



To: CNCF Technical Oversight Committee

From: Synadia Communications Inc. ("Synadia")

Subject: CNCF Exit Proposal

Date: April 9, 2025

This proposal outlines Synadia's intention to withdraw the NATS.io project from the Cloud Native Computing Foundation (CNCF) and transition the NATS.io server to a Business Source License (BSL). Synadia is a supporter of the CNCF; however, after careful consideration of (1) the NATS.io project's growth, governance, and long-term strategic goals, (2) the relative contributions of Synadia and the CNCF over time to such growth, governance, and goals, and (3) the fact that Synadia is the sole owner of the NATS.io trademark, a transition out of CNCF will reflect the reality of the project's actual management, provide more flexibility in managing the evolution and success of NATS.io, and will better align with our vision for the project's future.

Background:

NATS.io was created by Derek Collison, Synadia's founder and CEO. Synadia employs all of the primary maintainers of the NATS.io server and has contributed over \$30M to developing and promoting NATS.io. Over 97% of contributions to the NATS.io server were made by employees of Synadia and its predecessor company.

We believe NATS.io's future direction, as well as its intellectual property and licensing, would be best managed outside of CNCF governance. A recent meeting of NATS.io maintainers affirmed this position and voted to exit the CNCF in the affirmative.

Transition Justification.

1. **License Flexibility:** The CNCF's open-source projects must follow a permissive Apache 2.0 license; however, as NATS.io continues to grow and scale, Synadia, as primary maintainers, wishes to adopt a more flexible licensing model that allows us to protect the project's core infrastructure and balance open-source accessibility with the need to sustain and fund the project's future development. The Business

Source License (BSL) offers this flexibility, enabling us to maintain open access to the source code while allowing us to transition to a more commercially viable model.

2. **Control and Governance:** The future of NATS.io depends on the future of Synadia, and Synadia needs to be able to make commercial licensing decisions related to NATS.io. Synadia's role as the primary maintainer and decision-maker becomes even more crucial as NATS.io expands its reach into the enterprise. Transitioning NATS.io out of the CNCF would allow Synadia to retain complete and exclusive governance over the project and its future direction, ensuring that we can make timely decisions in line with the project's technical and business needs.
3. **Trademark Ownership:** Synadia is the legally recognized sole owner of the NATS.io trademark. and it is critical to have complete control over the technology and its brand. This transition will allow us to better manage and protect the NATS.io trademark and ensure alignment between the technology and its commercial activities.
4. **Growing Commercialization Opportunities:** As NATS.io matures, we have seen increasing interest from enterprise users seeking more robust commercial offerings. By moving to the BSL, Synadia will be able to better monetize the offering and ensure that NATS.io remains economically viable.
5. **Commitment to Open-Source Community:** This change in licensing does not signal a departure from our commitment to the open-source community. We plan to specify the Apache License as the "Change License" in the BSL. The approach will ensure that NATS.io remains free and open to a vast majority of users while allowing us to sustain ongoing development and improvements from a commercial perspective.
6. **Incentive alignment:** Synadia, along with other companies, has noticed a trend: as a project matures and stabilizes, companies with the means to pay for the system refuse to do so. We have even heard comments of company policies that dictate once a project graduates they will no longer pay for maintenance or continued development. This puts projects like NATS.io, which is sustained and driven by a single company, in a precarious situation. If Synadia ceases to exist, the NATS.io ecosystem will halt.

Proposal Details:

1. **Exit from CNCF:** We propose that NATS.io exit from the CNCF Foundation effective immediately. We are prepared to work with the CNCF to ensure a smooth and orderly transition and mutually beneficial external communications.
2. **Transition to the Business Source License (BSL):** Upon leaving CNCF, Synadia will adopt the Business Source License (BSL) for the NATS.io server. The BSL will provide a balance between open-source accessibility and commercial

sustainability. Under this license, the source code will remain open. Still, specific use cases (such as offering NATS as a managed service or integrating it into specific commercial offerings) will require a commercial license. Details on the particular terms and conditions of the BSL will be publicly available and transparent.

3. **Project Ownership:** Synadia will remain the sole owner of the NATS.io trademark and intellectual property. We will continue to maintain the leadership and governance of the project, working closely with the community and contributors to ensure ongoing innovation and support. Synadia requests the return of the NATS.io domain registration, as well as sole administrative control over the GitHub organization.
4. **Community Engagement:** We are committed to maintaining the vibrant open-source community around NATS.io. We will continue to encourage contributions from external developers and organizations and ensure that the project remains inclusive and transparent. We will also work to ensure that the transition to BSL does not create a barrier to community participation.
5. **Communication Plan:** We plan to engage with the NATS.io community, the CNCF, and other stakeholders through announcements, community calls, and Q&A sessions to address any concerns and ensure everyone is informed of the changes. We will provide clear instructions on the transition process and what it means for contributors, users, and organizations utilizing NATS.io.
6. **Cost Reimbursement.** As noted above, 97% of contributions have come from employees of Synadia or its predecessor company rather than from any CNCF-driven contributor community. So, while Synadia does appreciate the CNCF's early efforts to promote the CNCF project, it is clear that these efforts did not meet with any meaningful success. That said, Synadia recognizes the CNCF incurred some out-of-pocket costs in connection with its efforts. Synadia is willing to reimburse the CNCF for direct costs incurred in connection with the transition.

Conclusion:

Transitioning NATS.io out of the CNCF Foundation and adopting a Business Source License will position the NATS.io project and ecosystem for long-term success. This change will provide the necessary flexibility to grow the project to meet the needs of the open-source community and the NATS.io technology.

We appreciate the support the CNCF has provided NATS.io and look forward to working together to ensure this transition is executed smoothly and transparently.

Signed,

Derek Collison
Founder and CEO
Synadia Communications, Inc.

Attachments:

Trademark Letter from Synadia Counsel
Meeting minutes from the maintainer meeting