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Summer Review: Top IP Decisions

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PEARL COHEN

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Summer Review and Preview: Top IP Decisions

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Agenda

Reviewing major trademark, copyright, and patent decisions from the United States Supreme Court and United States Courts of Appeal, and a preview of *Google LLC v. Oracle Am. Inc.* (18-956), set for argument in the October 2020 term.

Welcome to Pearl Cohen

- Global footprint (TLV, Haifa, NY, LA, Boston, London)
- Largest patent firm in Israel
- Primarily represent innovation-driven enterprises



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My Practice: Primarily represent US and Israeli clients as plaintiffs and defendants in their intellectual property and commercial litigation in federal court and in TTAB proceedings. Clients tend to be involved in software matters. Plaintiff and defense side.

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Decisions for Discussion

- *United States Patent and Trademark Office v. Booking.com B.V.*, 19-46 (U.S., Jun. 30, 2020) (8-1) (Ginsburg, *J.*) (“*Booking.com*”)
- *Romag Fasteners Inc. v. Fossil Inc.*, 18-1233 (U.S. Apr. 23, 2020) (9-0) (Gorsuch, *J.*) (“*Romag*”)
- *Tiffany & Co. v. Costco Wholesale Corp.*, 19-00338, (2d Cir. Aug. 17, 2020) (Livingston, *J.*) (“*Tiffany*”)

- *Google LLC v. Oracle Am. Inc.*, 18-956 (set for SCOTUS Argument on Oct. 7, 2020) (“*Google*”)

- Summarize each case and present practical implications
- Webinar materials will contain each decision and related articles

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Booking.com

I. Parties

II. Procedural Posture
   I. USPTO Decision
   II. Eastern District of Virginia Decision
   III. Fourth Circuit Decision

III. SCOTUS Decision

IV. Practical Implications



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Booking.com - Parties

I. Booking.com ™ – bills itself as “The World’s #1 Choice for Booking Accommodations”

II. “Founded in 1996 in Amsterdam, Booking.com has grown from a small Dutch start-up to one of the world’s leading digital travel companies.”

III. Consistently uses BOOKING.COM ™ in its marketing and promotional materials and in its different logo iterations.

IV. Applied to register Booking.com in 2012, filing 4 applications

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Booking.com – Procedural History: USPTO Rejects the Mark

I. In 2012, Booking.com applied to register BOOKING.COM as a service mark for online hotel reservations (class 43)

II. USPTO *rejected* Booking.com's application on grounds that the mark is generic and therefore unregistrable

III. Divided the mark into BOOKING and .COM in its analysis to find it purely descriptive and generic

IV. Can't save a mark just by adding ".com" to a generic stem

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Booking.com – Procedural History: E.D. Va. *De Novo* Review; Fourth Circuit Affirms

I. Eastern District of Virginia
   I. Booking.com ™ smartly invoked a *de novo* review at ED VA, allowing them to present evidence that had not been admissible at the PTO
   II. Evidence included consumer surveys showing that a majority of consumers perceived the mark as a *brand name* and not as a category of services
   III. USPTO failed to consider the mark holistically rather than dissecting the mark into "generic" and ".com"
II. Fourth Circuit Affirms – USPTO petitions for certiorari at Supreme Court
   I. 4th Cir.: rejects PTO's argument that combining ".com" with generic term like "booking" is "*necessarily* generic.".

The "consuming public primarily understands that BOOKING.COM does not refer to a genus, rather it is descriptive of services involving 'booking' available at that domain name." (Booking.com B.V. v. Matal, 278 F. Supp. 3d 891, 918 (2017))

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Booking.com – Supreme Court Affirms Registrability

I. Majority Decision (8-1)

II. First live telephonic oral argument in SCOTUS history

   I. Justice Thomas question: trademarking a vanity phone number, breaking a year-long silence

   II. Technology largely went off smoothly

   III. Rather than a typical back and forth, each justice is allotted two minutes, in order of seniority, for questioning

Tom Goldstein, publisher of Scotusblog: *"'But I bet it was less useful for the justices,' he said. 'Because there was less opportunity to follow up on lines of questions and less opportunity to influence someone ... so there's much less engagement in the oral argument.'"* (*see Supreme Court Arguments a Tech Success, But Format Strangles Usual Give-And-Take*, Totenberg N., NPR (May 4, 2020), *available at* https://tinyurl.com/y6yp34mj)

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Booking.com – Majority Opinion: Consumer is King

I. Guiding Principles
   I. Generic terms identify a "class" of goods / services, rather than any particular feature or exemplification of the class
   II. Distinctiveness inquiry must be focused on the *whole* of the term, not parts in isolation
   III. Eligibility is conditioned on the mark's capacity to distinguish goods in commerce

II. Generic: whether "booking.com", taken as a whole, signifies to consumers the **class** of online hotel-reservation services, *i.e.*, would consumers perceive Travelocity as a "booking.com"?

"Whether any given 'generic.com' term is generic, we hold, depends on whether consumers in fact perceive that term as the name of a class or, instead, as a term capable of distinguishing among members of the class." – Justice Ginsburg

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Booking.com – Majority Opinion: Generic Marks

I. Role of Trademark Law & Registrability Requirements
   I. A trademark distinguishes one producer's goods or services from another's and is intended to connect an owner of a mark with the owner's business's goodwill, and to help consumers distinguish among competing producers.
   II. A mark must be that distinguishes the applicant's goods from others
   III. A mark that is inherently distinctive may be registered
      I. Arbitrary: Camel cigarettes®
      II. Fanciful: Kodak film®
      III. Suggestive: Tide®
   IV. Descriptive
      I. Park 'n Fly® - must acquire secondary meaning/ acquired distinctiveness 15 U.S.C. § 1052(e)-(f)

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Booking.com – Majority Rejects USPTO's Theory

I. Generic v. Distinctive – Lanham Act's Registrability Requirements
   I. USPTO relied heavily on *Goodyear's India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.*, 128 U.S. 598 (1888): combining generic term with corporate designation [i.e., "company" or "corporation"] does not create a protectable trademark
   II. Focus on Lanham Act's distinctiveness requirement as fundamental and should not register generic terms simply for having acquired secondary meaning
   III. Fear that it will be easy for generic.com to monopolize trademarks because easy enough to generate a survey showing significant numbers of consumers associate any domain name with a particular business, even if consumers are not familiar with that business. USPTO's practice does not reflect this per se rule

II. SCOTUS Rejects PTO's Arguments
   I. Perceived PTO's argument as conflicting with its practice: ("ART.COM" and "DATING.COM")
   II. Fair use as a bulwark to protect those who use descriptive terms "fairly and in good faith" and "otherwise than as a mark" merely to describe her own goods

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Booking.com – Consumer is King

I. Must focus on whether consumers identify Booking.com™ as a class of services rather than a particular service

II. Consumer evidence including surveys, dictionaries, and "any other source of evidence bearing on how consumers perceive a term's meaning."

III. Sotomayor's Concurrence
   I. Motivated by USPTO's *per se* rule against trademark protection for a generic.com term
   II. Emphasizing Justice Breyer's dissenting opinion that consumer-survey evidence "may be an unreliable indicator of genericness", which may limit probative value of these survey
   III. Although surveys are important, not the be all and end all
   IV. PTO may have been correct that Booking.com is actually generic, but not up for review

IV. Breyer's Dissent
   I. Booking.com is purely descriptive, and TM law does not protect generic terms, meaning terms that do no more than name the product or service itself

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Booking.com – Practical Implications

I. Build a Case that Consumers Associate GENERIC.COM with Good / Service
   I. Use full term to associate with specific good or service
   II. Use ™ with the term before registration to indicate the term's intended function as a mark
   III. Point consumers, to generic.com as a particular brand of goods or services
   IV. Invest in surveys/evidence that the term has acquired secondary meaning in the even that registration is denied for the term being considered generic. Understand, and explain to clients that this type of evidence is expensive and can be contradictory and potentially challenged/unreliable, but is important in building the case that generic.com is not generic for the consumer.

II. Bridges divide between marketing / legal

III. Be prepared with registrations for clients to potentially register generic.com marks

IV. Avoid *per se* rules and thinking

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Romag Fasteners

I. Parties
II. Procedural History
III. SCOTUS Decision
IV. Practical Implications



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Romag Fasteners – Collaboration or Counterfeiting?

I. Parties
   I. Romag sells magnetic snap fasteners used in wallets, handbags, and other leather goods.
   II. Fossil designs, markets, and distributes fashion accessories including leather handbags and other small leather goods.

II. Factual Background
   I. 2002 – Parties agree Fossil would use Romag fasteners in particular Fossil products
   II. 2002-2008: Fossil buys tens of thousands of Romag fasteners
   III. 2008-2010: Fossil purchases considerably fewer fasteners
   IV. 2010 – Romag discovers Fossil's hired factories in China "were using counterfeit Romag fasteners – and that Fossil was doing little to guard against the practice."
   V. 2010 - 3 days before Black Friday, Romag moved for PI and sued Fossil for patent and trademark infringement, in the Southern District of New York, alleging knowing and willful adoption and nonconsensual use of the Romag mark.

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Romag Fasteners – Procedural History

I. After a two-week jury trial, jury found
   I. Fossil had infringed Romag's trademarks and patents *and*
   II. Fossil acted with "callous disregard" for Romag's trademark rights but did not willfully infringe
   III. Awarded Romag $90,000 in profits "to prevent unjust enrichment" and over $6.7 million in profits "to deter future trademark infringement."

II. Judge Vacates Jury Award
   I. Applying Second Circuit law, D. Conn. vacated the jury's award because Romag did not prove that Fossil acted ***willfully***
   II. Citing laches, judge reduced Romag's reasonable royalty for patent infringement by 18% - Romag delayed filing suit until before Black Friday to maximize Fossil's sales
   III. Federal Circuit affirmed on both grounds, concluding that the ruling was consistent with the Second Circuit's precedent

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Romag Fasteners – SCOTUS Round One

I. Romag files a petition for writ of certiorari (Case No. 16-202 Aug. 12, 2016))

II. SCOTUS grants cert and vacates Fed. Cir. on laches, remands for reconsideration following *SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods., LLC*, 137 S. Ct. 954 (2017)

III. Fed. Cir. vacates D. Conn.'s reduction of royalties, and reinstated its opinion that vacated jury's damages award

IV. D. Conn. reconsiders issues related to recovering attorneys' fees, Romag appealed the order, including the order denying recovery of profits.

V. Federal Circuit denied the appeal

VI. Supreme Court grants Romag's second petition for certiorari

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Romag Fasteners – Relevant Lanham Act Provisions

I. Damages for Trademark Infringement – Lanham Act § 35(a); 17 U.S.C. § 1117(a)
   I. "the plaintiff shall be entitled, subject to the provisions of section 29 and 31(1)(b), and subject to the principles of equity, to recover
      I. (1) defendant's profits,
      II. (2) any damages sustained by the plaintiff, and
      III. (3) the costs of the action."
   II. *Champion Spark Plug Co. v. Sanders*, 331 U.S. 125, 131 (1947): refurbished spark plugs used for car engines that on resale were relabeled to indicate they were renewed but maintained use of original manufacturer's CHAMPION mark
   III. Held: issuing injunction without awarding lost profits was adequate because the mark accurately described the original source of the spark plugs, compliance with FTC labeling order, and any resulting harm was only "slight"

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Romag Fasteners – Circuit Split

I. Second Circuit : Willfulness is a Prerequisite to Award Infringer's Profits
   I. Majority Approach: Followed by Third, Sixth, Eighth, Ninth, Tenth, and D.C. Circuits
   II. Following Section 37 Restatement (3d) of Unfair Competition (1991)
   III. Driven by concern that an accounting of profits is too "draconian" where the infringement was "innocent" or done in "good faith", leading to an unfair windfall for plaintiffs. *See George Basch Co. v. Blue Coral, Inc.*, 968 F.2d 1532, 1539-40 (2d Cir. 1992).

II. Minority Approach: Willfulness is a Nondispositive Factor to Consider
   I. First, Fourth, Fifth, and Seventh Circuits follow this approach
   II. Considers factors including: (a) intent, (b) diversion of sales, (c) adequacy of other remedies, and (d) palming off.

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Romag Fasteners – 1999 Amendment to § 1117

I. 35(a) cross-reference amended 43(c) [Aug. 5, 1999, Pub. L. 106-43, § 3(b), 113 Stat. 219]:

> When a violation of any right of the registrant of a mark registered in the Patent and Trademark Office, or ~~a violation under section 1125(a)~~ a violation under section 43(a), or a willful violation under section 1125(c) of this title, shall have been established in any civil action arising under this chapter, the plaintiff shall be entitled, subject to the provisions of sections 1111 and 1114 of this title, and subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action.

I. Federal Circuit, applying Second Circuit precedent, found that this did not actually change the law for three reasons:
   I. (1) drafting error – despite adding claims for monetary recovery in 1125(c), no cross-reference in 1117(a) [becomes important in SCOTUS decision];
   II. (2) Congress retained the equity-related language;
   III. (3) can't infer "negative pregnant" because the dilution claim language was added much later than that related to trademark infringement claims. *See Romag Fasteners, Inc. v. Fossil, Inc.*, 817 F.3d 782 (Fed. Cir. 2016) ("*Romag I*")

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Romag Fasteners – Textualism Carries the Day

I. Held: Willfulness is an Important but Nondispositive Consideration in Awarding Damages

II. 1117(a) outlines available remedies for trademark violations, including different prerequisites to obtain *monetary remedies for trademark dilution under 1125(c)*, than for trademark infringement under 1125(a), which Romag claimed.

   I. 1125(c) creates a cause of action for "conduct that lessens the association consumers have with a trademark". *Id*. at 3. Enacted well after the Lanham Act was initially adopted, this section *does* require a finding of "a willful violation" before a plaintiff is awarded damages or profits.

   II. 1125(a), which establishes "a cause of action for the false or misleading use of trademarks [….] has *never* required a showing of willfulness to win a defendant's profits." *Id.*

III. Unlike other sections of the Lanham Act, which "speaks often and expressly about mental states", 1125(a) contains no such mens rea requirement, leading the Court to be "doubly careful to avoid" "the temptation" to read into statutes words that are not there.

IV. Precisely because of the Lanham Act's "considerable care" in that regard, "the absence of any such standard in the provision before us, thus, seems all the more telling." Justice Gorsuch's emphasis on a textual approach carried the day as the Court swiftly resolved a circuit split on the issue.

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Romag Fasteners – SCOTUS Resolves Circuit Split

I. Majority quickly disposed of Fossil's "curious suggestion" that such a profit award can be triggered "subject to the principles of equity." Consideration of the statute and historical precedent gave the majority no reason to think that equity principles impose a willfulness requirement before awarding profits.

II. Justice Sotomayor's concurrence emphasized the historical tendency to award lost profits as damages against willful infringers noting that "profits were hardly, if ever, awarded for innocent infringement", but characterized Fossil's approach as an "inflexible precondition".

III. Justice Alito's single-paragraph concurrence agreed only with the bottom line holding that "willfulness is a highly important consideration in awarding profits under §1117(a), but not an absolute precondition." *Id*. at 10.

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Romag Fasteners – Practical Implications

I. Relatively uncontroversial, unsurprising, but still important case

II. Carefully select claims, defenses, and filing jurisdiction
    I. Use Justice Gorsuch's analysis of Lanham Act claims with *mens rea* requirements as a guidepost

III. Damages Calculations and Settlement Possibility
    I. May make trial riskier and verdicts greater
    II. Clients may be more inclined to settle earlier and at different amounts to avoid a full disgorgement of profits
    III. Engage experts earlier to get a clearer sense of the amount of profits an infringer gained as a result of the infringement to help guide litigation and settlement strategy.

IV. Willfulness still relevant
    I. Practically, willful conduct will likely still loom large for juries and in the psychology of weighing the equities, and in developing a narrative of wrongdoing

V. Indemnifications, audit rights, and strong contracts with supply chain

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Tiffany

- Parties
- Procedural History
- Second Circuit's Decision
- Practical Implications





The Tiffany® Setting Engagement Ring in Platinum

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Tiffany – The Factual "Setting"

I. Parties
   I. Tiffany & Co. ("Tiffany") – Fine jewelry producer (holds 97 TMs related to company name). In the late 19th Century, Tiffany's founder, Charles Lewis Tiffany, developed and sold an engagement ring featuring a particular style of six-prong diamond setting.
   II. Costco – Membership-only warehouse stores offering generic goods across various product categories, including diamond engagement rings, which Costco displays along with other "unbranded" personal jewelry near the entrance to its stores.

II. Factual Background
   I. 2013 – California Costco shopper alerts Tiffany that she believes Tiffany rings are being sold at Costco. Tiffany sent observers, contacted Costco, alleging that the rings were false designations and misrepresentation of the product and infringement and counterfeiting.
      I. "Costco maintains that within one week, it voluntarily removed all uses of the word "Tiffany" from the signs in its jewelry display cases and that since that time, it has not listed a setting style on signs identifying any rings bearing the so-called Tiffany setting."
      II. Costco sent nationwide notices to all customers who had purchased engagement rings with Tiffany settings (1.3% return rate)

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Tiffany – District Court Proceedings

I. Feb. 14, 2013 – Tiffany files suit in S.D.N.Y. (Swain, *J.*) alleging trademark infringement and counterfeit claims based on Costco's point-of-sale signs that included the word "Tiffany" unaccompanied by the words "setting," "style," or "set."

II. Costco raises fair use as affirmative defense *and* files counterclaim seeking to modify or partially cancel any federal trademark registrations that might prevent retailers from using the word "Tiffany" to indicate that a ring has a Tiffany setting.

III. MSJ Granted in Tiffany's favor, but no punitive damages under the Lanham Act, and only available under New York law

IV. Trial: Tiffany's entitlement to profits and statutory damages per 15 U.S.C. § 1117

V. Jury awards Tiffany: $13.75 million; Court awards: $21,010,438.35 (including treble and punitive damages)

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Tiffany – TM Basics in Second Circuit

I. Elements of TM Infringement
   I. Claimant has a valid mark that is entitled to protection
   II. Respondent's actions are likely to cause confusion with that mark

II. 2d Cir.'s Likelihood of Confusion Standard – *Polaroid* Factors
   I. strength of the trademark
   II. degree of similarity between the plaintiff's mark and the defendant's allegedly imitative use
   III. the proximity of the products and their competitiveness with each other
   IV. the likelihood that the plaintiff will 'bridge the gap' by developing a product for sale in the defendant's market;
   V. evidence of actual consumer confusion;
   VI. evidence that the defendant adopted the imitative term in bad faith;
   VII. the respective quality of the products; and
   VIII. the sophistication of the relevant population of consumers.

III. Summary Judgment Standard
   I. Second Circuit reframes the "considerable deference standard"

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Tiffany – Costco Appeals Summary Judgment Ruling

I. Costco focuses on District Court's analysis of 3 *Polaroid* factors:
   I. Whether Costco's customers were actually confused,
   II. Whether Costco adopted Tiffany's mark in bad faith, and
   III. Whether the relevant population of consumers was sufficiently sophisticated to avoid confusion.

II. Held: Inappropriate to grant summary judgment where Costco raised a triable question as to the above factors and "the ultimate issue of whether Costco's actions generated a likelihood of customer confusion"
   I. Actual Confusion
   II. Bad Faith
   III. Consumer Sophistication
   IV. Overall Likelihood of Consumer Confusion

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Tiffany – 2d Cir. Reverses Grant of Summary Judgment

I. Actual Confusion
   I. Costco sufficiently rebutted Tiffany's evidence (consumer deposition and expert testimony that people were likely confused into thinking that the Costco rings were Tiffany)

II. Bad Faith – "Good faith is singularly inappropriate for determination on summary judgment"
   I. Costco's internal emails equating "Tiffany" with an "upscale look" did not resolve the factual inquiry, and a reasonable jury could have found that Costco did not attempt 'to exploit the good will and reputation of a senior user by adopting the mark with the intent to sow confusion between the two companies' products.'

III. Consumer Sophistication
   I. General rule: more sophisticated consumer or more expensive the item → less confusion
   II. Engagement rings, AMOL, are considered "high involvement" transactions carried out carefully and deliberately
   III. SDNY "erroneously shifted Tiffany's burden onto Costco"; Tiffany proffered no evidence of confusion

IV. Overall Likelihood of Consumer Confusion: mainly focused on Tiffany ~ setting; consumer sophistication

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Tiffany – Costco's Fair Use Defense

I. Statutory Safe Harbor
   I. Lanham Act: when a party "uses the words constituting [a registered] mark in a purely descriptive sense, this use may qualify as permissible fair use."
   II. To demonstrate fair use, a defendant must establish that it used the allegedly infringing term
      I. (1) other than as a mark,
         I. Costco's signage and policy of writing TIFFANY in the exact same manner as every other manufacturer helped suggest not using it as a mark
      II. (2) in a descriptive sense, and
         I. The phrase's tendency to describe the goods in question in a broad sense … more abstractly identify some information about the goods in question
         II. 2d Cir. rejected Tiffany's arguments that Tiffany is amenable to any use other than as a mark
         III. Just trademarking a term for use in a particular industry doesn't preclude a jury's finding that the term has some descriptive use within the same industry
      III. (3) in good faith (parallel to the respective *Polaroid* factor)

II. **TM Counterfeit Claim inappropriate for MSJ; Declines to Rule on Punitive Damages*

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Tiffany – Practical Implications

I. Interesting juxtaposition with *Booking.com* (re importance of consumer surveys)

II. Shows difficulty, fact-intensive nature of trademark and counterfeiting claims, particularly because of intent elements

III. Luxury brands, including Tiffany & Co., tend to be aggressive in enforcing their trademark rights, but may have to overcome hurdles of consumer confusion and sophistication due to the cost and nature of their products

IV. Second Circuit put great weight in Costco's uniform signage

V. Factual inquiry suited for fact finders

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2020 SCOTUS Preview: *Google LLC v. Oracle Am., Inc.*

I. Parties
II. Procedural History
III. SCOTUS Briefing
IV. Practical Implications

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Google: Factual Background

I. Google used 37 Java APIs to build Android, powers smartphones/tablets for billions of users globally

II. Application Programming Interfaces: interoperability specifications (allow programs to communicate with each other across devices); prewritten libraries of code for common tasks; essential in program development. Goal for Android was to be Java-compatible and encourage development of apps in Java. Think of API as shorthand.

III. Oracle acquired Sun Microsystems, which had developed Java. Sun and Google had previously failed to negotiate a license for Google to use Java SE.

IV. After negotiations broke down, Google used 37 APIs, copying headers (declaring code) but writing its own implementing code in a clean room, also sharing a similar structure, sequence, and organization. Only 3% of the code was the same across the 37 disputed Java API libraries and the corresponding Android libraries. Android reuses less than 0.5% of the 2.86 million lines of computer code in the Java SE libraries. Google claims Sun was aware but didn't object to Google's use of API, and that it is common industry practice.

V. Oracle sued Google for copyright and patent infringement.

VI. Oracle: Google is a desperate plagiarizer, which could have created its own code, but chose to cheat to generate billions of dollars in revenue. Google: Oracle is greedy and destroying the industry.

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Google: First Proceedings in N.D. Cal. (Alsup, *J.**)

I. Oracle's Claims: 7 patent (Oracle withdrew 5 of those claims, and jury found against Oracle on remaining 2); 1 copyright infringement
    I. Oracle's copyright claim: Google impermissibly copied the declarations and also the "structure, sequence, and organization" of the Java API; Oracle premised the latter claim on the theory that the declarations "embod[ied] the structure" of the Java API by specifying the name and location of each method.
II. Google's Defense: Copyrightability of Code, and Fair Use
III. Jury (I): Google infringed Oracle's copyrights but not patents; based on instruction that SSO of the 37 API packages was copyrightable.
IV. Judge (I): decided the APIs were not copyrightable because (1) merger and short phrases; (2) system or method operations are categorically uncopyrightable under 102(b).

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Google: Merger Doctrine and the Circuit Split

I. Copyright protects code like any other work: creative spark; expression not idea

II. Merger: Where an idea is incapable of being expressed in alternate ways, the idea and expression "merge" and become unprotectable. 4 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* §13.03[B][3] (2015) (Nimmer).

III. First and Sixth Circuits (*see Lotus Dev*. and *Lexmark*): Section 102(b) limits copyright protection for all methods of operation, in part at least because they represent the "idea itself" and not an "expression of the idea" of methods of operation, even if they are considered original and creative

IV. Third Circuit: "method of operation" in software interface is copyrightable if it could have been written differently and still serve the same high-level purpose, such as "to aid in the business operations of a dental laboratory." *Whelan Associates, Inc.* v. *Jaslow Dental Laboratory, Inc.*, 797 F.2d 1222, 1238 (1986), cert. denied, 479 U.S. 1031 (1987)

V. Second Circuit (also Fifth, Ninth, and Tenth Circuits): "abstraction/filtration/comparison" test. See *Computer Assocs. Int'l, Inc.* v. *Altai, Inc.*, 982 F.2d 693, 706 (1992). First: "dissect the allegedly copied program's structure and isolate each level of abstraction contained within it." *Id.* at 707. Second: "filter[] protectable expression from non-protectable material." *Ibid.* Third: after isolating the "golden nugget" of "protectable expression," the court should inquire whether "the defendant copied any aspect of this protected expression." *Id.* at 710.

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Google: Federal Circuit's Opinions (Aug. 28, 2018)

I. Applying Ninth Circuit Copyright Law: Merger and short phrases do not apply, must focus on creativity and that in Fed. Cir.'s analysis, there were multiple ways of writing these packages of code.

II. Section 102(b) "does not extinguish the protection accorded a particular expression of an idea merely because that expression is embodied in a method of operation" because 102(b) is only to codify idea/expression dichotomy

III. Fair use defense: issue of *fact*, not law, remanding for what was a two-week trial resulting in a general verdict in Google's favor that its conduct was protected as fair use.

IV. 2nd Appeal: Same panel viewed the jury's fair use verdict as "advisory" and held AMOL that no reasonable jury could have found that Google had engaged in fair use because Google was ostensibly using the declarations in a competing market.)

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Google: Google's SCOTUS Arguments

I. *Google's 1st Cert Petition: Solicitor General acknowledged it raised "substantial and important" concerns, but recommended against certiorari, noting its concerns could be addressed on remand through the fair-use defense. SCOTUS denied review.*

II. Fed. Cir.'s decision was wrong for 2 main reasons: (1) "the declarations constitute uncopyrightable methods of operation"; and (2) misapplication of the merger doctrine

III. Google's main argument is the APIs are purely functional, and that generally the functional nature of software interfaces should award it only thin copyright protection, if any, and that thin protection should affect the fair use analysis, making it easier to prove fair use of that work.

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Google: Oracle's SCOTUS Arguments

I. This is not functional; writing code is highly creative and artistic, at least in part because of what is included / excluded and how it is expressed. Google "conceded" that Java SE declaring code and organization met the 102(a) originality threshold. No merger.

II. Internal documents showed Google's scratch written programs were "half-ass at best"

III. Google copied verbatim 11,500 lines of code, for 37 Java API packages, put into packages which Google then gave for free in its Android devices, and which Google used in its advertisements. Google could have taken a license.

IV. Warning against "atomizing" a work into such unprotectable short phrases that nothing could ever be protected.

V. "The idea of Java SE is to provide a collection of modular programs that are helpfully organized and described to enable developers to use them in writing their apps. Anyone is free to create and organize their own platform that appeals to developers—including one that provides exactly the same functions. Anyone can create a package of programs organized around security functions, or a class of related programs for authenticating data. They simply cannot duplicate Oracle's organization." – Oracle Br.

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Google: Fair Use

I. 17 U.S.C. § 107 outlines four non-exclusive factors to determine fair use (Fed. Cir. primarily focused on the first and fourth factors):
   I. The purpose and character of the use
   II. The nature of the copyrighted work
   III. The amount and substantiality of the portion used in relation to the copyrighted work as a whole
   IV. The effect on the potential market for or value of the copyrighted work

II. Rationale behind fair use
   I. Codification of common law idea that new works "must necessarily borrow[] and use much which was well known and used before." *Campbell* v. *Acuff-Rose Music, Inc.*, 510 U.S. 569, 575 (1994) (citation omitted).
   II. Attempt to balance the need to protect copyrighted works, while still allowing others to build on those works

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Google: Fair Use Arguments

I. The purpose and character of the use
   I. Google: Transformed (mobile devices), industry std to use preexisting libraries
   II. Oracle: At most only added something; but every copied line has the same meaning, purpose, SSO.
   III. Fed. Cir./Oracle: commercial nature/not transformative weighs against a finding of fair use

II. The nature of the copyrighted work
   I. Google: Functional material v. Oracle: extremely creative, sophisticated, and nuanced code

III. The amount + substantiality of portion used in relation to copyrighted work as a whole
   I. Google: highlights tiny percentage of copying v. Oracle: % of copied code is irrelevant - quantity and quality of what was copied is essential.

IV. The effect on the potential market for or value of the copyrighted work
   I. Google: denying fair use will destroy market, giving Oracle monopoly and discourage innovation v. Oracle: directly harmed market and them; focus on Google having copied original expression of idea

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Google: Standard of Review

I. Google's Arguments
   I. Fed. Cir. impermissibly and *sua sponte* treated jury's fair use verdict as "advisory" and decided *de novo* that Google's conduct was not fair use – contrary to FRCP and precedent: "No court had ever before held that fair use is a question of law that only judges may decide, and no appellate court had ever overturned a jury's verdict finding fair use."
   II. Court can only overturn jury verdict, Fed. R. Civ. P. 50(a)(1), if "a reasonable jury would not have a legally sufficient evidentiary basis to find for [a] party."
   III. 7th Amendment: reexamination of a fact found by the jury & Google had right to jury on fair use
   IV. Oracle chose to put fair use to the jury, which routinely decide mixed questions of law / fact

II. Oracle's Arguments
   I. Because mixed question of law / fact, appellate court should evaluate *de novo*.
   II. Juries determining fair use would "undermine the stable development of copyright law to defer to a jury on whether a particular use achieves the Copyright Act's 'essential purpose.'"
   III. Not a 7A violation to affirm/rev grant of JMOL
   IV. Fair use is an equitable defense, so no jury trial right

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Google: Practical Implications

I. Google: “A ruling by this Court that copyright prohibits that reimplementation would allow the authors of older software to hold their users hostage, lest the skills that the users have built up over long periods of time become worthless when they move to a new environment.”

II. Oracle: “Google protests that the decisions below defied ‘settled expectations’ and threaten the software industry. But the U.S. software sector has risen to dominance *because of* copyright protection, not piracy. The real ‘settled expectation’ is the Copyright Act’s constitutionally inspired imperative to reward authors’ ‘individual effort by personal gain’”.

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Google: Practical Implications

I. Selecting claims carefully – 1 copyright claim survives 7 patent claims
    I. Patent / © divide: Google argues strong merger doctrine also helps to solidify the distinctions between copyright and patent, which generally covers purely functional features.
II. Judges and lawyers understanding code; teaching jury (various comparisons for APIs)
III. Oracle prevailing might encourage other companies to sue programmers using proprietary APIs, which could potentially limit the free flow of information online
IV. Greater interest in open source software; move from Java and towards new languages
V. Encouraging development and investment in Java and new languages
VI. Ruling in Oracle's favor will lead to an uptick in cases asserting copyright protection over code, and potentially acquiring companies to stand in their shoes and assert copyright interests in the code

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Google: Practical Implications

I. Building trust and communication with programming community and lawyers: Clearly communicate with experts and code developers from the outset as to what the court will look for in distinguishing the literal and nonliteral elements of code and truly educate the judge and jury

II. Register copyright as soon as possible after publishing software
    I. *Fourth Estate v. Wall-Street.com*: A unanimous SCOTUS decision (Ginsburg, J.): "Registration occurs, and a copyright claimant may commence an infringement suit, when the Copyright Office registers a copyright. Upon registration of the copyright, however, a copyright owner can recover for infringement that occurred both before and after registration."

III. Jury instructions and jurisdiction
    I. Jury instructions proved key to the fair use determination and Oracle did not object to the jury's instructions
    II. Google: Fed. Cir. impermissibly substituted its own impression of the facts even when it ruled the issue could not be determined as a matter of law and sent issue to jury.

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Thank You!

For questions and more information, please contact me via email:
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UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

August Term 2019

(Argued: January 21, 2020 Decided: August 17, 2020)

Nos. 17-2798-cv, 19-338, 19-404

TIFFANY AND COMPANY; TIFFANY (NJ) LLC

Plaintiffs-Counter-Defendants-Appellees

-v.-

COSTCO WHOLESALE CORPORATION,

Defendant-Counter-Claimant-Appellant

Before: LEVAL, RAGGI, and LIVINGSTON, *Circuit Judges*.

Tiffany brought suit against Costco under the Lanham Act and New York law, alleging that Costco was liable for, *inter alia*, trademark infringement and counterfeiting in connection with its sale of diamond engagement rings identified by point-of-sale signs containing the word "Tiffany." Though Costco does not dispute that Tiffany has a valid, registered trademark for the word "Tiffany," it argued before the district court that it was using that word in a different, widely recognized sense to refer to a particular style of pronged diamond setting not exclusive to rings affiliated with Tiffany. It therefore claimed that its use of the

term was not likely to confuse consumers—the essence of a claim for infringement—and that even if some degree of confusion was likely, it was entitled under the Lanham Act to the descriptive fair use of an otherwise protected mark. The district court (Swain, *J.*) granted summary judgment for Tiffany, holding that no reasonable jury could credit either of Costco's arguments and further concluding that Costco's infringement constituted counterfeiting as a matter of law. Following an advisory jury trial on the question of damages, the district court awarded Tiffany Costco's trebled profits along with punitive damages and prejudgment interest, for a total of $21,010,438.35. On appeal, Costco argues that the district court's determination of liability was inappropriate at the summary judgment stage. We agree. Accordingly, the judgment of the district court is VACATED and the case is REMANDED for trial.

FOR PLAINTIFFS-COUNTER-DEFENDANTS-APPELLEES: JEFFREY A. MITCHELL (Judith R. Cohen; Brett D. Katz, *on the brief*), Browne George Ross LLP, New York, NY, *for Tiffany and Company and Tiffany (NJ) LLC*.

FOR DEFENDANT-COUNTER-CLAIMANT-APPELLANT: DAVID H. BERNSTEIN (Michael Schaper; Jared I. Kagan, *on the brief*), Debevoise & Plimpton LLP, New York, NY, *for Costco Wholesale Corporation*.

DEBRA ANN LIVINGSTON, *Circuit Judge*:

Defendant-Counter-Claimant-Appellant Costco Wholesale Corporation ("Costco") appeals from an August 25, 2017 judgment of the United States District Court for the Southern District of New York (Swain, *J.*) awarding Plaintiffs-Counter-Defendants-Appellees Tiffany and Company and Tiffany (NJ) LLC (together, "Tiffany") trebled profits, prejudgment interest, and punitive damages

totaling $21,010,438.35, resulting from a determination on summary judgment that Costco was liable to Tiffany for trademark infringement and counterfeiting in violation of the Lanham Act, 15 U.S.C. §§ 1114(1) and 1117(a) and (b), and unfair competition in violation of New York law.[1] This suit arose from Costco's sale of otherwise unbranded diamond engagement rings identified by point-of-sale signs containing the word "Tiffany." Tiffany claimed, and the district court agreed, that Costco's use of a term identical to Tiffany's trademark in connection with the sale of engagement rings violated the Lanham Act as a matter of law.

In response, Costco argues that "Tiffany" is not only a brand name, but also a widely recognized descriptive term for a particular style of pronged ring setting, and that it used the word on point-of-sale signs solely to identify engagement rings incorporating such settings. It emphasizes, among other things, that it also sold

[1] The Lanham Act provides, in relevant part, that "Any person who shall, without consent of the registrant . . . use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale . . . of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive . . . shall be liable in a civil action by the registrant." 15 U.S.C. § 1114(1)(a). A defendant found liable for the foregoing infringement must typically pay to the plaintiff "(1) [its] profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action." *Id.* § 1117(a). "In a case involving [knowing and intentional] use of a counterfeit mark" the defendant will instead be liable for "three times such profits or damages, whichever amount is greater, together with a reasonable attorney's fee." *Id.* § 1117(b). In a case involving a counterfeit mark, a plaintiff may also elect to receive statutory damages in lieu of profits and/or damages. *Id.* § 1117(c).

several other styles of unbranded diamond engagement ring identified by similar point-of-sale signs, each of which indicated the name of the corresponding ring's setting style and none of which used the word "Tiffany." In light of this and other related evidence, Costco contends that a reasonable jury could conclude that its use of the word "Tiffany" was not likely to confuse its customers and that, even if some confusion was likely, Costco was entitled under the Lanham Act to use the term "in good faith only to describe" the style of its rings. 15 U.S.C. § 1115(b)(4). We agree and accordingly VACATE the judgment of the district court and REMAND the case for trial.

BACKGROUND

I. Factual Background

Founded in 1837 by Charles Lewis Tiffany, Tiffany is a major producer of fine jewelry, including diamond engagement rings. Tiffany holds 97 separate trademarks related to the company name, including registrations for the use of the word "Tiffany" in connection with "Decorative Art Objects Made in Whole or in Part of Precious or Semiprecious Metals," TIFFANY, Registration No. 1,228,409, and for the stylized word mark "Tiffany" in connection with "Jewelry for Personal Wear," TIFFANY, Registration No. 133,063. At some point in the late nineteenth

century, Charles Lewis Tiffany developed and sold an engagement ring incorporating a particular style of six-prong diamond setting. Since that time, numerous advertisements, dictionaries, trade publications, and other documents have referred to diamond settings reminiscent of that style as "Tiffany settings."

One enterprise that claims to have adopted that century-old practice is Costco, which operates a chain of membership-only warehouse stores at which shoppers may purchase various brand-name, store-brand, and generic goods across numerous product categories. Among these products are diamond engagement rings, which Costco displays along with other jewelry in display cases near the entrance to its stores. Costco refers to its engagement rings, which are produced specially for Costco by a supplier called R.B. Diamond Inc., as "unbranded." Costco sells engagement rings with a variety of setting styles, an assortment that during the relevant time period included a bezel setting, cathedral setting, channel setting, and the so-called Tiffany setting.

Costco identified each of its engagement rings using small, white point-of-sale signs that displayed certain information about the rings (ostensibly including setting style) in uniform black text, along with their prices in larger, bold text. In general format, but not necessarily in size, these signs resembled other point-of-

sale signs that identified virtually all items for sale throughout Costco stores. Costco attests that it drew the information for the point-of-sale signs in its jewelry cases directly from descriptions supplied by vendors like R.B. Diamond. According to Costco, the various point-of-sale signs identifying rings with a Tiffany setting at times identified the ring setting using the phrases "Tiffany setting," "Tiffany set," or "Tiffany style," and at other times used only the word "Tiffany" for that purpose. Costco apparently identified other setting styles in a similarly variable manner.

In November 2012, a Costco customer alerted Tiffany that she had observed engagement rings that she believed were being advertised as Tiffany rings at a Costco store in Huntington Beach, California. Tiffany engaged an investigation service to visit that store, where investigators observed a jewelry display case containing, among other items, one engagement ring displayed next to a sign reading "639911 / PLATINUM TIFFANY / .70 VS2,I ROUND / DIAMOND RING / **3199.99**" and a second ring displayed next to a sign reading "605880 / PLATINUM TIFFANY VS2,I / 1.00CT ROUND BRILLIANT / DIAMOND SOLITAIRE RING / **6399.99**."[2] J.A. 2,914 (emphasis in original).

[2] The slashes in the foregoing quotations indicate line breaks in the original

On December 10, 2012, Tiffany contacted Costco regarding the two rings its investigators observed, asserting that "[t]he designation of the ring[s] by Costco as 'Tiffany' was not only a misrepresentation of the product, but it also constitutes infringement and counterfeiting." J.A. 2,509. Costco maintains that within one week, it voluntarily removed all uses of the word "Tiffany" from the signs in its jewelry display cases and that since that time, it has not listed a setting style on signs identifying any rings bearing the so-called Tiffany setting.

Several months later, after Tiffany had filed the operative complaint in this case, Costco sent a letter to all customers who had purchased engagement rings with Tiffany settings to alert them that Tiffany had initiated the suit now on appeal. The letter explained that Costco's point-of-sale signs had "used the word 'Tiffany' to indicate that [the associated] ring had a Tiffany-style pronged setting," asserted that Costco "do[es] not believe [its] signs were inaccurate," and reminded buyers that Costco's return policy entitled them to return their rings for a full refund at any time. Approximately 1.3% of customers who received this letter returned their rings to Costco.

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document.

II. Procedural History

On Valentine's Day 2013, approximately two months after Costco ceased using the word "Tiffany" on any signs in its jewelry display cases, Tiffany commenced the present action against Costco in the United States District Court for the Southern District of New York. Tiffany's complaint alleged that Costco was liable for trademark infringement, dilution, counterfeiting, unfair competition, false and deceptive business practices, and false advertising in violation of the Lanham Act and New York law. Notably, Tiffany's complaint alleged these various trademark violations only in connection with those of Costco's point-of-sale signs that included the word "Tiffany" unaccompanied by the words "setting," "style," or "set."

In response, Costco argued that its use of the word "Tiffany" to describe certain rings' setting styles was not infringement and raised, *inter alia*, a "fair use" affirmative defense under the Lanham Act, asserting that it used the term "otherwise than as a mark, . . . in good faith only to describe" its ring settings. J.A. 89 (quoting 15 U.S.C. § 1115(b)(4)). Costco also filed a counterclaim seeking to modify or partially cancel any federal trademark registrations that might prevent retailers from using the word "Tiffany" to indicate that a ring has a Tiffany setting.

The case proceeded to discovery, during which time Tiffany filed an unsuccessful summary judgment motion seeking to dismiss Costco's counterclaim. During discovery, the parties compiled a voluminous evidentiary record including the declarations and deposition testimony of Costco customers and employees, expert declarations, sales records, and physical specimens of both parties' engagement rings and ring packaging. Following the completion of discovery, Tiffany again moved for summary judgment, this time seeking not only to dismiss Costco's counterclaim but also to hold Costco liable for trademark infringement and counterfeiting as a matter of law. Costco cross-moved for summary judgment seeking, *inter alia*, dismissal of Tiffany's counterfeiting and punitive damages claims.

On September 8, 2015, the district court issued an opinion and order granting Tiffany's summary judgment motion in its entirety, concluding that Costco had failed to raise a genuine issue of material fact as to any of the factors relevant to the infringement analysis, that Costco's fair use defense failed as a matter of law, and that Costco's infringement constituted counterfeiting as a matter of law. In the same order, the district court ruled that punitive damages would not be available to Tiffany under the Lanham Act, but that they would be

available under New York law.

