**Keywords:** **Software Application Programming Interface (API) copyright protection, fair use defense.**

**General:** **Software APIs may be protected by copyright. The fair use defense is both a question of fact and of law.**

***Oracle America, Inc. v Google LLC***
(750 F.3d 1381)
March 27, 2018

## I. Facts and Procedural History

In 2005, Google LLC ("hereinafter "Google") entered into licensing negotiations with Sun Microsystems, Inc. (hereinafter, "Sun") to license Java, including the Java Application Programming Interface (API). Java had been previously donated to the public via open source licenses, some of which (e.g., Java API) included copyleft features. Google had recently purchased Android and wanted to provide original equipment manufacturers (OEMs) with the ability to copy the Android code base and add OEM-specific features while retaining rights over the added features. The negotiations failed, and Google proceeded with implementing Java in Android via "clean room" techniques. Oracle America, Inc. (hereinafter, "Oracle") purchased Sun in 2010, and after another round of failed licensing negotiations, sued Google that same year in the Northern District of California for both patent and copyright infringement.

District Court Trial – The Northern District divided the Java API into a "declarations" portion (e.g., package names, class names, etc.), a "selection, structure, and organization" (SSO) portion, a "specification" portion (e.g., documentation and manuals) and an "implementation" portion. The Java API, which is distributed as a set of packages, was also divided into 62 packages deemed necessary for use by the Java language itself and 37 other ancillary packages. Only the 37 ancillary packages where at issue because the language itself and the 62 language packages where given to the public. Google conceded that it copied the declarations, and that the SSO in Android was substantially similar to that of Java. Oracle conceded that there was no copying of the implementation. The specification was found not to infringe under a virtual identity standard. A bifurcated trial resulted in a jury finding of infringement of the SSO, but Judge Alsop ruled that the Java API was not protectable under copyright as a matter of law. The reasoning had a basis on the Ninth Circuit's interpretation of 17 U.S.C. §102(b) that the functional requirements for compatibility with software platforms developed by another company are not protected by copyright. Oracle appealed to the Federal Circuit.

Federal Circuit Part I – The Federal Circuit held that the Java API was copyrightable. Copyright protection was found appropriate when high level function(s) of the software could be implemented in multiple ways, thus providing protection on "creativity." The Federal Circuit did not view a particularized set of software functions (e.g., API) as an unprotectable "method of operation." The case was remanded for a decision on applying copyright infringement defenses.

Interlocutory Certiorari Petition – Google filed a petition for writ of certiorari with the U.S. Supreme Court arguing that APIs fall under the copyright exclusions of 17 U.S.C. §102(b). The Supreme Court requested the views of the Solicitor General, who recommended against granting review on prudential grounds but also sided with Oracle on substantive grounds. The Supreme Court denied review.

Trial on Remand – The District Court instructed the jury on fair use of a copyrighted work, including the factors for 1) the purpose and character of the use. 2) the nature of the copyrighted work, 3) the amount and substantiality of the portion taken, and. 4) the effect of the use upon a

potential market. After three days of deliberation, the jury found that Google's copying constituted fair use, but did not provide a record of how the factors where applied and balanced. Oracle appealed to the Federal Circuit.

## II. Issues

Did the jury and the District Court err in finding fair use?

## III. Discussion

Yes. The Federal Circuit noted that a finding of fair use is both a finding of fact and a finding of law. The factual finding should be restricted to historical facts, such as origin, history, content, and defendant's use. The inferences and conclusions to be drawn from the facts are a matter of law. At remand, the jury was directed to find both the facts as well as to infer and to conclude a finding of whether fair use applied. The Federal Circuit decided to filter out the historical facts and give the facts deference but review the inference and conclusions *de novo*.

The Federal Circuit applied the first factor, the purpose and character of the use, and found that the use was commercial in character and not transformative. Google had argued that the use was transformative because the code was focused on cellphones, as opposed to desktops. The Federal Circuit then applied the second factor, the nature of the copyrighted work, and found that the second factor favored fair use. The Federal Circuit stated that while the Java API may have met a threshold for a creative work, the API's functional aspects would tilt the balance more towards allowing fair use.

As for the third factor, the amount and substantiality of the portion taken, the Federal Circuit noted that both parties agreed that only 170 lines of code were necessary to write in the Java language. Here, Google copied 11,500 lines of code (out of 2.86 million lines in the Java SE libraries) and the SSO for the 37 API packages in its entirety. Further, the copied API code was important in attracting developers to Android. Accordingly, the third factor balances against fair use. The Federal circuit then applied the fourth factor, the effect of the use upon a potential market, and found that Android had substantially supplanted Oracle's Java platform in the cell phone and tablet markets. When balancing the factors, the Federal Circuit gave more weight to the fourth factor, following Supreme Court precedence. The Federal Circuit also gave less weight to the second factor, following Ninth Circuit precedence. Overall, the Federal Circuit found that the four factors, when balanced together, do not favor a finding of fair use.

## IV. Conclusion

Software APIs are protectable under copyright law. The fair use defense is both a question of fact and a question of law. Factual questions include findings of historical facts, while legal questions include inferences and conclusions based on the historical facts. When balancing the four factors of fair use, the market factor is to be given more weight, and the nature of the work factor is to be given less weight.