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## Legally Speaking Fair Use Prevails in *Oracle v. Google*

*Two software giants continue with legal sparring after an initial judicial decision.*

**O**RACLE AND GOOGLE have been battling in the courts for more than six years about whether Google infringed Oracle copyrights by using 37 packages of the Java application program interface (API) in developing the Android platform for smartphones. In May 2016, a jury rejected Oracle’s copyright claim and decided that Google’s use of these 37 packages was fair and non-infringing. Oracle’s lawyers have announced that the company plans to appeal. This column will explain why Oracle’s appeal is unlikely to succeed and why that’s good news for Java programmers, for the software industry, and for the public.

But before getting to that, this column will relate some facts about the litigation, about fair use as a defense to copyright infringement, and about Oracle and Google’s arguments about the fair-use defense.

### Background About *Oracle v. Google*

Oracle acquired Sun Microsystems in 2010. Sun’s assets included intellectual property rights in Java technologies. Before that acquisition, Google negotiated with Sun about a possible license to use Java technologies in Android. Although those negotiations broke down, Google went ahead with using certain packages of the Java API, and in particular, the declarations that invoke implementing code for specific functions and the structure, sequence and organization (SSO) of classes



within each package, without a license from Sun. It also developed more than 100 new packages in Java and C++ for smartphone functions. Soon after acquiring Sun, Oracle sued Google claiming that Android infringed Oracle’s patents and copyrights. In an earlier trial, a jury decided against the patent claims.

Initially, Google’s main defense to Oracle’s copyright claim was not fair use. Instead, Google asserted that the Java API packages, classes, and declarations it used in Android were not protectable by copyright law because they were too functional as components of the Java API system. An alternative for-

mulation was that any expressiveness the Java API elements Google used in Android had “merged” with the API functionality and so should not be a basis for copyright liability. Because Judge Alsup found Google’s copyright-ability defense persuasive, there was no need to reach Google’s backup fair-use defense.

Oracle appealed that ruling and convinced the Court of Appeals for the Federal Circuit (CAFC) that the Java API elements incorporated into Android—principally, the 7,000 declarations that Google had literally copied in Android source code—were protectable expression under U.S. copyright law. (My No-

IMAGE COLLAGE BY ANDRIJ BORYS ASSOCIATES/SHUTTERSTOCK

ember 2012 *Communications* Legally Speaking column incorrectly predicted that the CAFC would affirm; my March 2015 column criticized the CAFC decision and incorrectly predicted that the Supreme Court would take Google's appeal. Oh well.) The CAFC sent the case back for trial on the fair-use issue.

### What Is Fair Use?

Fair use is a statutorily recognized defense to a claim of copyright infringement in the U.S. When this defense is successful, the defendant will be vindicated and no copyright liability will be found. (Most nations do not have fair-use provisions in their copyright laws.) The copyright statute says that four factors should be considered:

**Purpose of Use.** The purpose and character of the defendant's use of the plaintiff's work is the first factor to consider. This includes subfactors such as whether the use was commercial or noncommercial. Also significant is whether the use was "transformative." That is, did the defendant's use enable the creation of a new work that builds upon the plaintiff's work, giving it a different purpose, meaning, or message, as a parody might do? Non-transformative uses consume the work for its original purpose, as a photocopy might do. Transformative uses are more likely to be fair uses than non-transformative ones.

**Nature of Plaintiff's Work.** The nature of the copyrighted work is a second fair-use factor. If the plaintiff's work is highly creative, entertaining, fanciful, or artistic, fair use is likely to be narrow. If the plaintiff's work is functional or factual, fair use will tend to be broader.

**Amount Taken.** The substantiality of the defendant's taking of expression from the plaintiff's work is often measured quantitatively, that is, in terms of what proportion of expression from the plaintiff's work the defendant appropriated. But qualitative assessments of substantiality are sometimes made, especially if the defendant copied the "heart" of the work. When the defendant's use is transformative, however, the question becomes whether what the defendant took was reasonable in light of its transformative purpose.

**Harm to Market.** The effect of the defendant's use of expression from the

plaintiff's work on the market for or value of the plaintiff's work is also important. When the defendant's use is transformative, the focus is on whether the defendant's work would serve as a substitute for the plaintiff's work, not whether the plaintiff wants the defendant to pay a license fee.

### Fair-Use Arguments in *Oracle v. Google*

Oracle and Google had starkly different views about whether the reuse of 37 Java API packages could be fair use. Oracle emphasized that Google acted in bad faith because some internal email correspondence showed that some Google employees thought Google needed to a license to use the Java API. Oracle also contended that Google had made non-transformative use of the Java API packages because it copied the declarations verbatim. Its purpose, moreover, was commercial. Oracle argued all three considerations weighed against fair use.