Following its determination of Costco's liability, the district court held a trial from September 19 through October 5, 2016 on the issue of Tiffany's entitlement to recovery in the form of profits and statutory damages pursuant to 15 U.S.C. § 1117. At trial, the district court instructed the jury that it had already found Costco liable for trademark infringement, unfair competition under New York law, and counterfeiting, and that Costco's conduct was willful. The jury awarded Tiffany $3.7 million in an accounting of Costco's profits, a further $1.8 million on the grounds that the award of profits was inadequate compensation, and an additional $8.25 million in punitive damages.

In a subsequent order, the district court characterized the accounting of Costco's profits as an equitable remedy and deemed the jury's verdict on that score to be advisory. Making its own determination as to damages, the district court awarded Tiffany trebled profits in the amount of $11.1 million (based on the advisory jury's award of $3.7 million), along with the additional $8.25 million in punitive damages awarded by the jury.[3] The district court entered its final

[3] 15 U.S.C. § 1117(b) instructs the court to award treble profits or damages for a knowing and intentional violation involving the use of a counterfeit mark.

judgment and damages award, which ran to $21,010,438.35 including prejudgment interest, on August 25, 2017.

Costco appealed the judgment on September 8, 2017. Then, on September 22, Costco requested that the district court amend its findings under Federal Rule of Civil Procedure 52(b); amend the judgment under Rule 59(e); and grant Costco judgment as a matter of law or, in the alternative, a new trial under Rule 50(b). Pursuant to Federal Rule of Appellate Procedure 4(a)(4), we stayed Costco's appeal pending the district court's resolution of Costco's motions. The district court denied each of these motions on January 7, 2019. We removed the stay on January 23, 2019, and this appeal followed.

DISCUSSION

We review the district court's rulings on summary judgment *de novo*, resolving all ambiguities and drawing all permissible inferences in favor of the nonmoving party. *Jones v. County of Suffolk*, 936 F.3d 108, 114 (2d Cir. 2019). Pursuant to Rule 56(a) of the Federal Rules of Civil Procedure, we will affirm a grant of summary judgment "only where there are no genuine disputes concerning any material facts, and where the moving party is entitled to judgment as a matter of law," *id.* (internal quotation marks omitted), or in other words,

where no reasonable jury could return a verdict for the nonmoving party, *see Holtz v. Rockefeller & Co.*, 258 F.3d 62, 69 (2d Cir. 2001).

On appeal, Costco argues that the district court erroneously granted Tiffany's motion for summary judgment on its infringement and counterfeiting claims, improperly depriving Costco of the opportunity to present its case to a jury. In particular, Costco contends that after resolving several critical facets of the trademark infringement analysis in Tiffany's favor without sufficiently crediting Costco's contrary evidence, the district court erroneously rejected Costco's fair use defense and held Costco liable for trademark infringement and counterfeiting as a matter of law. For the reasons that follow, we agree that Costco has raised a question of material fact as to its liability for trademark infringement and counterfeiting and, relatedly, its entitlement to present its fair use defense to a jury. Accordingly, we vacate the district court's grant of summary judgment, and remand the case for trial.

I. Tiffany's Trademark Infringement Claim

The district court concluded that no reasonable jury could find either that Costco's use of the word "Tiffany" was not likely to cause confusion with Tiffany's registered mark or that Costco's use of the word constituted fair use. We conclude

that the district court erred on both points.

A. Tiffany's Infringement Claim

Under the Lanham Act, a plaintiff alleging trademark infringement must demonstrate that (1) "it has a valid mark that is entitled to protection" and that (2) the defendant's "actions are likely to cause confusion with [that] mark." *The Sports Auth., Inc. v. Prime Hospitality Corp.*, 89 F.3d 955, 960 (2d Cir. 1996). "[A] plaintiff does not have to show necessarily that consumers would believe that the defendant's goods or services are from the same source as those of the plaintiff." *Id.* Rather, a defendant may also be liable for trademark infringement if its "actions are 'likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association' of the defendant's goods or services with those of the plaintiff." *Id.* (quoting 15 U.S.C. § 1125(a)(1)(A)); *see also Int'l Info. Sys. Sec. Certification Consortium, Inc. v. Sec. Univ., LLC*, 823 F.3d 153, 161–63 (2d Cir. 2016). That said, the mere possibility of confusion is not enough. To prevail in a trademark infringement action, a plaintiff must prove "a *probability* of confusion . . . affecting numerous ordinary prudent purchasers." *Star Indus., Inc. v. Bacardi & Co. Ltd.*, 412 F.3d 373, 383 (2d Cir. 2005) (emphasis added) (internal quotation marks omitted).

With the first prong of the infringement inquiry presumptively satisfied,[4] the principal question in this appeal is whether Costco's use of the word "Tiffany" was likely to cause confusion with Tiffany's registered mark. We evaluate this question using the test articulated in *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492 (2d Cir. 1961) ("*Polaroid*"), which balances the following eight factors: (1) the strength of the trademark; (2) the degree of similarity between the plaintiff's mark and the defendant's allegedly imitative use;[5] (3) the proximity of the products and their competitiveness with each other; (4) the likelihood that the plaintiff will "bridge the gap" by developing a product for sale in the defendant's market;[6] (5)

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[4] The Lanham Act treats trademark registration as "conclusive evidence of the validity of the registered mark . . . , of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce," 15 U.S.C. § 1115, and Costco does not contest that Tiffany has registered "Tiffany" as a mark in connection with the sale of jewelry.

[5] We have often referred to this factor as examining the similarity between the plaintiff's and defendant's *marks*. *See, e.g.*, *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97, 115 (2d Cir. 2009). But a defendant that uses a term identical to a plaintiff's registered mark may be liable for infringement even if it cannot be said to use that term "as a mark," that is, "as a symbol to attract public attention." *Kelly-Brown v. Winfrey*, 717 F.3d 295, 308 (2d Cir. 2013) (internal quotation marks omitted); *see also id.* at 306–07 (explaining that customer confusion may exist even where the defendant was not attempting to establish a competing mark, and identifying cases in which we have "allowed certain claims to proceed even where the defendant is not using the plaintiff's mark as a mark").

[6] The district court did not consider the likelihood that Tiffany would "bridge the gap" into Costco's market below, and neither party argues that this factor is relevant on appeal. As the district court correctly explained, Costco's and Tiffany's diamond

evidence of actual consumer confusion; (6) evidence that the defendant adopted the imitative term in bad faith; (7) the respective quality of the products; and (8) the sophistication of the relevant population of consumers. *See Polaroid,* 287 F.2d at 495; *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97, 115 (2d Cir. 2009). The "evaluation of the *Polaroid* factors is not a mechanical process where the party with the greatest number of factors weighing in its favor wins. Rather, a court should focus on the ultimate question of whether consumers are likely to be confused." *Nabisco, Inc. v. Warner-Lambert Co.*, 220 F.3d 43, 46 (2d Cir. 2000) (internal quotation marks omitted).

Though our past cases have always recognized that the "district court's balancing of the *Polaroid* factors is subject to *de novo* review," some of these cases have purported to afford "considerable deference" to district courts' findings "with respect to predicate facts underlying each *Polaroid* factor," *Playtex Prods., Inc. v. Ga.-Pac. Corp.*, 390 F.3d 158, 162 (2d Cir. 2004), or even to its "finding on each factor" generally, *Natural Organics, Inc. v. Nutraceutical Corp.*, 426 F.3d 576, 578 (2d

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engagement rings are already in competitive proximity. *See, e.g., Paddington Corp. v. Attiki Importers & Distribs., Inc.*, 996 F.2d 577, 586 (2d Cir. 1993) ("Since the [products] . . . compete in the same market, the district court correctly found that the likelihood-of-bridging-the-gap factor . . . was irrelevant.").

Cir. 2005); *see also Cadbury Beverages, Inc. v. Cott Corp.*, 73 F.3d 474, 478 (2d Cir. 1996). These cases should not be read to suggest that "a district court deciding a motion for summary judgment in a trademark infringement case has . . . greater discretion than it would have in a non-trademark case to resolve disputed issues of fact or draw inferences against the non-moving party." *Patsy's Brand, Inc. v. I.O.B. Realty, Inc.*, 317 F.3d 209, 216 (2d Cir. 2003), *abrogated on other grounds by 4 Pillar Dynasty LLC v. N.Y. & Co.*, 933 F.3d 202 (2d Cir. 2019); *see also Kelly-Brown v. Winfrey*, 659 F. App'x 55, 58 n.3 (2d Cir. 2016) (summary order) (noting the inconsistency between a "considerable deference" standard and our responsibility to review a district court's summary judgment ruling *de novo*).

Though "considerable deference" has become an oft-repeated incantation since we first observed in *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.* "that the district court's detailed findings on each of the *Polaroid* factors are entitled to considerable deference," 799 F.2d 867, 873 (2d Cir. 1986) (citing *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 250 & n.6 (1986), for the proposition that a "district court's findings of fact on summary judgment, although not required, 'are extremely helpful to a reviewing court'"), we have never purported to expand a district court's license to *make* factual findings at summary judgment beyond those very

limited circumstances in which "the uncontroverted evidence and the reasonable inferences to be drawn in the nonmoving party's favor" support only a single conclusion, *see Hunt v. Cromartie*, 526 U.S. 541, 553 (1999). In other words, a district court will be authorized to find the sorts of facts that are entitled to deference only in circumstances in which the traditional summary judgment standard has been satisfied. And even when it is so authorized, "its subsidiary conclusions as to each *Polaroid* factor . . . are not immune from appellate review." *Patsy's Brand*, 317 F.3d at 216.

As in any other area of law, then, "[i]f a factual inference must be drawn to arrive at a particular finding on a *Polaroid* factor, and if a reasonable trier of fact could reach a different conclusion, the district court may not properly resolve that issue on summary judgment." *Cadbury*, 73 F.3d at 478; *see also Liberty Lobby*, 477 U.S. at 249 ("[A]t the summary judgment stage the judge's function is not himself to weigh the evidence and determine the truth . . . but to determine whether there is a genuine issue for trial."). Moreover, insofar as the determination of whether one of the *Polaroid* factors favors one party or another involves a legal judgment—which it often does[7]—we must review that determination *de novo*. *See Knight v.*

[7] "For example, there is a considerable component of law in the determination

State Univ. of N.Y. at Stony Brook, 880 F.3d 636, 640 (2d Cir. 2018) ("We review questions of law *de novo*."). Accordingly, in the majority of cases, we should review *de novo* both a district court's determinations as to each *Polaroid* factor and its ultimate balancing of those factors.

Here, the district court found that "Costco has proffered no evidence that raises a disputed issue of material fact with respect to any of the *Polaroid* factors" and that Tiffany therefore "demonstrated a likelihood of confusion" sufficient to warrant summary judgment in its favor as to its trademark infringement claims. *Tiffany & Co. v. Costco Wholesale Corp.*, 127 F. Supp. 3d 241, 247 (S.D.N.Y. 2015). On appeal, Costco principally contests the district court's analysis of three of these factors: whether Costco's customers were actually confused, whether Costco adopted Tiffany's mark in bad faith, and whether the relevant population of consumers was sufficiently sophisticated to avoid confusion. We conclude that Costco has raised a triable question as to each of these factors and, by extension, the ultimate issue of whether Costco's actions generated a likelihood of customer confusion.

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whether a mark has the degree of strength necessary to weigh in favor of the party claiming infringement." *Patsy's Brand*, 317 F.3d at 216.

1. Actual Confusion

Concluding that Tiffany had established actual customer confusion as a matter of law, the district court pointed to two categories of evidence proffered by Tiffany. First, it referred to the deposition testimony of six Costco customers, each of whom alleged that he or she was confused by Costco's point-of-sale signs. Second, it described the results of a customer confusion survey and report created by Tiffany's expert, Dr. Jacob Jacoby. Dr. Jacoby's report included responses from 944 people surveyed through the internet, 606 of whom identified themselves as Costco patrons who thought that "they [or their significant other] would consider buying a diamond engagement ring at Costco that cost at least $2,500." J.A. 1,452. Jacoby estimated that of these 606 responders—each of whom was shown a photo of a diamond engagement ring alongside one of Costco's point-of-sale signs,[8] either in isolation or after seeing photos of other branded items sold by Costco—"more than two out of five . . . were likely confused into believing that Tiffany & Co. was the source of the rings." *Id.* at 1,454. The district court deemed this evidence unrebutted and concluded that Costco had failed to raise a factual

[8] The sign in Dr. Jacoby's survey read "639911 / PLATINUM TIFFANY / .70CT VS2,I ROUND / DIAMOND RING / **3199.99**." J.A. 1,539 (emphasis in original).

question as to whether customers were actually confused by its use of the word "Tiffany" on its signs. For the following reasons, we disagree.

To begin, Costco did seek to rebut Tiffany's evidence of confusion. First, it argued that the testimony of six customers—out of the 3,349 customers who purchased Tiffany-set rings at Costco during the relevant period—was only *de minimis* evidence of confusion and insufficient to resolve the issue definitively against Costco. Second, and more importantly, it submitted a report from its own expert, Dr. Russel S. Winer, criticizing Dr. Jacoby's survey methodology and results. Dr. Winer opined that Dr. Jacoby should have targeted only customers with a "present purchase interest in buying a diamond ring," and that Dr. Jacoby's actual survey respondents "could not have been a group whose perceptions provided any valid or reliable predictor of past or future Costco diamond ring purchaser beliefs." *Id*. at 4,226. Dr. Winer further asserted that Dr. Jacoby's study was fatally flawed due to "artificial, contrived and biasing" stimuli that "ignore[d] the reality of the customer purchase process." *Id.* at 4,228. For example, Dr. Winer noted that rather than showing survey responders a point-of-sale sign as it would have appeared to customers—in a display case surrounded by other rings identified by "other tags . . . , some of which would have other setting and style

types indicated"—Jacoby's survey showed them only a single ring and sign in isolation.[9] *Id*. at 4,305. Winer also assessed that on top of these flawed survey conditions, Dr. Jacoby's screening questions, which required responders to sort words into brand names and descriptive words, "trained" those responders to "bias[] the responses in favor of selecting Tiffany as a brand identifier." *Id.* at 4,303.

We conclude that this evidence was sufficient to raise a question as to whether potential buyers of Costco's diamond engagement rings were actually confused by the appearance of the word "Tiffany" on Costco's signs. In concluding otherwise, the district court observed that Dr. Winer's criticisms go to the weight of Tiffany's evidence rather than its admissibility and that he did not perform his own survey to demonstrate affirmatively that Costco's customers were *not* confused. But the weight to be given to a particular piece of evidence can be determinative of whether the moving party is entitled to summary judgment or

[9] Dr. Winer asserted in his report that although both of the images Dr. Jacoby provided in his survey—one depicting only a single point-of-sale sign and the other depicting a small section of a Costco display case—provided insufficient context to replicate the experience of actual customers in a Costco store, the decrease in putative confusion among the survey respondents who saw the more contextual image was "striking." J.A. 4,305. A jury was entitled to consider, as Dr. Winer did, "how the percentage [of customers identifying 'Tiffany' as a descriptive word rather than a brand] might have changed had the context provided been comparable to the real world experience." *Id.* at 4,307.

whether a jury could find a material fact favorable to the non-moving party. And in the circumstances here, neither of the putative shortcomings on which the district court relied is sufficient to resolve the customer-confusion factor in Tiffany's favor as a matter of law. Tiffany bears the burden of proof on its own motion for summary judgment. Resolving all factual inferences in Costco's favor, a reasonable jury could find that Tiffany failed to present sufficiently persuasive evidence to meet that burden.

2. Costco's Good Faith.

In analyzing whether a defendant has acted in bad faith, the question is whether the defendant attempted "to exploit the good will and reputation of a senior user by adopting the mark with the intent to sow confusion between the two companies' products." *Star Indus.*, 412 F.3d at 388. We have cautioned that "where the allegedly infringing mark is identical to the registered mark, and its use began subsequent to the plaintiff's trade-mark registration, the defendant must carry the burden of explanation and persuasion." *Kiki Undies Corp., v. Promenade Hosiery Mills, Inc.*, 411 F.2d 1097, 1101 (2d Cir. 1969). But "[p]rior knowledge of a senior user's trade mark does not necessarily give rise to an inference of bad faith and may [actually] be consistent with good faith." *Sports*

Auth., 89 F.3d at 964 (quoting *Arrow Fastener Co. v. Stanley Works*, 59 F.3d 384, 397 (2d Cir. 1995)). Indeed, "the intent to compete by imitating the successful features of another's product is vastly different from the intent to deceive purchasers as to the source of [one's own] product." *Nora Beverages, Inc. v. Perrier Grp. of Am., Inc.*, 269 F.3d 114, 123 (2d Cir. 2001) (internal quotation marks and alterations omitted); *see also George Basch Co. v. Blue Coral, Inc.*, 968 F.2d 1532, 1541 (2d Cir. 1992) ("Absent confusion, imitation of certain successful features in another's product is not unlawful . . . ."). And as we have consistently observed, "subjective issues such as good faith are singularly inappropriate for determination on summary judgment." *Cadbury*, 73 F.3d at 483 (internal quotation marks and alterations omitted) (declining to grant summary judgment on the matter of good faith even where the plaintiff's "registered mark is identical—in style as well as in name—to [the defendant's] adopted logo . . . [and the defendant's] explanation is not particularly persuasive").

The district court concluded that "*no* rational finder of fact could conclude that Costco acted in good faith in adopting the Tiffany mark." *Tiffany*, 127 F. Supp. 3d at 252 (emphasis added). It cited several pieces of evidence proffered by Tiffany, including an email from a Costco employee indicating that Costco's jewelry boxes

should have a more "Tiffany or upscale look," the deposition testimony of a Costco inventory control specialist who acknowledged that she took no action in response to two emails ostensibly indicating customer and employee confusion over the source of Costco's rings, and photographs and emails that suggest efforts by Costco to "copy Tiffany's designs by making references to Tiffany designs and sharing links to Tiffany's website [in communications with vendors]." *Id.* at 251–52.

The district court acknowledged Costco's contrary evidence that it had never attempted to adopt the Tiffany mark, that its signs actually used the word "Tiffany" as a brand-independent description of a particular style of diamond setting, and that those signs merely reflected information provided by its own suppliers. *Id.* at 252. The court nonetheless concluded that a jury could not reasonably credit an argument that "Costco jewelry buyers used the word 'Tiffany' in a generic sense when communicating with vendors, while at the same time asking those vendors to copy Tiffany & Co. designs, and that signage incorporating the word 'Tiffany' on the resulting merchandise was nothing more than clerical duplication of a generic reference from an invoice." *Id.* Again, we disagree.

Although a jury could reasonably draw the conclusion that Costco's interest in emulating Tiffany's designs spilled over into an intent to mislead buyers as to the origins of its own jewelry, it could also reasonably conclude that Costco intended to borrow "certain successful features [from Tiffany's] product" without implying that Tiffany actually produced or endorsed the jewelry at issue. *George Basch Co.*, 968 F.2d at 1541. We have consistently recognized that intent to copy a product's useful, nonprotected attributes should not be equated automatically with an intent to deceive. *See Nora Beverages*, 269 F.3d at 123. Therefore, Costco's admitted intent to sell jewelry that *looks like* Tiffany's—as opposed to an intent to have its jewelry pass as Tiffany's—cannot be enough to justify a finding that Costco acted in bad faith in connection with Tiffany's trademark infringement claim.

In concluding otherwise, the district court overlooked substantial evidence that Costco did *not* attempt to sow confusion among its customers. As the district court recognized in its good faith analysis, two Costco representatives—a diamond buyer and an assistant general merchandise manager—submitted declarations affirming that Costco inventory control personnel took the term "Tiffany" directly from vendor descriptions, that the representatives understood

Tiffany as a "generic style name," and that indeed it was "the only name . . . used to denote [that] type of pronged setting."[10] J.A. 2,927. Costco backed these claims with evidence that the term "Tiffany" has been used as a generic descriptor—both explicitly in conjunction with a word like "setting" and implicitly by itself—in thousands of advertisements, dictionaries, trade publications, and other public documents since the late 1800s. And as the district court recognized elsewhere in its decision, Costco presented evidence that its rings were not branded with Tiffany's mark (and indeed were branded with R.B. Diamond's logo instead); that the rings came in unbranded containers bearing no resemblance to Tiffany's distinctive robin's-egg blue packaging; that buyers received *Costco*-branded receipts, appraisal forms, and other sales documents; and that Costco's return policy permitted customers to return their rings any time after purchase.[11]

[10] As far as we can tell, Tiffany's only reply to this evidence is that after Costco voluntarily stopped using the name "Tiffany" on its signs, it was still able to describe those rings' settings as "Solitaire." But "Solitaire," which describes any single gem in a simple setting, is undeniably a less descriptive term than "Tiffany," which ostensibly describes a specific type of six-prong setting.

[11] Both Tiffany and Costco point to a customer email asking whether the word "Tiffany" on the label referred to the "Tiffany setting or Tiffany brand," J.A. 15,333. Consistent with Costco's argument that it acted in good faith, a Costco employee responded to the customer's email that "[i]t means Tiffany setting." *Id.* at 15,334. Notably, the jury could also consider this email as evidence of an absence of actual customer confusion. *See Nora Beverages*, 269 F.3d at 124 ("Inquiries about the relationship between the owner of a mark and an alleged infringer do not amount to actual confusion. Indeed,

Crediting this evidence, a reasonable jury could conclude that Costco did not intend to mislead its customers and that signs bearing the word "Tiffany" were the product of a good-faith attempt to communicate to its customers the setting style of certain rings that it sold.[12]

3. Consumer Sophistication

"Our analysis of consumer sophistication 'consider[s] the general impression of the ordinary purchaser, buying under the normally prevalent conditions of the market and giving the attention such purchasers usually give in buying that class of goods.'" *Star Indus.*, 412 F.3d at 390 (quoting *Sports Auth.*, 89 F.3d at 965); *see also Streetwise Maps, Inc. v. VanDam, Inc.*, 159 F.3d 739, 746 (2d Cir. 1998). In general, "the more sophisticated the purchaser, the less likely he or she will be confused by the presence of similar marks in the marketplace." *Savin Corp.*

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such inquiries are arguably premised upon a *lack* of confusion between the products such as to inspire the inquiry itself." (emphasis in original)).

[12] A jury would also be entitled to infer good faith from Costco's conduct after Tiffany asserted that Costco's had infringed its trademark. Costco offered evidence that it voluntarily ceased using the word "Tiffany" on its product signs within a week of receiving Tiffany's demand letter. And after Tiffany filed its complaint, Costco wrote to all purchasers of Costco rings bearing a Tiffany-style setting alerting them to Tiffany's claim and reminding them of their right to return their purchase at any time for a full refund. While Tiffany disputes certain of these facts, we assume in assessing Tiffany's motion for summary judgment that a jury would resolve those disputes in Costco's favor.

v. Savin Grp., 391 F.3d 439, 461 (2d Cir. 2004). Likewise, "[t]he greater the value of an article[,] the more careful the typical consumer can be expected to be." *Manhattan Indus., Inc. v. Sweater Bee by Banff, Ltd.*, 627 F.2d 628, 631 (2d Cir. 1980) (internal quotation marks omitted). Although sophistication may usually be proven by direct evidence, including expert opinions or surveys, "in some cases a court is entitled to reach a conclusion about consumer sophistication based solely on the nature of the product or its price." *Star Indus.*, 412 F.3d at 390.

The district court correctly identified the competing expert reports submitted by Dr. Jacoby and Dr. Winer as the principal evidence on the question of customer sophistication. As indicated above, Dr. Jacoby's study assumed that survey responders who said they "would consider buying a diamond engagement ring at Costco" were representative of customers who would likely interact with Costco's allegedly infringing point-of-sale signs. Tiffany offered no other evidence regarding the sophistication of the relevant consumer population. In response, Dr. Winer countered that the purchase of an engagement ring is a "high involvement" transaction, and that actual purchasers—as opposed to those who merely "would consider buying an engagement ring"—have, or acquire, substantial "subject matter knowledge and familiarity with the relevant vocabulary." J.A. 4,226.

The district court nonetheless determined that Costco failed to raise a question as to whether its customers were sufficiently sophisticated that its use of the word "Tiffany" would not create confusion. As in its analysis of actual confusion, the district court concluded that Costco's evidence goes only to "the weight that Tiffany's evidence should be accorded, and fails to provide competing affirmative evidence regarding the relevant population of consumers." *Tiffany*, 127 F. Supp. 3d at 254. Once again, its appraisal erroneously shifted Tiffany's burden onto Costco. As explained above, the weight of a piece of evidence can be determinative as to whether summary judgment is appropriate. What's more, it is simply incorrect to say that Costco proffered no affirmative evidence regarding customer sophistication. As the district court otherwise described, Costco *did* offer evidence, in the form of Dr. Winer's declaration, that "[i]n the case of purchasing a diamond ring, . . . actual prospective purchasers proximal to the purchase decision definitely know more than people not in the market." J.A. 4,300. And as Dr. Winer's report further opined:

> [A] group of 'actively in the market' prospective diamond ring buyers would clearly be more attuned to the marketing of diamond rings, the jargon associated with diamond rings, and the shopping process and experience associated with diamond rings, and thus be more knowledgeable about whether the word Tiffany in the context of the small product labels referred to the 'Tiffany & Co.' brand or was being

used to describe a particular type of ring setting.

Id. Indeed, we have previously recognized that "[t]he purchaser of a diamond ring, particularly of a wedding or engagement ring, will be most discriminating in his purchase, and make it carefully and deliberately." *J.R. Wood & Sons, Inc. v. Reese Jewelry Corp*., 278 F.2d 157, 159 (2d Cir. 1960). A jury could reasonably conclude, by crediting Costco's evidence and rejecting Tiffany's, that the relevant population of consumers would be sufficiently attentive and discriminating as to recognize that Tiffany had nothing to do with Costco's diamond engagement rings.

4. Overall Likelihood of Customer Confusion

We conclude that Costco's evidence has, when considered in the aggregate, created a genuine question as to the likelihood of customer confusion. *See Star Indus.*, 412 F.3d at 383. Our conclusion rests primarily on the combination of (1) Costco's evidence that "Tiffany" is a broadly recognized term denoting a particular style of pronged ring setting and (2) its further indications, backed by prior pronouncements of this Court, that purchasers of diamond engagement rings educate themselves so as to become discerning consumers.

Affording full credit to this evidence, a jury could reasonably conclude that

consumers of diamond engagement rings would know or learn that "Tiffany" describes a style of setting not unique to rings manufactured by Tiffany, and recognized that Costco used the term only in that descriptive sense. Such consumers may also be distinctly capable of recognizing that Costco's rings were *not* manufactured by Tiffany—based, for example, on their price, place of purchase, packaging, or paperwork—and consequently be particularly unlikely to be confused by any aspect of Costco's point-of-sale signs. Moreover, *any* Costco customer looking at a Tiffany-set ring identified by a sign that includes the word "Tiffany" would also see a jewelry case full of other unbranded rings, each identified by a sign indicating its own setting type in a similar or identical way.

To be sure, Tiffany has made a persuasive (and essentially unrebutted) showing that the general public associates its famous brand with high-quality engagement rings that compete directly with those sold by Costco. But even the potential for confusion inherent in such circumstances cannot dictate a judgment for Tiffany in light of Costco's evidence that engagement-ring purchasers exercise care and become savvy, and that the context Costco provided at the point of sale was sufficient for those careful customers to recognize that its signs used "Tiffany" only as a generic descriptor. In short, Costco's use of the word "Tiffany" to

describe engagement rings may have created a *possibility* of confusion. It may even be the more reasonable inference that confusion was *likely*. But in light of Costco's competing evidence—and Tiffany's failure to demonstrate that actual purchasers would not recognize the word "Tiffany" as denoting a commonly used setting style—we decline to hold that *no* reasonable jury could find that Costco's signs were not confusing.[13] *See Island Software & Comput. Serv., Inc. v. Microsoft Corp.*, 413 F.3d 257, 264 (2d Cir. 2005) ("[A]t the summary judgment stage, [even if one] inference . . . seems the better of the possible inferences that can be drawn, we must still draw all inferences in favor of the non-moving party.").

B. Costco's Fair Use Defense

To avoid liability for infringement, however, Costco need not rely on a jury to reject Tiffany's claim that Costco's actions created a likelihood of confusion. Contrary to the district court's holding, Costco is also entitled to present its fair use affirmative defense at trial. The Lanham Act provides that when a party "uses the words constituting [a registered] mark in a purely descriptive sense, this use

[13] Because liability for trademark infringement under New York law mirrors liability under the Lanham Act, *see Standard & Poor's Corp., Inc. v. Commodity Exchange, Inc.*, 683 F.2d 704, 708 (2d Cir. 1982), the district court likewise should not have granted Tiffany's motion for summary judgment in connection with its state-law infringement claim.

may qualify as permissible fair use." *Kelly-Brown v. Winfrey*, 717 F.3d 295, 308 (2d Cir. 2013). Crucially, a defendant may raise a fair use defense even where the challenged material is likely to cause some confusion. *See KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 121–22 (2004). To demonstrate fair use, a defendant must establish that it used the allegedly infringing term "(1) other than as a mark, (2) in a descriptive sense, and (3) in good faith." *JA Apparel Corp. v. Abboud*, 568 F.3d 390, 400 (2d Cir. 2009) (internal quotation marks omitted); *see also* 15 U.S.C. § 1115(b)(4).

The district court rejected Costco's fair use defense at summary judgment on the basis that—for the same reasons that underpinned its *Polaroid* analysis—Costco's evidence was insufficient to establish that it used the word "Tiffany" in good faith.[14] Having resolved the motion on the basis of good faith alone, the district court did not consider the other factors pertinent to the fair use defense. On appeal, Costco argues that the record contains sufficient evidence to support

[14] The "good faith" prong of the fair use analysis is essentially identical to the same prong of the *Polaroid* analysis and "concerns the question whether the user of a mark intended to create consumer confusion as to source or sponsorship." *JA Apparel*, 568 F.3d at 401 (quoting *EMI Catalogue P'ship v. Hill, Holliday, Connors, Cosmopulos Inc.*, 228 F.3d 56, 66–67 (2d Cir. 2000)).

each prong of its affirmative defense. We agree. For the reasons stated above, the district court should not have concluded that no question of material fact exists on the question of Costco's good faith. For the reasons that follow, we likewise conclude that Costco created a triable question as to the remaining factors of the fair use analysis.

1. Use "As a Mark"

A defendant uses a term "as a mark" when it employs it "as a symbol to attract public attention," *Kelly-Brown*, 717 F.3d at 306 (internal quotation marks omitted), or "to identify and distinguish . . . goods [or services] . . . and to indicate [their] source," 15 U.S.C. § 1127. Whether a defendant has done so may entail an investigation into, *inter alia*, whether the challenged material appeared on the product "itself, on its packaging, or in any other advertising or promotional materials related to [the] product," and the degree to which "defendants were trying to create, through repetition . . . a[n] association between [themselves] and the [mark]." *Kelly-Brown*, 717 F.3d at 310–11 (internal quotation marks omitted).

A jury could reasonably conclude that Costco did not use the term "Tiffany" as a trademark. Tiffany's own evidence indicates that Costco typically identifies the trademark associated with its branded products as the first word on the

product label.[15] For this litigation, Costco produced hundreds of examples of signs for its engagement rings, *none* of which began with the word "Tiffany" or any other brand name. Instead, Costco's evidence demonstrates that it displayed the word "Tiffany" in the exact same manner (including typeface, size, color, and relative location on the signs) that it displayed setting information for other engagement rings. Costco also proffered evidence that the word "Tiffany" did not appear on any of its rings or ring packaging, and that the rings actually bore the logo of a *different* manufacturer. *See Car-Freshner Corp. v. S.C. Johnson & Son, Inc.*, 70 F.3d 267, 270 (2d Cir. 1995) (explaining that a defendant's display of its own trademark on a tree-shaped car freshener suggested that the product's shape was used otherwise than as a mark).

2. Descriptive Use

Whether a phrase is descriptive refers to its tendency to describe the goods in question in a broad sense, including not only "words that describe a characteristic of the goods[] such as size or quality," but also words or images that

[15] Costco's evidence indicates that when it did sell genuine Tiffany merchandise, "Tiffany" was indeed the first word on the accompanying signs. Both parties agree, however, that Costco has never sold engagement rings produced by Tiffany in its American stores.

more abstractly identify some information about the goods in question. *Cosmetically Sealed Indus. v. Chesebrough-Pond's USA Co.*, 125 F.3d 28, 30 (2d Cir. 1997) (citing *Car-Freshner Corp*, 70 F.3d at 269–70 (concluding that a car freshener's pine-tree shape was a fair use of a protected image because the shape indicated both the product's scent and the season in which it was sold)).

Here, a jury could reasonably find that Costco used the term "Tiffany" descriptively, based on Costco's evidence that (1) "Tiffany" has a descriptive meaning independent of Tiffany's brand and (2) Costco intended to and did invoke that meaning when it created its point-of-sale signs. As noted above, Costco has identified over a century's worth of documents suggesting that "Tiffany"—both alone and in conjunction with words like "ring," "setting," "style," or "mounting"—is widely understood to refer to a particular type of pronged diamond setting. And as Costco's employees attested in their declarations, both they and their vendors understood the term to be the only precise way to describe that style. Costco also presented unrebutted evidence that it used the term "Tiffany" exclusively on signs identifying rings bearing a Tiffany setting, and that it displayed the same set of information for engagement rings of all styles. In other words, Costco would generally display a diamond ring with a cathedral or bezel

diamond setting along with a sign displaying the word "Cathedral" or "Bezel" in the same way that a sign identifying a diamond ring with a Tiffany setting would display the word "Tiffany."

Tiffany, for its part, resists the conclusion that the term "Tiffany" is amenable to descriptive use—or indeed any use other than as a mark—within the jewelry industry. It argues that "no case has ever bisected a trademark to allow the same word to be used exclusively by the trademark holder to denote the source of goods for every product in a registered class except one," and that doing so here would bring about the "absurd" result that "Tiffany" could be a source identifier for rings of other styles, but a descriptive term for rings in the so-called "Tiffany" style. Appellees' Br. 10.

Tiffany's argument fundamentally misunderstands our caselaw. There is nothing inherently absurd about a single word's being both a source identifier and a descriptive term within the same product class. *See Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976) ("[T]he same term may be put to different uses with respect to a single product." (citing 15 U.S.C. § 1115(b)(4))). To the extent that "Tiffany" actually does have the descriptive meaning Costco submits that it does, Tiffany's putative "absurd" result is nothing more than the

predictable reality of a legal regime in which "trademark rights may be acquired in a word or image with descriptive qualities." *Car-Freshner*, 70 F.3d at 269. And within that reality, it is well established that "the public's right to use descriptive words or images in good faith in their ordinary descriptive sense must prevail over the exclusivity claims of the trademark owner."[16] *Id.*

As a result, the simple fact that a defendant has trademarked a term for use in a particular industry does not preclude a jury's finding that the term has some descriptive use within the same industry. *See JA Apparel*, 568 F.3d at 402–03 (holding that fair use may entitle a clothing company to identify its designer on

[16] That Tiffany & Co. and the Tiffany setting derive their names from a common source—Charles Lewis Tiffany, who both founded the company and invented the setting—does not alter this proposition. *See JA Apparel*, 568 F.3d at 394 (explaining that the plaintiff's trademark "Joseph Abboud" refers to the same individual identified in the defendant's ostensibly descriptive advertising materials); *id.* at 402–03 (explaining that the challenged usage might nonetheless be fair use). Nor does it matter that the word "Tiffany" is not *inherently* descriptive of the diamond setting at issue. One who possesses exclusive rights in a mark by virtue of having used it in commerce can lose that right to exclusivity—either outright or in connection with a limited application—by failing to enforce the mark so that, through usage by others in the marketplace, it becomes generic at least in a limited sense. The record reflects that Tiffany used the word mark "Tiffany" in commerce as early as 1868, while the use of the term "Tiffany" to describe a particular setting style acquired currency in the late 1800s. The record suggests no reason that Tiffany could not have taken action in the late 1800s to prevent the use of the word "Tiffany" descriptively in the general marketplace. Whatever Tiffany's reasons for not doing so, Costco's evidence suggests that the word "Tiffany" did acquire an adjectival meaning in the trade to identify a particular style of setting.

advertisements even where a competitor has registered that same designer's name as a trademark in connection with the sale of apparel). Indeed, the fact that Tiffany does not here challenge Costco's use of the phrase "Tiffany set" or "Tiffany setting" may signal an implicit recognition that some uses of its protected mark are indeed descriptive. As we explained in *JA Apparel*, whether a defendant has used a name descriptively requires "individualized consideration" of *how* the defendant has used the name. *Id.* at 402. And as we explained above, Costco's evidence is sufficient for a jury to find the word "Tiffany," when used in conjunction with a particular six-pronged stone setting, had acquired a descriptive meaning in the jewelry trade that did not suggest an association with the jeweler Tiffany & Co., and that Costco used the word descriptively in that sense and in good faith under the particular circumstances of this case. To be sure, a reasonable jury could also *reject* Costco's evidence and find that customers would not recognize the word "Tiffany" as descriptive even with the context Costco provided. On this record, however, that decision belongs to the jury and not to the court.

II. Tiffany's Trademark Counterfeiting Claim

Having determined that Costco's use of the word "Tiffany" constituted trademark infringement, the district court proceeded to conclude as a matter of law that Costco's infringement involved a counterfeit mark.[17] Under the Lanham Act, "[a] counterfeit is a 'spurious mark which is identical with, or substantially indistinguishable from, a registered mark.'" *Kelly-Brown*, 717 F.3d at 314 (quoting 15 U.S.C. § 1127). Echoing its principal infringement analysis, the district court held that Costco's conduct had necessarily involved such a mark because it had "utilized a word mark identical to the one that Tiffany has registered" and done

[17] In a Lanham Act litigation, a plaintiff who has employed "a counterfeit mark"—as opposed to a mere "colorable imitation" or other infringing usage—is subject to heightened statutory penalties. *See* 15 U.S.C. § 1117. "In a case involving the use of a counterfeit mark," a Lanham Act plaintiff may elect to recover, in lieu of the standard profits and damages available for mere infringement, "an award of statutory damages . . . not less than $1,000 or more than $200,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed." 15 U.S.C. § 1117(c). Even greater penalties are available upon a finding that a defendant used a counterfeit mark willfully. If a defendant has "intentionally us[ed] a mark or designation, knowing that such mark or designation is a counterfeit mark," and the plaintiff elects to pursue standard profits and damages, the court "shall, unless [it] finds extenuating circumstances, enter judgment for three times [defendant's] profits or [plaintiff's] damages, whichever amount is greater, together with a reasonable attorney's fee." *Id.* § 1117(b). And if a plaintiff elects instead to pursue statutory damages, a "court [that] finds that the use of the counterfeit mark was willful," may impose damages of up to "$2,000,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed." *Id.* § 1117(c)(2). In this case, after holding Costco liable for willful trademark counterfeiting as a matter of law, the district court awarded Tiffany treble profits pursuant to § 1117(b).

so with the "intent to confuse customers as to the source of the rings," rendering its "use of the Tiffany mark . . . 'spurious' as a matter of law." *Tiffany*, 127 F. Supp. 3d at 255. Because it was inappropriate to hold Costco liable for trademark *infringement* at the summary judgment stage—and because counterfeiting is merely an aggravated form of infringement—we vacate the district court's judgment as to counterfeiting as well.[18]

[18] We cannot conclude on the record here that no reasonable jury could find in favor of Tiffany on the counterfeiting claim, and we therefore affirm the district court's denial of Costco's motion for summary judgment as to this claim. We do note that it is likely inappropriate to impose liability for trademark counterfeiting when a defendant is able to establish—with or without the other two elements of the fair use defense—that it used a term identical to the registered mark otherwise than as a mark. In order for material to qualify as "counterfeit" under the Lanham Act, it must be a "spurious mark." 15 U.S.C. § 1127. A "spurious" mark, in turn, is one that is "fake" and "[d]eceptively suggest[s] an erroneous origin." Spurious, Black's Law Dictionary (11th ed. 2019). We fail to see how a term can be a "fake" mark if it is not actually *used* as a mark, or how a term can "deceptively suggest an erroneous origin" if it is not used as a means to indicate origin in the first place. *See* 15 U.S.C. § 1127 (defining "trademark" and "service mark" as "any word, name, symbol, or device, or any combination thereof" used "to indicate the source" of goods and services). Terms not used as a mark may still generate confusion as to "affiliation, connection, . . . association[,] . . . sponsorship or approval," *id.* § 1125(a)(1)(A), or "misrepresent the nature, characteristics, qualities, or geographic origin" of a good or service, *id.* § 1125(a)(1)(B), and therefore constitute trademark *infringement*. *See Int'l Info. Sys. Sec. Certification Consortium*, 823 F.3d at 161 ("[P]rotection is not exclusively limited . . . to cases in which there may be confusion as to source."); *Kelly-Brown*, 717 F.3d at 308 ("Lanham Act plaintiffs [need not] show that the defendant was using the allegedly infringing content 'as a mark' . . . in order to establish consumer confusion."). But because terms not used as marks are not "spurious," they cannot, as a matter of law, be *counterfeit*.

III. Tiffany's Entitlement to Punitive Damages

In their briefing, both parties address the question whether—assuming Costco's liability for infringement—Tiffany is entitled to punitive damages under New York law. Because we vacate the district court's ruling as to Costco's liability, we decline to address the question whether punitive damages would be available to Tiffany if a jury were to find in its favor on remand.

CONCLUSION

For the foregoing reasons, we VACATE the judgment of the district court and REMAND the case for trial.

Syllabus

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States* v. *Detroit Timber & Lumber Co.,* 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

Syllabus

ROMAG FASTENERS, INC. *v.* FOSSIL GROUP, INC., FKA FOSSIL, INC., ET AL.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

No. 18–1233. Argued January 14, 2020—Decided April 23, 2020

Romag Fasteners, Inc., and Fossil, Inc., signed an agreement to use Romag's fasteners in Fossil's leather goods. Romag eventually discovered that factories in China making Fossil products were using counterfeit Romag fasteners. Romag sued Fossil and certain retailers of Fossil products (collectively, Fossil) for trademark infringement pursuant to 15 U. S. C. §1125(a). Relying on Second Circuit precedent, the district court rejected Romag's request for an award of profits, because the jury, while finding that Fossil had acted callously, rejected Romag's accusation that Fossil had acted willfully.

