EXHIBIT 9

business & enterprise, news

Mullenweg threatens corporate takeover of WP Engine

Rae Morey · October 1, 2024

Automattic CEO **Matt Mullenweg** has rescinded an 8% licensing deal offered to **WP Engine** in September, suggesting that escalating tensions between the two companies could lead to a corporate acquisition by **Automattic**.

In an interview with **The Repository**, Mullenweg said **Automattic** now wanted more than 8% of **WP Engine's** annual revenue, or an equivalent of resources invested into the **WordPress** project—or a combination of both—in exchange for the use of its "**WordPress**" and "**WooCommerce**" trademarks.

"That deal's not on the table anymore. We're seeking more, not 8%," Mullenweg said. "I don't want to speculate on what the deal might be... In July it was less than 8%, it was smaller. In September it was 8%. The deal they have to do next could be taking over the company, they have no leverage."

Mullenweg's latest comments come as **Automattic** and **WP Engine** remain locked in a tense stand-off more than a week after he called the rival hosting company a "cancer to WordPress," accusing it of profiting off the **WordPress** project and violating trademarks.

While **WP Engine** has remained tight-lipped over the past week, Mullenweg has ramped up

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While **WP Engine** has remained tight-lipped over the past week, Mullenweg has ramped up his public criticism of **WP Engine** through social media, interviews, and livestreams, following years of private negotiations that he says failed to reach an agreement.
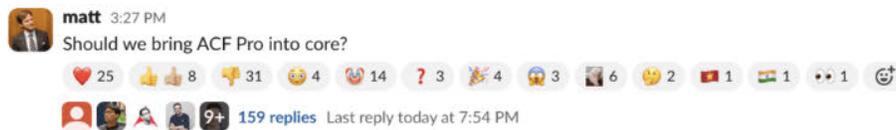
"I didn't wake up one day and suddenly decide to do this," he said. "I was taken advantage of for so many years. The only way to deal with a bully is to fight," he said.

"[WP Engine is] a half-a-billion dollar company. [WP Engine's main investor] **Silver Lake** has disrupted the ecosystem. I'm fighting for my life's work."

Mullenweg said his public attacks would continue, adding "I have a lot to work with."

"**Silver Lake** used to hold this asset (**WP Engine**) on their books for $2 billion... They stand to lose billions [in the event of a corporate takeover]."

Mullenweg's comments come after he posted in Making WordPress Slack on Saturday about potentially bringing ACF Pro, the premium version of **WP Engine's** Advanced Custom Fields (ACF) plugin, into **WordPress** core.

How the conflict started

Mullenweg blew up WordCamp US 2024 when he called out **WP Engine's** apparent minimal contributions to **WordPress** and Five for the Future in his keynote address on September 20.

According to Five for the Future, **WP Engine** currently sponsors 11 contributors for a total of 40 hours per week across five teams. By contrast, **Automattic**, sponsors 116 contributors for a total of 3,948 hours per week across 22 teams. Both companies, as Mullenweg highlighted in WordCamp US & Ecosystem Thinking ahead of his keynote, are roughly the same size with revenue in the ballpark of half a billion.

During his keynote, he also took aim at **WP Engine's** main investor, **Silver Lake**, and specifically its Managing Director, **Lee Wittlinger**. He acused the private equity firm of maximizing profits over fostering open source values since investing in **WP Engine** in 2018.

Mullenweg urged the **WordPress** community to "vote with your wallet," urging folks to support companies that invest back into **WordPress** rather than those that prioritize extracting value from the ecosystem without giving back.

In a follow up post on WordPress.org, WP Engine is not WordPress, Mullenweg doubled down on his talk, describing **Silver Lake** as "hollowing out" the open source **WordPress** project.

He highlighted **WP Engine's** long-time practice of turning off revisions to support his claims,

In a follow up post on WordPress.org, WP Engine is not WordPress, Mullenweg doubled down on his talk, describing **Silver Lake** as "hollowing out" the open source **WordPress** project.

He highlighted **WP Engine's** long-time practice of turning off revisions to support his claims, describing the company as "strip-mining the **WordPress** ecosystem, giving our users a crappier experience so they can make more money."

"What WP Engine gives you is not WordPress, it's something that they've chopped up, hacked, butchered to look like WordPress, but actually they're giving you a cheap knock-off and charging you more for it," Mullenweg wrote.

