

Copyright probe, raids stoke fear in Russian IT

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Russia's IT industry is worried a probe against a leading web firm will chill further development in the country

Russia's tech community has expressed alarm over raids on web company Nginx, one of the country's biggest IT success stories, in a copyright probe that its co-founder condemned on Monday as "racketeering".

Nginx, the company behind web server software used by a third of the world's active websites, was founded in 2011 by two Russians, Igor Sysoyev and Maxim Konovalov.

US-based F5 Networks bought it for \$670 million earlier this year and now employs its co-founders.

Police raided Nginx's Moscow office on Thursday as well as the homes of Sysoyev and Konovalov, confiscating phones, laptops and documents, Konovalov told AFP, calling the move a scare tactic.

The raids were part of a criminal probe into suspected violations by Sysoyev and Konovalov, stemming from a claim of copyright ownership filed by Russian media and internet holding company Rambler where both worked before quitting and founding Nginx.

Rambler Group told AFP that it considers its "exclusive rights to web server Nginx violated."

But after an emergency board meeting, Rambler said later Monday that it would ask Russia's law enforcement agents to throw out the case against Nginx.

"We will undertake all possible efforts to have this situation resolved through consultations of the involved sides," Lev Khasis, chairman of Rambler's board of directors, said in a statement.

Russia's IT community has slammed the case as an outrageous precedent because Sysoyev had coded Nginx in his free time while working as a systems administrator at Rambler and had made its source code open to other developers.

Two of Sysoyev's former supervisors at Rambler in the 2000s and a

former CEO posted or told Russian media that the company never gave Sysoyev any coding assignments and such side projects were one widespread.

'Bad signal' to coders

The use of criminal prosecution to regulate business disputes is widespread in Russia, despite being criticised by entrepreneurs as a major deterrent to investment.

Kremlin spokesman Dmitry Peskov declined to comment on the actions of investigators, but said that "Russia remains attractive" and is fertile ground for startups.

Some Russian IT professionals put up green Nginx icons over their Facebook avatars while companies issued statements stressing the importance of open source software to the startup culture and the industry in general.

"Prosecution for open source is a very bad signal to the community of coders," Yandex internet giant said on its website.

"The modern internet is impossible without the open-source culture and without people who invest their time into developing programmes with open source code," it said.

Konovalov said that since 2011 Rambler had "never made contact" or ownership claims. He said he saw the probe as a "racketeering" tactic employed after Nginx was sold in March.

F5 said earlier it "took measures to ensure the security of our master software builds" concerning Nginx, adding that its servers are not in Russia.

"F5 fully supports our employees and we believe these claims against them do not have merit," it said in a statement.

The two Nginx founders are not under arrest and have the status of witnesses, but if charged they could serve up to six years in prison.

Konovalov said such copyright cases should not be handled by criminal investigators but "argued in an arbitration court".

"Criminal probes are needed to take hostages, to exert pressure, to gain the upper hand ahead of arbitration," he said, comparing it to controversial cases against entrepreneurs in Russia.

"We made one of the best servers, a unique Russian product, and for this we'll be sent to prison," he said.

"If the case is not resolved, it will be a tremendous signal to the IT community: leave (Russia) if you have the chance."

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