Held: A plaintiff in a trademark infringement suit is not required to show that a defendant willfully infringed the plaintiff's trademark as a precondition to a profits award. The Lanham Act provision governing remedies for trademark violations, §1117(a), makes a showing of willfulness a precondition to a profits award in a suit under §1125(c) for trademark dilution, but §1125(a) has never required such a showing. Reading words into a statute should be avoided, especially when they are included elsewhere in the very same statute. That absence seems all the more telling here, where the Act speaks often, expressly, and with considerable care about mental states. See, *e.g.,* §§1117(b), (c), 1118. Pointing to §1117(a)'s language indicating that a violation under §1125(a) can trigger an award of the defendant's profits "subject to the principles of equity," Fossil argues that equity courts historically required a showing of willfulness before authorizing a profits remedy in trademark disputes. But this suggestion relies on the curious assumption that Congress intended to incorporate a willfulness requirement here obliquely while it prescribed *mens rea* conditions expressly else-

Syllabus

where throughout the Act. Nor is it likely that Congress meant to direct "principles of equity"—a term more naturally suggesting fundamental rules that apply more systematically across claims and practice areas—to a narrow rule about a profits remedy within trademark law. Even crediting Fossil's assumption, all that can be said with certainty is that Pre-Lanham Act case law supports the ordinary principle that a defendant's mental state is relevant to assigning an appropriate remedy. The place for reconciling the competing and incommensurable policy goals advanced by the parties is before policymakers. Pp. 2–7.

Vacated and remanded.

GORSUCH, J., delivered the opinion of the Court, in which ROBERTS, C. J., and THOMAS, GINSBURG, BREYER, ALITO, KAGAN, and KAVANAUGH, JJ., joined. ALITO, J., filed a concurring opinion, in which BREYER and KAGAN, JJ., joined. SOTOMAYOR, J., filed an opinion concurring in the judgment.

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SUPREME COURT OF THE UNITED STATES

No. 18–1233

ROMAG FASTENERS, INC., PETITIONER *v.* FOSSIL, INC., ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

[April 23, 2020]

JUSTICE GORSUCH delivered the opinion of the Court.

When it comes to remedies for trademark infringement, the Lanham Act authorizes many. A district court may award a winning plaintiff injunctive relief, damages, or the defendant's ill-gotten profits. Without question, a defendant's state of mind may have a bearing on what relief a plaintiff should receive. An innocent trademark violator often stands in very different shoes than an intentional one. But some circuits have gone further. These courts hold a plaintiff can win a profits remedy, in particular, only after showing the defendant *willfully* infringed its trademark. The question before us is whether that categorical rule can be reconciled with the statute's plain language.

The question comes to us in a case involving handbag fasteners. Romag sells magnetic snap fasteners for use in leather goods. Fossil designs, markets, and distributes a wide range of fashion accessories. Years ago, the pair signed an agreement allowing Fossil to use Romag's fasteners in Fossil's handbags and other products. Initially, both sides seemed content with the arrangement. But in time Romag discovered that the factories Fossil hired in China

to make its products were using counterfeit Romag fasteners—and that Fossil was doing little to guard against the practice. Unable to resolve its concerns amicably, Romag sued. The company alleged that Fossil had infringed its trademark and falsely represented that its fasteners came from Romag. After trial, a jury agreed with Romag, and found that Fossil had acted "in callous disregard" of Romag's rights. At the same time, however, the jury rejected Romag's accusation that Fossil had acted willfully, as that term was defined by the district court.

For our purposes, the last finding is the important one. By way of relief for Fossil's trademark violation, Romag sought (among other things) an order requiring Fossil to hand over the profits it had earned thanks to its trademark violation. But the district court refused this request. The court pointed out that controlling Second Circuit precedent requires a plaintiff seeking a profits award to prove that the defendant's violation was willful. Not all circuits, however, agree with the Second Circuit's rule. We took this case to resolve that dispute over the law's demands. 588 U. S. ___ (2019).

Where does Fossil's proposed willfulness rule come from? The relevant section of the Lanham Act governing remedies for trademark violations, §35, 60 Stat. 439–440, as amended, 15 U. S. C. §1117(a), says this:

> "When a violation of any right of the registrant of a mark registered in the Patent and Trademark Office, a violation under section 1125(a) or (d) of this title, or a willful violation under section 1125(c) of this title, shall have been established . . . , the plaintiff shall be entitled, subject to the provisions of sections 1111 and 1114 of this title, and subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action."

Immediately, this language spells trouble for Fossil and

the circuit precedent on which it relies. The statute does make a showing of willfulness a precondition to a profits award when the plaintiff proceeds under §1125(c). That section, added to the Lanham Act some years after its initial adoption, creates a cause of action for trademark dilution—conduct that lessens the association consumers have with a trademark. But Romag alleged and proved a violation of §1125(a), a provision establishing a cause of action for the false or misleading use of trademarks. And in cases like that, the statutory language has *never* required a showing of willfulness to win a defendant's profits. Yes, the law tells us that a profits award is subject to limitations found in §§1111 and 1114. But no one suggests those cross-referenced sections contain the rule Fossil seeks. Nor does this Court usually read into statutes words that aren't there. It's a temptation we are doubly careful to avoid when Congress has (as here) included the term in question elsewhere in the very same statutory provision.

A wider look at the statute's structure gives us even more reason for pause. The Lanham Act speaks often and expressly about mental states. Section 1117(b) requires courts to treble profits or damages and award attorney's fees when a defendant engages in certain acts *intentionally* and with specified *knowledge*. Section 1117(c) increases the cap on statutory damages from $200,000 to $2,000,000 for certain *willful* violations. Section 1118 permits courts to order the infringing items be destroyed if a plaintiff proves any violation of §1125(a) or a *willful* violation of §1125(c). Section 1114 makes certain *innocent* infringers subject only to injunctions. Elsewhere, the statute specifies certain *mens rea* standards needed to establish liability, before even getting to the question of remedies. See, *e.g.,* §§1125(d)(1)(A)(i), (B)(i) (prohibiting certain conduct only if undertaken with "bad faith intent" and listing nine factors relevant to ascertaining bad faith intent). Without doubt, the Lanham Act exhibits considerable care with *mens rea*

standards. The absence of any such standard in the provision before us, thus, seems all the more telling.

So how exactly does Fossil seek to conjure a willfulness requirement out of §1117(a)? Lacking any more obvious statutory hook, the company points to the language indicating that a violation under §1125(a) can trigger an award of the defendant's profits "subject to the principles of equity." In Fossil's telling, equity courts historically required a showing of willfulness before authorizing a profits remedy in trademark disputes. Admittedly, equity courts didn't require so much in patent infringement cases and other arguably analogous suits. See, *e.g., Dowagiac Mfg. Co.* v. *Minnesota Moline Plow Co.*, 235 U. S. 641, 644, 650–651 (1915). But, Fossil says, trademark is different. There alone, a willfulness requirement was so long and universally recognized that today it rises to the level of a "principle of equity" the Lanham Act carries forward.

It's a curious suggestion. Fossil's contention that the term "principles of equity" includes a willfulness requirement would not directly contradict the statute's other, express *mens rea* provisions or render them wholly superfluous. But it would require us to assume that Congress intended to incorporate a willfulness requirement here obliquely while it prescribed *mens rea* conditions expressly elsewhere throughout the Lanham Act. That might be possible, but on first blush it isn't exactly an obvious construction of the statute.

Nor do matters improve with a second look. The phrase "principles of equity" doesn't readily bring to mind a substantive rule about *mens rea* from a discrete domain like trademark law. In the context of this statute, it more naturally suggests fundamental rules that apply more systematically across claims and practice areas. A principle is a "fundamental truth or doctrine, as of law; a comprehensive rule or doctrine which furnishes a basis or origin for others." Black's Law Dictionary 1417 (3d ed. 1933); Black's Law

Dictionary 1357 (4th ed. 1951). And treatises and handbooks on the "principles of equity" generally contain transsubstantive guidance on broad and fundamental questions about matters like parties, modes of proof, defenses, and remedies. See, *e.g.*, E. Merwin, Principles of Equity and Equity Pleading (1895); J. Indermaur & C. Thwaites, Manual of the Principles of Equity (7th ed. 1913); H. Smith, Practical Exposition of the Principles of Equity (5th ed. 1914); R. Megarry, Snell's Principles of Equity (23d ed. 1947). Our precedent, too, has used the term "principles of equity" to refer to just such transsubstantive topics. See, *e.g., eBay Inc.* v. *MercExchange, L. L. C.*, 547 U. S. 388, 391, 393 (2006); *Holmberg* v. *Armbrecht*, 327 U. S. 392, 395 (1946). Congress itself has elsewhere used "equitable principles" in just this way: An amendment to a different section of the Lanham Act lists "laches, estoppel, and acquiescence" as examples of "equitable principles." 15 U. S. C. §1069. Given all this, it seems a little unlikely Congress meant "principles of equity" to direct us to a narrow rule about a profits remedy within trademark law.

But even if we were to spot Fossil that first essential premise of its argument, the next has problems too. From the record the parties have put before us, it's far from clear whether trademark law historically required a showing of willfulness before allowing a profits remedy. The Trademark Act of 1905—the Lanham Act's statutory predecessor which many earlier cases interpreted and applied—did not mention such a requirement. It's true, as Fossil notes, that some courts proceeding before the 1905 Act, and even some later cases following that Act, did treat willfulness or something like it as a prerequisite for a profits award and rarely authorized profits for purely good-faith infringement. See, *e.g., Horlick's Malted Milk Corp.* v. *Horluck's, Inc.*, 51 F. 2d 357, 359 (WD Wash. 1931) (explaining that the plaintiff "cannot recover defendant's profits unless it has been shown beyond a reasonable doubt that defendant was guilty

of willful fraud in the use of the enjoined trade-name"); see also *Saxlehner* v. *Siegel-Cooper Co.*, 179 U. S. 42, 42–43 (1900) (holding that one defendant "should not be required to account for gains and profits" when it "appear[ed] to have acted in good faith"). But Romag cites other cases that expressly rejected any such rule. See, *e.g., Oakes* v. *Tonsmierre*, 49 F. 447, 453 (CC SD Ala. 1883); see also *Stonebraker* v. *Stonebraker*, 33 Md. 252, 268 (1870); *Lawrence-Williams Co.* v. *Societe Enfants Gombault et Cie*, 52 F. 2d 774, 778 (CA6 1931).

The confusion doesn't end there. Other authorities advanced still different understandings about the relationship between *mens rea* and profits awards in trademark cases. See, *e.g.,* H. Nims, Law of Unfair Competition and Trade-Marks §424 (2d ed. 1917) ("An accounting will not be ordered where the infringing party acted innocently and in ignorance of the plaintiff's rights"); N. Hesseltine, Digest of the Law of Trade-Marks and Unfair Trade 305 (1906) (contrasting a case holding "[n]o account as to profits allowed except as to user after *knowledge* of plaintiff's right to trademark" and one permitting profits "although defendant did not know of infringement" (emphasis added)). And the vast majority of the cases both Romag and Fossil cite simply failed to speak clearly to the issue one way or another. See, *e.g., Hostetter* v. *Vowinkle*, 12 F. Cas. 546, 547 (No. 6,714) (CC Neb. 1871); *Graham* v. *Plate*, 40 Cal. 593, 597–599 (1871); *Hemmeter Cigar Co.* v. *Congress Cigar Co.*, 118 F. 2d 64, 71–72 (CA6 1941).

At the end of it all, the most we can say with certainty is this. *Mens rea* figured as an important consideration in awarding profits in pre-Lanham Act cases. This reflects the ordinary, transsubstantive principle that a defendant's mental state is relevant to assigning an appropriate remedy. That principle arises not only in equity, but across many legal contexts. See, *e.g., Smith* v. *Wade*, 461 U. S. 30, 38–51 (1983) (42 U. S. C. §1983); *Morissette* v. *United*

States, 342 U. S. 246, 250–263 (1952) (criminal law); *Wooden-Ware Co.* v. *United States*, 106 U. S. 432, 434–435 (1882) (common law trespass). It's a principle reflected in the Lanham Act's text, too, which permits greater statutory damages for certain willful violations than for other violations. 15 U. S. C. §1117(c). And it is a principle long reflected in equity practice where district courts have often considered a defendant's mental state, among other factors, when exercising their discretion in choosing a fitting remedy. See, *e.g., L. P. Larson, Jr., Co.* v. *Wm. Wrigley, Jr., Co.*, 277 U. S. 97, 99–100 (1928); *Lander* v. *Lujan*, 888 F. 2d 153, 155–156 (CADC 1989); *United States* v. *Klimek*, 952 F. Supp. 1100, 1117 (ED Pa. 1997). Given these traditional principles, we do not doubt that a trademark defendant's mental state is a highly important consideration in determining whether an award of profits is appropriate. But acknowledging that much is a far cry from insisting on the inflexible precondition to recovery Fossil advances.

With little to work with in the statute's language, structure, and history, Fossil ultimately rests on an appeal to policy. The company tells us that stouter restraints on profits awards are needed to deter "baseless" trademark suits. Meanwhile, Romag insists that its reading of the statute will promote greater respect for trademarks in the "modern global economy." As these things go, *amici* amplify both sides' policy arguments. Maybe, too, each side has a point. But the place for reconciling competing and incommensurable policy goals like these is before policymakers. This Court's limited role is to read and apply the law those policymakers have ordained, and here our task is clear. The judgment of the court of appeals is vacated, and the case is remanded for further proceedings consistent with this opinion.

It is so ordered.

SUPREME COURT OF THE UNITED STATES

No. 18–1233

ROMAG FASTENERS, INC., PETITIONER *v.*
FOSSIL, INC., ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

[April 23, 2020]

JUSTICE ALITO, with whom JUSTICE BREYER and JUSTICE KAGAN join, concurring.

We took this case to decide whether willful infringement is a prerequisite to an award of profits under 15 U. S. C. §1117(a). The decision below held that willfulness is such a prerequisite. App. to Pet. for Cert. 32a. That is incorrect. The relevant authorities, particularly pre-Lanham Act case law, show that willfulness is a highly important consideration in awarding profits under §1117(a), but not an absolute precondition. I would so hold and concur on that ground.

SUPREME COURT OF THE UNITED STATES

No. 18–1233

ROMAG FASTENERS, INC., PETITIONER *v.*
FOSSIL, INC., ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

[April 23, 2020]

JUSTICE SOTOMAYOR, concurring in the judgment.

I agree that 15 U. S. C. §1117(a) does not impose a "willfulness" prerequisite for awarding profits in trademark infringement actions. Courts of equity, however, defined "willfulness" to encompass a range of culpable mental states—including the equivalent of recklessness, but excluding "good faith" or negligence. See 5 McCarthy on Trademarks and Unfair Competition §30:62 (5th ed. 2019) (explaining that "willfulness" ranged from fraudulent and knowing to reckless and indifferent behavior); see also, *e.g., Lawrence-Williams Co.* v. *Societe Enfants Gombault et Cie*, 52 F. 2d 774, 778 (CA6 1931); *Regis* v. *Jaynes*, 191 Mass. 245, 248–249, 77 N. E. 774, 776 (1906).

The majority suggests that courts of equity were just as likely to award profits for such "willful" infringement as they were for "innocent" infringement. *Ante*, at 5–6. But that does not reflect the weight of authority, which indicates that profits were hardly, if ever, awarded for innocent infringement. See, *e.g., Wood* v. *Peffer*, 55 Cal. App. 2d 116, 125 (1942) (explaining that "equity constantly refuses, for want of fraudulent intent, the prayer for an accounting of profits"); *Globe-Wernicke Co.* v. *Safe-Cabinet Co.*, 110 Ohio St. 609, 617, 144 N. E. 711, 713 (1924) ("By the great weight of authority, particularly where the infringement . . . was

deliberate and willful, it is held that the wrongdoer is required to account for all profits realized by him as a result of his wrongful acts"); *Dickey* v. *Mutual Film Corp.*, 186 App. Div. 701, 702, 174 N. Y. S. 784 (1919) (declining to award profits because there was "no proof of any fraudulent intent upon the part of the defendant"); *Standard Cigar Co.* v. *Goldsmith*, 58 Pa. Super. 33, 37 (1914) (reasoning that a defendant "should be compelled to account for . . . profits" where "the infringement complained of was not the result of mistake or ignorance of the plaintiff's right"). Nor would doing so seem to be consistent with longstanding equitable principles which, after all, seek to deprive only wrongdoers of their gains from misconduct. Cf. *Duplate Corp.* v. *Triplex Safety Glass Co.*, 298 U. S. 448, 456–457 (1936). Thus, a district court's award of profits for innocent or good-faith trademark infringement would not be consonant with the "principles of equity" referenced in §1117(a) and reflected in the cases the majority cites. *Ante* at 6–7.

Because the majority is agnostic about awarding profits for both "willful" and innocent infringement as those terms have been understood, I concur in the judgment only.

Syllabus

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SUPREME COURT OF THE UNITED STATES

Syllabus

UNITED STATES PATENT AND TRADEMARK OFFICE ET AL. *v.* BOOKING.COM B. V.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

No. 19–46. Argued May 4, 2020—Decided June 30, 2020

A generic name—the name of a class of products or services—is ineligible for federal trademark registration. Respondent Booking.com, an enterprise that maintains a travel-reservation website by the same name, sought federal registration of marks including the term "Booking.com." Concluding that "Booking.com" is a generic name for online hotel-reservation services, the U. S. Patent and Trademark Office (PTO) refused registration. Booking.com sought judicial review, and the District Court determined that "Booking.com"—unlike the term "booking" standing alone—is not generic. The Court of Appeals affirmed, finding no error in the District Court's assessment of how consumers perceive the term "Booking.com." The appellate court also rejected the PTO's contention that, as a rule, combining a generic term like "booking" with ".com" yields a generic composite.

Held: A term styled "generic.com" is a generic name for a class of goods or services only if the term has that meaning to consumers. Pp. 6–14.

(a) Whether a compound term is generic turns on whether that term, taken as a whole, signifies to consumers a class of goods or services. The courts below determined, and the PTO no longer disputes, that consumers do not in fact perceive the term "Booking.com" that way. Because "Booking.com" is not a generic name to consumers, it is not generic. Pp. 6–7.

(b) Opposing that determination, the PTO urges a nearly *per se* rule: When a generic term is combined with a generic Internet-domain-name suffix like ".com," the resulting combination is generic. The rule the PTO proffers is not borne out by the PTO's own past practice and lacks support in trademark law or policy. Pp. 7–14.

(1) The PTO's proposed rule does not follow from *Goodyear's India*

Syllabus

Rubber Glove Mfg. Co. v. *Goodyear Rubber Co.*, 128 U. S. 598. *Goodyear*, the PTO maintains, established that adding a generic corporate designation like "Company" to a generic term does not confer trademark eligibility. According to the PTO, adding ".com" to a generic term—like adding "Company"—can convey no source-identifying meaning. That premise is faulty, for only one entity can occupy a particular Internet domain name at a time, so a "generic.com" term could convey to consumers an association with a particular website. Moreover, an unyielding legal rule that entirely disregards consumer perception is incompatible with a bedrock principle of the Lanham Act: The generic (or nongeneric) character of a particular term depends on its meaning to consumers, *i.e.*, do consumers in fact perceive the term as the name of a class or, instead, as a term capable of distinguishing among members of the class. Pp. 8–11.

(2) The PTO's policy concerns do not support a categorical rule against registration of "generic.com" terms. The PTO asserts that trademark protection for "Booking.com" would give the mark owner undue control over similar language that others should remain free to use. That concern attends any descriptive mark. Guarding against the anticompetitive effects the PTO identifies, several doctrines ensure that registration of "Booking.com" would not yield its holder a monopoly on the term "booking." The PTO also doubts that owners of "generic.com" brands need trademark protection in addition to existing competitive advantages. Such advantages, however, do not inevitably disqualify a mark from federal registration. Finally, the PTO urges that Booking.com could seek remedies outside trademark law, but there is no basis to deny Booking.com the same benefits Congress accorded other marks qualifying as nongeneric. Pp. 11–14.

915 F. 3d 171, affirmed.

GINSBURG, J., delivered the opinion of the Court, in which ROBERTS, C. J., and THOMAS, ALITO, SOTOMAYOR, KAGAN, GORSUCH, and KAVANAUGH, JJ., joined. SOTOMAYOR, J., filed a concurring opinion. BREYER, J., filed a dissenting opinion.

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SUPREME COURT OF THE UNITED STATES

No. 19–46

UNITED STATES PATENT AND TRADEMARK OFFICE, ET AL., PETITIONERS *v.* BOOKING.COM B. V.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

[June 30, 2020]

JUSTICE GINSBURG delivered the opinion of the Court.

This case concerns eligibility for federal trademark registration. Respondent Booking.com, an enterprise that maintains a travel-reservation website by the same name, sought to register the mark "Booking.com." Concluding that "Booking.com" is a generic name for online hotel-reservation services, the U. S. Patent and Trademark Office (PTO) refused registration.

A generic name—the name of a class of products or services—is ineligible for federal trademark registration. The word "booking," the parties do not dispute, is generic for hotel-reservation services. "Booking.com" must also be generic, the PTO maintains, under an encompassing rule the PTO currently urges us to adopt: The combination of a generic word and ".com" is generic.

In accord with the first- and second-instance judgments in this case, we reject the PTO's sweeping rule. A term styled "generic.com" is a generic name for a class of goods or services only if the term has that meaning to consumers. Consumers, according to lower court determinations uncontested here by the PTO, do not perceive the term

"Booking.com" to signify online hotel-reservation services as a class. In circumstances like those this case presents, a "generic.com" term is not generic and can be eligible for federal trademark registration.

I

A

A trademark distinguishes one producer's goods or services from another's. Guarding a trademark against use by others, this Court has explained, "secure[s] to the owner of the mark the goodwill" of her business and "protect[s] the ability of consumers to distinguish among competing producers." *Park 'N Fly*, *Inc.* v. *Dollar Park & Fly*, *Inc.*, 469 U. S. 189, 198 (1985); see S. Rep. No. 1333, 79th Cong., 2d Sess., 3 (1946) (trademark statutes aim to "protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get"). Trademark protection has roots in common law and equity. *Matal* v. *Tam*, 582 U. S. ___, ___ (2017) (slip op., at 2). Today, the Lanham Act, enacted in 1946, provides federal statutory protection for trademarks. 60 Stat. 427, as amended, 15 U. S. C. §1051 *et seq.* We have recognized that federal trademark protection, supplementing state law, "supports the free flow of commerce" and "foster[s] competition." *Matal*, 582 U. S., at ___, ___–___ (slip op., at 3, 4–5) (internal quotation marks omitted).

The Lanham Act not only arms trademark owners with federal claims for relief; importantly, it establishes a system of federal trademark registration. The owner of a mark on the principal register enjoys "valuable benefits," including a presumption that the mark is valid. *Iancu* v. *Brunetti*, 588 U. S. ___, ___ (2019) (slip op., at 2); see §§1051, 1052. The supplemental register contains other product and service designations, some of which could one day gain eligibility for the principal register. See §1091. The supplemental

register accords more modest benefits; notably, a listing on that register announces one's use of the designation to others considering a similar mark. See 3 J. McCarthy, Trademarks and Unfair Competition §19:37 (5th ed. 2019) (hereinafter McCarthy). Even without federal registration, a mark may be eligible for protection against infringement under both the Lanham Act and other sources of law. See *Matal*, 582 U. S., at ___–___ (slip op., at 4–5).

Prime among the conditions for registration, the mark must be one "by which the goods of the applicant may be distinguished from the goods of others." §1052; see §1091(a) (supplemental register contains "marks capable of distinguishing . . . goods or services"). Distinctiveness is often expressed on an increasing scale: Word marks "may be (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful." *Two Pesos*, *Inc.* v. *Taco Cabana*, *Inc.*, 505 U. S. 763, 768 (1992).

The more distinctive the mark, the more readily it qualifies for the principal register. The most distinctive marks—those that are "'arbitrary' ('Camel' cigarettes), 'fanciful' ('Kodak' film), or 'suggestive' ('Tide' laundry detergent)"—may be placed on the principal register because they are "inherently distinctive." *Wal-Mart Stores*, *Inc.* v. *Samara Brothers*, *Inc.*, 529 U. S. 205, 210–211 (2000). "Descriptive" terms, in contrast, are not eligible for the principal register based on their inherent qualities alone. *E.g.*, *Park 'N Fly*, *Inc.* v. *Dollar Park & Fly*, *Inc.*, 718 F. 2d 327, 331 (CA9 1983) ("Park 'N Fly" airport parking is descriptive), rev'd on other grounds, 469 U. S. 189 (1985). The Lanham Act, "liberaliz[ing] the common law," "extended protection to descriptive marks." *Qualitex Co.* v. *Jacobson Products Co.*, 514 U. S. 159, 171 (1995). But to be placed on the principal register, descriptive terms must achieve significance "in the minds of the public" as identifying the applicant's goods or services—a quality called "acquired distinctiveness" or "secondary meaning." *Wal-Mart Stores*, 529 U. S., at 211

(internal quotation marks omitted); see §1052(e), (f). Without secondary meaning, descriptive terms may be eligible only for the supplemental register. §1091(a).

At the lowest end of the distinctiveness scale is "the generic name for the goods or services." §§1127, 1064(3), 1065(4). The name of the good itself (*e.g.*, "wine") is incapable of "distinguish[ing] [one producer's goods] from the goods of others" and is therefore ineligible for registration. §1052; see §1091(a). Indeed, generic terms are ordinarily ineligible for protection as trademarks at all. See Restatement (Third) of Unfair Competition §15, p. 142 (1993); *Otokoyama Co.* v. *Wine of Japan Import*, *Inc.*, 175 F. 3d 266, 270 (CA2 1999) ("[E]veryone may use [generic terms] to refer to the goods they designate.").

B

Booking.com is a digital travel company that provides hotel reservations and other services under the brand "Booking.com," which is also the domain name of its website.[1] Booking.com filed applications to register four marks in connection with travel-related services, each with different visual features but all containing the term "Booking.com."[2]

Both a PTO examining attorney and the PTO's Trademark Trial and Appeal Board concluded that the term "Booking.com" is generic for the services at issue and is therefore unregistrable. "Booking," the Board observed, means making travel reservations, and ".com" signifies a

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[1] A domain name identifies an address on the Internet. The rightmost component of a domain name—".com" in "Booking.com"—is known as the top-level domain. Domain names are unique; that is, a given domain name is assigned to only one entity at a time.

[2] For simplicity, this opinion uses the term "trademark" to encompass the marks whose registration Booking.com seeks. Although Booking.com uses the marks in connection with services, not goods, rendering the marks "service marks" rather than "trademarks" under 15 U. S. C. §1127, that distinction is immaterial to the issue before us.

commercial website. The Board then ruled that "customers would understand the term BOOKING.COM primarily to refer to an online reservation service for travel, tours, and lodgings." App. to Pet. for Cert. 164a, 176a. Alternatively, the Board held that even if "Booking.com" is descriptive, not generic, it is unregistrable because it lacks secondary meaning.

Booking.com sought review in the U. S. District Court for the Eastern District of Virginia, invoking a mode of review that allows Booking.com to introduce evidence not presented to the agency. See §1071(b). Relying in significant part on Booking.com's new evidence of consumer perception, the District Court concluded that "Booking.com"—unlike "booking"—is not generic. The "consuming public," the court found, "primarily understands that BOOKING.COM does not refer to a genus, rather it is descriptive of services involving 'booking' available at that domain name." *Booking.com B.V.* v. *Matal*, 278 F. Supp. 3d 891, 918 (2017). Having determined that "Booking.com" is descriptive, the District Court additionally found that the term has acquired secondary meaning as to hotel-reservation services. For those services, the District Court therefore concluded, Booking.com's marks meet the distinctiveness requirement for registration.

The PTO appealed only the District Court's determination that "Booking.com" is not generic. Finding no error in the District Court's assessment of how consumers perceive the term "Booking.com," the Court of Appeals for the Fourth Circuit affirmed the court of first instance's judgment. In so ruling, the appeals court rejected the PTO's contention that the combination of ".com" with a generic term like "booking" "is *necessarily* generic." 915 F. 3d 171, 184 (2019). Dissenting in relevant part, Judge Wynn concluded that the District Court mistakenly presumed that "generic.com" terms are usually descriptive, not generic.

We granted certiorari, 589 U. S. ___ (2019), and now affirm the Fourth Circuit's decision.

II

Although the parties here disagree about the circumstances in which terms like "Booking.com" rank as generic, several guiding principles are common ground. First, a "generic" term names a "class" of goods or services, rather than any particular feature or exemplification of the class. Brief for Petitioners 4; Brief for Respondent 6; see §§1127, 1064(3), 1065(4) (referring to "the generic name for the goods or services"); *Park 'N Fly*, 469 U. S., at 194 ("A generic term is one that refers to the genus of which the particular product is a species."). Second, for a compound term, the distinctiveness inquiry trains on the term's meaning as a whole, not its parts in isolation. Reply Brief 9; Brief for Respondent 2; see *Estate of P. D. Beckwith, Inc.* v. *Commissioner of Patents*, 252 U. S. 538, 545–546 (1920). Third, the relevant meaning of a term is its meaning to consumers. Brief for Petitioners 43–44; Brief for Respondent 2; see *Bayer Co.* v. *United Drug Co.*, 272 F. 505, 509 (SDNY 1921) (Hand, J.) ("What do the buyers understand by the word for whose use the parties are contending?"). Eligibility for registration, all agree, turns on the mark's capacity to "distinguis[h]" goods "in commerce." §1052. Evidencing the Lanham Act's focus on consumer perception, the section governing cancellation of registration provides that "[t]he primary significance of the registered mark to the relevant public . . . shall be the test for determining whether the registered mark has become the generic name of goods or services." §1064(3).[3]

[3]The U. S. Patent and Trademark Office (PTO) suggests that the primary-significance test might not govern outside the context of §1064(3), which subjects to cancellation marks previously registered that have "become" generic. See Reply Brief 11; Tr. of Oral Arg. 19. To

Under these principles, whether "Booking.com" is generic turns on whether that term, taken as a whole, signifies to consumers the class of online hotel-reservation services. Thus, if "Booking.com" were generic, we might expect consumers to understand Travelocity—another such service—to be a "Booking.com." We might similarly expect that a consumer, searching for a trusted source of online hotel-reservation services, could ask a frequent traveler to name her favorite "Booking.com" provider.

Consumers do not in fact perceive the term "Booking.com" that way, the courts below determined. The PTO no longer disputes that determination. See Pet. for Cert. I; Brief for Petitioners 17–18 (contending only that a consumer-perception inquiry was unnecessary, not that the lower courts' consumer-perception determination was wrong). That should resolve this case: Because "Booking.com" is not a generic name to consumers, it is not generic.

III

Opposing that conclusion, the PTO urges a nearly *per se* rule that would render "Booking.com" ineligible for registration regardless of specific evidence of consumer perception. In the PTO's view, which the dissent embraces, when a generic term is combined with a generic top-level domain

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so confine the primary-significance test, however, would upset the understanding, shared by Courts of Appeals and the PTO's own manual for trademark examiners, that the same test governs whether a mark is registrable in the first place. See, *e.g.*, *In re Cordua Restaurants*, *Inc.*, 823 F. 3d 594, 599 (CA Fed. 2016); *Nartron Corp.* v. *STMicroelectronics*, *Inc.*, 305 F. 3d 397, 404 (CA6 2002); *Genesee Brewing Co.* v. *Stroh Brewing Co.*, 124 F. 3d 137, 144 (CA2 1997); Trademark Manual of Examining Procedure §1209.01(c)(i), p. 1200–267 (Oct. 2018), http://tmep.uspto.gov. We need not address today the scope of the primary-significance test's application, for our analysis does not depend on whether one meaning among several is "primary." Sufficient to resolve this case is the undisputed principle that consumer perception demarcates a term's meaning.

like ".com," the resulting combination is generic. In other words, every "generic.com" term is generic according to the PTO, absent exceptional circumstances.[4]

The PTO's own past practice appears to reflect no such comprehensive rule. See, *e.g.*, Trademark Registration No. 3,601,346 ("ART.COM" on principal register for, *inter alia*, "[o]nline retail store services" offering "art prints, original art, [and] art reproductions"); Trademark Registration No. 2,580,467 ("DATING.COM" on supplemental register for "dating services"). Existing registrations inconsistent with the rule the PTO now advances would be at risk of cancellation if the PTO's current view were to prevail. See §1064(3). We decline to adopt a rule essentially excluding registration of "generic.com" marks. As explained below, we discern no support for the PTO's current view in trademark law or policy.

A

The PTO urges that the exclusionary rule it advocates follows from a common-law principle, applied in *Goodyear's India Rubber Glove Mfg. Co.* v. *Goodyear Rubber Co.*, 128 U. S. 598 (1888), that a generic corporate designation added to a generic term does not confer trademark eligibility. In *Goodyear*, a decision predating the Lanham Act, this Court held that "Goodyear Rubber Company" was not "capable of exclusive appropriation." *Id.*, at 602. Standing alone, the term "Goodyear Rubber" could not serve as a trademark because it referred, in those days, to "well-known classes of goods produced by the process known as Goodyear's invention." *Ibid.* "[A]ddition of the word 'Company'" supplied no protectable meaning, the Court concluded,

[4] The PTO notes only one possible exception: Sometimes adding a generic term to a generic top-level domain results in wordplay (for example, "tennis.net"). That special case, the PTO acknowledges, is not presented here and does not affect our analysis. See Brief for Petitioners 25, n. 6; Tr. of Oral Arg. 25–26.

because adding "Company" "only indicates that parties have formed an association or partnership to deal in such goods." *Ibid.* Permitting exclusive rights in "Goodyear Rubber Company" (or "Wine Company, Cotton Company, or Grain Company"), the Court explained, would tread on the right of all persons "to deal in such articles, and to publish the fact to the world." *Id.*, at 602–603.

"Generic.com," the PTO maintains, is like "Generic Company" and is therefore ineligible for trademark protection, let alone federal registration. According to the PTO, adding ".com" to a generic term—like adding "Company"—"conveys no additional meaning that would distinguish [one provider's] services from those of other providers." Brief for Petitioners 44. The dissent endorses that proposition: "Generic.com" conveys that the generic good or service is offered online "and nothing more." *Post*, at 1.

That premise is faulty. A "generic.com" term might also convey to consumers a source-identifying characteristic: an association with a particular website. As the PTO and the dissent elsewhere acknowledge, only one entity can occupy a particular Internet domain name at a time, so "[a] consumer who is familiar with that aspect of the domain-name system can infer that BOOKING.COM refers to *some* specific entity." Brief for Petitioners 40. See also Tr. of Oral Arg. 5 ("Because domain names are one of a kind, a significant portion of the public will always understand a generic '.com' term to refer to a specific business . . . ."); *post*, at 7 (the "exclusivity" of "generic.com" terms sets them apart from terms like "Wine, Inc." and "The Wine Company"). Thus, consumers could understand a given "generic.com" term to describe the corresponding website or to identify the website's proprietor. We therefore resist the PTO's position that "generic.com" terms are capable of signifying only an entire class of online goods or services and, hence,

are categorically incapable of identifying a source.[5]

The PTO's reliance on *Goodyear* is flawed in another respect. The PTO understands *Goodyear* to hold that "Generic Company" terms "are ineligible for trademark protection *as a matter of law*"—regardless of how "consumers would understand" the term. Brief for Petitioners 38. But, as noted, whether a term is generic depends on its meaning to consumers. *Supra*, at 6. That bedrock principle of the Lanham Act is incompatible with an unyielding legal rule that entirely disregards consumer perception. Instead, *Goodyear* reflects a more modest principle harmonious with Congress' subsequent enactment: A compound of generic elements is generic if the combination yields no additional meaning *to consumers* capable of distinguishing the goods or services.

The PTO also invokes the oft-repeated principle that "no matter how much money and effort the user of a generic term has poured into promoting the sale of its merchandise

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[5] In passing, the PTO urges us to disregard that a domain name is assigned to only one entity at a time. That fact, the PTO suggests, stems from "a functional characteristic of the Internet and the domain-name system," and functional features cannot receive trademark protection. Brief for Petitioners 32. "[A] product feature is functional, and cannot serve as a trademark," we have held, "if it is essential to the use or purpose of the article or if it affects the cost or quality of the article." *TrafFix Devices*, *Inc.* v. *Marketing Displays*, *Inc.*, 532 U. S. 23, 32 (2001) (internal quotation marks omitted); see §1052(e) (barring from the principal registrar "any matter that, as a whole, is functional"). This case, however, does not concern trademark protection for a feature of the Internet or the domain-name system; Booking.com lays no claim to the use of unique domain names generally. Nor does the PTO contend that the particular domain name "Booking.com" is essential to the use or purpose of online hotel-reservation services, affects these services' cost or quality, or is otherwise necessary for competitors to use. In any event, we have no occasion to decide the applicability of §1052(e)'s functionality bar, for the sole ground on which the PTO refused registration, and the sole claim before us, is that "Booking.com" is generic.

. . . , it cannot deprive competing manufacturers of the product of the right to call an article by its name." *Abercrombie & Fitch Co.* v. *Hunting World*, *Inc.*, 537 F. 2d 4, 9 (CA2 1976). That principle presupposes that a generic term is at issue. But the PTO's only legal basis for deeming "generic.com" terms generic is its mistaken reliance on *Goodyear*.

While we reject the rule proffered by the PTO that "generic.com" terms are generic names, we do not embrace a rule automatically classifying such terms as nongeneric. Whether any given "generic.com" term is generic, we hold, depends on whether consumers in fact perceive that term as the name of a class or, instead, as a term capable of distinguishing among members of the class.[6]

B

The PTO, echoed by the dissent, *post*, at 10–12, objects that protecting "generic.com" terms as trademarks would

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[6] Evidence informing that inquiry can include not only consumer surveys, but also dictionaries, usage by consumers and competitors, and any other source of evidence bearing on how consumers perceive a term's meaning. Surveys can be helpful evidence of consumer perception but require care in their design and interpretation. See Brief for Trademark Scholars as *Amici Curiae* 18–20 (urging that survey respondents may conflate the fact that domain names are exclusive with a conclusion that a given "generic.com" term has achieved secondary meaning). Moreover, difficult questions may be presented when a term has multiple concurrent meanings to consumers or a meaning that has changed over time. See, *e.g.*, 2 J. McCarthy, Trademarks and Unfair Competition §12:51 (5th ed. 2019) (discussing terms that are "a generic name to some, a trademark to others"); *id.*, §12:49 ("Determining the distinction between generic and trademark usage of a word . . . when there are no other sellers of [the good or service] is one of the most difficult areas of trademark law."). Such issues are not here entailed, for the PTO does not contest the lower courts' assessment of consumer perception in this case. See Pet. for Cert. I; Brief for Petitioners 17–18. For the same reason, while the dissent questions the evidence on which the lower courts relied, *post*, at 7–8, 9, we have no occasion to reweigh that evidence. Cf. *post*, at 1–2 (SOTOMAYOR, J., concurring).

disserve trademark law's animating policies. We disagree.

The PTO's principal concern is that trademark protection for a term like "Booking.com" would hinder competitors. But the PTO does not assert that others seeking to offer online hotel-reservation services need to call their services "Booking.com." Rather, the PTO fears that trademark protection for "Booking.com" could exclude or inhibit competitors from using the term "booking" or adopting domain names like "ebooking.com" or "hotel-booking.com." Brief for Petitioners 27–28. The PTO's objection, therefore, is not to exclusive use of "Booking.com" as a mark, but to undue control over similar language, *i.e.*, "booking," that others should remain free to use.

That concern attends any descriptive mark. Responsive to it, trademark law hems in the scope of such marks short of denying trademark protection altogether. Notably, a competitor's use does not infringe a mark unless it is likely to confuse consumers. See §§1114(1), 1125(a)(1)(A); 4 McCarthy §23:1.50 (collecting state law). In assessing the likelihood of confusion, courts consider the mark's distinctiveness: "The weaker a mark, the fewer are the junior uses that will trigger a likelihood of consumer confusion." 2 *id.*, §11:76. When a mark incorporates generic or highly descriptive components, consumers are less likely to think that other uses of the common element emanate from the mark's owner. *Ibid.* Similarly, "[i]n a 'crowded' field of look-alike marks" (*e.g.*, hotel names including the word "grand"), consumers "may have learned to carefully pick out" one mark from another. *Id.*, §11:85. And even where some consumer confusion exists, the doctrine known as classic fair use, see *id.*, §11:45, protects from liability anyone who uses a descriptive term, "fairly and in good faith" and "otherwise than as a mark," merely to describe her own goods. 15 U. S. C. §1115(b)(4); see *KP Permanent Make-Up, Inc.* v. *Lasting Impression I, Inc.*, 543 U. S. 111, 122–123 (2004).

These doctrines guard against the anticompetitive effects the PTO identifies, ensuring that registration of "Booking.com" would not yield its holder a monopoly on the term "booking." Booking.com concedes that "Booking.com" would be a "weak" mark. Tr. of Oral Arg. 66. See also *id.*, at 42–43, 55. The mark is descriptive, Booking.com recognizes, making it "harder . . . to show a likelihood of confusion." *Id.*, at 43. Furthermore, because its mark is one of many "similarly worded marks," Booking.com accepts that close variations are unlikely to infringe. *Id.*, at 66. And Booking.com acknowledges that federal registration of "Booking.com" would not prevent competitors from using the word "booking" to describe their own services. *Id.*, at 55.

The PTO also doubts that owners of "generic.com" brands need trademark protection in addition to existing competitive advantages. Booking.com, the PTO argues, has already seized a domain name that no other website can use and is easy for consumers to find. Consumers might enter "the word 'booking' in a search engine," the PTO observes, or "proceed directly to 'booking.com' in the expectation that [online hotel-booking] services will be offered at that address." Brief for Petitioners 32. Those competitive advantages, however, do not inevitably disqualify a mark from federal registration. All descriptive marks are intuitively linked to the product or service and thus might be easy for consumers to find using a search engine or telephone directory. The Lanham Act permits registration nonetheless. See §1052(e), (f). And the PTO fails to explain how the exclusive connection between a domain name and its owner makes the domain name a generic term all should be free to use. That connection makes trademark protection more appropriate, not less. See *supra*, at 9.

Finally, even if "Booking.com" is generic, the PTO urges, unfair-competition law could prevent others from passing off their services as Booking.com's. Cf. *Genesee Brewing Co.*

v. *Stroh Brewing Co.*, 124 F. 3d 137, 149 (CA2 1997); *Blinded Veterans Assn.* v. *Blinded Am. Veterans Foundation*, 872 F. 2d 1035, 1042–1048 (CADC 1989). But federal trademark registration would offer Booking.com greater protection. See, *e.g.*, *Genesee Brewing*, 124 F. 3d, at 151 (unfair-competition law would oblige competitor at most to "make more of an effort" to reduce confusion, not to cease marketing its product using the disputed term); *Matal*, 582 U. S., at ___ (slip op., at 5) (federal registration confers valuable benefits); Brief for Respondent 26 (expressing intention to seek protections available to trademark owners under the Anticybersquatting Consumer Protection Act, 15 U. S. C. §1125(d)); Brief for Coalition of .Com Brand Owners as *Amici Curiae* 14–19 (trademark rights allow mark owners to stop domain-name abuse through private dispute resolution without resorting to litigation). We have no cause to deny Booking.com the same benefits Congress accorded other marks qualifying as nongeneric.