"This is one of the many reasons they are a cancer to **WordPress**, and it's important to remember that unchecked, cancer will spread. **WP Engine** is setting a poor standard that others may look at and think is ok to replicate. We must set a higher standard to ensure WordPress is here for the next 100 years."

WP Engine fires back

WP Engine quickly hit back, their legal counsel sending **Automattic** a cease and desist letter on September 23. In the letter, **WP Engine** claims that in the days leading up to Mullenweg's keynote address, **Automattic** suddenly began demanding large sums of money —"a significant percentage of its gross revenues – tens of millions of dollars in fact – on an ongoing basis," according to the letter — and if it didn't, "**Automattic** would wage a war against **WP Engine**."

"This demand was accompanied by allegations about **WP Engine's** business that were not only baseless but also bore no rational relation to the payment demand," the letter claims.

The letter also contains several examples of threatening text messages that **WP Engine** says demonstrate how Mullenweg attempted to pressure the company into giving into **Automattic's** financial demands.

WP Engine also defends its contributions to **WordPress**, highlighting the "tens of millions of dollars" it gives back through events, sponsorships, and the development of educational resources, including WordCamps, its DE{CODE} conference, as well as maintaining popular projects including ACF, WPGraphQL, and faust.js.

Automattic reveals trademark disputes

The same day, September 23, **Automattic's** legal counsel issued its own cease and desist letter, revealing a critical piece of the puzzle missing from Mullenweg's WCUS keynote: **Automattic's** claims that **WP Engine** is violating the "**WordPress**" and "**WooCommerce**" trademarks.

In the letter, **Automattic** claims **WP Engine** has developed a business generating annual revenue of over $400 million, which has been "based entirely on extensive and unauthorized uses of the trademarks."

The letter states that **Automattic** remains exclusive commercial rights to the trademarks from the **WordPress Foundation**, and **WP Engine** needs a license to use them.

As well as ceasing all unauthorized uses of the trademarks, **Automattic** demands compensation for its lost licensing revenue, suggesting an 8% royalty on **WP Engine's** $400

unauthorized uses of the trademarks.

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As well as ceasing all unauthorized uses of the trademarks, **Automattic** demands compensation for its lost licensing revenue, suggesting an 8% royalty on **WP Engine's** $400 million in annual revenue, or $32 million.

Mullenweg has since clarified that the 8% deal offered was for a percentage of **WP Engine's** annual revenue, an equivalent in contributions to the WordPress project, or a combination of both.

In a post accompanying the cease and desist letter, **Automattic** claims it tried "for years" to get **WP Engine** to obtain a commercial license for trademark use and contribute to the **WordPress** project, but the hosting company had repeatedly declined to partner or give back.

Shortly after the letter was published, the **WordPress Foundation**—of which Mullenweg is one of three board members—changed its Trademark Policy page, calling out **WP Engine** for allegedly confusing users:
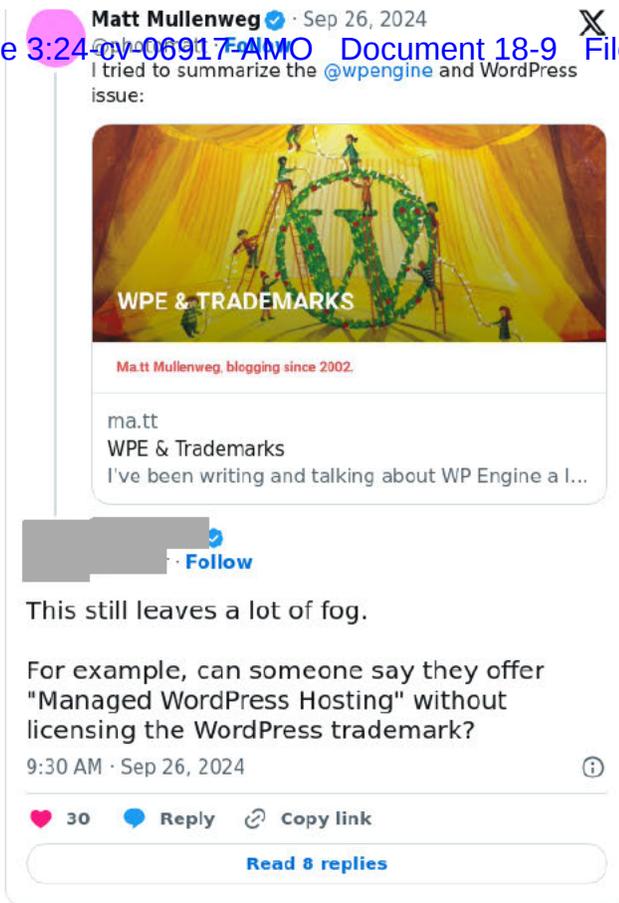
Previously, the text stated:

> *The abbreviation "WP" is not covered by the WordPress trademarks and you are free to use it in any way you see fit.*

The updated text states:

> *The abbreviation "WP" is not covered by the WordPress trademarks, but please don't use it in a way that confuses people. For example, many people think WP Engine is "WordPress Engine" and officially associated with WordPress, which it's not. They have never once even donated to the WordPress Foundation, despite making billions of revenue on top of WordPress.*

It was also revealed last week that the foundation filed trademark applications for "managed **WordPress**" and "hosted **WordPress**" in July. The revelation has sparked fears among developers and business owners that if these trademarks are granted, they could be used against them.

Matt Mullenweg ✔ · Sep 26, 2024
@photomatt · **Follow**
I tried to summarize the @wpengine and WordPress issue:

Matt Mullenweg ✓ · Sep 26, 2024

I tried to summarize the @wpengine and WordPress issue:

WPE & TRADEMARKS

Ma.tt Mullenweg, blogging since 2002.

ma.tt
WPE & Trademarks
I've been writing and talking about WP Engine a l...

▬▬▬▬▬▬ ✓ · **Follow**

This still leaves a lot of fog.

For example, can someone say they offer "Managed WordPress Hosting" without licensing the WordPress trademark?

9:30 AM · Sep 26, 2024   ⓘ

♥ **30**   💬 **Reply**   🔗 **Copy link**

Read 8 replies

Mullenweg escalates attacks

In an apparent attempt at hiding Mullenweg's recent posts on WordPress.org, **WP Engine** removed the news widget from its users' dashboards on September 24, reportedly breaking thousands of sites in the process.

The following day, Mullenweg further escalated things when he banned **WP Engine** from accessing WordPress.org and its resources. The move blocked **WP Engine**-powered sites from plugin and theme updates, also breaking sites.

In **Post Status** Slack, developer **Brian Coords** accused **Matt Mullenweg** of "weaponizing" developers:

▬▬▬▬▬▬▬▬   Thursday at 9:07 AM
Yep - WP Engine is a platform for agencies, matt is intentionally weaponizing us in agencies to hurt WP Engine financially.

🎯 6   😊+

In response to the ban, **WP Engine** accused Mullenweg of misusing his control of **WordPress** to interfere with **WP Engine** customers' access to WordPress.org.

"**Matt Mullenweg's** unprecedented and unwarranted action interferes with the normal operation of the entire **WordPress** ecosystem, impacting not just **WP Engine** and our customers, but all **WordPress** plugin developers and open-source users who depend on **WP Engine** tools like ACF. We are taking immediate steps to remediate the impact of this action. We remain steadfastly committed to supporting **WP Engine** customers, users, and the entire WordPress community." **WP Engine** posted on **X**.

Matt Mullenweg's unprecedented and unwarranted action interferes with the normal operation of the entire **WordPress** ecosystem, impacting not just **WP Engine** and our customers, but all **WordPress** plugin developers and open-source users who depend on **WP Engine** tools like ACF. We are taking immediate steps to remediate the impact of this action. We remain steadfastly committed to supporting **WP Engine** customers, users, and the entire WordPress community," **WP Engine** posted on **X**.

> **WP Engine** ✓
> @wpengine · **Follow**   X
>
> Matt Mullenweg, CEO of Automattic, has misused his control of WordPress to interfere with WP Engine customers' access to WordPress.org, asserting that he did so because WP Engine filed litigation against Wordpress.org. This simply is not true. Our Cease &... **Show more**
>
> ✎ Last edited 10:11 AM · Sep 26, 2024   ⓘ
>
> ♥ 1K   💬 Reply   🔗 Copy link
>
> **Read 171 replies**

Mullenweg hit back, accusing **WP Engine** of failing to resolve "Stripe issues." He later clarified in an interview with ThePrimeTime that **WP Engine** had been siphoning "tens of millions" of dollars away from **Woo's** revenue share partnership with Stripe into its own coffers. It's understood **WP Engine** has been swapping out **WooCommerce's** Stripe Connect Account information for its own when a user installs **WooCommerce**.