As for the other fair-use factors, Oracle insisted that the Java API was highly creative. Google's appropriation was substantial because the Android source code included 11,500 lines of declaring code that Google copied from the Java API. Oracle's economic expert witness testified that Google's reuse of the Java API packages had caused substantial harm to the market for the Java API because Oracle had been unable to collect licensing revenues from Google and from others as well. Oracle also contended that the network effects arising from the success of the Android platform had made it impossible for Oracle to make a successful entrance into the smartphone market.

Google's lawyer urged the jury to find

**As for the other fair-use factors, Oracle insisted that the Java API was highly creative.**

that Google had made transformative uses of the Java API packages by building them into the Android platform. He compared the Java API to a file cabinet with folders, a functional device that was far from the core of copyright. He argued that Google took no more from the Java API than was necessary to achieve its transformative purpose. The transformative nature of Google's use mitigated the harm factor because Android did not supplant demand for the Java API for its original purpose. Fair use is intended to promote ongoing innovation, which Google's lawyer argued Android had done.

### Oracle's Effort to Overturn the Jury Verdict

*Oracle v. Google* was tried to a jury because the two software giants did not agree about key facts pertinent to the resolution of their dispute about Android. The role of a jury is to decide which litigant's view of the facts is most persuasive, and then to apply the law to those facts in accordance with the instructions the judge reads to jurors after the trial testimony has ended and the lawyers have made their closing arguments. Juries generally come back with a verdict for one party or the other. They do not have to explain their findings or the reasons for their verdict.

After the jury found in favor of Google's fair-use defense, Oracle's lawyers filed a motion asking Judge Alsup to set aside the jury verdict and rule in its favor as a matter of law. The judge denied that motion and wrote an opinion to explain why a reasonable jury might have found in Google's favor on several key fact issues:

For one thing, Oracle made much during the trial about Google acting in bad faith in using the Java API declarations when it should have gotten a license. Counteracting that evidence was testimony by some witnesses that Google's reimplementations of interfaces was customary in the software industry. A reasonable jury, Judge Alsup concluded, could have concluded that Google's good faith defense was more persuasive than Oracle's bad faith accusation.

Second, Oracle insisted that the Java language, which all were free to use without permission, was distinct from the Java API declarations. Google



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## The jury verdict in Google's favor was obviously good news for Larry Page and the shareholders of Google.

contended that the Java language and the API were inextricably intertwined. A reasonable jury could have been persuaded that there was less separability than Oracle contended. The jury could also have decided that it would be unreasonable to require Java programmers to have to learn and keep straight two dialects of Java-based APIs, one for Android and one for other Java platforms, which is what an Oracle victory would have meant.

Third, Judge Alsup thought that the jury could have reasonably found that Google's reuse of the Java declarations was transformative because Google reimplemented the interfaces in independently written code and developed new API packages to enable smartphone functionalities that were quite different from the computing platforms for which the Java API was originally developed.

Fourth, the jury could reasonably have found that the Java declarations, while creative enough to be copyrightable, were predominantly functional.

Fifth, the jury could have believed that Google "duplicated the bare minimum of the 37 Java API packages" that was reasonably necessary to achieving its transformative purpose.

Sixth, the jury could have reasonably found that Oracle suffered no harm from Google's use of the 37 API packages because the Java API was developed for a different computing environment. Sun's effort to promote a version of Java for mobile devices was unsuccessful before Android entered the market. And even before Android was released, Sun had opened the Java API for free use under an open source license.

### Why Do These Facts Matter?

By emphasizing the disagreements over these facts, Judge Alsup not only provided ample reasons for denying Oracle's post-trial motion. He also set the stage for narrowing what the CAFC can (or should) do with an Oracle appeal. Appellate courts are supposed to defer to jury findings and to construe evidence in the record as consistent with the jury's verdict.

The CAFC is already on record that Google's fair-use defense raised a triable issue of fact. So the best that Oracle can realistically hope for on appeal is that its attack on Judge Alsup's jury instructions will prevail. Yet, this would just mean the case would go back to Judge Alsup for another trial. Not even Oracle's lawyers could look forward to that.

### Conclusion

The jury verdict in Google's favor was obviously good news for Larry Page and the shareholders of Google. Yet, it was also good news for programmers who have been using those 37 Java API packages when developing apps for the Android platform. Judge Alsup recognized that if Java programmers had to "master and keep straight two different [Java] SSOs as they switched between the two systems for different projects," as a verdict for Oracle would have required, this would have "fomented confusion and error to the detriment of both Java-based systems and to the detriment of Java programmers at large."

Google's victory is also good news for competition in the software industry, at least in the U.S., because fair use now a meaningful defense for those who reimplement other companies' APIs in independent code. While most cases have struck down copyright claims in interfaces necessary for interoperability on lack of copyrightability grounds, fair use is now a proven alternative path to defense victories. The public benefits from Google's victory because of the ongoing competition and innovation that reuse of APIs has brought and will bring. □

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