* * *

The PTO challenges the judgment below on a sole ground: It urges that, as a rule, combining a generic term with ".com" yields a generic composite. For the above-stated reasons, we decline a rule of that order, one that would largely disallow registration of "generic.com" terms and open the door to cancellation of scores of currently registered marks. Accordingly, the judgment of the Court of Appeals for the Fourth Circuit regarding eligibility for trademark registration is

Affirmed.

SUPREME COURT OF THE UNITED STATES

No. 19–46

UNITED STATES PATENT AND TRADEMARK OFFICE, ET AL., PETITIONERS *v.* BOOKING.COM B. V.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

[June 30, 2020]

JUSTICE SOTOMAYOR, concurring.

The question before the Court here is simple: whether there is a nearly *per se* rule against trademark protection for a "generic.com" term. See *ante*, at 7–8; *post*, at 10 (BREYER, J., dissenting). I agree with the Court that there is no such rule, a holding that accords with how the U. S. Patent and Trademark Office (PTO) has treated such terms in the past. See *ante*, at 8 (noting that the "PTO's own past practice appears to reflect no such comprehensive rule"). I add two observations.

First, the dissent wisely observes that consumer-survey evidence "may be an unreliable indicator of genericness." *Post*, at 9–10. Flaws in a specific survey design, or weaknesses inherent in consumer surveys generally, may limit the probative value of surveys in determining whether a particular mark is descriptive or generic in this context. But I do not read the Court's opinion to suggest that surveys are the be-all and end-all. As the Court notes, sources such as "dictionaries, usage by consumers and competitors, and any other source of evidence bearing on how consumers perceive a term's meaning" may also inform whether a mark is generic or descriptive. *Ante*, at 11, n. 6.

Second, the PTO may well have properly concluded, based on such dictionary and usage evidence, that Booking.com is in fact generic for the class of services at issue

here, and the District Court may have erred in concluding to the contrary. But that question is not before the Court. With these understandings, I concur in the Court's opinion.

SUPREME COURT OF THE UNITED STATES

No. 19–46

UNITED STATES PATENT AND TRADEMARK OFFICE, ET AL., PETITIONERS *v.* BOOKING.COM B. V.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

[June 30, 2020]

JUSTICE BREYER, dissenting.

What is Booking.com? To answer this question, one need only consult the term itself. Respondent provides an online booking service. The company's name informs the consumer of the basic nature of its business and nothing more. Therein lies the root of my disagreement with the majority.

Trademark law does not protect generic terms, meaning terms that do no more than name the product or service itself. This principle preserves the linguistic commons by preventing one producer from appropriating to its own exclusive use a term needed by others to describe their goods or services. Today, the Court holds that the addition of ".com" to an otherwise generic term, such as "booking," can yield a protectable trademark. Because I believe this result is inconsistent with trademark principles and sound trademark policy, I respectfully dissent.

I

A

Trademark law protects those "'distinctive marks—words, names, symbols, and the like'" that "'distinguish a particular artisan's goods from those of others.'" *Matal* v. *Tam*, 582 U. S. ___, ___ (2017) (slip op., at 2) (quoting *B&B Hardware, Inc.* v. *Hargis Industries, Inc.*, 575 U. S. 138, 142 (2015)). To determine whether a given term is sufficiently

distinctive to serve as a trademark, courts generally place it in one of five categories. The first four kinds of terms are eligible for federal trademark registration. The fifth is not.

I list the first three only to give context and allow comparisons. They are: (1) "'fanciful'" terms, such as "Kodak" (film); (2) "'arbitrary'" terms, such as "Camel" (cigarettes); and (3) "'suggestive'" terms, such as "Tide" (laundry detergent). *Ante,* at 3. These kinds of terms are "'inherently distinctive.'" *Ibid.* The public can readily understand that they identify and distinguish the goods or services of one firm from those of all others. See *Two Pesos, Inc.* v. *Taco Cabana, Inc.*, 505 U. S. 763, 768 (1992). By preventing others from copying a distinctive mark, trademark law "protect[s] the ability of consumers to distinguish among competing producers" and "secure[s] to the owner of the mark the goodwill of his business." *Park 'N Fly, Inc.* v. *Dollar Park & Fly, Inc.*, 469 U. S. 189, 198 (1985). Ultimately, the purpose of trademark law is to "foster competition" and "suppor[t] the free flow of commerce." *Matal*, 582 U. S., at ___ (slip op., at 3) (internal quotation marks omitted).

This case concerns two further categories. There are "descriptive" terms, such as "Best Buy" (electronics) or "First National Bank" (banking services), that "immediately conve[y] information concerning a feature, quality, or characteristic" of the producer's goods or services. *In re North Carolina Lottery*, 866 F. 3d 1363, 1367 (CA Fed. 2017). A descriptive term can be registered as a trademark only if it acquires "secondary meaning"—*i.e.,* the public has come to associate it with a particular firm or its product. *Two Pesos*, 505 U. S., at 769.

There are also "generic" terms, such as "wine" or "haircuts." They do nothing more than inform the consumer of the kind of product that the firm sells. We have called generic terms "descriptive of a class of goods." *Goodyear's India Rubber Glove Mfg. Co.* v. *Goodyear Rubber Co.*, 128 U. S. 598, 602 (1888). And we have said that they simply

convey the "genus of which the particular product is a species." *Park 'N Fly*, 469 U. S., at 196. A generic term is not eligible for use as a trademark. That principle applies even if a particular generic term "ha[s] become identified with a first user" in the minds of the consuming public. *CES Publishing Corp.* v. *St. Regis Publications, Inc.*, 531 F. 2d 11, 13 (CA2 1975) (Friendly, J.). The reason is simple. To hold otherwise "would grant the owner of the mark a monopoly, since a competitor could not describe his goods as what they are." *Ibid.*

Courts have recognized that it is not always easy to distinguish generic from descriptive terms. See, *e.g., Abercrombie & Fitch Co.* v. *Hunting World, Inc.*, 537 F. 2d 4, 9 (CA2 1976) (Friendly, J.). It is particularly difficult to do so when a firm wishes to string together two or more generic terms to create a compound term. Despite the generic nature of its component parts, the term as a whole is not necessarily generic. In such cases, courts must determine whether the combination of generic terms conveys some distinctive, source-identifying meaning that each term, individually, lacks. See 2 J. McCarthy, Trademarks and Unfair Competition §12:39 (5th ed. June 2020 update) (McCarthy). If the meaning of the whole is no greater than the sum of its parts, then the compound is itself generic. See *Princeton Vanguard, LLC* v. *Frito-Lay North Am., Inc.*, 786 F. 3d 960, 966–967 (CA Fed. 2015); *In re Gould Paper Corp.*, 834 F. 2d 1017, 1018 (CA Fed. 1987) (registration is properly denied if "the separate words joined to form a compound have a meaning identical to the meaning common usage would ascribe to those words as a compound"); see also 2 McCarthy §12:39 (collecting examples of compound terms held to be generic).

In *Goodyear,* 128 U. S. 598, we held that appending the word "'Company'" to the generic name for a class of goods does not yield a protectable compound term. *Id.,* at 602–603. The addition of a corporate designation, we explained,

"only indicates that parties have formed an association or partnership to deal in such goods." *Id.,* at 602. For instance, "parties united to produce or sell wine, or to raise cotton or grain," may well "style themselves Wine Company, Cotton Company, or Grain Company." *Ibid.* But they would not thereby gain the right to exclude others from the use of those terms "for the obvious reason that all persons have a right to deal in such articles, and to publish the fact to the world." *Id.,* at 603. "[I]ncorporation of a company in the name of an article of commerce, without other specification," we concluded, does not "create any exclusive right to the use of the name." *Ibid.*

I cannot agree with respondent that the 1946 Lanham Act "repudiate[d] *Goodyear* and its ilk." Brief for Respondent 39. It is true that the Lanham Act altered the common law in certain important respects. Most significantly, it extended trademark protection to descriptive marks that have acquired secondary meaning. See *Qualitex Co.* v. *Jacobson Products Co.*, 514 U. S. 159, 171 (1995). But it did not disturb the basic principle that *generic* terms are ineligible for trademark protection, and nothing in the Act suggests that Congress intended to overturn *Goodyear*. We normally assume that Congress did not overturn a common-law principle absent some indication to the contrary. See *Astoria Fed. Sav. & Loan Assn.* v. *Solimino*, 501 U. S. 104, 108 (1991). I can find no such indication here. Perhaps that is why the lower courts, the Trademark Trial and Appeal Board (TTAB), the U. S. Patent and Trademark Office's (PTO) Trademark Manual of Examining Procedure (TMEP), and leading treatises all recognize *Goodyear*'s continued validity. See, *e.g., In re Detroit Athletic Co.*, 903 F. 3d 1297, 1304 (CA Fed. 2018); *In re Katch, LLC*, 2019 WL 2560528, *10 (TTAB 2019); TMEP §§1209.03(d) (Oct. 2018); 2 McCarthy §12:39; 4 L. Altman & M. Pollack, Callmann on Unfair Competition, Trademarks and Monopolies §18:11 (4th ed., June 2020 update).

More fundamentally, the *Goodyear* principle is sound as a matter of law and logic. *Goodyear* recognized that designations such as "Company," "Corp.," and "Inc." merely indicate corporate form and therefore do nothing to distinguish one firm's goods or services from all others'. 128 U. S., at 602. It follows that the addition of such a corporate designation does not "magically transform a generic name for a product or service into a trademark, thereby giving a right to exclude others." 2 McCarthy §12:39. In other words, where a compound term consists simply of a generic term plus a corporate designation, the whole is *necessarily* no greater than the sum of its parts.

B

This case requires us to apply these principles in the novel context of internet domain names. Respondent seeks to register a term, "Booking.com," that consists of a generic term, "booking" (known as the second-level domain) plus ".com" (known as the top-level domain). The question at issue here is whether a term that takes the form "generic.com" is generic in the ordinary course. In my view, appending ".com" to a generic term ordinarily yields no meaning beyond that of its constituent parts. Because the term "Booking.com" is just such an ordinary "generic.com" term, in my view, it is not eligible for trademark registration.

Like the corporate designations at issue in *Goodyear*, a top-level domain such as ".com" has no capacity to identify and distinguish the source of goods or services. It is merely a necessary component of any web address. See 1 McCarthy §7:17.50. When combined with the generic name of a class of goods or services, ".com" conveys only that the owner operates a website related to such items. Just as "Wine Company" expresses the generic concept of a company that deals in wine, "wine.com" connotes only a website that does the same. The same is true of "Booking.com." The

combination of "booking" and ".com" does not serve to "identify a particular characteristic or quality of some thing; it *connotes the basic nature of that thing*"—the hallmark of a generic term. *Blinded Veterans Assn.* v. *Blinded Am. Veterans Foundation*, 872 F. 2d 1035, 1039 (CADC 1989) (Ginsburg, J. for the court) (emphasis added; internal quotation marks omitted).

When a website uses an inherently distinctive second-level domain, it is obvious that adding ".com" merely denotes a website associated with that term. Any reasonably well-informed consumer would understand that "post-it.com" is the website associated with Post-its. See *Minnesota Min. & Mfg. Co.* v. *Taylor*, 21 F. Supp. 2d 1003, 1005 (Minn. 1998). Likewise, "plannedparenthood.com" is obviously just the website of Planned Parenthood. See *Planned Parenthood Federation of Am., Inc.* v. *Bucci*, 1997 WL 133313, *8 (SDNY, Mar. 24, 1997). Recognizing this feature of domain names, courts generally ignore the top-level domain when analyzing likelihood of confusion. See *Brookfield Communications, Inc.* v. *West Coast Entertainment Corp.*, 174 F. 3d 1036, 1055 (CA9 1999).

Generic second-level domains are no different. The meaning conveyed by "Booking.com" is no more and no less than a website associated with its generic second-level domain, "booking." This will ordinarily be true of any generic term plus ".com" combination. The term as a whole is just as generic as its constituent parts. See 1 McCarthy §7:17.50; 2 *id.*, §12:39.50.

There may be exceptions to this rule in rare cases where the top-level domain interacts with the generic second-level domain in such a way as to produce meaning distinct from that of the terms taken individually. See *ante,* at 8, n. 4. Likewise, the principles discussed above may apply differently to the newly expanded universe of top-level domains, such as ".guru," ".club," or ".vip," which may "conve[y] information concerning a feature, quality, or characteristic" of

the website at issue. *In re North Carolina Lottery*, 866 F. 3d, at 1367; see also Brief for International Trademark Association as *Amicus Curiae* 10–11; TMEP § 1209.03(m). These scenarios are not presented here, as "Booking.com" conveys only a website associated with booking.

C

The majority believes that *Goodyear* is inapposite because of the nature of the domain name system. Because only one entity can hold the contractual rights to a particular domain name at a time, it contends, consumers may infer that a "generic.com" domain name refers to some specific entity. *Ante*, at 9.

That fact does not distinguish *Goodyear*. A generic term may suggest that it is associated with a specific entity. That does not render it nongeneric. For example, "Wine, Inc." implies the existence of a specific legal entity incorporated under the laws of some State. Likewise, consumers may perceive "The Wine Company" to refer to some specific company rather than a genus of companies. But the addition of the definite article "the" obviously does not transform the generic nature of that term. See *In re The Computer Store, Inc.*, 211 USPQ 72, 74–75 (TTAB 1981). True, these terms do not carry the exclusivity of a domain name. But that functional exclusivity does not negate the principle animating *Goodyear*: Terms that merely convey the nature of the producer's business should remain free for all to use. See 128 U. S., at 603.

This case illustrates the difficulties inherent in the majority's fact-specific approach. The lower courts determined (as the majority highlights), that consumers do not use the term "Booking.com" to refer to the class of hotel reservation websites in ordinary speech. 915 F. 3d 171, 181–183 (CA4 2019); *ante,* at 7. True, few would call Travelocity a "Booking.com." *Ibid.* But literal use is not dispositive. See 915 F. 3d, at 182; *H. Marvin Ginn Corp.* v. *International Assn.*

of Fire Chiefs, Inc., 782 F. 2d 987, 989–990 (CA Fed. 1986). Consumers do not use the term "Wine, Incs." to refer to purveyors of wine. Still, the term "Wine, Inc." is generic because it signifies only a company incorporated for that purpose. See *Goodyear*, 128 U. S., at 602–603. Similarly, "Booking, Inc." may not be trademarked because it signifies only a booking company. The result should be no different for "Booking.com," which signifies only a booking website.

More than that, many of the facts that the Court supposes may distinguish some "generic.com" marks as descriptive and some as generic are unlikely to vary from case to case. There will never be evidence that consumers literally refer to the relevant class of online merchants as "generic.coms." Nor are "generic.com" terms likely to appear in dictionaries. And the key fact that, in the majority's view, distinguishes this case from *Goodyear*—that only one entity can own the rights to a particular domain name at a time—is present in every "generic.com" case. See *ante*, at 9.

What, then, stands in the way of automatic trademark eligibility for every "generic.com" domain? Much of the time, that determination will turn primarily on survey evidence, just as it did in this case. See 915 F. 3d, at 183–184.

However, survey evidence has limited probative value in this context. Consumer surveys often test whether consumers associate a term with a single source. See 2 McCarthy §12:14–12:16 (describing types of consumer surveys). But it is possible for a generic term to achieve such an association—either because that producer has enjoyed a period of exclusivity in the marketplace, *e.g.*, *Kellogg Co.* v. *National Biscuit Co.*, 305 U. S. 111, 118–119 (1938), or because it has invested money and effort in securing the public's identification, *e.g.*, *Abercrombie*, 537 F. 2d, at 9. Evidence of such an association, no matter how strong, does not negate the generic nature of the term. *Ibid.* For that reason, some courts and the TTAB have concluded that survey evidence

is generally of little value in separating generic from descriptive terms. See *Schwan's IP, LLC* v. *Kraft Pizza Co.*, 460 F. 3d 971, 975–976 (CA8 2006); *Hunt Masters, Inc.* v. *Landry's Seafood Restaurant, Inc.*, 240 F. 3d 251, 254–255 (CA4 2001); *A. J. Canfield Co.* v. *Honickman*, 808 F. 2d 291, 301–303 (CA3 1986); *Miller Brewing Co.* v. *Jos. Schlitz Brewing Co.*, 605 F. 2d 990, 995 (CA7 1979); *In re Hikari Sales USA, Inc.*, 2019 WL 1453259, *13 (TTAB 2019). Although this is the minority viewpoint, see 2 McCarthy §12:17.25, I nonetheless find it to be the more persuasive one.

Consider the survey evidence that respondent introduced below. Respondent's survey showed that 74.8% of participants thought that "Booking.com" is a brand name, whereas 23.8% believed it was a generic name. App. 66. At the same time, 33% believed that "Washingmachine.com"—which does not correspond to any company—is a brand, and 60.8% thought it was generic. *Ibid.*

What could possibly account for that difference? "Booking.com" is not *inherently* more descriptive than "Washingmachine.com" or any other "generic.com." The survey participants who identified "Booking.com" as a brand likely did so because they had heard of it, through advertising or otherwise. If someone were to start a company called "Washingmachine.com," it could likely secure a similar level of consumer identification by investing heavily in advertising. Would that somehow transform the nature of the term itself? Surely not. This hypothetical shows that respondent's survey tested consumers' association of "Booking.com" with a particular company, not anything about the term itself. But such association does not establish that a term is nongeneric. See *Kellogg*, 305 U. S., at 118–119; *Abercrombie*, 537 F. 2d, at 9.

Under the majority's approach, a "generic.com" mark's eligibility for trademark protection turns primarily on survey

data, which, as I have explained, may be an unreliable indicator of genericness. As the leading treatise writer in this field has observed, this approach "[d]iscard[s] the predictable and clear line rule of the [PTO] and the Federal Circuit" in favor of "a nebulous and unpredictable zone of generic name and top level domain combinations that somehow become protectable marks when accompanied by favorable survey results." 1 McCarthy §7:17.50. I would heed this criticism. In my view, a term that takes the form "generic.com" is not eligible for federal trademark registration, at least not ordinarily. There being no special circumstance here, I believe that "Booking.com" is a generic term not eligible for federal registration as a trademark.

II

In addition to the doctrinal concerns discussed above, granting trademark protection to "generic.com" marks threatens serious anticompetitive consequences in the online marketplace.

The owners of short, generic domain names enjoy all the advantages of doing business under a generic name. These advantages exist irrespective of the trademark laws. Generic names are easy to remember. Because they immediately convey the nature of the business, the owner needs to expend less effort and expense educating consumers. See Meystedt, What Is My URL Worth? Placing a Value on Premium Domain Names, 19 Valuation Strategies 10, 12 (2015) (Meystedt) (noting "ability to advertise a single URL and convey exactly what business a company operates"); cf. Folsom & Teply, Trademarked Generic Words, 89 Yale L. J. 1323, 1337–1338 (1980) (Folsom & Teply) (noting "'free advertising' effect"). And a generic business name may create the impression that it is the most authoritative and trustworthy source of the particular good or service. See Meystedt 12 (noting that generic domain names inspire "[i]nstant trust and credibility" and "[a]uthority status in

an industry"); cf. Folsom & Teply 1337, n. 79 (noting that consumers may believe that "no other product is the 'real thing'"). These advantages make it harder for distinctively named businesses to compete.

Owners of generic domain names enjoy additional competitive advantages unique to the internet—again, regardless of trademark protection. Most importantly, domain name ownership confers automatic exclusivity. Multiple brick-and-mortar companies could style themselves "The Wine Company," but there can be only one "wine.com." And unlike the trademark system, that exclusivity is worldwide.

Generic domains are also easier for consumers to find. A consumer who wants to buy wine online may perform a keyword search and be directed to "wine.com." Or he may simply type "wine.com" into his browser's address bar, expecting to find a website selling wine. See Meystedt 12 (noting "ability to rank higher on search engines" and "ability to use existing type-in traffic to generate additional sales"); see also 915 F. 3d, at 189 (Wynn, J., concurring in part and dissenting in part). The owner of a generic domain name enjoys these benefits not because of the quality of her products or the goodwill of her business, but because she was fortunate (or savvy) enough to be the first to appropriate a particularly valuable piece of online real estate.

Granting trademark protection to "generic.com" marks confers additional competitive benefits on their owners by allowing them to exclude others from using *similar* domain names. Federal registration would allow respondent to threaten trademark lawsuits against competitors using domains such as "Bookings.com," "eBooking.com," "Booker.com," or "Bookit.com." Respondent says that it would not do so. See Tr. of Oral Arg. 55–56. But other firms may prove less restrained.

Indeed, why would a firm want to register its domain name as a trademark unless it wished to extend its area of

exclusivity beyond the domain name itself? The domain name system, after all, already ensures that competitors cannot appropriate a business's actual domain name. And unfair-competition law will often separately protect businesses from passing off and false advertising. See *Genesee Brewing Co.* v. *Stroh Brewing Co.*, 124 F. 3d 137, 149 (CA2 1997); 2 McCarthy §12:2.

Under the majority's reasoning, many businesses could obtain a trademark by adding ".com" to the generic name of their product (*e.g.*, pizza.com, flowers.com, and so forth). As the internet grows larger, as more and more firms use it to sell their products, the risk of anticompetitive consequences grows. Those consequences can nudge the economy in an anticompetitive direction. At the extreme, that direction points towards one firm per product, the opposite of the competitive multifirm marketplace that our basic economic laws seek to achieve.

Not to worry, the Court responds, infringement doctrines such as likelihood of confusion and fair use will restrict the scope of protection afforded to "generic.com" marks. *Ante,* at 12–13. This response will be cold comfort to competitors of "generic.com" brands. Owners of such marks may seek to extend the boundaries of their marks through litigation, and may, at times succeed. See, *e.g.*, *Advertise.com* v. *AOL, LLC*, 2010 WL 11507594 (CD Cal.) (owner of "Advertising.com" obtained preliminary injunction against competitor's use of "Advertise.com"), vacated in part, 616 F. 3d 974 (CA9 2010). Even if ultimately unsuccessful, the threat of costly litigation will no doubt chill others from using variants on the registered mark and privilege established firms over new entrants to the market. See Brief for Electronic Frontier Foundation as *Amicus Curiae* 19–20.

* * *

In sum, the term "Booking.com" refers to an internet

booking service, which is the generic product that respondent and its competitors sell. No more and no less. The same is true of "generic.com" terms more generally. By making such terms eligible for trademark protection, I fear that today's decision will lead to a proliferation of "generic.com" marks, granting their owners a monopoly over a zone of useful, easy-to-remember domains. This result would tend to inhibit, rather than to promote, free competition in online commerce. I respectfully dissent.

No.

In the Supreme Court of the United States

GOOGLE LLC, PETITIONER

v.

ORACLE AMERICA, INC.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

The Copyright Act provides that, while "original works of authorship" are generally eligible for copyright protection, 17 U.S.C. 102(a), "[i]n no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work," 17 U.S.C. 102(b). The Act also makes clear that "the fair use of a copyrighted work * * * is not an infringement of copyright." 17 U.S.C. 107.

As is relevant here, software interfaces are lines of computer code that allow developers to operate prewritten libraries of code used to perform particular tasks. Since the earliest days of software development, developers have used interfaces to access essential tools for building new computer programs. Contravening that longstanding practice, the Federal Circuit in this case held both that a software interface is copyrightable and that petitioner's use of a software interface in a new computer program cannot constitute fair use as a matter of law.

The questions presented are:

1. Whether copyright protection extends to a software interface.

2. Whether, as the jury found, petitioner's use of a software interface in the context of creating a new computer program constitutes fair use.

CORPORATE DISCLOSURE STATEMENT

Petitioner Google LLC is an indirect subsidiary of Alphabet Inc., a publicly held company. Alphabet Inc. has no parent corporation, and no publicly held company owns 10% or more of its stock.

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GOOGLE LLC, PETITIONER

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ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

Google LLC respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit in this case.

OPINIONS BELOW

The opinion of the court of appeals regarding fair use (App., *infra*, 1a-55a) is reported at 886 F.3d 1179. The district court's orders denying respondent's motions for judgment as a matter of law (App., *infra*, 92a-120a) and for a new trial (App., *infra*, 56a-91a) are unreported.

The earlier opinion of the court of appeals regarding copyrightability (App., *infra*, 121a-192a) is reported at 750 F.3d 1339. The district court's order granting petitioner's motion for judgment as a matter of law (App., *infra*, 212a-272a) is reported at 872 F. Supp. 2d 974.

JURISDICTION

The judgment of the court of appeals was entered on March 27, 2018. A petition for rehearing was denied on August 28, 2018 (App., *infra*, 299a-300a). On October 23, 2018, the Chief Justice extended the time within which to file a petition for a writ of certiorari to and including January 25, 2019. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

STATUTORY PROVISIONS INVOLVED

The relevant provisions of the Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541, are reproduced in the appendix to this petition (App., *infra*, 285a-299a).

STATEMENT

This case has been aptly described as the "copyright lawsuit of the decade." Anandashankar Mazumdar, *Oracle Victory Stirs Uncertainties in Software Copyright*, Bloomberg Law (May 10, 2018) <tinyurl.com/suitdecade>. As it comes to this Court, the case presents two exceptionally important questions concerning the copyrightability and fair use of software interfaces—lines of computer code that are necessary to allow developers to operate prewritten libraries of code used to perform particular tasks.

The first question is whether copyright protection extends to a software interface. This Court granted certiorari to resolve a closely related question in *Lotus Development Corp.* v. *Borland International, Inc.*, 516 U.S. 233 (1996) (per curiam), but the Court deadlocked 4-4 on that question after oral argument. The second question is whether, as the jury found, petitioner's use of a software interface in the context of creating a new computer program constitutes fair use. The lower courts are badly in

need of guidance on how to apply the fair-use doctrine in the context of computer code.

This case involves a high-profile dispute between two leading technology companies, petitioner Google and respondent Oracle. Sun Microsystems originally developed the Java platform, which includes the free Java programming language. The software interfaces at issue are part of the Java language's application programming interface (API). Sun encouraged developers to learn the Java language by touting the ability to use software interfaces—also known as "the Java API declarations"—to access preexisting libraries of code used to perform particular tasks. The interfaces thereby facilitated development of programs in the Java language.

Google used some of the Java API declarations to build Android, a revolutionary platform for modern mobile devices such as smartphones and tablets. Google incorporated those declarations to allow developers to write applications for Android using the Java language. Sun originally applauded Google for using the Java language. But after Oracle acquired Sun, it sued Google for copyright infringement.

After years of litigation, the Federal Circuit (which had jurisdiction because of Oracle's initial assertion of now-dismissed patent claims) has twice reversed judgments in Google's favor. It first held that the Java API declarations are copyrightable and then overturned a jury's verdict that Google's use of the declarations constituted fair use. The Federal Circuit thereby deepened the acknowledged conflicts among the courts of appeals concerning the application of the Copyright Act and the merger doctrine in the context of computer software.

Google has never disputed that some forms of computer code are entitled to copyright protection. But the Federal Circuit's widely criticized opinions—in an area in

which that court has no specialized expertise—go much further, throwing a devastating one-two punch at the software industry. If allowed to stand, the Federal Circuit's approach will upend the longstanding expectation of software developers that they are free to use existing software interfaces to build new computer programs. Developers who have invested in learning free and open programming languages such as Java will be unable to use those skills to create programs for new platforms—a result that will undermine both competition and innovation. Because this case is an optimal vehicle for addressing the exceptionally important questions presented, the petition for a writ of certiorari should be granted.

A. Background

1. Modern smartphones are "such a pervasive and insistent part of daily life that the proverbial visitor from Mars might conclude they were an important feature of human anatomy." *Riley* v. *California*, 134 S. Ct. 2473, 2484 (2014). Given the ubiquity of smartphones today, it is easy to forget the challenges that developers initially faced in building the operating systems that allow modern smartphones to perform their myriad functions. Among other things, developers had to account for smaller processors, limited memory and battery life, and the need to support mobile communications and interactive applications. C.A. App. 21958.

In 2008, Google overcame those challenges and released Android, an open-source platform designed to enable mobile devices such as smartphones and tablets. The Android platform took over three years to build, and Google had almost 100 engineers working on the project. C.A. App. 21858, 21861-21862. In the decade since its release, Android has become one of the most widely used

mobile operating systems, with billions of users worldwide.

Google built Android using the Java programming language. Sun Microsystems released the Java language in the 1990s and made it free and open for all to use without a license. Sun's motives for doing so were not entirely altruistic: Sun believed that the resulting proliferation of Java developers would drive sales of Sun hardware and other services. Java has become one of the world's most popular programming languages. App., *infra*, 216a.

Java 2 Standard Edition (Java SE) is a platform used to write and run programs for desktop and server computers. Java SE includes the Java language, which in turn contains the Java application programming interface (API). C.A. App. 51447-51448. The Java API provides access to prewritten "methods." In Java, as in many other programming languages, methods are used to program specific, commonly performed tasks. Each method consists of two parts: a method header and a method body. The method header is also known as a "declaration" or "declaring code," because it labels (or "declares") the method, typically by reference to what the method will do. The declaration also includes information about where the method is located in the Java API libraries. The method body, also known as the "implementing code," is the underlying code that actually performs the task stated in the declaration. App., *infra*, 126a.

The relationship between the declaration and the implementing code is analogous to the interaction between a keyboard and a word-processing program. Just as a typist writes "a" by pressing a particular key, causing the word-processing program to display that letter, a developer triggers a particular function by using the relevant declaration to run the corresponding implementing code. By allowing developers easily to access the libraries of

prewritten code in a standard manner, the Java API facilitates the creation of programs in the Java language across different platforms, much as the now-standard QWERTY keyboard layout facilitates the creation of documents by enabling more efficient typing regardless of the specific word-processing program being used.

Once the corresponding declaration is used for a particular method, the developer does not need to worry about or even understand the specifics of the method's implementing code. Instead, all a developer needs to do to invoke a method is to use a shorthand command derived from the method's declaration. App., *infra*, 4a-5a, 126a-127a. By using the shorthand commands, a developer can create complex software without having to write new implementing code for every routine task. *Id.* at 4a.

3. In 2005, Google and Sun began discussing a partnership that would have allowed Google to adapt the entire Java SE platform for smartphones. Google and Sun conducted negotiations but were unable to reach an agreement. In the absence of such an agreement, Google used the freely available Java language (and its declarations) to develop its own libraries of methods that enabled developers to build smartphone applications for use on Android devices. App., *infra*, 106a-107a, 117a, 218a-219a.

At the same time, Google understood that developers would want to use their existing Java language skills to create Android applications, including their knowledge of familiar declarations and shorthand commands to trigger common operations. For those commands to work on the Android platform, Google had to replicate the syntax and structure of the Java API declarations *exactly*; any change to those declarations would have prevented developers from reusing the same commands, thereby forcing them to learn new commands for each routine task. Google accordingly used the same declarations for certain

methods in 37 Java API libraries that were determined by Google to be "key to mobile devices." App., *infra*, 219a. For every one of those methods, however, Google wrote its own implementing code, tailoring the code to accommodate the unique challenges of the smartphone environment. *Id.* at 218a-219a.

Because Google independently wrote the implementing code that formed the body of each method, using only certain declarations, only 3% of the code was the same across the 37 disputed Java API libraries and the corresponding Android libraries. App., *infra*, 220a. In total, that overlapping code represented less than 0.1% of the over 15 million relevant lines of code in Android.

B. Procedural History

1. Sun was aware that Google was developing Android using the Java language, including the API declarations, but never objected or mentioned its Java copyrights to Google. C.A. App. 50363, 51692-51693. To the contrary, Sun initially celebrated the launch of Android. Its chief executive officer publicly offered "heartfelt congratulations" to Google, stating that Google had "strapped another set of rockets to the [Java] community's momentum." *Id.* at 55325.

In 2010, however, Oracle acquired Sun. A few months after the acquisition, Oracle sued Google in the United States District Court for the Northern District of California, alleging seven counts of patent infringement. Oracle eventually withdrew five of its patent-infringement claims, and the jury found against Oracle on the two remaining claims.

Oracle's complaint also asserted a single claim of copyright infringement. Although the Java language was free and open, Oracle claimed that Google's use of the

Java API declarations infringed Oracle's copyrights. Oracle asserted that Google had impermissibly copied the declarations and also the "structure, sequence, and organization" of the Java API; Oracle premised the latter claim on the theory that the declarations "embod[ied] the structure" of the Java API by specifying the name and location of each method. App., *infra*, 140a.

After a two-week trial, the jury considered the copyright-infringement claims but was ultimately unable to reach a verdict, hanging on Google's fair-use defense. The district court then granted Google's motion for judgment as a matter of law on the copyright claims. App., *infra*, 212a-272a. The district court held that the Java API declarations were not copyrightable because they constituted a "method of operation" under 17 U.S.C. 102(b). App., *infra*, 262a-263a, 265a. The court further held that the declarations were not copyrightable under the merger doctrine, which provides that, "when there is only one (or only a few) ways to express something, then no one can claim ownership of such expression by copyright." *Id.* at 261a. The court also denied Oracle's motion for judgment as a matter of law on Google's fair-use defense. *Id.* at 211a.

2. The Federal Circuit reversed and remanded. App., *infra*, 121a-192a.

Recognizing a three-way circuit conflict on the copyrightability question, the Federal Circuit first reasoned that the merger doctrine was "irrelevant" to copyrightability and was in any event not satisfied here, because Sun could have written the declarations in more than one way. App., *infra*, 142a-143a, 148a, 150a-151a. The Federal Circuit then reasoned that Section 102(b) "does not extinguish the protection accorded a particular expression of an idea merely because that expression is embodied in a method of operation." *Id.* at 161a (internal quota-

tion marks and citation omitted). In the court's view, Section 102(b) served only to codify the "idea/expression dichotomy"—that is, the principle that "[c]opyright protection extends only to the expression of an idea—not to the underlying idea itself." *Id.* at 137a. The Federal Circuit remanded for a new trial on Google's fair-use defense, concluding that the record did not "contain[] sufficient factual findings upon which [the court] could base a de novo assessment." *Id.* at 184a.

3. Google petitioned for a writ of certiorari, and this Court called for the Solicitor General's views. The government acknowledged that Google's petition raised "substantial and important" concerns about the effects of enforcing Oracle's copyrights on software development, including lock-in effects and restrictions on interoperability. 14-410 U.S. Br. 10, 17. But the government recommended against certiorari, citing the case's then-interlocutory posture and noting that its concerns could be addressed on remand through the fair-use defense. See *id.* at 10, 22. This Court denied review. 135 S. Ct. 2887 (2015).

4. On remand, after another two-week trial featuring dozens of witnesses and hundreds of exhibits, the jury found that Google had engaged in fair use. The district court denied Oracle's motions for judgment as a matter of law and for a new trial. App., *infra*, 56a-120a.

5. The Federal Circuit again reversed and remanded. Having concluded in the first appeal that the fair-use defense should be decided by a jury because the panel could not resolve the underlying factual issues, the same panel reversed course and held that Google had not engaged in fair use as a matter of law. App., *infra*, 1a-55a.

The non-exclusive factors relevant to determining fair use include (1) the purpose and character of the use; (2) the nature of the copyrighted work; (3) the amount and

substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect on the potential market for or value of the copyrighted work. See 17 U.S.C. 107. In holding that Google had not engaged in fair use, the Federal Circuit focused primarily on the first and fourth factors. App., *infra*, 25a-53a.

As to the first factor, the Federal Circuit determined that the commercial nature of Google's use of the declarations weighed against a finding of fair use. App., *infra*, 25a-28a. In considering whether Google's use was transformative, the Federal Circuit asserted that the declarations served the same function in Android as in the Java platform, and it concluded on that basis that the declarations themselves had not been transformed—even though Google used the declarations to create an entirely new smartphone platform and developed new implementing code tailored to the smartphone environment. *Id.* at 28a-37a.

As to the fourth factor, the Federal Circuit found that Java SE had been used in early mobile phones, which meant that "Android competed directly with [Java] in the market for mobile devices." App., *infra*, 50a. And even if Java SE had not been so used, the Federal Circuit would still have concluded that there was market harm by considering how "Google's copying affected potential markets Oracle *might* enter or derivative works it *might* create or license others to create." *Id.* at 51a (emphases added).

Weighing the four enumerated factors together, and without considering other relevant evidence as this Court has required, the Federal Circuit held that Google did not engage in fair use as a matter of law. App., *infra*, 53a-54a. Having overturned the jury's verdict, the court remanded for a trial on damages. *Id.* at 54a-55a.

6. After calling for a response, the Federal Circuit denied Google's petition for rehearing. App., *infra*, 283a-284a.

REASONS FOR GRANTING THE PETITION

The questions presented in this case are of critical importance to the computer software industry, one of the principal drivers of the nation's economy. Because new software builds on components of existing software, innovation in this field largely depends on how copyright law treats software interfaces, the essential building blocks of software development. The Federal Circuit has upended the computer industry's longstanding expectation that developers are free to use software interfaces to build new computer programs. In the opinions under review, the Federal Circuit first deemed software interfaces to be copyrightable, then held that petitioner's reuse of such interfaces could not be fair use as a matter of law because the interfaces performed the same function in the new software.

The Federal Circuit has deepened an existing circuit conflict over the copyrightability of software interfaces. Other courts of appeals have concluded that similar interfaces are not copyrightable under both the plain language of Section 102(b) of the Copyright Act and the merger doctrine. And as to fair use, the Federal Circuit misapplied the doctrine and rendered it essentially impossible for the reuse of software interfaces to qualify as fair use. The Court should review and correct the Federal Circuit's distortion of copyright law in an area crucial to technological innovation.

A. This Court Should Grant Review To Decide Whether Copyright Protection Extends To A Software Interface

The Federal Circuit's first opinion deepens acknowledged conflicts among the courts of appeals regarding the

proper interpretation of Section 102(b) of the Copyright Act and the application of the merger doctrine.

1. Under Section 102(b), copyright protection does not extend to "any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such [original] work." 17 U.S.C. 102(b). More than two decades ago, the Court granted certiorari to consider whether that provision "bars protection for [a] menu command hierarchy despite its expressive characteristics, because it assists users in communicating with a computer program in order to perform useful operations." Br. at i, *Lotus Development Corp.* v. *Borland International, Inc.*, 516 U.S. 233 (1996) (No. 94-2003). The Court deadlocked 4-4 on that question after oral argument, and the division among the courts of appeals has only grown with the intervening rise of the modern software industry. Given its obvious importance and its close relation to the question left unresolved in *Lotus*, the question presented here cries out for the Court's review.

a. The First and Sixth Circuits have held that Section 102(b) precludes copyright protection for all methods of operation, including those embodied in computer software interfaces.

The First Circuit's decision in *Lotus* concerned the menu command hierarchy in Lotus 1-2-3, a then-ubiquitous spreadsheet program. See 49 F.3d 807, 809 (1995). The First Circuit acknowledged that "the Lotus developers made some expressive choices" in creating the hierarchy, but it nevertheless held that the hierarchy constituted a "method[] of operation" and was thus excluded from copyright protection under Section 102(b). *Id.* at 816. That was true regardless of whether the developers "could have designed the Lotus menu command hierarchy

differently." *Ibid.* Because the "menu command hierarchy provides the means by which users control and operate" the spreadsheet program, the hierarchy constituted a method of operation. *Id.* at 815.

The Sixth Circuit adopted a similar rule in *Lexmark International, Inc.* v. *Static Control Components, Inc.*, 387 F.3d 522 (2004). The court reasoned that, "even if a work is in some sense 'original' under § 102(a), it still may not be copyrightable because [of] § 102(b)." *Id.* at 534. The Sixth Circuit reaffirmed that understanding in *ATC Distribution Group, Inc.* v. *Whatever It Takes Transmissions & Parts, Inc.*, 402 F.3d 700 (2005). There, it explained that, although methods of operation may be "[o]riginal and creative," Section 102(b) excludes them from copyright protection because they are "the idea itself" rather than the "expression of the idea." *Id.* at 707.

b. For its part, the Third Circuit has taken the diametrically opposite position, holding that Section 102(b) was "not intended to enlarge or contract the scope of copyright protection" but rather to codify the "somewhat metaphysical" dichotomy between idea and expression. *Apple Computer, Inc.* v. *Franklin Computer Corp.*, 714 F.2d 1240, 1252, 1253 (1983), cert. denied, 464 U.S. 1033 (1984). In the Third Circuit's view, a "method of operation" embodied in a software interface is copyrightable as long as it could have been written differently and still serve the same high-level purpose, such as "to aid in the business operations of a dental laboratory." *Whelan Associates, Inc.* v. *Jaslow Dental Laboratory, Inc.*, 797 F.2d 1222, 1238 (1986), cert. denied, 479 U.S. 1031 (1987).

c. The Second Circuit has adopted still another approach: the so-called "abstraction/filtration/comparison" test. See *Computer Associates International, Inc.* v. *Altai, Inc.*, 982 F.2d 693, 706 (1992). Under that test, a court

should first "dissect the allegedly copied program's structure and isolate each level of abstraction contained within it." *Id.* at 707. The court should then "filter[] * * * protectable expression from non-protectable material." *Ibid.* Finally, after isolating the "golden nugget" of "protectable expression," the court should inquire whether "the defendant copied any aspect of this protected expression." *Id.* at 710. The Second Circuit's test has since been adopted by the Fifth and Tenth Circuits (with the Tenth Circuit expressly rejecting the First Circuit's approach in *Lotus*). See *Engineering Dynamics, Inc.* v. *Structural Software, Inc.*, 26 F.3d 1335, 1342 (5th Cir. 1994); *Engineering Dynamics, Inc.* v. *Structural Software, Inc.*, 46 F.3d 408, 409 (5th Cir. 1995) (supplemental opinion); *Mitel, Inc.* v. *Iqtel, Inc.*, 124 F.3d 1366, 1371-1372 (10th Cir. 1997).

d. In this case, the Federal Circuit purported to apply the Second Circuit's abstraction/filtration/comparison test. At the same time, however, the Federal Circuit also relied on the Third Circuit's more categorical test, which the Second Circuit's test was intended to replace. App., *infra*, 142a-143a, 161a-162a; see *Computer Associates*, 982 F.2d at 705-706.

In short, the courts of appeals are deeply divided on the appropriate standard for determining the circumstances under which a software interface is copyrightable under Section 102(b). At a minimum, the Federal Circuit's standard directly conflicts with the standard adopted by the First and Sixth Circuits. The Court should grant review to resolve the conflict among the courts of appeals on this exceptionally important issue.