> **Matt Mullenweg** ✓ · Sep 26, 2024   X
> @photomatt · **Follow**
> Replying to @bgardner and @wpengine
> Happy to unblock you, drop your legal claims and get a trademark license.
>
> **Matt Mullenweg** ✓
> @photomatt · **Follow**
>
> We have tried to engage on these issues for months. Silver Lake and WP Engine could fix their trademark and Stripe issues today and be back in good standing. They chose not to.
>
> 5:30 PM · Sep 26, 2024   ⓘ
>
> ♥ 72   💬 Reply   🔗 Copy link
>
> **Read 18 replies**

On September 27, the WordPress.org ban was temporarily lifted to allow **WP Engine** to access resources until October 1, giving the company a brief window of time to find a workaround.

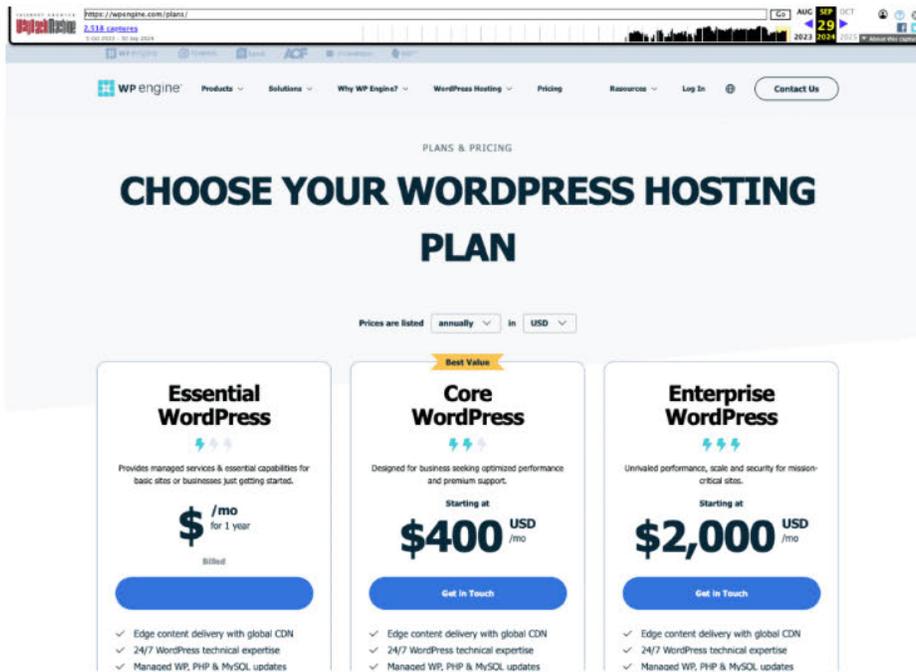In an interview with YouTuber Theo Browne on September 29, Mullenweg said he had disabled the WP Engine developer account on WordPress.org, blocking the company from accessing and deploying code to their plugins, including ACF.
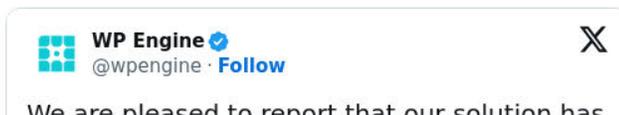
On September 30, **WP Engine** updated its site footer to clarify its use of the **WordPress**, **WooCommerce** and **Woo** trademarks, and that it's not directly affiliated with the **WordPress Foundation** or **WooCommerce, Inc.**:

disabled the WP Engine developer account on WordPress.org, blocking the company from accessing and deploying code to their plugins, including ACF.

On September 30, **WP Engine** updated its site footer to clarify its use of the **WordPress**, **WooCommerce** and **Woo** trademarks, and that it's not directly affiliated with the **WordPress Foundation** or **WooCommerce, Inc.**:

> *WP Engine is a proud member and supporter of the community of WordPress® users. The WordPress® trademark is the intellectual property of the WordPress Foundation, and the Woo® and WooCommerce® trademarks are the intellectual property of WooCommerce, Inc. Uses of the WordPress®, Woo®, and WooCommerce® names in this website are for identification purposes only and do not imply an endorsement by WordPress Foundation or WooCommerce, Inc. WP Engine is not endorsed or owned by, or affiliated with, the WordPress Foundation or WooCommerce, Inc.*

The company has also changed its plan names from "Essential WordPress," "Core WordPress," and "Enterprise WordPress" to "Essential," "Core," and "Enterprise."

