IP Alert | Google LLC v. Oracle America, Inc.: A Transformation of Copyright Fair Use

By Ross Dannenberg and Shawn O'Dowd

On April 5, the United States Supreme Court handed down its long-awaited decision in Google LLC v. Oracle America, Inc., ruling conclusively that Google's reuse of portions of Oracle's Java API was fair use under U.S. Copyright Law.

At issue in this case was whether Google's copying of the declaring code from 37 packages of the Sun Java API (amounting to 11,500 lines of code) infringed Oracle's copyrights in Java (Oracle purchased Sun in 2010, and subsequently brought the lawsuit against Google). Declaring code for an API is effectively a form of shorthand that a computer programmer can use to initiate a pre-written computer program that performs a desired function. Importantly, Google did not copy the actual computer program (the "implementing code") for each desired function. Rather, Google rewrote the implementing code to work more efficiently on mobile devices, because Java's original implementing code had been written for laptop and desktop computers which, among other differences, typically have an unlimited power supply (i.e., they're plugged in, whereas phones are not).

The Court assumed for purposes of this case that the declaring code is copyrightable subject matter (which Google had disputed) and turns immediately to the question of fair use. For the fair use aficionados out there, it's worth mentioning at the outset that the Court confirmed once and for all that fair use is a mixed question of law and fact, and that courts should leave factual determinations to the jury, but review the ultimate fair use question—a legal question—de novo. Slip Op. at 20.

Turning to the case at hand, the Court first confirms the copyrightability of computer programs in general, while acknowledging the inherent differences between computer programs and other types of works, and the difficulties those differences can raise. It is from this context and background that the Court walks through the four fair use factors set forth in 17 USC § 107, as applied to computer programs.

Factor 2: Nature of the Copyrighted Work

Yes, taking the factors slightly out of order, the Court first looks at the Nature of the Copyrighted Work. After considerable discussion regarding the difference in purpose between declaring code and implementing code, the Court ultimately relies on the fact that declaring code if primarily organizational in nature, stating:

> [declaring code] is inextricably bound together with a general system, the division of computing tasks, that no one claims is a proper subject of copyright. It is inextricably

bound up with the idea of organizing tasks into what we have called cabinets, drawers, and files, an idea that is also not copyrightable. It is inextricably bound up with the use of specific commands known to programmers, known here as method calls (such as java.lang.Math.max, etc.), that Oracle does not here contest. And it is inextricably bound up with implementing code, which is copyrightable but was not copied.

The Court goes on to find that, if the declaring code is copyrightable at all, it is far from the core of copyright, and thus Nature of the Copyrighted Work points in the direction of fair use.

Factor 1: Purpose and Character of the Use

The Court next turns to the Purpose and Character of the Use, including whether the use was transformative. In these writers' minds, this is perhaps where new law is made. The Court seems to adopt the notion that the requisite "transformation" of the alleged infringing use might be found external to the alleged infringing use itself. Because Google rewrote the implementing code, Google's use of the Sun Java API seeks to create new products. Google "seeks to expand the use and usefulness of Android-based smartphones. Its new product offers programmers a highly creative and innovative tool for a smartphone environment. To the extent that Google used parts of the Sun Java API to create a new platform that could be readily used by programmers, its use was consistent with that creative 'progress' that is the basic constitutional objective of copyright itself." Slip Op. at 25. The Court then finds that Google's copying was transformative and this factor favors fair use. The Court briefly addresses the "commercial" nature of Google's use, stating that commerciality in and of itself is not dispositive, and that "particularly in light of the inherently transformative role that [Google's rewriting of the implementing code] played in the new Android system" it does not change the result here. This factor weights in favor of fair use.

Factor 3: Amount and Substantiality of the Portion Used

With respect to the Amount and Substantiality of the Portion Copied, there is necessarily some discussion regarding what the correct frame of reference should be. Yes, Google copied 11,500 lines verbatim. But Google rewrote millions of lines of code, and Sun's entire Java package itself is millions of lines of code as well. Finding that the declaring code "is inseparably bound to [the implementing code]", the Court decided "the better way to look at the numbers is to take into account the several million lines that Google did not copy." The Court then again compared the amount used to the type of that use, stating that this factor "will generally weigh in favor of fair use where, as here, the amount of copying was tethered to a valid, and transformative, purpose." Slip Op. at 29 (emphasis added).

Next, the Court addressed Oracle's argument regarding the fact that Google could have made Java work on Android with just the 170 lines of code that are necessary to write in the Java language. However, the Court again reiterates the transformative nature of Google's use, stating "Google's basic objective was not simply to make the Java programming language usable on its Android systems. It was to permit programmers to make use of their knowledge and experience using the Sun Java API when they wrote new programs for smartphones with the Android platform." Slip Op. at 30 (emphasis added). Thus, this factor also favors fair use.

Factor 4: Market Effects

This is another area of the opinion where some new law is made. Law review articles will be written about the Court's analysis of market effects in this case. However, such in-depth analysis is beyond the scope of this overview, but we will endeavor to sum it up. In addition to some critical analysis of the evidence presented regarding Sun's potential to enter the smartphone market, the Court also discusses the source of the potential market loss and any public benefits that the copying is likely to produce. In the end, the Court was persuaded that Sun was not in a position to successfully enter the smartphone market even if Google hadn't come along, and that Google's Android product operated in a different market segment (mobile operating system) from Sun's Java (desktop/laptop programming environment).

More interesting to these authors is the amount of time the Court again spent discussing the investment of third parties in Google's use. Some notable statements include:

> When a new interface, like an API or a spreadsheet program, first comes on the market, it may attract new users because of its expressive qualities, such as a better visual screen or because of its superior functionality. As time passes, however, it may be valuable for a different reason, namely, because users, including programmers, are just used to it. They have already learned how to work with it . Slip Op. at 33-34.
>
> … Android's profitability has much to do with third parties' (say, programmers') investment in Sun Java programs. It has correspondingly less to do with Sun's investment in creating the Sun Java API. We have no reason to believe that the Copyright Act seeks to protect third parties' investment in learning how to operate a created work. Slip Op. at 34.
>
> Finally, given programmers' investment in learning the Sun Java API, to allow enforcement of Oracle's copyright here would risk harm to the public. Given the costs and difficulties of producing alternative APIs with similar appeal to programmers, allowing enforcement here would make of the Sun Java API's declaring code a lock limiting the future creativity of new programs. Oracle alone would hold the key. … To that extent, the lock would interfere with, not further, copyright's basic creativity objectives. Slip Op. at 34.
>
> The Court ultimately finds that, in view of the uncertain nature of Sun's ability to compete in Android's market place, the sources of lost revenue, and the risk of creativity-related harms to the public, the fourth factor also weighs in favor of fair use. Slip Op. at 35.

Having found that all four factors weigh in favor of a finding of fair use —and because Google reimplemented a user interface, taking only what was needed to allow users to put their accrued talents to work in a new and transformative program— the Court held, as a matter of law, that Google's copying of the Sun Java API was a fair use, and reversed and remanded the Federal Circuit decision.

The Court's newest member, Justice Amy Coney Barret, took no part in the 6-2 decision or the case. Justice Stephen Breyer authored the majority opinion, and Justice Clarence Thomas wrote the dissenting opinion, which was joined by Justice Samuel Alito, arguing that the effect of the majority's opinion was to eliminate copyright protection altogether for declaring code.

Click here to read a recap of the oral arguments in this case. For additional information about the content in this alert or if you have questions about the business and legal implications of the Court's ruling, please contact a Banner Witcoff attorney.

Posted: April 6, 2021