2. In addition to deepening a circuit conflict regarding the proper interpretation of Section 102(b), the Federal Circuit took sides in a related circuit conflict concern-

ing the merger doctrine. That doctrine follows from Section 102(b)'s exclusion of ideas from the scope of copyright protection; it provides that, where an idea is incapable of being expressed in more than one way, the idea and expression "merge" and become unprotectable. 4 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* §13.03[B][3] (2015) (Nimmer).

The Federal Circuit concluded that the merger doctrine does not restrict copyright protection for computer code necessary for interoperability as long as the original author could have written the code in more than one way. App., *infra*, 150a-151a. In so concluding, the Federal Circuit aligned itself with the Third Circuit, which has stated that, "once the plaintiff creates a copyrightable work, a defendant's desire 'to achieve total compatibility * * * is a commercial and competitive objective which does not enter into the * * * issue of whether particular ideas and expressions have merged.'" *Id.* at 171a (quoting *Apple Computer*, 714 F.2d at 1253).

The position of the Third and Federal Circuits on the role of interoperability in the merger doctrine is directly contrary to that of the Sixth Circuit, which has found that "[p]rogram code that is strictly necessary to achieve current compatibility presents a merger problem, almost by definition, and is thus excluded from the scope of any copyright." *Lexmark*, 387 F.3d at 536 (internal quotation marks omitted).

The Federal Circuit further concluded that the merger doctrine plays no role in the copyrightability analysis and is instead merely an affirmative defense to *infringement* once copyrightability has been established. App., *infra*, 144a-145a. That position accords with holdings of two circuits, but it cannot be reconciled with the holdings of two others. See *Kregos* v. *Associated Press*, 937 F.2d 700, 705 (2d Cir. 1991), cert. denied, 510 U.S. 1112 (1992);

Ets-Hokin v. *Skyy Spirits, Inc.*, 225 F.3d 1068, 1082 (9th Cir. 2000); but see *Lexmark*, 387 F.3d at 535; *Veeck* v. *Southern Building Code Congress International, Inc.*, 293 F.3d 791, 801-802 (5th Cir. 2002) (en banc), cert. denied, 539 U.S. 969 (2003). That conflict is important in its own right, and it further supports this Court's review here.

3. The Federal Circuit erred in holding that the Java API declarations were copyrightable.

a. To begin with, the declarations constitute uncopyrightable methods of operation. Section 102(b) provides that "in no case does copyright protection for an original work of authorship extend to any * * * method of operation * * * regardless of the form in which it is described, explained, illustrated, or embodied in such work." 17 U.S.C. 102(b).

Ignoring the plain text of the statute, the Federal Circuit held that "components of a program that can be characterized as a 'method of operation' may nevertheless be copyrightable." App., *infra*, 161a. According to that court, "Section 102(a) and 102(b) are to be considered collectively so that certain expressions are subject to greater scrutiny." *Id.* at 141a-142a.

The Federal Circuit's approach is untenable, and its bottom line is incorrect. The Java API declarations simply tell developers how to access the prewritten methods to perform tasks carried out by the implementing code. App., *infra*, 4a-5a, 126a-127a. In that respect, the declarations are analogous to a set of rules developers are trained to follow when writing programs in the Java language. If the rules were changed, the prewritten methods would not work. For that reason, the declarations are necessarily part of the method of operating the libraries of prewritten code. See, *e.g.*, *Lotus*, 49 F.3d at 817-818.

The conclusion that the declarations are uncopyrightable is not affected by the fact that other aspects of the Java API libraries, like the implementing code, may be copyrightable. Quite to the contrary, "[t]he mere fact that a work is copyrighted does not mean that every element of the work may be protected." *Feist Publications, Inc.* v. *Rural Telephone Service Co.*, 499 U.S. 340, 348 (1991); see Pamela Samuelson, *Why Copyright Law Excludes Systems and Processes From the Scope of Its Protection*, 85 Tex. L. Rev. 1921, 1921 (2007). In the specific context of computer programs, the legislative history of Section 102(b) shows that Congress intended to "make clear that the expression adopted by the programmer is the copyrightable element in a computer program," while "the actual processes or methods embodied in the program are not within the scope of the copyright law." H.R. Rep. No. 1476, 94th Cong., 2d Sess. 56-57 (1976); S. Rep. No. 473, 94th Cong., 1st Sess. 54 (1975).

Consistent with Congress's expectation, courts have held that "aspects" of a computer program that constitute "functional requirements for compatibility" with other programs are "not protected by copyright" under Section 102(b). *Sega Enterprises Ltd.* v. *Accolade, Inc.*, 977 F.2d 1510, 1522 (9th Cir. 1992); see *Sony Computer Entertainment, Inc.* v. *Connectix Corp.*, 203 F.3d 596, 603 (9th Cir.), cert. denied, 531 U.S. 871 (2000). The Federal Circuit erred when it failed to draw a similar distinction here.

b. In holding that the declarations are copyrightable, the Federal Circuit also misapplied the merger doctrine.

That doctrine originated in this Court's seminal decision in *Baker* v. *Selden*, 101 U.S. (11 Otto) 99 (1880). The plaintiff had developed an accounting system and wrote a book explaining it. See *id.* at 100. His book included "certain forms or blanks, consisting of ruled lines, and headings, illustrating the system and showing how it is to be

used and carried out in practice." *Ibid.* The plaintiff contended that the forms were part of the book and therefore copyrightable. See *id.* at 101.

The Court rejected the plaintiff's argument. "The copyright of a work," the Court explained, "cannot give to the author an exclusive right to the methods of operation which he propounds, or to the diagrams which he employs to explain them." 101 U.S. at 103. A monopoly over those methods and diagrams could be secured only by patent law, not copyright, and in the absence of a patent, "any person may practise and use the art itself." *Id.* at 104. In short, "where the [useful] art [a work] teaches cannot be used without employing the methods and diagrams used to illustrate the book, or such as are similar to them, such methods and diagrams are to be considered as necessary incidents to the art, and given therewith to the public." *Id.* at 103.

In the context of computer programs, the merger doctrine "means that when specific instructions, even though previously copyrighted, are the only and essential means of accomplishing a given task, their later use by another will not amount to an infringement." National Commission on New Technological Uses of Copyrighted Works, *Final Report of the National Commission on New Technological Uses of Copyrighted Works*, 3 Computer L.J. 53, 74 (1981). But the Federal Circuit took a completely different approach. In its view, the merger doctrine was inapplicable because "alternative expressions [we]re available" for the ideas embodied in the declarations. App., *infra*, 151a. Under that approach, however, the merger doctrine would be a nullity in the software context: it is difficult to see how any idea embodied in computer code could ever merge with its expression, because there will always be an alternative way of naming and stating the rules for

a specific function (such as determining the larger of two numbers).

Baker illustrates why that approach cannot be correct. It made no difference to the Court's analysis whether the defendant could have performed accounting generally without the plaintiff's forms, or whether the defendant could have developed his own, analogous accounting method. The critical point was that, having created an accounting system, the plaintiff disclosed it to the public. And because the plaintiff's forms were necessary for the public to use that precise system, they could not be copyrighted.

Here, as the district court found, using the Java API declarations was the only way to allow independent developers to rely on their preexisting knowledge of the Java language when creating new programs. App., *infra*, 103a-105a, 263a. If Google had not replicated the declarations exactly, developers' code that is "clearly [their] own work product" and was written using the industry-standard Java shorthand commands would not have run on Android. *Lotus*, 49 F.3d at 818. The developers would have been locked into the Java platform (which Oracle controlled) and would have been unable to reuse their own code, or their knowledge of familiar interfaces and commands, on the Android platform (or any other).

The First Circuit's decision in *Lotus* strongly supports the foregoing analysis. The spreadsheet program at issue allowed users to write customized programs, or "macros," that enabled them to execute a series of commands automatically by typing a single pre-programmed keystroke. See *Lotus*, 49 F.3d at 809. The defendant enabled prospective customers who had created their own macros in Lotus 1-2-3 to switch to its competing spreadsheet program without learning new commands or rewriting their macros. See *id.* at 810.

In *Lotus*, the First Circuit rejected the notion that Lotus could compel a user to "rewrite his or her macro using [another] program's menu command hierarchy." 49 F.3d at 818. As the court recognized, "forcing the user to cause the computer to perform the same operation in a different way ignores Congress's direction in § 102(b) that 'methods of operation' are not copyrightable." *Ibid.*; see *id.* at 819-820 (Boudin, J., concurring). So too here: the Federal Circuit's decision to extend copyright protection to the Java API declarations effectively grants Oracle a patent-like monopoly over the Java language.

In rejecting that reasoning, the Federal Circuit relied on the premise that Google could have given different names to Android's methods and libraries. App., *infra*, 153a-154a. Because Oracle had already selected names for Java's methods and libraries, however, the declarations could be written only in one way to permit Java-fluent developers to use the familiar shorthand commands. In any event, as the district court noted, it is well settled that such names and short phrases are not copyrightable. *Id.* at 264a.

The Federal Circuit compounded the error in its merger analysis by focusing exclusively on the choices available to Sun, Oracle's predecessor, at the time it created Java. With respect to the merger inquiry under Section 102(b), the question is "not whether *any* alternatives theoretically exist"; instead, it is "whether other options practically exist under the circumstances" and are "feasible within real-world constraints." *Lexmark*, 387 F.3d at 536.

The Federal Circuit should have taken account of the expressive choices available to *Google* when it created Android. Only then could it properly evaluate Google's claim that duplicating aspects of the Java API declarations was necessary to allow developers to create applications for

the Android platform using the free Java language, with the same functionality they were taught by Sun to expect of that language. See Pamela Samuelson, *Questioning Copyrights in Standards*, 48 B.C. L. Rev. 193, 215 (2007); *Lotus*, 49 F.3d at 819-820 (Boudin, J., concurring). For that additional reason, the Federal Circuit's merger analysis was deeply flawed, and its holding that the Java API declarations were copyrightable warrants further review.

B. This Court Should Grant Review To Decide Whether, As The Jury Found, Petitioner's Use Of A Software Interface In The Context Of Creating A New Computer Program Constitutes Fair Use

Even assuming that the Java API declarations were copyrightable, Google engaged in fair use when it used some of those declarations. In holding that Google's use was not fair as a matter of law, the Federal Circuit misapplied the precedents of this Court and others on the fair-use doctrine. In particular, the Federal Circuit failed to account for the functional nature of software interfaces; took an unduly constrained view of transformative use; and rendered the market-harm factor an essentially circular inquiry.

The Federal Circuit not only misapplied the fair-use doctrine; relying on its own (unsupported) findings, it also overturned a jury verdict along the way. In the earlier appeal in this case, the Federal Circuit remanded the fair-use issue to the jury out of "due respect for the limit of [its] appellate function." App., *infra*, 182a. After the retrial, the jury issued a verdict in Google's favor on fair use. At that point, the Federal Circuit did an about-face, taking the highly unusual step of setting aside the jury's verdict and deciding fair use in Oracle's favor as a matter of law. *Id.* at 53a-54a.

Because the jury returned a general verdict on fair use, the Federal Circuit correctly stated that it "must assume that the jury resolved all factual issues relating to the historical facts in favor of the verdict." App., *infra*, 23a. But the Federal Circuit said one thing and did another: it reconsidered for itself a number of factual issues presented to the jury and resolved those issues in support of the conclusion that Google's use was unfair as a matter of law. See p. 28, *infra*. To permit that approach would condone an unprecedented degree of appellate second-guessing of factual determinations in fair-use cases. This Court's intervention is urgently warranted to rectify the Federal Circuit's profoundly flawed approach.

1. The fair-use doctrine has long been a cornerstone of copyright law. That exception to copyright infringement, now codified in 17 U.S.C. 107, grew out of the recognition that new works "must necessarily borrow[] and use much which was well known and used before." *Campbell* v. *Acuff-Rose Music, Inc.*, 510 U.S. 569, 575 (1994) (citation omitted). As a result, "[f]rom the infancy of copyright protection, some opportunity for fair use of copyrighted materials has been thought necessary to fulfill copyright's very purpose." *Ibid.* To that end, the fair-use doctrine seeks to balance the "need simultaneously to protect copyrighted material and to allow others to build upon it." *Ibid.*

Four non-exclusive factors guide the fair-use analysis: (1) the purpose and character of the use; (2) the nature of the copyrighted work; (3) the substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect on the potential market for or value of the copyrighted work. 17 U.S.C. 107. Those factors are to be "weighed together[] in light of the purposes of copyright." *Campbell*, 510 U.S. at 578. The ultimate aim in applying those factors is to "avoid rigid application of the copyright

statute" when "it would stifle the very creativity which that law is designed to foster." *Stewart* v. *Abend*, 495 U.S. 207, 236 (1990).

2. In its opinion on fair use, the Federal Circuit engaged in precisely the kind of rigid application that this Court warned against. It made at least three critical errors, one that infected the entire analysis and two that pertained to the fair-use factors that drove its reasoning—the purpose and character of the use and the effect on the actual or potential market.

a. As a matter of overall approach, the Federal Circuit failed to adapt the fair-use doctrine to the functional nature of software interfaces. Each software interface is designed to trigger the performance of a specific operation, such as finding the larger of two numbers. In considering the second fair-use factor, the nature of the copyrighted work, the Federal Circuit acknowledged that "functional considerations were both substantial and important" and thus that the second factor "favors a finding of fair use." App., *infra*, 42a. But the Federal Circuit ignored how the functional nature of software interfaces affects the fair-use analysis as a whole.

A functional work is entitled only to thin copyright protection—which, in turn, makes it easier to prove a noninfringing, fair use of that work. This Court has recognized that "some works are closer to the core of intended copyright protection than others, with the consequence that fair use is more difficult to establish when the former works are copied." *Campbell*, 510 U.S. at 586. Unlike literary or artistic works, software interfaces "perform[] functions that are not entitled to copyright protection." *Sony*, 203 F.3d at 602. In light of that functional character, interfaces lie "at a distance from the core" of copy-

right protection and are thus owed a "lower degree of protection than more traditional literary works." *Id.* at 603; see *Sega*, 977 F.2d at 1527.

In its opinion on fair use, the Federal Circuit seemingly took a contrary position. While recognizing the functional nature of software interfaces, the Federal Circuit gave them the same copyright protection—and, as is relevant here, the same fair-use treatment—afforded to literary and artistic works. The Federal Circuit thus systematically erred when it discounted the particular characteristics of software interfaces.

b. Beyond that overarching flaw, the Federal Circuit applied the fair-use factors incorrectly and too rigidly. That is most apparent in its consideration of the first fair-use factor, the purpose and character of the use—and, in particular, a component of that factor, transformative use. Transformative use focuses on "whether the new work merely supersede[s] the objects of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message." *Campbell*, 510 U.S. at 579 (internal quotation marks and citations omitted).

The Federal Circuit's most fundamental mistake in analyzing transformative use was in fixating only on the material that Google reused (certain Java API declarations) and assessing whether that material was itself transformed in the new work. App., *infra*, 32a-37a. That is not the correct inquiry. As numerous courts have indicated, "a secondary work can be transformative in function or purpose without altering or actually adding to the original work." *American Society for Testing & Materials* v. *Public.Resource.Org, Inc.*, 896 F.3d 437, 450 (D.C. Cir. 2018); see *Swatch Group Management Services Ltd.* v. *Bloomberg L.P.*, 756 F.3d 73, 84 (2d Cir. 2014); *Seltzer* v. *Green Day*, 725 F.3d 1170, 1177 (9th Cir. 2013).

Instead, the correct inquiry focuses on the "new work" *as a whole*, asking whether the "new work * * * adds something new [to the copyrighted work], with a further purpose or different character." *Campbell*, 510 U.S. at 579. That new purpose or character, in turn, informs the degree and nature of the transformation necessary to qualify as fair use: for example, a parody "needs to mimic an original to make its point," which may include copying the heart of the original work to "make the object of its critical wit recognizable." *Id.* at 580-581, 588.

Here, both the new work Google created and its use of the Java API declarations were undoubtedly transformative. Google set out to create an entirely new platform for smartphones. In contrast, the original work, Java SE, was designed for desktop and server computers. The new Android platform would have to accommodate resource constraints, such as limited memory and battery life, that did not apply to Java SE. See p. 4, *supra*. The Federal Circuit therefore erred when it suggested that Google's new platform merely changed existing computer code from one medium or format to another. App., *infra*, 35a-37a.

The new work also used the Java API declarations in a transformative way. The declarations formed only a small part of the new work. Because the Android platform needed to be tailored to a new smartphone environment, Google had to develop all of its own implementing code for Android, including new implementing code for the Java API declarations. App., *infra*, 112a, 114a. Google created entirely new libraries, including new declarations and implementing code, for functions necessary to operate modern smartphones, such as touchscreens, web browsing, the built-in camera, and location awareness.

To be sure, Google did incorporate certain Java API declarations from Java SE. That limited incorporation allowed developers to use the Java language to build applications for Android. By the same token, Google's use of the declarations prevented Oracle from locking in developers familiar with the Java language into building applications only for Oracle's platforms. Notably, the government recognized those "legitimate concerns" of lock-in effects and interoperability in addressing Google's earlier petition for certiorari in this case, and it highlighted fair use as the proper way to accommodate those concerns. 14-410 U.S. Br. 17.

Such interoperability was critical for developers programming in the Java language. At Sun's and Oracle's encouragement, developers had invested in learning the Java language and had grown accustomed to using the well-known shorthand commands derived from the Java API declarations. The district court likened those declarations to the keys on a QWERTY keyboard. App., *infra*, 104a. Developers therefore wanted to use the Java API declarations to write code for Android applications in the Java language. To allow such code to run on Android, Google had to incorporate the applicable Java API declarations. By allowing applications written in the Java language to operate in the new environment, those declarations took on a "further purpose or different character" in Android that they did not have in Java SE. *Campbell*, 510 U.S. at 579.

In the Federal Circuit's view, Google's incorporation of the software interfaces into a new work was effectively irrelevant for fair-use purposes, because the Java API declarations performed the same function in the original and new works. App., *infra*, 33a. That is a dangerous misapplication of the fair-use doctrine with breathtakingly broad implications. If a mere identity of function were

enough to preclude fair use, the reuse of any preexisting computer code in new software would never fall within the fair-use defense. That is because computer code is essentially a set of instructions that performs the same function whenever it is used. See, *e.g.*, *Sega*, 977 F.2d at 1524.

Here, the Java API declarations operated via entirely new implementing code in Android. For instance, the declaration may call for something to be displayed, and the corresponding implementing code would display the output on the touchscreen of a smartphone, rather than the monitor of a desktop computer. The reuse of the Java API declarations in Android simply permitted developers to program Android applications in the free and open Java language.

The Federal Circuit effectively dismissed the concerns regarding lock-in effects and interoperability that the government has recognized as "substantial and important," 14-410 U.S. Br. 17, and that other courts have similarly emphasized, see, *e.g.*, *Sega*, 977 F.2d at 1526-1527. If Google had used entirely different interfaces in Android, developers would have had to learn the new interfaces to operate the prewritten methods that they already knew from the Java language. Developers could not have used the familiar, industry-standard Java shorthand commands to build Android applications and would therefore have been deterred from doing so.

As a practical matter, then, precluding Google's use of the Java API declarations would permit Oracle to accrue market power via copyright, locking in developers that had invested in learning the Java language and making it difficult for them to use those skills to program for new platforms. See *Lotus*, 49 F.3d at 821 (Boudin, J., concurring). Oracle's control, in turn, would effectively block competing platforms from accessing developers trained in the Java language. Because interfaces are central to how

developers operate software, control over interfaces gives rise to barriers to entry and implicates issues of competition and innovation that warrant this Court's review.

c. The Federal Circuit's approach to the fourth fair-use factor—the effect on the actual or potential market for the copyrighted work—was similarly flawed. As this Court has explained, the fair-use doctrine applies to "copying by others which does not materially impair the marketability of the work which is copied." *Harper & Row Publishers, Inc.* v. *Nation Enterprises*, 471 U.S. 539, 566-567 (1985). The Federal Circuit concluded that Google's use of the Java API declarations caused harm to Oracle's *actual* market because Java SE was purportedly also used in mobile phones before Android's debut. App., *infra*, 50a-51a. And even if there was no actual harm, the Federal Circuit concluded that there was potential harm because smartphones were a "traditional, reasonable, or likely to be developed market" for Java SE. *Id.* at 51a-52a.

The Federal Circuit reached those conclusions only by improperly revisiting and reversing the jury's implicit factual determinations. Whether and to what extent Java SE was used in mobile devices were disputed issues below. The Federal Circuit acknowledged that it "must assume that the jury resolved all factual issues relating to the historical facts in favor of the verdict." App., *infra*, 23a. Yet it rejected that assumption and instead made its own (erroneous) determination that Java SE was in fact used in early mobile devices comparable to Android before Android's release. See *id.* at 50a-51a. If the Federal Circuit had deferred to the jury, as it was required to do, it would have concluded that Java SE was never used in a modern smartphone and that Java SE and Android occupied different markets, which meant that there was no actual market harm.

The Federal Circuit further concluded that, simply because Oracle *could* have tried to adapt Java SE for use in smartphones, Google's use of the Java API declarations in a mobile platform caused harm to a potential market. App., *infra*, 51a-52a. To find market harm on that basis, however, is entirely circular. The fair-use issue arose in this case precisely because Google did not "pay a fee for the right to * * * use" the declarations. *Bill Graham Archives* v. *Dorling Kindersley Ltd.*, 448 F.3d 605, 614 (2d Cir. 2006). If the potential market for the copyrighted material is defined to include the market for licensing the exact use at issue, then potential market harm is baked into the market definition. Courts and commentators alike have warned against watering down the market-harm inquiry in that way. See, *e.g.*, 4 Nimmer § 13.05[A][4]; *Swatch Group*, 756 F.3d at 91.

In sum, the Federal Circuit's fair-use analysis is replete with errors and cannot be reconciled with the decisions of this Court and others. Further review is warranted on the fair-use question, as well as the copyrightability question.

C. The Questions Presented Are Exceptionally Important And Warrant Review In This Case

1. Above and beyond the broader implications for copyright law, this case warrants the Court's attention for its sheer practical importance. Repeatedly hailed as the "copyright lawsuit of the decade," this case presents a conflict between two giants of the technology industry, Google and Oracle. At the center of this dispute is Android, a platform used worldwide by billions of users. And what Oracle is seeking here is nothing less than complete control over a community of developers that have invested in learning the free and open Java language. That effort

aims to stifle rather than encourage the creation of new works.

Given the enormous stakes, it is unsurprising that this case has drawn widespread attention, including from the Court. The last time that Google sought review in this case—when the sole question involved copyrightability—this Court called for the views of the Solicitor General. While the government advised against granting certiorari while the case was in an interlocutory posture, it noted "substantial and important concerns" that in its view should be addressed through the fair-use doctrine. 14-410 U.S. Br. 17. Numerous industry groups, academics, and other interested parties filed amicus briefs in the proceedings below. And numerous commentators have highlighted the widespread impact of the Federal Circuit's decision and stressed the need for this Court's intervention. See, *e.g.*, Tony Dutra, *Oracle Victory in Copyright Case Has Seeds for a Google Appeal*, Bloomberg Law (Mar. 28, 2018) <tinyurl.com/dutraarticle>.

As those amici and commentators have warned, if allowed to stand, the Federal Circuit's approach would have a devastating impact on the development of computer software. Although this case involves software interfaces, the Federal Circuit's reasoning has implications for all computer code. In particular, if code must perform a different function in a new work for the fair-use defense to apply, then a developer will be foreclosed from reusing copyrighted code designed to execute one particular function.

The Federal Circuit's reasoning threatens the prevailing approach to building computer software. Developers are not coding programs entirely from scratch, as they may have been in the early days of programming. Instead, new programs now incorporate and rely on preexisting interfaces to trigger certain functions, which saves

the wasted effort of reinventing and retesting what came before. See David Orenstein, *Application Programming Interface*, ComputerWorld (Jan. 10, 2000) <tinyurl.com/orensteinarticle>. If the Federal Circuit's approach is allowed to stand, developers will be forced to abandon their traditional building-block approach to software development. At the very least, they will be left in confusion about whether and when their longstanding practices constitute copyright infringement.

Not only does the Federal Circuit's approach wreak havoc on copyright law, but it also risks disturbing the balance between copyright law and patent law, the two principal bodies of law that govern innovation. The Federal Circuit has effectively provided blanket copyright protection to an entire class of computer code. It has done so despite repeated warnings from other courts that patent law may be better equipped to address the functional aspects of computer code. See, *e.g.*, *Sony*, 203 F.3d at 605; *Computer Associates*, 982 F.2d at 712; *Sega*, 977 F.2d at 1526. As those courts have pointed out, if the creator of computer code "wishes to obtain a lawful monopoly on the *functional concepts* in its software, it must satisfy the more stringent standards of the patent laws," including novelty and nonobviousness. *Sony*, 203 F.3d at 605 (emphasis added). In contrast, "copyright registration—with its indiscriminating availability—is not ideally suited to deal with the highly dynamic technology of computer science." *Computer Associates*, 982 F.2d at 712.

The Federal Circuit's approach pays no heed to those warnings. In the opinions under review, the Federal Circuit afforded software interfaces a government-granted monopoly based on a more relaxed standard and for a much longer period than permitted by patent law. Software interfaces—the critical building blocks of software development—can now be kept out of the public domain

for at least 70 years after the creator's death. This Court should closely scrutinize the Federal Circuit's expansion of copyright law into the traditional territory of the patent system.

2. This case is an ideal vehicle for considering the questions presented. The Federal Circuit has now squarely held both that software interfaces are copyrightable and that petitioner's reuse of such interfaces did not constitute fair use as a matter of law. The questions presented have been exhaustively briefed by the parties and their amici below.

There would be no material benefit from further percolation on the questions presented. As to copyrightability, there has been a persistent circuit conflict, and the arguments for both sides have been amply considered by the courts of appeals. See pp. 12-17, *supra*. And as to fair use, the numerous errors in various aspects of the Federal Circuit's analysis warrant the Court's intervention. That is particularly true because a copyright holder will be able to invoke the Federal Circuit's jurisdiction through the simple expedient of including a patent claim. See, *e.g.*, Joe Mullin, *Cisco v. Arista Awaits a Jury Verdict Under the Oracle v. Google Shadow*, ArsTechnica (Dec. 14, 2016) <tinyurl.com/y9xxd4zf> (noting the use of the same strategy in another case).

In short, the Federal Circuit has deepened a widely recognized conflict on the copyrightability of software interfaces and effectively excluded their reuse from the fair-use defense. The courts of appeals have taken divergent approaches to the application of copyright law to computer software, a key driver of technological innovation. The Federal Circuit should not have the final word in this landmark case. This Court's review is unquestionably warranted.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted.

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No. 18-956

IN THE
Supreme Court of the United States

GOOGLE LLC,

Petitioner,

v.

ORACLE AMERICA, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO
THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

BRIEF IN OPPOSITION

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QUESTIONS PRESENTED

The Copyright Act protects "original works of authorship," including "literary works," 17 U.S.C. §102(a), defined as "works … expressed in words, numbers, or other verbal or numerical symbols or indicia," *id.* §101. "Computer program[s]," which the Act defines as "set[s] of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result," are literary works copyrightable under the Act. *Id.* Google copied 11,500 lines of Oracle's original, human-readable computer source code, as well as the intricate structure and organization of 37 large packages of computer programs, into a competing software platform. The questions presented are:

1. Does the Copyright Act protect Oracle's computer source code that Google concedes was original and creative and that Oracle could have written in any number of ways to perform the same function?

2. Was the Court of Appeals correct in holding that it is not fair use as a matter of law for Google to copy Oracle's code into a competing commercial platform for the purpose of appealing to Oracle's fanbase, where Google could have written its own software platform without copying, and Google's copying substantially harmed the actual and potential markets for Oracle's copyrighted works?

CORPORATE DISCLOSURE STATEMENT

Respondent in this Court, plaintiff-appellant below, is Oracle America, Inc. Oracle America, Inc. is not publicly traded. It is a subsidiary of Oracle Corporation (NYSE: ORCL), a publicly traded company. No other publicly held company owns 10% or more of its stock.

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INTRODUCTION[1]

Half of Google's petition has already been rejected, and the other half does not even purport to present a circuit conflict.

Google previously sought certiorari, in this very case, regarding whether Oracle's creative computer code is copyrightable. This Court denied review of that question in 2015 after inviting the views of the Solicitor General. The United States explained that Oracle's code is copyrightable and that Google's claim of a circuit conflict was meritless. Google now seeks review of that same question with the same arguments. But Google identifies nothing that has changed. The question has not recurred. Nor has software development suffered the devastating impact Google predicted; the industry is doing better than ever.

Google tacks onto its failed copyrightability arguments a request to review the Court of Appeals' fair use ruling. But Google does not allege a split; it just wants this Court to reassess how to apply the statutory four-factor test to this factual record.

The Court of Appeals' decisions correctly applied settled copyright doctrine to Google's egregious conduct. Oracle spent years and hundreds of millions of dollars writing a blockbuster work—a software platform. Google then refused Oracle's offer of a license

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[1] "C.A." refers to the Court of Appeals Appendix. Amicus briefs are cited as "___ Br." The Government's previous invitation brief is cited as "U.S. Br." It is available here: <https://tinyurl.com/yyefhw7r>.

and copied the most recognizable portions of that work into a competing platform for the express purpose of capturing Oracle's fan base. Naturally, it inflicted incalculable market harm on Oracle. This is the epitome of copyright infringement, whether the work is a news report, a manual, or computer software.

Nevertheless, Google argues that wholesale copying must be allowed for the specific category of computer code it copied, which it describes as "lines of computer code that allow developers to operate prewritten libraries of code used to perform particular tasks." Pet. I. Joined by the usual amici who favor weaker protection for software, Google claims the Court of Appeals' decision imperils the future of "interoperable" software. But Google has conceded that it purposely made its platform *in*compatible with Oracle's. So this is no case to consider the copyright implications of interoperability. In any event, the Copyright Act's plain text protects code whether it is "used directly or indirectly in a computer in order to bring about a certain result." 17 U.S.C. §101. Google cites not a single case—in any court—that has ever held that copying this volume of code (or this much structure and organization) into a competing work is fair.

It is therefore unsurprising that, in addition to the United States' support in this Court, numerous experts and stakeholders—including the former Register of Copyrights, the Business Software Alliance, other technology companies, and computer scientists—supported Oracle's position below. Microsoft, EMC Corporation, and NetApp warned that *Google's* position on copyrightability "would destabilize the

software industry." *Oracle I*, Microsoft Br. 9. These observers refute Google's doomsday predictions about the imminent demise of the software industry necessitating immediate review. Google's predictions also fail on their own terms because they are based on distortions of the Court of Appeals' holdings.

The petition should be denied.

STATEMENT OF THE CASE

Oracle Develops Computer Programs That Help Programmers Write Their Own Applications

Oracle created and continuously improved the Java 2 Standard Edition Platform ("Java SE" or "Java platform").[2] App. 4a-5a. The Java platform is one of the most popular and revolutionary works of computer software. App. 6a. It makes it easier to develop and run popular applications ("apps") written in the Java programming language. App. 5a-6a.

Two features contributed most to the Java platform's popularity. The first was that, unlike other platforms, it enabled app programmers to "write programs that 'run on different types of computer hardware without having to rewrite them.'" App. 4a. Hence, Java's credo: "write once, run anywhere." *Id.*

Second, the Java platform contains thousands of prewritten programs. Programmers can use those programs to build their own apps "rather than write their own code to perform [certain] functions from

[2] Oracle acquired Sun. We refer to them collectively as "Oracle."

scratch." *Id*. Each program contains two categories of code: "declaring code" and "implementing code." App. 4a-5a. The declaring code is like the chapter headings and topic sentences of an elaborate literary work: It introduces, names, and describes each prewritten program to help programmers learn and remember what those prewritten programs do. *Id*.

The URLConnection program, for example, has the following declaring code:

> *public URLConnection openConnection() throws java.io.IOException.*

A later app programmer who wanted to connect her application to BankofAmerica.com without writing her own code would call on Oracle's prewritten code by typing:

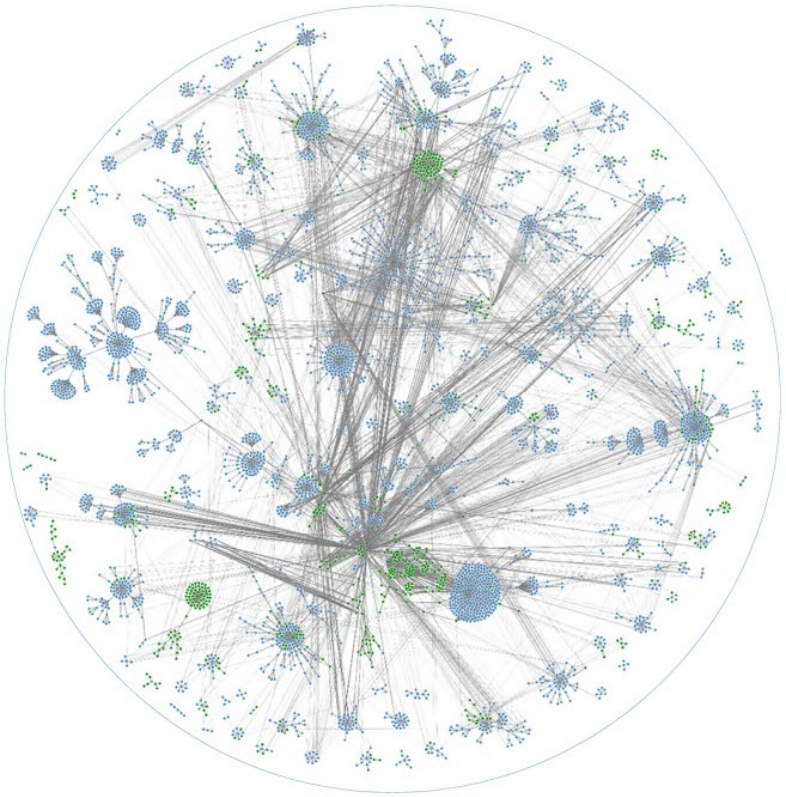
> *new URL('http://www.bankofamerica.com').open Connection().*

Then, when the program runs, the Java platform recognizes the code and invokes the corresponding "implementing code" to connect to www.BankofAmerica.com. App. 5a.

The prewritten programs are interconnected through an elaborate "structure, sequence, and organization." *Oracle II*, C.A. 50,959 (stipulation). At the highest level, related programs are organized into memorable groups called "packages." App. 4a. Oracle further organized each package into "a collection of classes and each class contains methods," which "perform[] a specific function," such as opening an internet connection. *Id.* These software packages are called

"APIs" ("application programming interfaces"). The Java platform contains over 30,000 methods, 3000 classes, and 166 packages. App. 5a.

Below is a map of the structure and organization of just the packages and classes (omitting the added layer of complexity of 30,000 methods). Each line represents the Java developers' conscious choice to create interrelationships among the packages and classes:



Oracle II, C.A. 1821. Given this vast complexity, Google acknowledged that "designing the Java API packages was a creative process." App. 140a.

All agree that Oracle had an infinite range of possible options to choose from in writing the code and organizing the programs in and among packages. App. 150a. It took Oracle's "most senior[,] experienced and talented" developers years to write some of the packages. *Oracle I*, C.A. 20,459, 20,791, 20,921.

Contrary to Google's keyboard analogy (at 5), the declaring code is far more expressive than the letters on a keyboard. First, each key on a keyboard is a single character, while declaring code can be "extremely long" and expressive, such as:

> *public abstract void verify (PublicKey key, String sigProvider)*
> *throws CertificateException,No-SuchAlgorithmException, InvalidKeyException, NoSuchProviderException, SignatureException*

Oracle II, C.A. 51,452-63. Second, while "ASDFG" expresses nothing to anyone, Oracle's declaring code communicates to programmers what each program does, how it relates to the other programs, and what you need to do to make it work. Third, in terms of complexity, there is no comparison between the relationship among 26 keys and the Java platform's intricate organization (depicted only partially above) among 30,000 programs.

Oracle Develops A Licensing Regime To Ensure Compatibility

Implicit in the foregoing explanation is a crucial distinction that Google elides—between *app* programmers who use Oracle's Java platform to create apps

and *platform* developers who copy it to commercialize their own competing platform.

App programmers write the sorts of fun, useful, and quirky apps that run on your tablet or smartphone. Oracle offers app programmers a license to use the platform for free. App. 5a.

Oracle recoups its investment in the Java platform mainly by licensing it to (1) hardware manufacturers who copy the platform onto their devices (e.g., PCs, phones, or tablets) to run the wide variety of apps from app programmers and (2) competing platform developers who want to use Oracle's programs to commercialize their own platforms. Any platform developer that does not want to take a license is free to develop its own platform with identical functions without copying the Java platform. Apple and Microsoft did it. App. 149a & n.5. But if a commercial platform developer wants to copy or adapt the Java platform, Oracle requires it to take a license.

One option is an "open source" license called OpenJDK that allows a developer to use the software packages for free so long as it agrees to make its revisions to the platform public and "give away those changes for free" to their competitors. App. 5a-6a. Commercial enterprises disfavor this option because they do not want to invest in making improvements only to give them away to their competitors. If the platform developer wants to keep its code proprietary, then it takes a commercial license and pays royalties to Oracle. *Id*. "To preserve the 'write once, run anywhere' philosophy, Oracle imposes strict compatibility requirements on [its commercial] licensees." App. 5a.

Under this licensing scheme, Java became "the leading platform for developing and running apps on mobile phones." App. 6a. Before Android, every company that wanted to use the Java platform took a commercial license, *see, e.g.*, *Oracle II*, C.A. 51,395-96, 51,411-14, 51,428-29, including smartphone manufacturers Blackberry, Nokia, and Danger, App. 35a, 50a. SavaJe—a company dedicated to building a specialized mobile phone platform—took a license. *Id*. Other companies, like IBM and Oracle (before acquiring Sun), who wanted to copy only the declaring code and structure and organization, also took a license. *See Oracle I*, C.A. 20,466-67.

Google Copies Thousands Of Lines Of Code And The Structure And Organization Of 37 Software Packages

In 2005, Google faced an existential threat. People with mobile devices were not using Google's search engine, causing Google to lose significant advertising revenue. It needed to quickly develop a platform tailored to mobile devices that would promote Google search. *Oracle II*, C.A. 54,336-38. Google believed success turned on attracting Java programmers to build apps for it. App. 6a. Google thought the alternatives "all suck[ed]" and knew it "[m]ust take [a] license" if it wanted to copy the Java APIs. *Oracle II*, C.A. 54,008, 54,012. But in license negotiations with Oracle, Google rejected the condition Oracle demanded of all commercial licensees: make Android "compatible with the Java" platform and "interoperable with other Java programs." App. 128a.

Instead, without any license, Google copied thousands of lines of Oracle's declaring code and the structure and organization of the 37 API packages it considered "key" to attracting Java mobile-app developers. App. 7a, 129a. Google also undermined "write once, run anywhere" by deliberately making Android *in*compatible with the Java platform, meaning Android apps run *only* on Android devices and Java apps do not run on Android devices. App. 130a.

Android's founder testified that Android became an overnight "competitor" to Oracle "targeting the same industry with similar products." *Oracle II*, C.A. 50,844; *see* App. 50a-53a. Android generated over $42 billion for Google from 2007 to 2016. App. 7a. "[M]any [Oracle] customers switched to Android," while those who stayed with Oracle "leverage[d]" Android for "steep discount[s]." *Id.* In short, Android "replaced" Java and "prevented" Oracle from licensing and competing in the developing smartphone market. App. 53a.

The Court Of Appeals Finds Oracle's Software Packages Copyright Protected, And This Court Denies Certiorari

Oracle sued Google for copyright infringement. App. 1a. The jury found Google infringed Oracle's copyright but hung on fair use. App. 130a-131a. After trial, the district court acknowledged that the declaring code and the structure and organization were "creative" and "original" but nevertheless held the declaring code was not copyrightable under the merger doctrine and the structure and organization was an uncopyrightable method of operation. App. 141a, 165a-166a.

The Court of Appeals reversed, holding both Oracle's declaring code and the structure and organization copyright-protected. App. 123a. The court observed that it is "well established that copyright protection [for computer programs] can extend to" both their "source code" and their "structure[] and organization." App. 139a. The court found it "undisputed that Google copied [thousands of] lines of declaring code and generally replicated the overall structure, sequence, and organization of Oracle's 37 … packages," App. 134a, and "undisputed that the declaring code and the structure and organization of the … packages are original," App. 140a.

The court first rejected Google's argument that the original expression of the lines of code "merge[d]" with unprotectable ideas. App. 150a-152a. There could be "no merger" of the code's expression with its ideas because Oracle's developers had "unlimited options" in writing and organizing the declaring code. App. 150a-151a. Next, the court rejected Google's argument that the structure and organization is an unprotectable "method of operation" under §102(b), finding it contrary to the statutory text and this Court's precedent. App. 158a-166a.

Google petitioned for certiorari. Upon invitation from this Court, the United States opposed Google's petition. It explained that Google's §102(b) argument "lack[ed] merit" and that no court has adopted it. U.S. Br. 10. It also demonstrated that there was no circuit split on copyrightability. *Id.* 19-22. This Court denied the petition.

After A Retrial, The Court Of Appeals Finds Google's Copying Was Not Fair Use As A Matter Of Law

On retrial, the jury concluded that Google's use was a fair use. *See* 17 U.S.C. §107. Oracle appealed, and the Court of Appeals reversed. App. 35a n.7. It "assume[d] that the jury resolved all factual issues relating to the historical facts in favor of the verdict" and carefully analyzed each of the four fair-use factors in light of those historical facts. App. 23a.

In a record-intensive analysis, the court concluded that factor 1 (purpose and character of the use) weighed against fair use: Google's use was "overwhelmingly commercial," App. 25a-28a, and it was not "transformative" both because (1) Google "made no alteration to the expressive content or message of the copyrighted material," and (2) Google used it for the "same … purpose" in the same "smartphone[] … context" that the Java platform was already in, App. 28a-37a.

The court found the second factor (nature of the copyrighted work) weighed in Google's favor. App. 40a-43a. The third (the amount taken) was "at best" neutral or favored Oracle, given that the code was a highly valuable part of the Java platform. App. 43a-47a.

The fourth factor (effect on existing and potential markets), which Google argued was the most important factor, "weigh[ed] heavily in favor of Oracle" in light of the unrefuted evidence that Android caused Oracle to lose customers and impaired Oracle's ability to "license its work for mobile devices." App. 47a-53a.

The Court found undisputed evidence that "Android … had a direct market impact" on Java SE in the markets for mobile phones and tablets, including smartphones. App. 51a. The court also found that, to the extent smartphones might be considered a potential market, it was a market that "undisputed evidenced showed … Oracle intended to license Java" in and Android "harm[ed]." App. 52a.