On October 1, **WP Engine** posted on **X** that it had deployed a solution allowing its customers to again access plugins and theme updates:

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> **WP Engine** ✓
> @wpengine · **Follow** X
>
> We are pleased to report that our solution has been fully deployed and regular workflow practices have been restored to our customers around the globe. We thank all our customers for their patience and support over the past week. Like so many of you, we love WordPress, and are... Show more
>
> 12:22 AM · Oct 1, 2024 ⓘ
>
> ♥ **428**   💬 **Reply**   🔗 **Copy link**
>
> **Read 39 replies**

It's not clear what **WP Engine's** solution is—whether they've mirrored WordPress.org repositories—and if the solution is temporary or permanent, or how the company plans to prevent future disruptions.
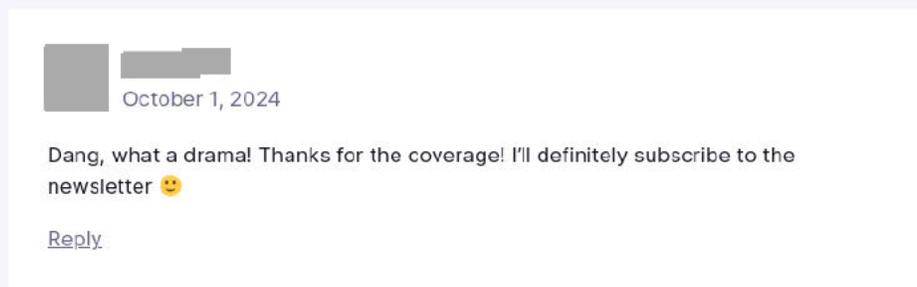
What next?

When asked what his legal counsel has advised regarding his speaking out publicly, Mullenweg told **The Repository**, "When you're right, you can talk. When you're wrong, [the lawyers] tell you to shut up. My lawyers are fine, they're like, 'go for it!'"

He said he hadn't spoken to Wittlinger since his text messages ahead of his WCUS keynote. On Saturday, Mullenweg challenged Wittlinger to debate with him publicly.

As tensions escalate, Mullenweg shows no signs of backing down, leaving open the possibility of a corporate takeover or legal battle to resolve the dispute.

Comments

10 responses to "Mullenweg threatens corporate takeover of WP Engine"

> October 1, 2024
>
> Dang, what a drama! Thanks for the coverage! I'll definitely subscribe to the newsletter 🙂
>
> Reply

Dang, what a drama! Thanks for the coverage! I'll definitely subscribe to the newsletter 😅

Reply

o
October 1, 2024

Is the full interview between The Repository and Matt published anywhere?

Reply

y
October 2, 2024

It wasn't livestreamed. I had an old-fashioned voice call with Matt.

Reply

o
October 2, 2024

Got it... I'm guessing it's not intended for recording and publishing either then... I just wish more of the reasoning is explained in full, but I can also see him uttering that quickly within the context of another conversation / question. Thanks for clarifying Rae.

Reply

i
October 4, 2024

Here is a different (live stream) interview which might help: Matt Talks About WordPress Situation – YouTube — https://www.youtube.com/watch?v=H6F0PgMcKWM (I did not watched it)

Other resources which might be helpful:
– The WordPress mess [LWN.net] — https://lwn.net/SubscriberLink/991906/e5bc182f5602ffca/
– Solving the Maker-Taker problem │ Dries Buytaert — https://dri.es/solving-the-maker-taker-problem

Reply

k
October 2, 2024

It doesn't sound like "open" community at all. More like corporate wars.

▦ k
October 2, 2024

It doesn't sound like "open" community at all. More like corporate wars.

Reply

▦ ▦ k
October 2, 2024

It seems WPEngine doesn't pledged to the Five for the Future contributions, they only care about marketing materials 🙂

https://wordpress.org/five-for-the-future/pledge/wpengine

Reply

▦ ▦ r ▦ s
October 2, 2024

The Stripe redirect is actually pretty big. I wasn't aware of that.

Reply

▦ ▦ n ▦ n
October 4, 2024

Reminds me of the (perhaps apocryphal) story about the US aircraft carrier and the Canadian lighthouse. I keep changing my mind about which is which when reading new information...

Reply

▦ ▦ n
October 6, 2024

Thank you for providing an detailed record, allowing everyone to understand this incident from an unbiased perspective.

Reply

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