their action unethical and outside the spirit of open-source software, which is to help improve the original for the benefit of everyone? Most likely. But legally speaking, there's not much wrong that Streamlabs did and the lengthy silence of the OBS Project on the matter seems to confirm this.



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The fallout: Where could this go from here?

Streamlabs has made some of the right noises in the past few days with its apology to Lightstream and change of name. While critics understandably view these responses as performative, we're yet to see if Lightstream and the OBS Project accept these gestures.

Streamlabs may not have much to worry about from the OBS Project, but if Lightstream decides to take legal action, things might get very interesting for the company.