In sum, the factor Google identified as most important (the fourth) and the first "weigh heavily" in favor of Oracle, the third was neutral or favored Oracle, and the second favored Google. App. 53a. "Weighing these factors together," the panel "conclude[d] that Google's use of the declaring code and [structure and organization] of the 37 API packages was not fair as a matter of law." App. 53a-54a. Given Oracle's overwhelming showing on the first and fourth factors, any other outcome would have impermissibly created a *sui generis* category of fair use for software, effectively depriving it of copyright protection contrary to congressional mandate.

REASONS TO DENY CERTIORARI

I. The Court Of Appeals' Copyrightability Decision Is Still Not Cert-Worthy.

Google's first question presented is "[w]hether copyright protection extends to a software interface." "Software interface" is a term Google invented for its petition; it is not defined in the Copyright Act, the record, the Court of Appeals' opinions, or any of the cases Google cites. It is as meaningless as asking whether protection extends to a "verbal interface." To know

whether copyright protection extends to a particular work, one needs to be precise about what that work is.

The work here is a set of 37 intricate packages of thousands of computer programs comprising one of the most creative and popular computer platforms ever written. *Supra* 3-6. Google copied 11,500 lines of that code, each consisting of words and symbols that express and communicate certain information to the reader, as well as Oracle's intricate organization of the programs. The question is whether *that* work is totally devoid of copyright protection.

The Copyright Act protects "original" works of authorship. 17 U.S.C. §102(a). A work is "original" if "it possesses at least some *minimal degree* of creativity." *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345 (1991) (emphasis added). As Google has conceded, App. 141a, the highly creative code and intricate organization that Google copied here exceed *Feist*'s low bar. This Court should deny review on Question 1, as it did before, because (A) there is no circuit split; (B) the Court of Appeals was right; and (C) there is a fatal vehicle defect.

A. This case presents no circuit split.

We begin with first principles: Google "nowhere disputes" that it is "well established" that original computer code and a program's structure and organization warrant copyright protection. App. 139a (discussing cases); *see* Pet. 3. That is because the Copyright Act covers "literary works," 17 U.S.C. §102(a), defined as works "expressed in words, numbers, or other verbal or numerical symbols," *id.* §101;

see U.S. Br. 4. Moreover, because "copyright protection extends beyond a literary work's strictly textual form to its non-literal components" (such as a detailed plot), the structure and organization of a computer program is also copyrightable. *Comput. Assocs. Int'l, Inc. v. Altai, Inc.*, 982 F.2d 693, 701-02 (2d Cir. 1992). Thus, when the Act declares that "Copyright protection subsists … in original works," including "literary works," it covers computer programs as long as they are original.

Despite this settled law, Google argues that courts are "deeply divided" about the copyrightability of the specific sorts of computer programs it copied here. Pet. 14. But Google cites no case holding thousands of lines of concededly original, creative computer code devoid of copyright protection. Nor does it cite any case that has so much as suggested that the structure and organization of a computer program with tens of thousands of interrelated components lacks copyright protection. Google seeks exceptional treatment for the subset of code at issue here, which it describes as: "lines of computer code that allow developers to operate prewritten libraries of code used to perform particular tasks." Pet. I. But Google ignores the Act's definition of "[c]omputer program[s]" as "set[s] of statements or instructions to be used directly *or indirectly* in a computer to bring about a certain result." 17 U.S.C. §101 (emphasis added); App. 136a-137a.

Google offers nothing more than the same purported splits based on the same increasingly stale cases it presented unsuccessfully four years ago. And nothing has changed since 2015. As the Government explained then in recommending denial: "Nothing

about the declaring code at issue here materially distinguishes it from other computer code," and Google has "identified no genuine conflict of authority" on the copyrightability of computer programs, their source code, or their structure and organization. U.S. Br. 10.

1. As before, Google's main purported split is about how §102(b) applies to computer code—specifically, about the relationship between §102(a) and 102(b). Section 102(a) provides that "[c]opyright protection subsists … in original works of authorship," including computer programs. Section 102(b), on which Google fixates, provides: "In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work."

There is no mystery—or split—about what §102 achieves. For well over a century, this Court has adhered to the fundamental principle, first articulated in *Baker v. Selden*, 101 U.S. 99 (1879), that copyright "protection is given only to the expression of the idea—not the idea itself." *Mazer v. Stein*, 347 U.S. 201, 217 (1954). This Court has repeatedly explained that §102 "codifie[s]" and "restate[s]" the idea/expression distinction. *Golan v. Holder*, 565 U.S. 302, 328-29 (2012); *Feist*, 499 U.S. at 356. Indeed, the drafters of §102(b) drew key language directly from *Baker*, most notably the phrase Google features so prominently: "method of operation."

Viewed this way, §102(a) and 102(b) are complementary. Section 102(a) declares that if a "work" is "original," it receives copyright protection. And

§102(b) explains that just because a work receives copyright protection does not mean that the protection "extend[s]" beyond the author's expression to monopolize any "idea" (or "process," "method of operation," or other synonym in §102(b)) described or embodied in the work. App. 137a-138a. For example, "a book on how to build a bicycle may be eligible for copyright protection" that covers only the particular way in which the book is written; "that copyright does not include any exclusive right to practice the bicycle-building method that the book explains." U.S. Br. 12.

Google does not deny how the idea/expression dichotomy applies here. As the Court of Appeals explained, it means that Oracle cannot seek protection for the "idea of organizing functions of a computer program" or "the 'package-class-method' organizational structure in the abstract." App. 164a. But Oracle may, as it does here, "claim[] copyright protection only in its *particular way* of naming and organizing each of the 37 Java API packages." *Id.* (emphasis added).

Despite this well-settled understanding that §102 codifies the idea/expression dichotomy, Google offers a "diametrically opposite" reading of §102(b). Pet. 13. It argues that §102(b) *subtracts* from §102(a)—that a "work" that is protected under (a) loses protection under (b) just because it can *also* be described as a "method of operation" (or a "system," "concept," or "principle"). Pet. 12. Google asserts that "the courts of appeals are deeply divided" on that question. Pet. 14.

No circuit has ever adopted a reading that is inconsistent with—much less "diametrically opposite" to—this Court's conclusion that "Section 102(b) in no

way enlarges or contracts the scope of copyright protection." *Feist*, 499 U.S. at 356 (quoting H.R. Rep. No. 94-1476 at 57 (1976)).[3] The Government documented, and underscored, the consensus view that §102(b) merely "codifies the idea/expression dichotomy" and that Google "therefore is incorrect in suggesting … that a work could be both an original work … protectable under Section 102(a) and a 'method of operation' … under Section 102(b)." U.S. Br. 13 (quotation marks and alterations omitted).

In support of its purported split, Google cites two cases. It leads with *Lotus Development Corp. v. Borland International, Inc.,* 49 F.3d 807 (1st Cir. 1995), emphasizing that the case divided this Court 4-4, *see* 516 U.S. 233 (1996). But *Lotus* does not advance Google's position for three reasons. First, it did not involve the copying of computer code. The First Circuit repeatedly emphasized that the accused infringer "did not copy any of Lotus's underlying computer code." 49 F.3d at 810; *accord id.* at 809-10, 812. "The First Circuit took pains to distinguish" code from the work at issue in *Lotus*. U.S. Br. 20. Google never explains how a case that did not involve copying code could create a "circuit conflict over the copyrightability of software interfaces," which Google defines to include only "lines of computer code." Pet. I, 11. Second, *Lotus* was about a "menu … hierarchy" of simple one-

[3] *E.g.*, *Toro Co. v. R & R Prods. Co.*, 787 F.2d 1208, 1211 (8th Cir. 1986) (§102(b) "is nothing more than a codification of the idea/expression dichotomy"); *Gates Rubber Co. v. Bando Chem. Indus., Ltd.*, 9 F.3d 823, 836 (10th Cir. 1993) (same); *Miller v. Universal City Studios, Inc.*, 650 F.2d 1365, 1368 n.1 (5th Cir. 1981) (same); *Warner Bros. Inc. v. Am. Broad. Cos.,* 720 F.2d 231, 240 (2d Cir. 1983) (same).

word commands, such as "print" and "copy." 49 F.3d. at 809. Oracle's code is far more intricate and creative. *See* App. 159a-160a. Third, there is no way to read *Lotus* as adopting any view (much less a contrary view) of how §102(b) treats computer code as a "method[] of operation." It said in no uncertain terms that the "Lotus 1-2-3 code is *not* a[n] uncopyrightable 'method of operation." 49 F.3d at 816 (emphasis added).

Google's argument depends on a single opaque sentence in *Lotus*: "We think that 'method of operation,' as that term is used in §102(b), refers to the means by which a person operates something, whether it be a car, a food processor, or a computer." *Id.* at 815. That line could not possibly have meant that anything that "operates something" loses copyright protection. That would eliminate protection for all works that serve a practical function, rendering all computer programs uncopyrightable "methods of operation." As the Government explained, it would be "[]natural to describe [any] computer code as a 'method of operation,'" but "the Copyright Act makes clear that [all] such code can be copyrightable" so long as it is original. U.S. Br. 10, 13-15; *see* App. 162a-163a; 17 U.S.C. §101 (defining "computer program" as "instructions" that cause a computer "to bring about a certain result"); *Oracle I*, Former Copyright Register Oman Br. 13 (Google's position "threatens to do violence to the very concept of copyright protection of software.").

In the 25 years since *Lotus*, no appellate court has applied *Lotus*'s statement about "methods of operation" the way Google proposes. U.S. Br. 20-21. And the First Circuit has since clarified that it agrees that

§102(b) "is a codification of the most fundamental axiom of copyright law that no author may copyright his ideas." *Situation Mgmt. Sys., Inc. v. ASP. Consulting LLC*, 560 F.3d 53, 55 (1st Cir. 2009) (quotation marks, alterations omitted); *accord Greene v. Ablon*, 794 F.3d 133, 156 (1st Cir. 2015).

The second opinion Google invokes, *Lexmark International, Inc. v. Static Control Components, Inc.*, 387 F.3d 522 (6th Cir. 2004), "provides even less support for" Google because it explicitly negates any circuit conflict, U.S. Br. 21. The Sixth Circuit agreed that §102(b) "embodies the common-law idea-expression dichotomy." 387 F.3d at 534. Google suggests that the court contradicted that explicit holding, in dicta, observing that "even if a work is in some sense 'original' under §102(a), it still may not be copyrightable because [of] §102(b)." *Id.* But in context, that simply means that, after assessing originality, courts must analyze whether the author is impermissibly attempting to extend its copyright to an entire idea, rather than limiting it to the author's particular expression of an idea. *Lexmark* nowhere embraced Google's view that original computer programs become unprotectable because they "operate[]" something. U.S. Br. 21.

Since *Lexmark*, the Sixth Circuit, too, has repeated that §102(b) codifies the idea/expression dichotomy. *See, e.g.*, *Stromback v. New Line Cinema*, 384 F.3d 283, 296 (6th Cir. 2004); *accord ATC Distrib. Grp., Inc. v. Whatever It Takes Transmissions & Parts, Inc.*, 402 F.3d 700, 707 (6th Cir. 2005) (quoted at Pet. 13).

Google asserts that three circuits have "adopted still another approach," which is less "categorical." Pet. 13. In fact, they all read §102 as a codification of the idea/expression dichotomy. *Supra* 17 n. 3 (collecting cases). What Google points to in these cases are discussions of a different question: *How* to distinguish idea from expression? Under the "'abstraction/filtration/comparison' test," courts "filter[]" unprotected ideas from protected expression before "compar[ing]" that expression to the allegedly infringing work. *See Altai*, 982 F.2d at 706-07. As Google notes, that is what the Court of Appeals did here. Pet. 14.[4]

2. Google briefly mentions the merger doctrine as the source of two further splits. Pet. 14-16. Merger is related to the idea/expression dichotomy. It establishes: "When the idea and its expression are … inseparable," because there is only one way to express that idea, "copying the expression will not be barred, since protecting the expression in such circumstances would confer a monopoly of the 'idea.'" *Sid & Marty Krofft Television Prods., Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1168 (9th Cir. 1977). Of the two circuit conflicts Google asserts, one is not a split, and neither is presented in this case. *See* U.S. Br. 22.

Google manufactures the first out of another stray line of dicta in *Lexmark*. *Lexmark* addressed so-called

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[4] Google also cites *Sega Enterprises Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1522 (9th Cir. 1992) and *Sony Computer Entertainment, Inc. v. Connectix Corp.*, 203 F.3d 596, 603 (9th Cir. 2000), in support of its copyrightability argument. *See* Pet. 17. But "[b]oth *Sega* and *Sony* are fair use cases," not copyrightability cases, App. 166a, and are therefore addressed in that section (at 27-28).

"'lock-out' codes," tiny snippets of computer code that prevent certain components from working with other devices—there, "printers and toner cartridges." 387 F.3d at 536. *Lexmark* found the plaintiff was unlikely to prevail in showing the snippet—occupying less memory than "the phrase 'Lexmark International, Inc. vs. Static Control Components, Inc.'"—was sufficiently original to be copyrightable. *Id.* at 529-30, 539-41. By contrast, Oracle seeks to protect not a single "individual line[] of code" but thousands of lines of code and an intricate organization. App. 154a. Moreover, Oracle had "unlimited options" available in drafting, App. 150a, whereas the lock-out code in *Lexmark* was "dictate[d]" by "external constraints," leaving that programmer without "much choice" in drafting the code. 387 F.3d at 539-40 (quotation marks omitted).

Without mentioning that holding, Google fixates (at 15) on *Lexmark*'s passing suggestion that "[p]rogram code that is strictly necessary to achieve current compatibility presents a merger problem." 387 F.3d at 536 (citation omitted). It is unclear what the Sixth Circuit meant by this, but whatever it meant about the relevance of compatibility could not conflict with the decision here. The Court of Appeals found that Android is emphatically *not* compatible with Java. App. 172a-173a. Google intentionally designed Android *not* to be "interoperable with other Java programs." App. 128a-129a.

Google's other purported circuit split is over whether merger bears on copyrightability or instead is a defense to infringement. Pet. 15-16. But the Court of Appeals held that question does not matter here. For reasons discussed immediately below, it held that

"merger does not apply on [this] record," "[r]egardless of when the analysis occurs." App. 148a.

B. The Court of Appeals correctly found Oracle's software protected.

The Government's brief exhaustively explains why the Court of Appeals' copyrightability analysis is correct. U.S. Br. 10-19. Google has not overcome that analysis. Apart from pressing a reading of §102(b) that this Court has rejected, *supra* 15-17, Google's main merits argument is that the Court of Appeals misapplied the merger doctrine, which as explained above, holds that when there is only one way to express an idea, it is permissible to copy that expression.

Here, Google admitted and the district court found that Oracle could have written its code any number of ways. App. 165a-166a. As Oracle's code was not "preordained" and Oracle had "*unlimited* options as to the selection and arrangement of" the code and structure that Google copied, the Court of Appeals held merger did not apply. App. 150a (emphasis added); *see* App. 164a.

Google does not dispute that *Oracle* had infinite options when it wrote the platform. It argues the proper focus should be the "expressive choices available to *Google* when it" copied Oracle's code and "created Android." Pet. 20. Even here, Google concedes that it could have written a competing platform completely differently—as Apple and Microsoft did. *Supra* 7. Its contention is much narrower: that "using the Java API declarations was the only way to allow independent developers to rely on their preexisting

knowledge" of the Java APIs to "creat[e] new programs." Pet. 19.

As both the Court of Appeals and the Government have correctly recognized, Google's approach is doubly flawed. First, copyrightability depends on the choices that were available *to the original author* when it created its work. Copyright "subsists from its creation" and "endures" for a set term. 17 U.S.C. §302. It "protect[s] all works of authorship from the moment of their fixation in any tangible medium of expression." App. 151a (quoting CONTU Report at 21); *accord* U.S. Br. 18 n.2; *Oracle I*, Former Copyright Register Oman Br. 20. That was when Oracle wrote it.

Second, a work does not lose copyright protection just because it becomes so wildly popular that others see a huge benefit in copying it. By Google's logic, an author writing a novel about child wizards could copy from *Harry Potter* to "allow" readers "to rely on their preexisting knowledge of" JK Rowling's famous characters, fictional locations, and unique spells. The Java code and structure were not "the only and essential means of accomplishing [the] given task," Pet. 18, unless that task was to impermissibly hijack the expressive value of what Oracle wrote.

C. The petition has a fatal vehicle defect.

The question Google presents would have no effect on the outcome. As the Court of Appeals explained, "Oracle claims copyright protection with respect to both: (1) … declaring source code; and (2) … the structure, sequence, and organization of each of the 37 Java API packages." App. 139a-140a. Having separately analyzed each, App. 146a-157a, 158a-

166a, the Court of Appeals found *both* the lines of declaring code *and* the structure and organization copyright-protected and infringed, App. 123a, 136a.

Google's copyrightability question focuses exclusively on the lines of declaring code. *See, e.g.*, Pet. 12, 16, 19. It asks about the copyrightability of so-called "software interfaces," Pet. I, a term Google makes up and defines to include *only* "lines of computer code." *Id.* By its express terms, this question does not apply to the second, independent copyrightability holding supporting the judgment.

In fact, Google's petition never even mentions the copyrightability of structure and organization. Google's sole reference to structure and organization is the assertion that the declaring code "embodie[s]" the API packages' structure and organization. Pet. 8. But Google does not dispute that the structure and organization is entitled to copyright protection independent of the declaring code, App. 139a-140a, 158a-166a, or that Google would be equally liable if it had not copied a single line of code but had only duplicated the structure and organization of the Java API packages. Because this Court's review would not be outcome determinative, it should deny review.

II. Google's Request For Error Correction On Fair Use Does Not Warrant Review.

Google nowhere contends there is a circuit conflict on fair use. As with copyrightability, it cites not one case where a court has found it fair to copy this much code into a competing commercial product. Nor does it cite a single opinion assessing fair use where an infringer copied into its product "lines of computer code

that allow developers to operate prewritten libraries of code used to perform particular tasks." Pet. I. Instead, Google argues only that the "Federal Circuit misapplied the precedents of this Court and others," Pet. 21, and "improperly revisit[ed] … the jury's implicit factual determinations," Pet. 28. That is a naked plea for fact-bound error correction, which is no basis for this Court's review. Sup. Ct. R. 10.

Google agrees the Court of Appeals correctly stated the basics of fair use law. Pet. 22. Fair use is "a limited exception to the copyright holder's exclusive rights … 'for purposes such as criticism, comment, news reporting, teaching …, scholarship, or research.'" App. 13a (quoting 17 U.S.C. §107). Congress directed courts to engage in a "case-by-case determination" of fair use, *Harper & Row Publ'rs, Inc. v. Nation Enters.*, 471 U.S. 539, 549 (1985), guided by four factors: (1) the purpose and character of the use; (2) the nature of the copyrighted work; (3) the substantiality of copied material; and (4) the effect on the potential market for or value of the copyrighted work, 17 U.S.C. §107.

Google's petition skirts this inquiry. Though it purports to attack the manner in which the Court of Appeals applied the four factors, it does not go through the factors nor balance the results. It ignores half of factor 1 (that its use was overwhelmingly commercial); it skips factor 3; on factor 4, it ignores uncontradicted evidence of direct harm to Java from its copying; and it says not a word about the Court of Appeals' balancing of the factors.

Instead, Google claims the Court of Appeals made three discrete errors in applying these factors to the

particular facts of this case. Google's purported errors are meritless.

A. Google leads with an extension of its claim of software exceptionalism, the ever-so-tentative argument that the court adopted the wrong "overall approach" by "seemingly" "fail[ing] to adapt the fair-use doctrine to the functional nature of software interfaces." Pet. 23. But there is no dispute that Congress directed the same fair-use analysis for all works, from the most functional manual to the most creative novel. *See* 17 U.S.C. §107. Google cites no case holding that the traditional four-factor fair-use analysis should be ignored when it comes to software—or to the amorphous category Google calls "software interfaces."

That is not to say that each fair use *factor* dictates the same result for code as for a novel. As Google eventually acknowledges, there is a place in the traditional fair use analysis that considers the functional nature of the work: "the second fair-use factor, the nature of the copyrighted work." Pet. 23. Like every court that has addressed computer code, that is where the Court of Appeals addressed it. And what it said there explains why Google had to hedge: The court acknowledged that "*functional* considerations were both substantial and *important*" and, for that reason, found that factor 2 "favors a finding of fair use." App. 42a (emphasis added). If this case involved a novel, the court would have weighed factor 2 heavily against fair use. Treating Oracle's work differently from a novel was all about "adapt[ing] … to the functional nature of software."

The only way the court could have given more weight to the software's functional nature would have been to hold that factor 2 overrides all the others and *requires* a finding of fair use for computer code. App. 43a. Google waived any such argument by repeatedly arguing that factor 4 ("market harm") "is the most important factor" in this case. *Oracle II*, Google Br. 58, 68.

Regardless, Google is wrong in this repurposed effort to deprive software of copyright protection. It cites no case that has ever held that factor 2 is dispositive for software. Courts weigh factor 2 for software the way they do for any other work—on the facts of each case. *See Wall Data Inc. v. L.A. Cty. Sherriff's Dep't*, 447 F.3d 769, 780 (9th Cir. 2006) (finding factor 2 weighed against fair use in software case); *see also Harper & Row*, 471 U.S. at 569 (finding no fair use where factual work was copied); *Oracle II*, IP Professors Br. 27-29. The per se rule Google seeks would vitiate the statute's four-factor analysis; override the "case-by-case nature" of the fair use analysis, *Harper & Row*, 471 U.S at 549; and "effectively negate Congress's express declaration—continuing unchanged for some forty years—that software is copyrightable." App. 43.

The two Ninth Circuit software cases Google cites do not support its argument. Pet. 23-24. The Federal Circuit, which decided this case under Ninth Circuit law, recognized that these precedents would be binding if applicable. But it found them "materially" distinguishable because the balance of factors—most notably factor 1 (purpose of the use)—was different. App. 54a. In both, the accused infringer copied the

code only to *research* how it worked, with a view toward developing a non-infringing compatible product made with "entirely new … code." *Sony*, 203 F.3d at 606-07; *Sega*, 977 F.2d at 1525-26. Both cases emphasized the centrality of the fact that the accused infringer created a compatible product that did not include the copied code. *E.g. Sega*, 977 F.2d at 1527-28. Google, of course, did the opposite: It copied the code directly into a competing product and made that product *in*compatible.

B. Google next turns to factor 1, addressing only half of it. Pet. 24-28. In assessing "the purpose and character of the use," courts decide whether it is commercial and whether it is "transformative." *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578-79 (1994). Google skips right over the holding that its copying was wholly commercial. App. 25a-28a. That weighs heavily against fair use—so heavily that it could have dominated factor 1, even if Android were modestly transformative. *See Monge v. Maya Magazines, Inc.*, 688 F.3d 1164, 1183 (9th Cir. 2012). As to the half that Google does address, it agrees the court stated the right test for transformative use: A use is transformative if it "alter[s] the first [work] with new expression, meaning, or message." Pet. 24 (quoting *Campbell*, 510 U.S. at 579).

Google's theory is that Android transformed Oracle's work because the Java platform was designed for personal computers and laptops, whereas Google adapted it for the "new context" of mobile devices, such as tablets and smartphones. App. 35a (emphasis omitted). The Court of Appeals rejected that argument for two independent reasons, only one of which Google challenges.

First, the uncontroverted evidence showed Google's premise was false: "Java SE APIs were in smartphones before Android entered the market." *Id.*[5] That included undisputed evidence that Oracle licensed its work to Danger for a smartphone and to SavaJe to develop its own smartphone platform. App. 50a. That meant smartphones were not a new context. That holding is dispositive on factor 1.

Google's "fundamental" complaint (Pet. 24) challenges the court's *alternative* holding: that, even if smartphones were a new context for Oracle's work, copying Oracle's code from larger computers (PCs) to smaller ones (smartphones) was not transformative because the code was used "for the same purpose" in both contexts—to enable programmers to remember, locate, and run prepackaged programs. App. 33a-35a. Google argues that the court erred in "fixating only on the material that Google reused"—the specific declaring code it copied—rather than the material Google added. Pet. 24.

Google is wrong. "[N]o plagiarist can excuse the wrong by showing how much of his work he did not pirate." *Harper & Row*, 471 U.S. at 565 (quotation marks omitted). No matter how much material one adds, it is not transformative to "merely use[] [the

[5] Google's smartphone/PC dichotomy is false for another reason. Just as the evidence closed, Google went public with a revelation that it had withheld in discovery: that it was about to bring Android to PCs. The district court also excluded evidence that Android and Java competed head-to-head in other device markets. These were separate bases for appeal, which the Court of Appeals did not reach. *See* App. 8a-9a, 35a n.7; *Oracle II*, Oracle Br. 55-78.

copied material] to get attention or to avoid the drudgery in working up something fresh." *Campbell*, 510 U.S. at 580. What Google added to adapt Oracle's work from PCs to smartphones is no different from what a producer does to convert a short story into a movie, which this Court has found to be the "classic … unfair use." *Stewart v. Abend,* 495 U.S. 207, 238 (1990) (quotation marks omitted).

All the courts of appeals (including the decisions Google cites) reject the approach Google advocates. They ask whether the new work "uses the *copyrighted material itself* for a purpose, or imbues it with a character, different from that for which it was created." *TCA Television Corp. v. McCollum*, 839 F.3d 168, 180 (2d Cir. 2016) (emphasis added) (using "Who's on First" routine in new context of "dark[]" play not transformative, because the lines of the routine have the same meaning), *cert. denied*, 137 S. Ct. 2175 (2017); *accord Dr. Seuss Enters., L.P v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1400-01 (9th Cir. 1997) (moving memorable elements of "The Cat in the Hat" to the context of the "OJ Simpson trial" did not transform those features); s*ee generally Oracle II*, NYIPLA Br.[6]

[6] The cases Google cites each found that the *material copied* changed meaning in the new work. *Am. Soc'y for Testing v. Pub.Resource.Org., Inc.*, 896 F.3d 437, 448 (D.C. Cir. 2018) (new work reproducing industry safety standards adopted into law gave standards new meaning through informing public of the law); *Swatch Grp. Mgmt. Servs. Ltd. v. Bloomberg L.P.*, 756 F.3d 73, 84-85 (2d Cir. 2014) (new work reporting earnings call conveyed different message); *Seltzer v. Green Day, Inc.*, 725 F.3d 1170, 1177 (9th Cir. 2013) (new work changed message

Google also complains that "[t]he Federal Circuit effectively dismissed … concerns regarding lock-in effects and interoperability" in analyzing transformative use. Pet. 27. But Google did not "rely on any interoperability arguments [on] appeal." App. 45a-46a. It "abandoned" arguments about interoperability, App. 46a n.11, and the phrases "lock-in," "barriers to entry," "anti-competitive," and their synonyms appeared nowhere in its brief. Nor did it present any such evidence at trial.

Why? Because the evidence showed that any such assertion was not only wrong but utterly hypocritical. Oracle liberally licenses its work, even to competing platform developers. *Supra* 6-8. Its non-negotiable condition is that developers must comply with the golden rule of compatibility: "write once, run anywhere." Java's raison d'etre was compatibility. Google is the only commercial platform developer ever to refuse. Worse, it copied the API packages and consciously made Android *in*compatible with Java. App. 32a, 46a n.11. It broke "write once, run anywhere." Programmers who write for Android (and their programs) are locked into Android because their programs do not run on other platforms. Google thus cannot now argue that considerations of interoperability compel a finding of fair use.

Google protests that under the Court of Appeals' approach "the reuse of any preexisting computer code in new software would never fall within the fair-use defense." Pet. 27. But the court said explicitly that it did "not conclude that a fair use defense could never

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of original from "themes of youth culture" to criticism of "the hypocrisy of religion").

be sustained in an action involving the copying of computer code." App. 53a-54a. It cited prominent cases finding uses of computer code transformative. *Id.*

C. Google seeks review of the Court of Appeals' application of the substantial evidence standard of review with respect to factor 4. Pet. 28-29. But Google concedes the court "correctly stated" the standard. Pet. 22. This Court does not sift through lengthy trial records to spot-check for material disputes of fact. In any event, the Court of Appeals applied the standard faithfully.

Factor 4 accounts for two types of harm to a work: harm to markets that the work is currently in, and harm to potential markets "that creators of original works would in general develop or *license others to develop*." *Campbell*, 510 U.S. at 590, 592 (emphasis added). The Court of Appeals properly held Google inflicted both types of harm. App. 47a-53a.

With respect to current markets, Google contends that the court overrode the jury and "made its own (erroneous) determination that Java SE was in fact used in early mobile devices comparable to Android before Android's release." Pet. 28. But Google wholly ignores harm to tablets—it nowhere disputed that Amazon switched between Java SE and Android for the Amazon Kindle and used Android to negotiate steep discounts from Oracle. App. 50a-51a. Nor was there any dispute that Java SE was used in the Danger smartphone (the T-Mobile Sidekick), which Android's *founder* described as comparable to the first Android smartphones. C.A. 50,618-19, 50,887, 51,617;

App. 50a. Either one would suffice, but Google ignored (and continues to ignore) both.

Google's challenge to the court's independent finding of harm to potential markets is even more tenuous. Google asserts that the Court of Appeals erred in employing hindsight bias to find smartphones were a market that Oracle would naturally have entered. Pet. 29. Not so. The undisputed evidence the court invoked was that, before Android ever emerged, (1) Oracle *did* view specialized platforms for mobile devices as a burgeoning market for its work, *supra* 8, 29, and (2) "Oracle and Google engaged in lengthy licensing negotiations," which "demonstrates that Oracle was attempting to license its work for … smartphones," App. 51a.

III. Google's Policy Arguments Are Meritless.

A. As it did in its prior petition, Google asserts that this Court's immediate review is necessary to avoid a "devastating impact on the development of computer software." Pet. 30. If that were so, one would expect Google to muster some evidence of devastation in the four years since this Court denied certiorari—an eternity in the software industry. But Google offers only attorney conjecture—as do the usual list of amici, many of whom have long advocated weakening statutory protections for software. Google cites nothing to suggest that programmers have "abandon[ed] their traditional building-block approach to software development," that they have stopped making interoperable products, or that copyright litigation has exploded in the face of "confusion." Pet. 31.

To the contrary, software innovation has thrived since then. *See* BSA Foundation, *The Growing $1 Trillion Economic Impact of Software* (Sept. 2017), <https://tinyurl.com/y77xjgke>. And Google's sky-is-falling rhetoric is at odds with the numerous stakeholders who filed amicus briefs supporting Oracle throughout this litigation. *Supra* 2-3. In arguing otherwise, Google and its amici exaggerate the decisions' reach in multiple ways.

First, their assertions are premised largely on characterizing the Court of Appeals' opinion as inconsistent with settled law, practice, and expectations. Pet. 4, 17. What law? An unbroken line of cases has granted copyright protection to original code less creative than the Java APIs and has found copying of code to be unfair when incorporated into a competing product. *Supra* 14, 27. Neither Google nor its amici cites a single case—in any court—that has ever found it permissible to copy this much code (or this much structure and organization) "and us[e] it for the same purpose and function as the original in a competing platform." App. 53a. A claim of settled legal expectation is vacuous, no matter how many amici Google could recruit to sign briefs attesting to their unwarranted contrary expectation.

And what settled practice? In its previous petition, Google offered examples of a supposed pervasive commercial practice of freely copying software. We refuted them, demonstrating that each was an instance of either a *licensed* use (e.g., under an open source license) or material that had *no* copyright protection. *Oracle I*, Br. in Opp. 32-33. Google does not repeat them.

Second, Google and its amici misstate whom the decision affects. Pet. 29. This case is about *Google's* copying of Oracle's work. *App programmers* are unaffected. They remain free to write any program they want availing themselves of the Java APIs, for free. The decision only requires *platform developers*—usually large corporations with tremendous resources, like Google—to take a license if they want to copy Oracle's work and incorporate it into a substitute commercial product.

Third, Google and its amici exaggerate what the opinion covers. They leave the impression that the court held that anything that can be labeled an "interface" is protected and can never be copied. But here, again, they are just capitalizing on the imprecision of their own term "software interface." *Supra* 12-13, 26. There is no special law of "software interfaces." As is true with any work, whether a "software interface" has copyright protection or can fairly be copied depends on what it is and how it is used. The Court of Appeals' holding applied to Oracle's particular work—a massive software platform with an intricate architecture of thousands of programs—and Google's particular use of that work. In contrast, some interfaces are merely uncopyrightable brief strings of characters, utterly lacking in originality and expression (as in *Lexmark*). Others might be more expressive but nevertheless fair to copy for the right purposes, such as research or to create non-infringing products. For most interfaces, the question never arises because, as amici describe, strong market incentives encourage companies to permit free reuse or offer generous licensing terms to create interoperable products. That is their prerogative, but it does not wipe out the legal

rights of others who choose to commercialize their works differently.

Relatedly, Google and its amici attribute to the court a holding that anything deemed necessary for "interoperability" is protected and cannot be copied. But the court had nothing to say about interoperability because Google waived any such argument. *Supra* 31. And the court cited favorably the Ninth Circuit's *Sega* and *Sony* decisions that permit copying in some circumstances (not applicable here, *supra* 27-28) to promote interoperability. App. 53a-54a.

Fourth, Google repeats its concerns about lock-in. In any future case where an infringer presents evidence of compatibility and lock-in, it can explore how that affects fair use. Nothing the Court of Appeals said will constrain that discussion because Google had no such evidence and made no such argument below. *Supra* 31.

B. Google stresses the importance of fostering "innovation" in software development. Pet. 4. We could not agree more. The Founders, Congress, and this Court determined that "the best way to advance public welfare" is to "encourage[]" authors to engage in exactly the sort of "individual effort" Oracle undertook, by rewarding their efforts with "personal gain." *Mazer*, 347 U.S. at 219. Oracle would never have "invested as heavily in Java" if it knew its "investment … would not receive copyright protection." *Oracle I*, McNealy Br. 3; *see Oracle I*, Microsoft Br. at 3-4, 8.

Google's theory is that, having invested all those resources to create a program popular with platform developers and app programmers alike, Oracle should

be required to let a competitor copy its code so that it can coopt the fan base to create its own best-selling sequel. That argument would never fly with any other copyrighted work. And as Google told the Court of Appeals, "[t]here is no reason to treat software differently." *Oracle II*, Google Br. 40. "[A]llowing Google to commercially exploit Oracle's work will not advance the purposes of copyright[.]" App. 53a. The next Oracle will think twice about investing as heavily in a venture like Java if it knows that any competitor could freely copy its work to compete directly against it.

CONCLUSION

This Court should deny the petition.

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No. 18-956

IN THE

Supreme Court of the United States

GOOGLE LLC,

Petitioner,

v.

ORACLE AMERICA, INC.,

Respondent.

On Writ of Certiorari
to the United States Court of Appeals
for the Federal Circuit

BRIEF FOR THE PETITIONER

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QUESTIONS PRESENTED

The Copyright Act provides that, while "original works of authorship" are generally eligible for copyright protection, 17 U.S.C. § 102(a), "[i]n no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work," *id.* § 102(b). The Act also makes clear that "the fair use of a copyrighted work . . . is not an infringement of copyright." *Id.* § 107.

As is relevant here, software interfaces are lines of computer code that allow developers to operate prewritten libraries of code used to perform particular tasks. Since the earliest days of software development, developers have used interfaces to access essential tools for building new computer programs. Contravening that longstanding practice, the Federal Circuit in this case held both that a software interface is copyrightable and that petitioner's use of a software interface in a new computer program cannot constitute fair use as a matter of law.

The questions presented are:

1. Whether copyright protection extends to a software interface.

2. Whether, as the jury found, petitioner's use of a software interface in the context of creating a new computer program constitutes fair use.

RULE 29.6 STATEMENT

Petitioner Google LLC is an indirect subsidiary of Alphabet Inc., a publicly held company. Alphabet Inc. has no parent corporation, and no publicly held company owns 10% or more of its stock.

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BRIEF FOR THE PETITIONER

Petitioner Google respectfully requests that the judgment of the United States Court of Appeals for the Federal Circuit be reversed.

OPINIONS BELOW

The Federal Circuit's opinion regarding fair use (Pet. App. 1a-55a) is reported at 886 F.3d 1179. The District Court's orders denying respondent's motions for judgment as a matter of law (Pet. App. 92a-120a) and for a new trial (*id.* at 56a-91a) are unreported. The Federal Circuit's opinion regarding copyrightability (*id.* at 121a-192a) is reported at 750 F.3d 1339. The District Court's order granting petitioner's motion for judgment as a matter of law (Pet. App. 212a-272a) is reported at 872 F. Supp. 2d 974.

JURISDICTION

The court of appeals entered its judgment on March 27, 2018, and denied rehearing on August 28, 2018. Pet. App. 283a-284a. On October 23, 2018, the Chief Justice extended the time to file a petition for a writ of certiorari to January 25, 2019. The petition was filed on January 24, 2019, and was granted on November 15, 2019. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

RELEVANT STATUTORY PROVISIONS

The relevant statutory provisions are reproduced as an Addendum to this brief.

STATEMENT OF THE CASE

To create an operating system for smartphones, petitioner Google wrote millions of lines of new computer code. Google also reused isolated instructions

from a work copyrighted by respondent Oracle, because those were the *only* instructions that could perform their functions. The instructions create an interface connecting the operating system to commands in applications written by software developers.

The Federal Circuit both reversed the District Court's holding that Oracle had no relevant copyright interest and overturned a jury's finding that Google's conduct was fair use. As reflected in the broad *amicus* support for Google, the Federal Circuit's rulings would upend the long-settled practice of the computer software industry of reusing software interfaces. That practice has spurred the rapid development of interoperable computer software and American technological progress in the digital era.

I. FACTUAL BACKGROUND

A. Android And The Java Programming Language

1. The Android operating system. Smartphones are now "such a pervasive and insistent part of daily life that the proverbial visitor from Mars might conclude that they were an important feature of human anatomy." *Riley v. California*, 573 U.S. 373, 385 (2014). But even recently, that was not true. Early mobile phones were much less useful, in part because many manufacturers used their own proprietary "operating systems"—*i.e.*, software that controls the phone—for which few useful applications were created. *See* JA138-139; JA219; JA225-226; Trial Exhibit (TX) 7238 at 13.

Google responded by creating Android, an "open source" operating system that worked with almost any smartphone. JA137-139; JA242; TX1 at 4-8; TX6 at

5-6, 23-24. Many phone manufacturers would adopt the operating system, Google recognized, leading many developers to write useful applications—such as programs for messaging, navigation, news, and social media. *See ibid.*

Google designed Android so that developers who knew the "free and open" Java programming language could write applications. Pet. App. 102a. Roughly six million developers already had Java programming expertise. JA228. This case arises from the requirements imposed by the Java language for Google to permit Java developers to write applications using thousands of common commands they already know.

2. Tools of the Java programming language: calls, methods, and declarations. Java developers depend on thousands of commands known as "calls." The developers become expert in using calls through formal training and years of experience. JA193-194. The developers have the unfettered right to use the calls, which are not copyrighted. Dist. Ct. Docket (Doc.) 853 at 5:20-22.

A developer uses a call to invoke—*i.e.*, use—separate, pre-written computer code called a "method." Pet. App. 217a-218a, 228a. Each method performs a basic function—for example, determining the larger of two integers. *See infra* at 5-6. The methods are thus "interoperable" with any application that uses the correct call.

This approach to programming—which is used by every major programming language—makes it unnecessary for developers to create their own versions of the method's pre-written computer code. In addition, when that code is later improved or adapted to work

with new technology, developers need not go back and change their applications.

Java developers use multiple calls to invoke methods in every application; the language will not work without them. *See, e.g.*, JA213-214; 2016 Trial Transcript (Tr.) 1463:3-1464:19; TX9223. Developers call numerous methods, using them as building blocks to create sophisticated applications. Pet. App. 228a; *id.* at 125a.

A call will not work correctly unless it corresponds precisely to instructions called "declarations." There are more than ten thousand calls in Java, each with corresponding declarations. The declarations perform two functions that are relevant here.[1]

First, declarations create the system that organizes the methods. Pet. App. 217a-218a. In Java, methods are organized and stored in "libraries."

The Java language requires that the libraries be organized hierarchically. There are three levels. The top is composed of "packages." Each package contains "classes." Each class file contains methods.

There is a declaration for every method, as well as for every class and package. Together, those declarations specify the method's place in the library. Pet. App. 216a, 227a-228a.

A library's hierarchy is thus a filing system for the methods. *See, e.g.*, 2012 Tr. 2205:3-2206:1. Each package is like a filing cabinet; each class like a drawer in that cabinet; and each method like a folder

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[1] This brief uses the term "function" in the ordinary sense of what computer instructions do, as distinguished from the Java language's technical usage of "function" as a type of method.

in that drawer. The declarations are labels identifying each cabinet and drawer, as well as the folder containing the method.

Notably, the hierarchy is not itself a computer program. And the declarations for a library therefore do not appear together (as would a contiguous segment of a computer program); they are scattered throughout the library.

Second, and critically, declarations connect a Java developer's call to its corresponding method. Pet. App. 221a, 227a-228a. Together, the call and the declaration form the method's "interface." *See id.* at 226a-228a, 267a-268a; *see also* 2012 Tr. 2102:12-2103:6.[2]

In the Java language, calls take the form of the method's "fully qualified name." That is the combined name of each element in the hierarchy: *package.class.method*. JA34-35; JA38-39; *see also* Pet. App. 223a-225a. If the call does not correspond precisely to declarations, it will not work correctly.[3]

The computer code that performs a method's function is called "implementing code." Implementing code can be written many different ways.

3. An illustrative example. Here is an example of how calls, declarations, and methods work. A Java

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[2] The brief uses the term "interface"—shorthand for "software interface"—in the ordinary sense of a means of connecting to, interacting with, or operating computer software, as distinguished from the Java language's technical usage of "interface" as a "reference type" for a class or method.

[3] In certain circumstances in which the developer has already specified the name of the package and/or class earlier in the application, the Java language may not require the developer to repeat those elements of the name again.

developer writes the call *java.lang.Math.max(5, 10)* to determine whether 5 or 10 is the larger number. That call invokes a method called *max*, which determines the larger of two integers. The call requires that the libraries contain precisely written declarations specifying the *max* method, within the *Math* class, within the *java.lang* package. The call and declarations together establish an interface that makes the Java application interoperable with the *max* method. *See* Pet. App. 222a.[4]

The call also identifies the numbers 5 and 10 as "arguments." The declarations pass the arguments to the implementing code. The Java language does not require that any particular implementing code be used to determine which is the larger number. The declarations then return the answer to the developer's application.

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[4] The call *java.lang.Math.max(5, 10)* requires that the libraries set forth the following three declarations, in this order (albeit often separated by other instructions):

package java.lang;

...

public class Math {

...

public static int max(int a, int b) {

Pet. App. 224a. The declarations allow the Java language to recognize that call because they: (1) identify the *java.lang* package [*package java.lang*;], (2) create the *Math* class within that package [*public class Math* {], and (3) create the *max* method within that class [*public static int max(int a, int b)* {]. The last of the three declarations also specifies that the *max* method will receive two integers [(*int a, int b)*] and will return an integer [*int*].

B. Android's Reuse Of Declarations Necessary To Recognize Developers' Calls

Google's Android project took three years of work and more than 100 engineers to launch. JA45; JA116-117. Google's engineers created thousands of new methods designed for creating smartphone applications. *See* JA197-198. Google also designed Android to recognize the existing calls that Java developers would expect to use in developing smartphone applications. JA47-50; JA169-170; JA203; JA213-214.

The process of writing new software to perform certain functions of a legacy product is known as "reimplementation." Through reimplementation, the new entrant creates its own computer code to perform the functions, but reuses the limited number of instructions that are required to create the interface already known by the users. *See infra* at 26-27.

Android did not need to—and therefore did not—reimplement *every* method that Java developers already knew. Originally, the Java language was designed and principally used to write programs for servers and traditional desktop computers. JA151-152; JA228-229. Google determined that many of the Java methods were therefore inappropriate for smartphones. JA48-50; JA169-170; JA264-265.

Google's engineers wrote from scratch (or acquired from others) the millions of lines of implementing code that perform the functions of all the Android methods—both new methods and those that Android reimplemented. Pet. App. 213a, 218a-219a. The engineers tailored that implementing code to the constraints of smartphones, such as limited battery life

and computing power. JA158-160; JA167-168; JA197-198; JA204.

But as discussed, the Java language *would not permit* Google to write its own declarations for those methods that Android reimplemented, without requiring Java developers to learn thousands of new calls. The developers' calls only work with the methods' original declarations. As the District Court found: "Significantly, the rules of Java dictate the precise form of certain necessary lines of code called declarations, whose precise and necessary form explains why Android and Java *must be* identical when it comes to those particular lines of code." Pet. App. 221a.

Google's engineering team therefore reused the mandatory declarations that correspond to the calls for the Java methods reimplemented by Android. Pet. App. 218a-221a. Those methods, and the declarations, were originally set forth in the "Java SE libraries,"[5] which are in turn included in a work called "Java 2 SE" (Java SE). Respondent Oracle holds the copyright in Java SE through its acquisition of the creator, Sun Microsystems (Sun). *Id.* at 212a, 216a-218a.

Because Google created its own computer code whenever possible—including thousands of new methods and all the implementing code—Android reuses less than 0.5% of the 2.86 million lines of computer

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[5] The lower courts sometimes referred to this collection of methods—including the implementing code—as the "Java SE API." This brief uses the term "Java SE libraries" instead. An API is an "application programming interface." As its name suggests, an API generally refers to the "interface" connecting "programs." It generally does not refer as well to the implementing code that performs the methods' functions.

code in the Java SE libraries. JA212. Those declarations amount to roughly 0.1% of the approximately 15 million lines of computer code in Android. *See ibid.*

Google released Android in 2007 as a free, open-source operating system for any smartphone manufacturer to use. Pet. App. 219a; JA117-118; JA138-139. Countless new developers learned the Java language to create Android applications. *See* JA212-213. Sun publicly offered Google its "heartfelt congratulations," because Android had "strapped another set of rockets to the [Java] community's momentum." JA130-133; JA148-149; TX2352. Independent developers using Java have created *millions* of Android applications used by more than a *billion* people.

II. PROCEDURAL HISTORY

Oracle brought this suit against Google for patent and copyright infringement. Doc. 1. Google prevailed on the patent claims, which Oracle abandoned on appeal. Based on Google's reuse of declarations from the Java SE libraries, Oracle has sought more than $8 billion in copyright damages.

Oracle does not assert a copyright in the Java language or the developers' calls. *See, e.g.*, JA276; Doc. 853 at 5:20-22. As to the latter, names and short phrases are not eligible for copyright protection. 37 C.F.R. § 202.1(a). Oracle nonetheless asserts that its copyright in the Java SE libraries gives it the same power to control the developers' use of their calls to create innovative applications, by indirection.

A. Copyrightability And Infringement

1. Original District Court proceedings. The District Court rejected Oracle's copyright claim, relying

principally on the "merger" doctrine. Section 102(b) of the Copyright Act prevents an author from securing the exclusive right to an idea or function itself, as opposed to the author's expression. 17 U.S.C. § 102(b). Merger precludes securing that right indirectly by asserting copyright when there are only a limited number of ways to express or embody the idea or function. Pet. App. 237a, 261a.

Here, the District Court concluded, Oracle asserts an exclusive right to the declarations' functions. Only the Java SE declarations can create the interface with the calls known to Java developers. The court reasoned that "when there is only one way to write something, the merger doctrine bars anyone from claiming exclusive copyright ownership of that expression. Therefore, there can be no copyright violation in using the identical declarations." Pet. App. 264a.

2. Oracle's first appeal to the Federal Circuit. The Federal Circuit had appellate jurisdiction because Oracle's complaint had included patent claims. That court held that the merger doctrine does not exclude the declarations from copyright protection. The court did not doubt that only the precise instructions that Google reused would perform the declarations' function of responding properly to the existing calls used by developers. But it reasoned that "nothing prevented Google from writing its own declaring code, along with its own implementing code, to achieve the same" general "result" as the Java SE libraries. Pet. App. 151a-152a.

The Federal Circuit also held that merger is inapplicable because Sun made numerous decisions regarding which methods to create, how to organize them, and what to name them. The court thus deemed

it irrelevant that the Java language gave Sun one way to *express* the choices it made. Pet. App. 150a-151a.

The court also recognized that the declarations principally consist of names, which are not protected by copyright. But it held that Google had infringed Oracle's interest in a "compilation" of the methods' names. Pet. App. 153a-155a. Relatedly, the court held that Oracle's copyright protected the non-literal "structure, sequence, and organization" (SSO) of the Java SE libraries—*i.e.*, the filing system into which Sun sorted methods of a certain type, apart from their literal contents. *Id.* at 158a-166a.

B. Fair Use

1. The jury verdict on remand. The Federal Circuit concluded that Google's fair-use defense could not be resolved as a matter of law, and remanded. Pet. App. 182a-184a. The District Court conducted a two-week trial. The jury heard sworn testimony from dozens of witnesses and received voluminous documentary evidence. The parties agreed to accept a general verdict. The jury found that Google's conduct was protected as fair use.

The District Court denied Oracle's motion for judgment as a matter of law, finding ample evidence to support the jury's verdict. The court explained that it had adopted Oracle's proposed instruction directing the jury to decide fair use holistically based on all the facts. Pet. App. 116a. The court also found that the evidence presented easily supported the verdict with respect to the four illustrative factors set forth in 17 U.S.C. § 107. The court gave several examples, but stressed that "many more variations and balancings

could have reasonably led to the same verdict." Pet. App. 117a.

First, regarding the purpose and character of the use, the court concluded that "though Google's use was commercial, which weighed against fair use, the jury could reasonably have found the open-source character [*i.e.*, the free distribution] of Android tempered Google's overall commercial goals." Pet. App. 108a. Further, the "jury could reasonably have found" Android to be "transformative," because it used only a subset of the Java SE declarations, in combination with Google's own implementing code and thousands of new methods, to create an innovative "mobile smartphone platform." *Id.* at 111a.

Second, regarding the nature of the work, the court recognized that Oracle had introduced evidence that its design of the Java SE libraries was to some degree creative. But "our jury could reasonably have gone the other way" and concluded that "functional considerations predominated in their design." Pet. App. 113a-114a.

Third, regarding the amount of the work used, "our jury could reasonably have found that Google duplicated the bare minimum" from the Java SE libraries, "thus finding that Google copied only so much as was reasonably necessary for a transformative use." Pet. App. 114a.

Fourth, with respect to the effect of the use on the market for the work, "our jury could reasonably have found that use of the declar[ations] (including their [structure]) in Android caused no harm to the market for the copyrighted works." Pet. App. 114a.

2. Oracle's renewed appeal. On Oracle's appeal, the same panel of the Federal Circuit this time deemed fair use to be a question of law that is reviewed *de novo*, treated the jury's verdict as "advisory," and reversed it. Pet. App. 19a, 23a-24a, 55a. The court agreed that the verdict established that the declarations are highly functional and have little expressive value. *Id.* at 42a. Nonetheless, it held as a matter of law that no reasonable jury could find that Google had engaged in fair use, principally because Google had supposedly used the declarations for the same purpose as had Oracle, in a commercial product, in a market in which Oracle said it wanted to compete. *Id.* at 53a-54a.

SUMMARY OF THE ARGUMENT

I. Oracle has no interest protected by copyright in the declarations of the Java SE libraries. This case is controlled by the merger doctrine, which holds that copyright protection does not apply when there are only a few ways to express or embody a particular function.

Over the course of three years, more than 100 Google engineers worked to create Android. Google had the right to reimplement methods from the Java SE libraries, in which Oracle holds no patent. To do that, Google wrote its own implementing code to perform the methods' functions.

Google reused declarations from the Java SE libraries because—and only because—no other option would recognize the calls used by Java developers. If it had been possible to create from scratch the minuscule portion of Android represented by the Java SE declarations, and still have those declarations function

as intended, Google's engineers would have done so. Those declarations were not beyond Google's capacity to create. The opposite is true: They were rote, de minimis instructions that easily fall within the rule that short phrases do not involve enough expression to receive copyright protection.

Because no other instructions can perform the declarations' function, merger excludes them from copyright protection. Any other result would impermissibly convert Oracle's copyright in the declarations' *expression* into an exclusive right to the declarations' *function*.

Google therefore had the right to reuse the declarations, free from Oracle's assertion of copyright. Oracle has no protected interest in the declarations individually or collectively. Nor can it invoke copyright on the basis of a supposed interest in a compilation of the declarations' names or in the libraries' structure, sequence, and organization. Holding that any of those is protected by copyright would produce the result that the merger doctrine prohibits: It would forbid Google from reusing the declarations and would give Oracle an exclusive right to their function.

The conclusion that the merger doctrine precludes Oracle's copyright claim is reinforced by the fact that Oracle's position is contrary to the essential purpose of copyright: to promote the creation of expressive works. Oracle's claim would upend the well-settled understanding that the functions of earlier computer software may be reimplemented, including by reusing the limited instructions required to replicate the commands known to the earlier product's users. Reimplementation encourages developers to create valuable new computer software that improves on legacy

products. It also encourages the development of software that is interoperable—*i.e.*, that freely shares information, so that multiple products work efficiently together.

Oracle's copyright theory would give software companies the power to block reimplementation and to inhibit the development of new and better software. This case is a perfect example. Google created Android, an innovative operating system for smartphones. Since then, innumerable developers have used the Java language to create millions of applications for Android, which is used by billions of people around the world. Oracle holds no rights to either the developers' applications (including the developers' calls) or to the Android platform (including the millions of lines of implementing code that Google tailored to work with smartphones). But it invokes a claim of copyright in the mandatory declarations, which could only ever be written one way, to seriously interfere with the development of both applications and platforms.

II. Even if the Court concludes that Oracle asserts an interest protected by copyright, there is no basis to overturn the jury's determination—based on the testimony of dozens of witnesses and hundreds of exhibits—that Google's reuse of the declarations was fair use. Oracle does not dispute that the jury was properly instructed. The Federal Circuit erroneously substituted its view of the evidence to hold that no reasonable jury could find in Google's favor.

For the reasons just given, the jury was entitled to conclude that Google's reuse of the declarations was consistent with the overarching purpose of the fair-use doctrine: avoiding the rigid application of copyright

that would stifle creativity. There was also plainly sufficient evidence to support the verdict with respect to the jury's weighing of each of the four illustrative fair-use factors specified by the Copyright Act.

First, the jury could reasonably have found that the purpose and character of the use weighed in Google's favor. Specifically, the evidence supported the conclusion that Google's reuse of a subset of the Java SE declarations, combined with Google's own vast implementing code, to create an innovative smartphone operating system, was transformative.

Second, the jury could reasonably have found that the nature of the copyrighted work supported a finding of fair use, because the declarations were highly functional, rather than expressive.

Third, the jury could reasonably have found that the amount and substantiality of the use in relation to the copyrighted work as a whole favored Google, which reused less than 0.5% of the Java SE libraries. Moreover, Google reused no more material than was absolutely necessary to allow Android to respond properly to the calls known to Java developers.

Fourth, the jury could reasonably have found that Google's fair-use defense was supported by the effect on the market for, or value of, the original work. There was substantial evidence that Android is not a substitute for Java SE, which is not suitable for smartphones. The Federal Circuit erred both by substituting its own view of the evidence and by holding that it was legally sufficient that Oracle merely *wanted* to compete with Android in the smartphone market.

The judgment accordingly should be reversed.

ARGUMENT

I. Google Did Not Commit Copyright Infringement.

A. Copyright Protection Does Not Extend To Any System Or Method Of Operation, Or To One Of Only A Few Ways To Express Or Embody The System Or Method.

Under Section 102(a) of the Copyright Act, "Copyright protection subsists . . . in original works of authorship," including "literary works." 17 U.S.C. § 102(a). The statute contemplates that literary works include a computer program, which the Act defines as "a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result." *Id.* § 101. But under Section 102(b), "[i]n no case does copyright protection for an original work of authorship extend" beyond the expression of the computer program "to any idea, procedure, process, system, method of operation, concept, principle, or discovery" that it "embodie[s]." *Id.* § 102(b).

Section 102(b) codifies the "idea/expression" dichotomy, which this Court embraced more than a century ago in *Baker v. Selden*, 101 U.S. 99 (1880)—*viz.*, the principle that copyright protection in a work extends only to expression, not to the idea that the expression conveys. *Baker* held that copyright protection did not apply to forms that embodied an accounting method. The Court reasoned:

> To give to the author of the book an exclusive property in the art described therein, when no examination of its novelty has ever been officially made, would be a surprise and a fraud

> upon the public. That is the province of letters-patent, not of copyright. The claim to an invention or discovery of an art or manufacture must be subjected to the examination of the Patent Office before an exclusive right therein can be obtained; and it can only be secured by a patent from the government.

Id. at 102.

In Section 102(b), Congress later specified that the exclusion from copyright protection extends beyond an "idea" to, *inter alia*, any "process, system, [or] method of operation" that the work describes or embodies. 17 U.S.C. § 102(b). "Due to this idea/expression distinction, every idea, theory, and fact in a copyrighted work becomes instantly available for public exploitation at the moment of publication; the author's expression alone gains copyright protection." *Golan v. Holder*, 565 U.S. 302, 328 (2012) (citations and internal alterations omitted).

In turn, the merger doctrine is an application of Section 102(b). Merger provides that an author cannot claim a copyright in an idea, system, or method indirectly, by copyrighting one of only a few possible means of expression. Granting the author an exclusive right to the expression would confer control over the idea, system, or method of operation itself. In such cases, the expression is not protected by copyright because it is said to "merge" with the non-expressive subject matter. *See generally* 4 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 13.03[B][3][b]-[c] (*Nimmer*); 1 Paul Goldstein, *Goldstein on Copyright* § 2.3.1.2 (*Goldstein*); 1 Howard B. Abrams & Tyler T. Ochoa, *The Law of Copyright* § 3.8.

B. Google's Reuse Of The Declarations Did Not Infringe Any Interest Protected By Copyright.

There are two related grounds on which this Court can hold that the declarations reused by Google from the Java SE libraries are excluded from copyright protection under Section 102(b). The Court can rule that the declarations are a "method of operation." 17 U.S.C. § 102(b). Instructions that respond to the calls used by Java developers are the equivalent of the forms in *Baker*. A declaration is an excluded "method of operation," because it allows a Java developer to invoke (*i.e.*, operate) the separate pre-written computer code.

The organizational system of the Java SE libraries similarly receives no copyright protection because it is entirely functional. Oracle is claiming the exclusive right to a functional filing system of a certain structure. The declarations direct the developer's application to the location of the relevant method. They are analogous to a collection of filing cabinets. Section 102(b) expressly excludes such "systems" from copyright protection.

Alternatively, the Court can decide the case more narrowly by applying the merger doctrine. That ruling would focus on the fact that the declarations can only be written one way to perform their function of responding to the calls already known to Java developers. For the reasons that follow, merger easily disposes of Oracle's copyright claim.

1. Google reused only the material that was required by the Java language to perform the function of responding to the developers' calls.

Oracle does not dispute the essential feature of this case: Only one precisely written set of declarations will perform the function of responding to the corresponding calls known to the developer. The two create an interface as an exclusively matched set: a key and an unpickable lock. If the declaration is changed, the call will fail. The developer's application will either not invoke the method or the method will not function properly. Each declaration that Google reused is thus the only instruction that performs the function of responding to the corresponding call in a certain, expected way.

Moreover, Google's engineers reused no more than what the Java language absolutely required. The engineers did not even duplicate the entirety of the declarations they reused. In one respect, developers' calls will respond properly to declarations that deviate from those in the Java SE libraries. Pet. App. 226a. Many calls and declarations include "arguments," which transfer information from the developer's application. The Java language does *not* require that a declaration use particular argument names.[6] And in reusing declarations from the Java SE libraries, the Google engineers regularly used their own argument names that

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[6] From the earlier example, *see supra* at 6 n.4, recall that the declaration for the *max* method [*public static int max (int a, int b)*] anticipates receiving two integers as arguments, which are assigned the names *a* and *b* [(*int a, int b)*]. Instead of *a* and *b*, the declaration for *max* would still properly respond to the developer's call if it used, for example, *x* and *y*.

corresponded to their own implementing code. *See ibid.*

2. The merger doctrine provides that Google has the right to reuse the declarations.

Under the merger doctrine, an author cannot assert a copyright with respect to a function indirectly, by claiming an exclusive right to the only expression for the function. That is exactly Oracle's assertion here. It claims that no person can copy the only instructions that will respond correctly to the developers' calls. But only patent law provides rights of that sort. *See Eldred v. Ashcroft*, 537 U.S. 186, 217 (2003) ("A reader of an author's writing may make full use of any fact or idea she acquires from her reading. See § 102(b). The grant of a patent, on the other hand, does prevent full use by others of the inventor's knowledge."). The Federal Circuit, which has exclusive appellate jurisdiction over patent claims, granted Oracle rights akin to patent rights.

The application of the merger doctrine to the Java SE declarations is easily illustrated, in three ways.

First, if Oracle were not effectively claiming a copyright to the function of responding properly to the developers' calls, then it would be able to identify other Java instructions that would do the same thing. But it cannot, because none exist.

Second, look to the conduct of Google, which expended years of effort writing millions of lines of computer code. Google's engineering team reused the declarations only because it had no other choice.

Third, imagine that Oracle described how a particular declaration works in an English sentence. It might say something like: "The *max* method will

respond to a developer's call *java.lang.Math.max(x, y)* by accepting integers *x* and *y* and returning another integer." Under Section 102(b), Oracle plainly could not invoke copyright to assert an exclusive right to the function that sentence describes. The merger doctrine similarly provides that Oracle cannot assert copyright protection over the only declaration that can perform that function in the relevant programming language, which here is Java.

It also is significant that Oracle claims no copyright interest in the calls that Java developers use to invoke the methods. Under the Copyright Act, those developers have a significant interest in using those instructions to create their own valuable applications. It would be contrary to copyright's purpose to promote creative expression to block the developers from doing so by granting another author the exclusive right to the precise function that corresponds to the developers' expression.

3. The merger doctrine applies to computer software interfaces designed to invoke the functions of a program.

The merger doctrine is critical in the field of computer science. The general rule—reflected in Section 102(b)—is that copyright protection does not extend to purely functional works, which are instead subject to the rules governing patents. *Baker v. Selden*, *supra*; *see also Incredible Techs., Inc. v. Virtual Techs., Inc.*, 400 F.3d 1007, 1012 (7th Cir. 2005) ("The exclusion of functional features from copyright protection grows out of the tension between copyright and patent laws. Functional features are generally within the domain of the patent laws."). Congress protected the

expression in computer programs as a limited departure from that principle. But it provided in Section 102(b) that copyright would not grant an exclusive right to the underlying function that the computer code embodies. In case of doubt, this Court's practice is to find no copyright violation, reasoning: "When technological change has rendered its literal terms ambiguous, the Copyright Act must be construed in light of [its] basic purpose" to "stimulate artistic creativity for the general public good." *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 432 (1984) (quoting *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975)).

The merger doctrine's application to isolated instructions such as declarations comports with the Copyright Act's treatment of "computer programs." The Copyright Act defines a computer program as "a *set of statements or instructions* to be used directly or indirectly in a computer in order to bring about a certain result." 17 U.S.C. § 101 (emphasis added). A "set" of computer code can almost always be written in many different ways. For example, Google's engineers were able to create their own implementing code, which performs the function of each method.

By contrast, the Act notably does not extend copyright protection to an *isolated computer instruction*, which generally can be written only one way. Instructions are the building blocks of larger, creative computer programs. Here, for example, Oracle is invoking its supposed exclusive right to the declarations to prevent Java developers from using calls that they routinely combine in creative applications. Oracle's claim cannot be reconciled with the principle that "copyright assures authors the right to their original expression,

but *encourages* others to build freely upon the ideas and information conveyed by a work." *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 349-350 (1991) (emphasis added); *see also Goldstein* § 2.3.2 ("[A]s a general rule, courts will be more inclined to find merger where the idea that the copyright owner seeks to constrain is a building block, a necessary foundation to further creative expression.").

The conclusion that merger applies to the function performed by individual instructions is reinforced by the report that Congress commissioned from the National Commission on New Technological Uses of Copyrighted Works. *See* Nat'l Comm'n on New Tech. Uses of Copyrighted Works, *Final Report* (1979) (CONTU Report). The Report laid the foundation for the Copyright Act's recognition of protection for computer programs. "Subsequent Congresses, the courts, and commentators have regarded the CONTU Report as the authoritative guide to congressional intent." *Sega Enters. Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1520 n.5 (9th Cir. 1993). The Report explained that the copyright in a computer program would not give the author any exclusive right to "the electromechanical functioning of a machine." CONTU Report 20. A later software developer would remain free to make the computer "perform *any* conceivable process," *ibid.* (emphasis added), including obviously the process performed by a single instruction.

4. The number of declarations that Google reused does not change the merger analysis.

Oracle stresses that Google's engineers reused thousands of declarations. But under the merger doctrine, none of those declarations is protected by

copyright. If a book contains thousands of unprotected facts, it is not copyright infringement to copy either one fact or one thousand facts. *See Feist*, 499 U.S. at 361. The amount of the work copied may be relevant to the question of fair use, but if and only if copyright protection applies. *See infra* at 46-47.

Oracle stresses the enormous effort that Sun put into developing the Java SE libraries. But copyright does not reward effort. *Feist*, 499 U.S. at 359-360; *Meshwerks, Inc. v. Toyota Motor Sales U.S.A., Inc.*, 528 F.3d 1258, 1268 (10th Cir. 2008). It rewards creative expression. Here, the creativity is reflected in the implementing code, which performs the methods' functions and which could be written in numerous different ways. Oracle can recover the value of its work through its exclusive right to the implementing code.

Oracle's argument is also something of an optical illusion. It is designed to suggest that Google's engineers reused thousands of related commands, as if they comprised a large section of a computer program—the implication being that the program could be written in many ways. That is not correct. The Java SE libraries are simply a large collection of methods. No application uses more than a very small proportion of them. The declarations, in turn, do not appear together but instead are sprinkled throughout the Java SE libraries; most are functionally unrelated to each other.

In any event, even viewed as a collective whole, the declarations are excluded from copyright protection by the merger doctrine. The declarations are a "system," because they collectively respond to thousands of developers' commands. *See* 17 U.S.C. § 102(b). But only one collection of instructions—the

precise declarations that Google reused from the Java SE libraries—will perform the function of that system. Merger accordingly excludes it from copyright protection. Any exclusive right to such a system can only be provided under the rules governing software patents. The Federal Circuit's decisions thus threaten to undermine the limits on software patents recognized by this Court. *See, e.g.*, *Alice Corp. v. CLS Bank Int'l*, 573 U.S. 208 (2014).

In the context of computer science, the merger doctrine is essential to the ability of innovators to improve on numerous functions of older software. Building on existing conventions and knowledge is a foundational practice in computer science. *See* JA245-246. New entrants often create software that improves on a legacy product. Any successful new product must be as compatible as possible with the relevant existing skills and experience of the users it seeks to support. Software Innovators Cert. Br. 4-13; Mozilla Cert. Br. 10-15.

New entrants into a software market therefore "reimplement" existing tools. They write the extensive computer code that performs the relevant *functions* from the legacy product. But they reuse the more limited code that is required—because it cannot be written any other way—to allow users to use commands they already know from the legacy product. The code that recognizes the users' commands is part of the interface.

As the most distinguished technology companies and computer scientists in the world have explained, the decades-long understanding in the software industry has been that software functions may be freely reimplemented—and that such reimplementation

"unleashed the personal computer revolution, created popular operating systems and programming languages, and established the foundation upon which the Internet and cloud computing depend." 78 Computer Scientists Cert. Br. 4; *see* Mozilla Cert. Br. 10-11; Developers Alliance Cert. Br. 5-8; *see also* JA114-115; JA141; JA153-154; JA157; JA164-165; JA245-246. (Notably, Java SE itself "reimplements" interfaces from earlier programming languages. JA154-157; *see also* JA211.) This common practice provided the backdrop to Congress's express recognition of computer programs in the Copyright Act.

A ruling by this Court that copyright prohibits that reimplementation would allow the authors of older software to hold their users hostage, lest the skills that the users have built up over long periods of time become worthless when they move to a new environment. *Lotus Dev. Corp. v. Borland Int'l, Inc.*, 49 F.3d 807, 821 (1st Cir. 1995) (Boudin, J., concurring), *aff'd by an equally divided Court*, 516 U.S. 233 (1996) (per curiam). Because new entrants would have difficulty attracting users, they would be less likely to create innovative applications. That is the opposite of what copyright intends.

This case illustrates the point. Oracle claims the right to erect serious obstacles to both the creation of an innovative platform like Android and the creation of applications for it. Oracle would require Java developers to learn thousands of new calls to replace those they already know, with no benefit to anyone. That is effectively the equivalent of requiring the developers to learn an entirely new programming language, simply to invoke the same functions using different labels.

At bottom, Oracle's position is a bait and switch. Like Sun before it, Oracle touted Java as a "free and open" programming language. Pet. App. 5a, 9a (citation omitted). Millions of developers collectively invested incalculable effort in learning how to use thousands of non-copyrighted calls to create applications. Now Oracle says that it has the power to effectively lock those developers into programming for only its platform.

More broadly, interfaces such as declarations are critical to compatibility not just between platforms and applications, but also between and among programs, platforms, and software-enabled devices in general. As explained by amicus Microsoft (a company that both relies on copyright protection to develop new products and relies on compatibility with competitors' products to innovate), the Federal Circuit's decision "threatens the viability of the interconnected software ecosystem." Microsoft Cert. Br. 21 (capitalization altered). As Microsoft's brief points out: "Consumers already expect to be able to take a photo on their Apple phone, save it onto Google's cloud servers, and edit it on their [Microsoft] Surface tablets." *Id.* at 22-23.

5. The Federal Circuit's rationales for rejecting the merger doctrine lack merit.

The Federal Circuit held that it was sufficient that Google could have written different declarations that still would have allowed the *methods* to perform the same general functions. That reasoning misapprehends the nature of Oracle's copyright claim, and therefore asks the wrong question. Oracle is asserting that Google infringed its copyright with respect to the declarations. The question is therefore whether the

declarations receive copyright protection. Merger turns on the fact that the declarations that Google reused are the only instructions that can perform their intended function.

The Federal Circuit also held that the merger doctrine determines copyrightability, and therefore should be assessed from the perspective of the author at the time the work is created, not based on the range of options available to a later software developer. Here, Sun (the original creator of Java) had an array of conceptual options in naming and organizing the declarations.

Even on that view, merger still applies. With respect to any given declaration, Sun made a variety of conceptual choices, which are ideas. But it made only one *expressive* choice: what names to use for the packages, classes, and methods. Names receive no copyright protection. 37 C.F.R. § 202.1(a). The Java language determined every other element of each declaration. Having made the conceptual choices about the function a method should perform—*i.e.*, having chosen an *idea*—Sun was compelled to write the declarations just as it did.

This case is analogous to *Southco, Inc. v. Kanebridge Corp.*, 390 F.3d 276 (3d Cir. 2004) (en banc), which rejected the plaintiff's claim to copyright protection for a system of part numbers. The court reasoned that the part numbers were purely functional and were determined by the "'mechanical application'" of a "rigidly dictated" system. *Id.* at 282 (citation omitted). In this case, the declarations were rigidly determined by the rules of the Java language. (Just as Sun picked names in the system of declarations, the plaintiff in *Southco* picked the numbers used

in the system of parts.) It was dispositive that the system determined the actual expression.

But in any event, the authoritative CONTU Report makes clear that, at least in the context of computer software, merger is evaluated at the time material is reused. The Report explained how merger would apply "[i]n the computer context": "[W]hen specific instructions, even though previously copyrighted, are the only and essential means of accomplishing a given task, their later use by another will not amount to an infringement." CONTU Report 20. As a result, the extension of copyright to computer programs would not "block the use of . . . program language previously developed by others when that use is necessary to achieve a certain result." *Ibid.*

That must be true. On Oracle's contrary view, a software developer could write computer code that is the only way to perform a function, then effectively use copyright to claim the exclusive right to that function. Here, Google would be prohibited from creating software with declarations that recognized Java developers' instructions, and Oracle could lock developers into the Java SE libraries as the only system that would recognize their calls. Such a right to own an entire function can only be conferred by patent law.

Baker v. Selden is on point. There, Selden could have chosen from a vast array of potential accounting systems. But he selected one and disclosed it in his book. At that point, Baker had the right to perform the method, and thus the right to publish forms like Selden's. It made no difference that Baker could have conceived of other forms of accounting that would have achieved the same general result; if he was going to perform Selden's method, he needed to use forms like

Selden's. Likewise, Oracle cannot avoid the application of merger by relying on the fact that Sun could have originally chosen different declarations, or the fact that Google later could have created a different organization of methods that responded to different calls. The relevant point is that once Sun released Java SE, Google had to use the declarations from the Java SE libraries to respond properly to the existing calls that the developers then knew.

6. The merger doctrine also resolves Oracle's claims that copyright protection applies to the structure created by the declarations.

Merger resolves not only Oracle's assertion that the declarations are protected by copyright, but also its claim that it has a protected interest in the structure of the Java SE libraries. Merger provides that copyright will not prevent Google from reusing the declarations, because Google has the right to create its own software that performs their functions. But Oracle's "structural" copyright claims would do just that. If Oracle prevailed, Google could not reuse those very declarations.

It is thus critical that Oracle's claims related to the libraries' structure arise *only* from Google's reuse of the declarations themselves, and that Google did *not* duplicate any elements of the structure that were not compelled by the declarations. The declarations create the hierarchical organization into which methods are sorted, including what Oracle describes as the structure, sequence, and organization. *Only* the declarations do so. The structure does not exist apart from the declarations. Google in turn duplicated the

structure of the Java SE libraries only as the inevitable and unavoidable consequence of reusing the declarations.

Moreover, Google duplicated the structure of the Java SE libraries only to the extent absolutely required. Whenever it could depart from that structure, it did so. That is true in two respects.

First, as noted, methods are stored in the computer files of their respective classes. In the filing cabinet analogy, they are folders in drawers. For example, the *max* method is stored in the *Math* class computer file. The Google engineers could not store the methods (and thus their declarations) in class files that were different from those in the Java SE libraries, because the developers' calls would no longer have worked.

But the Java language does not dictate the *order* in which the methods (and their corresponding declarations) are stored in each class file. Google therefore did not duplicate the ordering that Sun had used within the class files of the Java SE libraries. Instead, the Android declarations regularly appear in a different order. Again, using the file-cabinet analogy, while the Java language required Google to use the same file cabinets, drawers, and file labels as the Java SE libraries, Android organizes many of its file folders in a different order within each drawer.

Second, the libraries have a logical structure based on connections between the methods that are created by the implementing code. Each method is an individual building block that performs a common function. 2012 Tr. 288:21-290:7, 729:13-25. Therefore, one Java method's implementation may invoke

another method, which in turn may invoke yet another, and so on. Doc. 955 at 13-14. For example, the implementing code of a method that performs a complicated mathematical function may need to determine the sums of multiple sets of numbers, then sort those results in ascending order. Those individual subsidiary functions may be performed by calling other methods. Here, Google wrote its own implementing code. The methods in Android therefore contain their own distinct calls to other subsidiary methods. The logical structure of methods in Android is therefore very different from the structure of the Java SE libraries. *Ibid.*; *see also* 2012 Tr. 2183:21-2184:21.[7]

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[7] The lower courts that have recognized a copyright interest in a computer program's SSO thus would find no infringement of that interest here. *See, e.g.*, *Computer Assocs. Int'l, Inc. v. Altai, Inc.*, 982 F.2d 693, 697, 702, 715 (2d Cir. 1992) (affirming denial of claim based on infringement of SSO, described as including "non-literal components such as general flow charts" that "map the interactions between modules that achieve the program's end goal," as "well as the more specific organization of inter-modular relationships, parameter lists, and macros"); *see also Softel, Inc. v. Dragon Med. & Sci. Commc'ns, Inc.*, 118 F.3d 955, 967 (2d Cir. 1997); *Gates Rubber Co. v. Bando Chem. Indus., Ltd.*, 9 F.3d 823, 835 (10th Cir. 1993). Oracle's SSO claim instead relates to the hierarchical scheme it chose to organize largely unrelated segments of computer code—*i.e.*, the methods. No other court has recognized such a claim.

There also is no merit to the Federal Circuit's view that the Java SE libraries are a compilation of names. The Copyright Act does protect a compilation, defined as a "work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship." 17 U.S.C. § 101. The Java SE libraries are a

The District Court therefore correctly held that Google's reuse of declarations from the Java SE libraries did not violate any interest protected by copyright.

II. There Is No Basis To Overturn The Jury's Finding That Google's Reuse Of The Declarations From The Java SE Libraries Was Fair Use.

Even if this Court concludes that Google's reuse of the declarations infringed an element of the Java SE libraries that was protected by copyright, there is no basis to overturn the jury's finding of fair use.

A. The Jury's Verdict Is Reviewed For Substantial Evidence.

Following an extensive trial, covering numerous hotly contested factual issues, the jury reached a general verdict finding fair use. Every fair-use case "must be decided on its own facts" and cannot be captured by a "generally applicable definition." *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 560 (1985) (quoting H.R. Rep. No. 94-1476, at 65 (1976) (House Report)); *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 448 n.31 (1983).

Although the Federal Circuit concluded in the first appeal that it could not decide fair use as a matter of law because of the fact-intensive nature of the

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"compilation" in the sense that they are an organized collection of materials. But Oracle did not select and arrange the *names*; instead, it systematically organized the *methods* by their functionality, filing those methods according to what they do, not by what they are named. 2012 Tr. 588:12-592:10, 628:22-629:6. Such a "system" is expressly excluded from copyright protection by Section 102(b).

inquiry, Pet. App. 174a-184a, the court took the extraordinary step in the second appeal of reversing the jury's verdict based on the court's own weighing of the evidence—an unprecedented action by an appellate court. In so doing, the court inverted the proper substantial-evidence standard of review.

The jury was correctly instructed on the legal rules governing fair use—and Oracle did not challenge the instructions on appeal. Because the jury rendered a general verdict of fair use, all reasonable inferences from the evidence presented at trial must be construed in favor of the jury's verdict. *Sentilles v. Inter-Caribbean Shipping Corp.*, 361 U.S. 107, 110 (1959). Emphasizing that the "trial presented a series of credibility calls for our jury," Pet. App. 92a, the District Court correctly held that there were "myriad ways that the jury could reasonably have balanced the statutory factors and found in favor of fair use," *id.* at 117a.

The question before the Federal Circuit was therefore whether the evidence was sufficient to allow *any* reasonable jury to find facts that would support the ultimate conclusion that Google's conduct was fair use. Consistent with the Seventh Amendment's admonition that it is the responsibility of juries to find facts, the Federal Circuit had no authority to overturn the jury verdict if that verdict was based on substantial evidence, *i.e.*, evidence sufficient to support the jury's conclusion even when it would also support a contrary conclusion. *See Biestek v. Berryhill*, 139 S. Ct. 1148, 1154 (2019).

"[D]ecisionmaking in fact-intensive disputes" such as this "necessarily requires" a jury to make "judgment calls." *Hana Fin., Inc. v. Hana Bank*, 574 U.S. 418, 425 (2015). Those judgment calls—including

resolution of competing evidence and drawing of inferences from testimony and documents—are reflected in the jury's general verdict and are entitled to deference on appeal, not *de novo* review. *See* Fed. R. Civ. P. 50(a)(1). There are no express findings of fact to review, given the general verdict to which the parties agreed. The Federal Circuit was therefore required to assume that the jury resolved all factual disputes in favor of its ultimate verdict. Those implicit factual determinations were entitled to deference—that is, they should have been viewed "with a serious thumb on the scale for the" factfinder (here, the jury)—on appeal. *U.S. Bank Nat'l Ass'n v. Village at Lakeridge, LLC*, 138 S. Ct. 960, 966-967 (2018). Instead, the Federal Circuit did the opposite, expressly treating the jury's verdict as "advisory only," Pet. App. 24a, and assigning to *itself* the role of making and weighing inferences from evidence "de novo" while conducting its own factfinding.

The Federal Circuit justified its lack of deference by relying on Ninth Circuit decisions governing review of district courts' *summary judgment* holdings. Pet. App. 18a, 22a-24a (citing *SOFA Entm't, Inc. v. Dodger Prods., Inc.*, 709 F.3d 1273, 1277 (9th Cir. 2013); *Fisher v. Dees*, 794 F.2d 432, 434 (9th Cir. 1986)). That was obviously wrong, because the very fact that a court granted summary judgment means that there are *no* material disputed factual questions, whereas here there was a lengthy trial precisely because the relevant facts are disputed.

As discussed below, the evidence was more than sufficient to support the jury's verdict.

B. Substantial Evidence Supported The Jury's Overall Finding That Google's Conduct Was Fair Use.

The Copyright Act identifies four factors that must be considered in determining fair use. 17 U.S.C. § 107. Those factors are "not meant to be exclusive," *Harper & Row*, 471 U.S. at 560, and must be considered holistically, "in light of the purposes of copyright," *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578 (1994). The purpose of the doctrine is "to avoid rigid application of the copyright statute when, on occasion, it would stifle the very creativity which that law is designed to foster." *Harper & Row*, 471 U.S. at 550 n.3 (citation omitted).

Particularly relevant here, fair use is designed to adapt to changing technology and to account for the nature of the copyrighted material. House Report 66. In all instances—and particularly when applied in a new technological environment—the fair-use doctrine "must be construed in light of [its] basic purpose." *Sony*, 464 U.S. at 432 (citation omitted); House Report 66 (explaining that Congress did not intend "to freeze the doctrine in the statute, especially during a period of rapid technological change"). The jury was entitled to find that Google's reuse of the declarations furthered that essential purpose.

1. The long-standing practice of the software industry and reasonable software owners. In determining fair use, the jury was entitled to consider the widespread, longstanding practice of software companies and developers of reimplementing declarations and other software interfaces that operate pre-written computer code—just as Google reimplemented the declarations. At common law, the question of fair use was

viewed as whether a reasonable author "would have consented to the use, i.e., where the custom or public policy at the time would have defined the use as reasonable." *Wall Data Inc. v. L.A. Cty. Sheriff's Dep't*, 447 F.3d 769, 778 (9th Cir. 2006) (internal quotation marks omitted); *accord Harper & Row*, 471 U.S. at 549. The jury was entitled to conclude that Sun (the original author and the owner of Java SE at the time Android was launched) did not consider Google's reuse of the declarations to be infringement—and in fact that Sun *celebrated* the launch of Android, which it said had "strapped another set of rockets" to the Java ecosystem by expanding the developer community interested in programming in the Java language. JA119-120; JA124-125; JA129; JA132; JA148-149; TX2352.

The jury also heard testimony from former Sun executives that, consistent with that industry practice, Sun never considered the declarations to be proprietary and allowed anyone to use them without a license. *See, e.g.*, JA119-120; JA124-125; JA129; TX2352. The District Court recognized that the weight to give the testimony of the former Sun executives was the "classic role of a jury to resolve." Pet. App. 107a-108a.

The jury heard substantial supporting evidence that reasonable software copyright owners would permit Google's conduct and that Google acted in good-faith reliance on the industry understanding that interfaces may be reused. JA114-115; JA153-154; JA157; JA164-166; JA245-246. Indeed, Java SE *itself* "reimplements" functionality from earlier programming languages. JA154-157; *see also* JA211. The District Court correctly concluded that the "jury could reasonably have concluded that Google's use of parts

of the Java [SE libraries] as an accelerant was undertaken based on a good faith belief that at least the declaring code and SSO were free to use," "while a license was necessary for the implementing code." Pet. App. 107a.

2. The expression made possible by reuse of software interfaces. Because "[c]opyright seeks to maximize the creation and publication of socially useful material," Pierre N. Leval, *Toward a Fair Use Standard*, 103 Harv. L. Rev. 1105, 1126 (1990), any fair-use analysis must weigh the expressive value of the copyrighted material against that of the new product, *Stewart v. Abend*, 495 U.S. 207, 236-237 (1990); *Harper & Row*, 471 U.S. at 550 n.3. Fair use prevents copyright from prohibiting the reuse of a small amount of low-value expression when reuse would unleash a large amount of high-value expression. *See Harper & Row*, 471 U.S. at 549. The jury was thus instructed that "[t]he policy behind the right of fair use is to encourage and allow the development of new ideas that build on earlier ones, thus providing a counterbalance to the copyright policy to protect creative works." JA279.

The District Court explained that the "jury could reasonably have found that, while the [declarations] and SSO were creative enough to qualify for copyright protection, functional considerations predominated in their design." Pet. App. 114a; *id.* at 113a (noting that the jury "could reasonably have" "concluded that the declaring code was not highly creative"). The Federal Circuit itself agreed that fact supported a finding of fair use. *Id.* at 42a.

Conversely, there was substantial evidence that prohibiting reuse of the declarations would seriously

inhibit a large amount of creative expression by other parties in two ways. *First*, reusing the declarations unleashes enormous innovation and creativity by enabling developers to use their existing knowledge of the free and open Java language to create innovative programs that can run on new platforms such as Android. *See supra* at 26-27; JA139-140; JA187; JA190-191; Pet. App. 196a.

Second, reuse of the declarations prevents Oracle from locking Java developers into Oracle-approved platforms. *See supra* at 27-28; *Sega*, 977 F.2d at 1523-1524 ("[A]n attempt to monopolize the market by making it impossible for others to compete runs counter to the statutory purpose of promoting creative expression and cannot constitute a strong equitable basis for resisting the invocation of the fair use doctrine.").

The net effect of Oracle's novel approach would be to empower Oracle (and other software companies) to prevent anyone from developing a product compatible with their software interfaces. Although Oracle trumpets Java's "write once, run anywhere" marketing slogan, its cramped reading of fair use would result in a world of "write once, run only on Oracle-approved platforms." That would deter competition, creating often insurmountable barriers to new market entrants and start-ups, leaving consumers with fewer choices, and stifling technological innovation. Software Innovators Cert. Br. 4-13; Mozilla Cert. Br. 10-15. For decades, computer scientists have built on each others' work, drawing on shared foundations of knowledge and the compatibility of interfaces that allow developers to create applications available on a variety of devices and platforms. The decision below would make the industry less efficient, reduce consumer choice, and limit

creative expression. These "practical problems . . . are too serious, too extensive, and too likely to come about for [the Court] to dismiss them as insignificant" in interpreting the Copyright Act. *Kirtsaeng v. John Wiley & Sons, Inc.*, 568 U.S. 519, 545 (2013).

Although the Solicitor General now sides with Oracle, the U.S. Copyright Office has publicly committed to the view that the reuse of "appropriately limited amounts of code," including software interfaces like the declarations at issue here, should be considered fair use when the reuse is "for purposes of compatibility and interoperability." U.S. Copyright Office, *Software-Enabled Consumer Products* 52, 57 (Dec. 2016). Where a reuse "is simply to 'permit . . . functionality'" of a new product, the Office has explained, "literal copying of code may be favored" under the fair-use doctrine. *Id.* at 58 (quoting *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 387 F.3d 522, 544 (6th Cir. 2004)) (ellipses in original). That describes precisely the reuse at issue here—Google's reuse of the declarations and SSO made the new Android platform accessible to and compatible with Java developers using existing code libraries and Java-language skills.

C. Substantial Evidence Supported The Verdict With Respect To Each Of The Illustrative Statutory Fair-Use Factors.

Section 107 recognizes the common-law doctrine of fair use without "chang[ing], narrow[ing], or enlarg[ing] it in any way." *Harper & Row*, 471 U.S. at 549 (quoting House Report 66). The provision lists four "criteria which, though in no case definitive or determinative, provide some gauge for balancing the equities." House Report 65. The District Court carefully

reviewed each factor and found substantial evidence to support the verdict. That conclusion is reinforced by the fact that the jury's role is not only to find the relevant facts but also to then weigh the different factors (as well as others it finds relevant) to reach the ultimate determination of fair use. The Federal Circuit erred in reversing the verdict by applying erroneous legal rules and reweighing the evidence.

1. Factor one: The purpose and character of the use

a. *New, innovative, and socially valuable use.* The first statutory fair-use factor is "the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes." 17 U.S.C. § 107(1). "The central purpose of this investigation is to see, in Justice Story's words, whether the new work merely 'supersedes the objects' of the original creation," "or instead adds something new, with a further purpose or a different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is 'transformative.'" *Campbell*, 510 U.S. at 579 (citations and brackets omitted). Here, the jury was properly instructed on that legal standard. JA281.

The District Court concluded that the "jury could reasonably have found" that Google's reuse of the declarations from "37 out of 166 Java API packages," "reimplemented with new implementing code adapted to the constrained operating environment of mobile smartphone devices with small batteries," and "combined with brand new methods, classes, and packages written by Google for the mobile smartphone platform"

gave "new expression, meaning, or message to the duplicated code." Pet. App. 111a.

The jury heard testimony that, prior to Android, there had been little innovation in the smartphone space because of the difficulties of aggregating the necessary components to make a modern smartphone work. JA138-139; *see also* JA111; JA242. Using Java SE would not have solved the problems because it was built to run on servers and desktop computers, JA98; JA195; JA252; JA255, and was not suitable for the serious constraints of a smartphone platform, JA264-265. Google built a revolutionary open-source smartphone platform that was "completely different from any other approach" in the market, including all new implementing code to perform the functions of both the reimplemented methods and the methods unique to that constrained environment. JA111-112; *see* JA168-169; TX7805. The jury heard that "mobile devices have really different constraints from those servers and desktops for which Java 2 SE was written," including differences in power supply, memory availability, and the power of the processing chips. JA159.

Although Google's creation of Android was a commercial endeavor, that does not preclude a finding that the first factor favors a finding of fair use. To the extent the declarations derive any commercial advantage from creative expression, they do so through the libraries of pre-written implementing code (which Google did not reuse). *See* JA124-125 (Java SE declarations were never sold or licensed separately from the language). The jury heard testimony that Sun's business model was to *share* the declarations freely and to compete with respect to the implementing code. JA123-129. The SSO similarly has neither function

nor economic value separate from the declarations. Oracle therefore had no reasonable expectation of financial reward from the SSO *qua* SSO. Because the nature of Google's reuse was so transformative, moreover, its commercial purpose was less significant. *See Campbell*, 510 U.S. at 580, 584-585. The jury could also have concluded that Google's reuse had some noncommercial purposes (such as promoting software innovation) based on the undisputed fact that Android is an open-source initiative that benefits hundreds of device manufacturers, millions of developers, and more than a billion consumers around the world. Pet. App. 107a-108a.

b. *The Federal Circuit's legally erroneous approach to computer code.* In overturning the jury's fair-use verdict, the Federal Circuit concluded that Google's reuse of the declarations could not have been transformative because the declarations supposedly served the "same purpose" in Java SE and in Android. Pet. App. 31a, 33a-35a. That legal rule would dramatically limit any fair use of computer code, and would ironically provide more rather than less protection to a work because of its functional nature.

The declarations that Google reused—indeed, any declarations—are by definition purely functional. Their function is to point a computer to the creative implementing code; the declarations do not instruct the computer how to execute any task. It is principally the *implementing* code that contains the "set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result." 17 U.S.C. § 101 (definition of copyrightable "computer program"). The declarations are *designed* to be used as a means of accessing and operating the creative

implementing code that the computer will execute when running a program. Because the declarations are purely functional, they inevitably will serve "the same purpose," Pet. App. 31a, in the sense of performing the same function in every computing environment. It is therefore impossible to reuse declarations in a software environment for a different function—reusing a declaration necessarily replicates its function. But that is a reason to give them *less* copyright protection, not more.

The Federal Circuit's approach to the transformativeness inquiry is also fundamentally flawed because it focuses on whether the *reused material* itself was transformed rather than on whether the *new work as a whole* transformed the use of the borrowed elements. But a fair-use inquiry must focus on whether "the new work" "adds something new, with a further purpose." *Campbell*, 510 U.S. at 579. Here, the new work is the Android platform, which undoubtedly added something new to the computing world, with a further purpose: It enabled Java developers to unleash their creativity on a new and widely adopted (smartphone) platform, which they could not do while using Oracle's copyrighted work (Java SE).

2. Factor two: The nature of the copyrighted work

The second statutory fair-use factor is "the nature of the copyrighted work." 17 U.S.C. § 107(2). The jury was correctly instructed that it should "focus" "on how close the used material is to the core values of copyright protection" because "[t]he less the used material implicates the core values of copyright protection, the more viable will be fair use and vice versa." JA284; *accord Campbell*, 510 U.S. at 586; Leval 1116. "Under

this factor, the more creative a work, the more protection it should be accorded from copying; correlatively, the more informational or functional the plaintiff's work, the broader should be the scope of the fair use defense." *Nimmer* § 13.05[A][2][a] (footnotes omitted).

Both the District Court and the Federal Circuit recognized that there was substantial evidence that the declarations were functional, not creative, supporting a finding of fair use. *See supra* at 12-13. The declarations serve two relevant functions: connecting the developers' applications to the methods' implementing code and defining the organizational structure in which the methods are stored. But they are minimally expressive because the Java language mandates all or nearly all of the content of each declaration, as well as the organizational structure that the declarations reflect. The jury therefore had ample basis to find that the declarations are entitled to, at best, minimal copyright protection.

3. Factor three: The amount and substantiality of the reuse

The third statutory fair-use factor is "the amount and substantiality of the portion used in relation to the copyrighted work as a whole." 17 U.S.C. § 107. As the jury was properly instructed, JA286-287, this factor (1) measures the amount of material that was reused *relative to* the entire copyrighted work and (2) assesses the importance of the reused portions to the copyrighted work as a whole. The jury was entitled to conclude that those considerations weighed in favor of finding fair use.

The jury heard testimony that the *total* amount of code Google reused comprised less than 0.5% of the

code in the Java SE libraries, which are themselves only a subset of the Java SE work as a whole. JA212. Moreover, there was evidence that although the declarations are necessary to allow code written in the Java language to work on Android, they have no value independent of the implementing code (which Google did not copy) and were not viewed by Sun as proprietary. *See* JA124-125; JA129.

The reused declarations are short and scattered within the copyrighted work. Google's engineers did not reuse anything resembling a contiguous block of computer code; they reused only the highly functional declarations. In holding that "no reasonable jury could conclude that what was copied was qualitatively insignificant," Pet. App. 46a, moreover, the Federal Circuit erroneously applied a legal rule that placed no weight on evidence that the declarations are less important because it is Google's new method implementations that actually carry out the functionality called by the declarations. JA159-160; JA203.

When "no more was taken than necessary" for the new work, this Court has explained, it is difficult "to see how the copying can be excessive in relation" to the purpose of the reuse. *Campbell*, 510 U.S. at 589 (quotation marks omitted). Here, the "jury could reasonably have found that Google's engineering team duplicated the bare minimum of" Java SE, "just enough to preserve inter-system consistency in usage" and "only so much as was reasonably necessary for a transformative use." Pet. App. 114a. The jury thus heard extensive testimony that the engineers reused only the declarations that were necessary to allow developers to use their Java language skills to create creative content for Android or to reuse their own existing code

already written in the Java language. JA169-170; JA200-203; JA213-214; *see* JA139-140.

4. Factor four: The effect on the market for, or value of, the original work

The final statutory fair-use factor is "the effect of the use upon the potential market for or value of the copyrighted work." 17 U.S.C. § 107. The jury was correctly instructed that "[t]his factor considers whether the accused work is offered or used as a substitute for the original copyrighted work" and assesses "the harm, if any, to the potential market for or value of the copyrighted work itself and to its licensing value for it and its derivative works." JA287-288.

The District Court correctly concluded that the "jury could reasonably have found that use of the declaring lines of code (including their SSO) in Android caused no harm to the market for the copyrighted works," which worked on an entirely different class of devices. Pet. App. 114a. The jury heard ample evidence that Android did not supplant or supersede the market for Java SE—and that Android and Java SE did not compete—because Java SE, which was designed for servers and desktop computers, is not suitable for the modern smartphone market. Unlike Android, it did not include the features and functionalities needed for a modern smartphone. JA144-145; JA197-198; JA255-256; *see* JA98-102; JA134-136; JA173-174; JA176-178; JA200; JA227; JA235; JA254; TX7362 at 1; TX2052 at 17.

In concluding to the contrary that "the fourth factor weighs heavily in favor of Oracle," Pet. App. 53a, the Federal Circuit impermissibly relied on its *own* resolution of disputed factual questions about real and

potential market harm, ignoring the voluminous evidence that Java SE had not succeeded in modern smartphones because it was not suited to that environment.

The jury also heard that Oracle's Java SE business was growing well in its intended market of servers and desktop computers, even after the introduction of Android. JA252; TX7788 at 277:24-278:7; *see* TX7787 at 151:10-152:1.

The Federal Circuit's ruling also assigns no weight to the respects in which Android *benefitted* Oracle. The evidence showed that Android's popularity led massive numbers of developers to use the Java language, as Sun had anticipated when Android was announced. JA212-213; JA228; TX2352. Sun itself celebrated Android's release for expanding the Java community, which inevitably created more customers for Oracle's Java-based products. *See supra* at 9.

Further, as the District Court explained, the jury heard evidence that "before Android was released, Sun made all of the Java [SE libraries] available"—including "the very same 37 packages as wound up in Android with the very same SSO"—"as free and open source under the name OpenJDK, subject only to" an easily available license. Pet. App. 115a. The jury was entitled to conclude "that Android's impact on the market for the copyrighted works paralleled what Sun already expected via its OpenJDK." *Ibid.*

The Federal Circuit also erred as a matter of law in holding that Oracle's mere *wish* to enter the smartphone market weighed against a finding of fair use. Pet. App. 51a-52a. If a platform owner can block new entrants from making fair use of its interfaces

merely by *wanting* to compete with those entrants, there would be little hope for the fair-use defense in software copyright cases. For example, if Oracle could lock down any market where a declaration could be reused, it could control any technological development that requires compatibility with the Java language—and could extract licensing fees from every platform developer based on the value of the downstream innovations. It need only express an *interest* in *possibly* entering potential markets in the future. Such a low bar to a finding of market harm would gut the fair-use doctrine and chill a large amount of innovative expression. That is why the Copyright Office has endorsed the view that reusing limited amounts of code to create a "legitimate competitor" is fair use. *Software-Enabled Consumer Products* 59 (citation omitted).

CONCLUSION

The Federal Circuit's rulings are inconsistent with both basic copyright principles and the role of the jury in our justice system. They would disrupt the ongoing development of modern, interoperable computer software. The judgment of the court of appeals should be reversed.

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January 6, 2020

ADDENDUM

17 U.S.C. § 101 provides in relevant part:

§ 101. Definitions

Except as otherwise provided in this title, as used in this title, the following terms and their variant forms mean the following:

* * *

A "computer program" is a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result.

* * *

"Literary works" are works, other than audiovisual works, expressed in words, numbers, or other verbal or numerical symbols or indicia, regardless of the nature of the material objects, such as books, periodicals, manuscripts, phonorecords, film, tapes, disks, or cards, in which they are embodied.

* * *

17 U.S.C. § 102 provides:

§ 102. Subject matter of copyright: In general

(a) Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:

(1) literary works;

(2) musical works, including any accompanying words;

(3) dramatic works, including any accompanying music;

(4) pantomimes and choreographic works;

(5) pictorial, graphic, and sculptural works;

(6) motion pictures and other audiovisual works;

(7) sound recordings; and

(8) architectural works.

(b) In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

17 U.S.C. § 106 provides in relevant part:

§ 106. Exclusive rights in copyrighted works

Subject to sections 107 through 122, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:

(1) to reproduce the copyrighted work in copies or phonorecords;

(2) to prepare derivative works based upon the copyrighted work;

* * *

17 U.S.C. § 107 provides:

§ 107. Limitations on exclusive rights: Fair use

Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—

(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;

(2) the nature of the copyrighted work;

(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and

(4) the effect of the use upon the potential market for or value of the copyrighted work.

The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.

17 U.S.C. § 109 provides in relevant part:

§ 109. Limitations on exclusive rights: Effect of transfer of particular copy or phonorecord

* * *

(b)(1)(A) Notwithstanding the provisions of subsection (a), unless authorized by the owners of copyright in the sound recording or the owner of copyright in a computer program (including any tape, disk, or other medium embodying such program), and in the case of a sound recording in the musical works embodied therein, neither the owner of a particular phonorecord nor any person in possession of a particular copy of a computer program (including any tape, disk, or other medium embodying such program), may, for the purposes of direct or indirect commercial advantage, dispose of, or authorize the disposal of, the possession of that phonorecord or computer program (including any tape, disk, or other medium embodying such program) by rental, lease, or lending, or by any other act or practice in the nature of rental, lease, or lending. Nothing in the preceding sentence shall apply to the rental, lease, or lending of a phonorecord for nonprofit purposes by a nonprofit library or nonprofit educational institution. The transfer of possession of a lawfully made copy of a computer program by a nonprofit educational institution to another nonprofit educational institution or to faculty, staff, and students does not constitute rental, lease, or lending for direct or indirect commercial purposes under this subsection.

* * *

17 U.S.C. § 117 provides:

§ 117. Limitations on exclusive rights: Computer programs

(a) MAKING OF ADDITIONAL COPY OR ADAPTATION BY OWNER OF COPY.—Notwithstanding the provisions of section 106, it is not an infringement for the owner of a copy of a computer program to make or authorize the making of another copy or adaptation of that computer program provided:

(1) that such a new copy or adaptation is created as an essential step in the utilization of the computer program in conjunction with a machine and that it is used in no other manner, or

(2) that such new copy or adaptation is for archival purposes only and that all archival copies are destroyed in the event that continued possession of the computer program should cease to be rightful.

(b) LEASE, SALE, OR OTHER TRANSFER OF ADDITIONAL COPY OR ADAPTATION.—Any exact copies prepared in accordance with the provisions of this section may be leased, sold, or otherwise transferred, along with the copy from which such copies were prepared, only as part of the lease, sale, or other transfer of all rights in the program. Adaptations so prepared may be transferred only with the authorization of the copyright owner.

(c) MACHINE MAINTENANCE OR REPAIR.—Notwithstanding the provisions of section 106, it is not an infringement for the owner or lessee of a machine to make or authorize the making of a copy of a computer program if such copy is made solely by virtue of the activation of a machine that lawfully contains an

authorized copy of the computer program, for purposes only of maintenance or repair of that machine, if—

(1) such new copy is used in no other manner and is destroyed immediately after the maintenance or repair is completed; and

(2) with respect to any computer program or part thereof that is not necessary for that machine to be activated, such program or part thereof is not accessed or used other than to make such new copy by virtue of the activation of the machine.

(d) DEFINITIONS.—For purposes of this section—

(1) the "maintenance" of a machine is the servicing of the machine in order to make it work in accordance with its original specifications and any changes to those specifications authorized for that machine; and

(2) the "repair" of a machine is the restoring of the machine to the state of working in accordance with its original specifications and any changes to those specifications authorized for that machine.

17 U.S.C. § 302 provides:

§ 302. Duration of copyright: Works created on or after January 1, 1978

(a) IN GENERAL.—Copyright in a work created on or after January 1, 1978, subsists from its creation and, except as provided by the following subsections, endures for a term consisting of the life of the author and 70 years after the author's death.

(b) JOINT WORKS.—In the case of a joint work prepared by two or more authors who did not work for

hire, the copyright endures for a term consisting of the life of the last surviving author and 70 years after such last surviving author's death.

(c) ANONYMOUS WORKS, PSEUDONYMOUS WORKS, AND WORKS MADE FOR HIRE.—In the case of an anonymous work, a pseudonymous work, or a work made for hire, the copyright endures for a term of 95 years from the year of its first publication, or a term of 120 years from the year of its creation, whichever expires first. If, before the end of such term, the identity of one or more of the authors of an anonymous or pseudonymous work is revealed in the records of a registration made for that work under subsections (a) or (d) of section 408, or in the records provided by this subsection, the copyright in the work endures for the term specified by subsection (a) or (b), based on the life of the author or authors whose identity has been revealed. Any person having an interest in the copyright in an anonymous or pseudonymous work may at any time record, in records to be maintained by the Copyright Office for that purpose, a statement identifying one or more authors of the work; the statement shall also identify the person filing it, the nature of that person's interest, the source of the information recorded, and the particular work affected, and shall comply in form and content with requirements that the Register of Copyrights shall prescribe by regulation.

(d) RECORDS RELATING TO DEATH OF AUTHORS.—Any person having an interest in a copyright may at any time record in the Copyright Office a statement of the date of death of the author of the copyrighted work, or a statement that the author is still living on a particular date. The statement shall identify the person filing it, the nature of that person's interest, and the source

of the information recorded, and shall comply in form and content with requirements that the Register of Copyrights shall prescribe by regulation. The Register shall maintain current records of information relating to the death of authors of copyrighted works, based on such recorded statements and, to the extent the Register considers practicable, on data contained in any of the records of the Copyright Office or in other reference sources.

(e) PRESUMPTION AS TO AUTHOR'S DEATH.—After a period of 95 years from the year of first publication of a work, or a period of 120 years from the year of its creation, whichever expires first, any person who obtains from the Copyright Office a certified report that the records provided by subsection (d) disclose nothing to indicate that the author of the work is living, or died less than 70 years before, is entitled to the benefits of a presumption that the author has been dead for at least 70 years. Reliance in good faith upon this presumption shall be a complete defense to any action for infringement under this title.

17 U.S.C. § 506 provides in relevant part:

§ 506. Criminal offenses

(a) CRIMINAL INFRINGEMENT.—

* * *

(3) DEFINITION.—In this subsection, the term "work being prepared for commercial distribution" means—

(A) a computer program, a musical work, a motion picture or other audiovisual work, or a sound

recording, if, at the time of unauthorized distribution—

(i) the copyright owner has a reasonable expectation of commercial distribution; and

(ii) the copies or phonorecords of the work have not been commercially distributed; or

* * *

17 U.S.C. § 1201 provides in relevant part:

§ 1201. Circumvention of copyright protection systems

* * *

(f) REVERSE ENGINEERING.—(1) Notwithstanding the provisions of subsection (a)(1)(A), a person who has lawfully obtained the right to use a copy of a computer program may circumvent a technological measure that effectively controls access to a particular portion of that program for the sole purpose of identifying and analyzing those elements of the program that are necessary to achieve interoperability of an independently created computer program with other programs, and that have not previously been readily available to the person engaging in the circumvention, to the extent any such acts of identification and analysis do not constitute infringement under this title.

(2) Notwithstanding the provisions of subsections (a)(2) and (b), a person may develop and employ technological means to circumvent a technological measure, or to circumvent protection afforded by a technological measure, in order to enable the identification and analysis under paragraph (1), or for the purpose

of enabling interoperability of an independently created computer program with other programs, if such means are necessary to achieve such interoperability, to the extent that doing so does not constitute infringement under this title.

(3) The information acquired through the acts permitted under paragraph (1), and the means permitted under paragraph (2), may be made available to others if the person referred to in paragraph (1) or (2), as the case may be, provides such information or means solely for the purpose of enabling interoperability of an independently created computer program with other programs, and to the extent that doing so does not constitute infringement under this title or violate applicable law other than this section.

(4) For purposes of this subsection, the term "interoperability" means the ability of computer programs to exchange information, and of such programs mutually to use the information which has been exchanged.

* * *

No. 18-956

IN THE

Supreme Court of the United States

GOOGLE LLC,

Petitioner,

v.

ORACLE AMERICA, INC.,

Respondent.

On Writ of Certiorari
to the United States Court of Appeals
for the Federal Circuit

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REPLY BRIEF FOR THE PETITIONER

Software interfaces convey information and instructions between computer programs and platforms. They are the digital equivalent of an electrical outlet, a car's steering wheel, and a QWERTY keyboard. Imagine if every piece of equipment had its own unique plug, every car a different way to steer, and every computer its own distinct way to type.

The same challenges would arise in the digital world if every computer program had its own proprietary way to share information. But the opposite has been true—and the software industry has thrived—because of the "long-standing, ubiquitous practice" of reusing software interfaces. Computer Scientists Br. 3. In this interoperable era, countless applications and platforms reuse existing interfaces to share information. Also, innumerable new applications "reimplement" earlier software by reusing the original interfaces that allow information to be sent and received. *See* Software & System Developers Br. 14-16; IBM Br. 16; Microsoft Br. 14; Computer Scientists Br. 17-22. Java SE *itself* reuses interfaces used in earlier languages, including those corresponding to declarations for which it now asserts copyright infringement *in this case*. *See* JA154-157; JA179; JA211; Computer Scientists Br. 20; *see also* Rimini St. Br. 6-13; R St. Br. 17.

In Android, Google reimplemented certain "methods"—*i.e.*, shortcut programs—of Java SE. Google created Android's implementing code, adapting and improving the methods for use in an entirely new category of devices: smartphones. Google reused certain "declarations" from Java SE. Google's reason for reusing those declarations had nothing to do with

desperation, insufficient resources, or a lack of skill. Google simply had no other choice: only those declarations would respond correctly to the calls written by third-party developers. Pet. App. 221a, 264a; *see* Google Br. 3-6 & n.4, 8-10.

Oracle does not dispute that Google reused the minimum amount of material required to permit developers to use those calls. Google reused only declarations (not implementing code), and even then only those "required to meet [the] expectations of Java programmers" creating smartphone applications. JA69. Google even changed the limited elements of the declarations that were not strictly dictated by the Java language. Google Br. 32-33 (discussing names used for input variables). Google also did not duplicate how the methods are ordered within the electronic files or the logical relationships between the methods. *Ibid.* (discussing how Android did not copy the manner in which Java SE methods incorporate each other).

The district court correctly rejected Oracle's copyright infringement claim, on two grounds. First, it held that declarations are excluded from copyright protection by Section 102(b) of the Copyright Act, 17 U.S.C. § 102(b), as either a "method of operation" or (under the merger doctrine) as one of only a few ways to express a method of operation. *Accord Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 387 F.3d 522, 536 (6th Cir. 2004) (Sutton, J.) (copyright protection does not apply when "compatibility requires" literal copying); *Lotus Dev. Corp. v. Borland Int'l, Inc.*, 49 F.3d 807 (1st Cir. 1995), *aff'd by an equally divided Court*, 516 U.S. 233 (1996) (per curiam); *id.* at 821 (Boudin, J., concurring); *see also Bateman v. Mnemonics, Inc.*, 79 F.3d 1532, 1547 (11th Cir. 1996) (no protection

where copying was "dictated by compatibility requirements").

Second, the district court found that there were "myriad" ways that the jury—which heard conflicting evidence on all the statutory fair-use factors and several other relevant considerations—could have deemed Google's reuse of the declarations to be "fair use." Pet. App. 117a; *accord Sony Computer Entm't, Inc. v. Connectix Corp.*, 203 F.3d 596 (9th Cir. 2000); *Sega Enters. Ltd. v. Accolade, Inc.*, 977 F.2d 1510 (9th Cir. 1992).

Oracle's contrary claim that Google's limited reuse of the mandatory declarations is nonetheless copyright infringement amounts to an anti-competitive "hold up." It seeks to lock developers into using the Java SE platform to write programs in the Java language. More broadly, if Oracle's theory is adopted, the existing users of legacy software will often find it too difficult and costly to learn and implement a new set of instructions to transition to a better alternative. AAI Br. 7.

As Google's amici stressed in urging this Court to grant certiorari, the long-settled practice of reusing interfaces means that a ruling in Oracle's favor threatens to impose debilitating retroactive liability. Google Cert. Reply Br. 6-8 (collecting citations). It would inflict the most harm on small software developers—such as new entrants attempting to improve on existing software, who need to attract the users of earlier programs. *See, e.g.*, Software Innovators Cert. Br. 3; AAI Cert. Br. 9.

In this Court, the Nation's leading computer scientists, technology companies, and copyright scholars

have come together in near consensus, explaining that overturning the district court's rulings would seriously impede the development of platforms and computer software, and would be fundamentally inconsistent with basic copyright principles. For the reasons given by the amici and outlined below, this Court should reject Oracle's arguments for deeming the declarations protected by copyright and for overturning the jury's holistic determination that Google's conduct was fair use.

I. The Copyright In Java SE Does Not Extend Protection To The Declarations.

A. The Declarations Are A "Method Of Operation" Excluded By Section 102(b).

Oracle argues that declarations (and interfaces more generally) do not describe or embody an "idea" or "method of operation" that is excluded from copyright protection either (1) directly by Section 102(b), or (2) under the merger doctrine as one of only a few available means of expressing an idea or method of operation. According to Oracle, all the listed phrases in Section 102(b) are merely synonyms for "idea." Oracle Br. 24. Oracle then asserts that Java SE reflects only a single, overarching "idea": "to provide a collection of modular programs that are helpfully organized and described to enable developers to use them in writing their apps." *Id.* at 25.

In fact, Section 102(b) excludes from copyright protection not merely a program's single overarching "idea" but also, *inter alia*, "*any* . . . procedure, process, system, [or] method of operation . . . described . . . *or embodied*" in a computer program. 17 U.S.C. § 102(b) (emphases added). There is a strong presumption that

different terms in a list have distinct meanings. *Direct Mktg. Ass'n v. Brohl*, 575 U.S. 1, 13 (2015). That presumption is sound here. In ordinary usage, an "idea" is a concept, which contrasts directly with, for example, a concrete "process."

Oracle's reading also fails to fulfill the statute's purpose to exclude from copyright protection anything beyond the author's original, creative expression. *Golan v. Holder*, 565 U.S. 302, 328 (2012). Congress enacted Section 102(b) to preclude "protection to the methodology *or processes* adopted by the programmer, rather than merely to the 'writing' expressing his ideas." H.R. Rep. No. 94-1476, at 57 (1976) (emphasis added); S. Rep. No. 94-473, at 54 (1975). Java SE, for example, includes some 10,000 different short-cut programs. According to Oracle, it may claim an exclusive copyright to the "idea" underlying every one of those methods, as well as all of their individual processes, merely by combining them into a single computer program. That cannot be right.

Oracle's view that Section 102(b) applies at an exceedingly high level of generality was adopted by one early decision, but the courts of appeals have uniformly rejected it since. A principal reason is that it fails to recognize that one program may reflect many "ideas" or "methods of operation." *See, e.g.*, *Computer Assocs. Int'l, Inc. v. Altai, Inc.*, 982 F.2d 693, 705 (2d Cir. 1992) (discussing *Whelan Assocs. v. Jaslow Dental Lab., Inc.*, 797 F.2d 1222, 1236 (3d Cir. 1986), as "widely criticized for being conceptually overbroad"); *see also* CCIA Br. 10-14; Menell Br. 28-29 & n.6.

Application of Section 102(b) is thus straightforward: Is the interface provided by the Java SE declarations a "method of operation" (or a "procedure,

process, [or] system")? As noted, Oracle does not define "method of operation" or any of the other statutory terms, because it erroneously assumes they are synonyms. But it offers no reason to depart from the commonsense understanding that a method of operation "refers to the means by which a person operates something, whether it be a car, a food processor, or a computer." *Lotus*, 49 F.3d at 815.

The declarations easily fit that understanding. They are a method of operation because they are for the *developers* to use, while the implementing code instructs the computer. *Compare* 17 U.S.C. § 102(b), *with id.* § 101; *see also* AIPLA Br. 13; Computer Scientists Br. 5-6; EFF Br. 26 (discussing Copyright Office's policy of not allowing registration of computer "interfaces"). As the parties jointly stipulated after the Federal Circuit held that the declarations were protected by copyright, declarations "allow[] programmers to understand and make use of the prewritten programs," whereas "implementing code provides step-by-step instructions that tell the computer how to perform the function specified by the declar[ations]." JA106-107. *Contra* Oracle Br. 27 (asserting that Google's reading would exclude all computer code from copyright protection).

Oracle argues to the contrary that Section 102(b) embodies the "idea/expression" dichotomy, such that it excludes from copyright protection only the functionality of the "method of operation" rather than the actual computer instructions. Oracle Br. 26. An author thus cannot claim an exclusive right to a method of operation described in a work—such as a method for assembling a bicycle.

In fact, Section 102(b) goes beyond merely reflecting the idea/expression dichotomy. It affirmatively excludes certain computer code by its terms. Section 102(b) expressly excludes "any" "method of operation" that is "*embodied in*" (not merely *described* in) any computer program. 17 U.S.C. § 102(b) (emphasis added). The word "embodied" is naturally understood to refer to the computer instructions set forth in the program that make up a method of operation, which necessarily are themselves subject to exclusion from copyright protection under the statute.

B. The Merger Doctrine Forecloses Copyright Protection For The Declarations.

In any event, the declarations are excluded from copyright protection by the merger doctrine, which is itself an application of the idea/expression dichotomy. Merger provides that copyright protection does not apply when there are only a few available means of expression. Otherwise, the copyright in the expression would indirectly grant an exclusive right to the underlying functionality. *See* Google Br. 31.

The dispositive, undisputed fact in this case is thus that—as the district court found—the declarations cannot be written in any other way and still properly respond to the calls used by Java programmers. Pet. App. 221a, 264a; Computer Scientists Br. 7. Put another way, only those declarations provide the method of operation. And Oracle is inescapably claiming on the basis of its copyright the exclusive right to that method of operation. Section 102(b) precludes extending copyright protection that far.

Take Oracle's example of the *verify* method, which it no doubt selected because it contains an unusually complicated declaration. In *English*, Oracle describes the declaration in six different sentences that it could have written in numerous different ways. Oracle Br. 6. But much more important, in the *Java* language that *programmers* use, only the precise declaration that Sun used in Java SE will work. Both the English description and the Java declaration are expression; neither can confer on Oracle the exclusive right to the *verify* declaration's functionality.

Oracle's contrary approach cannot be reconciled with *Baker v. Selden*, 101 U.S. 99 (1880). Selden claimed copyright over not only an essay describing his accounting method, but also forms that were required to track income and expenses using that method. On Oracle's view, that claim should have prevailed, because the author's "idea" was merely to keep an accounting ledger, and the author's particular forms were not required to effectuate that general idea. But *Baker* rejected that claim. It reasoned that copyright protected the essay, but the author could not claim an exclusive right to forms necessary to use the system of accounting.

Oracle argues that Google's application of the merger doctrine relies on the popularity of the Java SE declarations, in violation of the principle that "[c]opyright in a work . . . subsists from its creation." 17 U.S.C. § 302(a). But everyone agrees that Oracle holds a valid copyright in the overall *work*, which is Java SE. The question is whether that copyright protection extends to an element of the work: the declarations.

Nothing in the statute provides that Section 102(b) and merger cannot be determined from the

perspective of the alleged infringer. Thus, in *Baker*, the Court considered whether a later user would need to use a form like Selden's to perform the author's method of accounting. Similarly, nothing in law or logic prevents a court from later determining that certain computer code is the only means of expressing an important function. That is in fact precisely how the authoritative CONTU Report anticipates merger being applied to computer software. Google Br. 30.

In any event, Google's argument does not rely on events that occurred subsequent to the release of the Java SE libraries, and it does not depend on the declarations' subsequent "popularity." It is undisputed that once Sun made its conceptual choices about how the declarations should operate, *Sun itself* could express the declarations in only one way. The Java programming language permitted no other options. Thus, while Oracle stresses that the *conceptual decisions* behind the organization of the Java SE libraries are creative, it ignores the district court's conclusion and the witness testimony that the *declarations themselves* unquestionably were not. *E.g.*, Pet. App. 221a, 264a; JA210-212.

The fact that Sun chose the declarations' names does not dictate a different result. Names are not copyrightable. *See* Google Br. 29. Further, Sun "*wouldn't want* names to be creative because as software developers, we'd expect to have the names in our programming libraries be descriptive and functional of their purpose." JA211 (emphasis added); Computer Scientists Br. 8. Look no further than the evocatively entitled *max* and *verify* declarations.

In *Baker v. Selden*, this Court held that the author's forms were not protected, notwithstanding that

the defendant could have used different names as column headers. 72 IP Scholars Br. 25. Here too, once Sun selected the names, those names could be expressed in the declarations in only one way. The Java programming language did not, for example, permit Sun in a single declaration to write the names of the relevant package, class, and method together, nor could Sun use a shorthand reference for the name.

C. There Is No Merit To Oracle's Reliance On Section 101.

Oracle cites only one supposed statutory basis for its position. It argues that because Congress implicitly treated "computer program[s]" as "[l]iterary works," 17 U.S.C. § 101, *ipso facto* this Court must treat every instruction in every program as if it were the narrative of a novel, Oracle Br. 21, 44. That is no answer, for at least two reasons: Declarations (as opposed to implementing code) cannot be written creatively, unlike a narrative, and Section 102(b) is an express limitation on the scope of the protection otherwise afforded to copyrighted works.

More broadly, Oracle's analogy to literature also lacks merit. Not only do different kinds of literary works receive varying copyright protection, *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 586 (1994); *see Southco, Inc. v. Kanebridge Corp.*, 390 F.3d 276, 284 (3d Cir. 2004) (en banc) (part numbers dictated by a system—which are closely analogous to the rote declarations dictated by the Java language—receive *no* copyright protection because they are "purely functional"), but computer programs specifically aren't analogous to literature, because they are highly functional, *e.g.*, *Lotus*, 49 F.3d at 819 (Boudin, J.,

concurring); *Sega Enters. Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1524 (9th Cir. 1992) ("[C]omputer programs are, in essence, utilitarian articles—articles that accomplish tasks.").

Thus, great care must be taken not to permit the author of software to monopolize its functioning, a right that can only be granted through patent law, subject to the limits of novelty and non-obviousness. *Baker*, 101 U.S. at 102. Oracle's position would circumvent patent law's strict limits on exclusive software rights. Engine Br. 18-26. Only a low level of creativity is required to make a work technically "copyright eligible." Copyrights also last decades longer than patents. The declarations of the Java SE libraries would be both obvious (given the long history of software interfaces) and patent-ineligible subject matter (because they simply establish a means to control an application).

D. Oracle Errs In Arguing That Google Used Both Too Few And Too Many Of The Java SE Declarations.

Oracle argues that if Google had reused only the 170 lines of code that Oracle admitted were a fair use, third-party developers still could have written *something* in the Java language—*i.e.*, an incredibly simplistic Java program. Oracle Br. 32; *see* 2016 Trial Transcript (Tr.) 1442-1446 (stipulating that a *minimum* of 170 would be required); *id.* at 2209-2210 (jury instructions). That is like saying that, with only a noun and verb, one could write an English sentence. It would nonetheless choke expression to remove from the English language several thousand words and phrases that are the only way to explain important concepts.

Oracle's approach would similarly prevent third-party developers from using the calls on which they depend to write applications. *See* JA67-68 (forbidding use of just *four* calls would require a Java developer to rewrite 1,000 lines of computer code).

Oracle's further argument that Apple and Microsoft developed mobile operating systems without reusing any of the Java SE declarations, Oracle Br. 31, is misleading. For their own reasons, neither company chose the "free and open" Java programming language. So the Java SE declarations were not relevant. But both *did* reimplement *other* software. Microsoft Br. 14-15; Computer Scientists Br. 18-19.

Oracle next takes the opposite position that Google used *too few* declarations, because copyright supposedly required Google to reimplement all of the Java SE methods. It reasons that not every Java SE program will work on the Android platform, and not every Android program will work with Java SE. But *no* program uses even a small proportion of all of the methods in the Java SE or Android libraries.

To the extent Oracle is arguing that Android is not "interoperable," that is incorrect. Oracle assumes that interoperability requires that one program be compatible with its predecessor. "But complete compatibility is not necessary, or even desirable, to promote interoperability in software development." Computer Scientists Br. 13. It is common for a new and better application to replace an older one; the two do not "interoperate" at all in the way that Oracle uses that term. Here, the declarations that Google reused are interoperable with the corresponding calls used by developers to create smartphone applications.

Further, what Oracle demands would be functionally impossible, because Java SE and Android were created for very different devices. Google did not deliberately set out to make Android and Java SE "incompatible." *Contra* Oracle Br. 51. Rather, Java SE applications were created for traditional desktop computers and servers with their monitors, keyboards, and mice; Android applications were created for smartphones with their touchscreens, cellular radios, GPS modules, and cameras. There is no copyright significance to the fact that Android does not include the useless feature of being interoperable with commands that those developers *would not* use. Moreover, it would have been functionally impossible to include all of the methods of Java SE on a smartphone, which is one of the reasons Oracle itself never succeeded in doing so. JA264-265.

E. Copyright Protection Does Not Extend To The Java SE Filing System.

Google did not infringe any separate, protected interest in the structure, sequence, and organization (SSO) of the Java SE libraries. Importantly, Oracle abandons the Federal Circuit's theory that the Java SE libraries are a protected "compilation" of declaration names. Google Br. 33 & n.7. Here, Oracle claims at most that the declarations create a filing system for storing the methods on a computer in the package folders and class files. Google only incidentally and unavoidably duplicated that file structure when it reused the declarations. In turn, under the merger doctrine, copyright protection does not extend to that file structure because it is a "system" that can only be expressed through those exact declarations, 17 U.S.C. § 102(b); it *cannot* be embodied in any other form. Finding that Oracle had a protected interest in the structure would

prevent Google from reusing the declarations, precisely the result the merger doctrine forbids. Google Br. 31.

Oracle also does not dispute that no court has ever recognized a claim for something as purely functional as that filing system. Google Br. 32-33 & n.7. Courts have recognized claims relating to the logical relationship between the modules of a program. In the Java SE libraries, that relationship exists in the manner that the methods incorporate each other through implementing code. But Oracle does not contest that, because Google did not reuse the implementing code, it did not duplicate those relationships. *Ibid.*

Oracle also attempts to leave the false impression that the declarations are related to each other, such that they comprise a single segment of a program. In fact, they are scattered throughout the Java SE libraries. They are not protected by copyright any more than are historical facts scattered throughout an encyclopedia.

In any event, even if Oracle held a thin protected interest in either the declarations or the corresponding SSO, Google's reuse of the declarations was fair use.

II. There Is No Basis To Overturn The Jury's Finding That Google's Reuse Of The Declarations Was Fair Use.

A. The Federal Circuit Applied The Wrong Standard Of Review.

The ruling below is the first appellate decision *ever* to reverse a jury's fair-use verdict. It did so by erroneously applying a *de novo* standard of review to what it incorrectly viewed as the jury's "advisory only"

fair-use verdict. Pet. App. 24a. That error fatally infected the court's (and now Oracle's) evaluation of the evidence.

Because fair use is a fact-intensive inquiry, *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 560 (1985), the Federal Circuit itself ordered a second jury trial, Pet. App. 174a-184a. The properly instructed jury, JA279-290, heard two weeks of testimony and reviewed numerous documents, assessed all the evidence relevant to each statutory factor and the overarching purpose of copyright law, and returned a general verdict for Google.

The question is thus not whether the Federal Circuit thinks fair use was established, but whether the evidence was enough that a reasonable jury *could* have found fair use. *See* Fed. R. Civ. P. 50(a)(1); AIPLA Br. 25-28. It was. That is particularly true, because the jury was entitled to conduct its own weighing of the statutory factors and other non-statutory considerations it deemed to be relevant. *Campbell*, 510 U.S. at 578.

Oracle notes that in *Harper & Row* and *Folsom*, the reviewing courts determined fair use *de novo* as a matter of law. Oracle Br. 37. But neither case involved a jury verdict; a judge or chancery master made express factual findings, *Harper & Row*, 471 U.S. at 543; *Folsom v. Marsh*, 9 F. Cas. 342, 345 (C.C.D. Mass. 1841), and the reviewing court decided whether, as a matter of law, those facts established fair use. That also happens any time a court decides a claim on summary judgment. But when a jury renders a general verdict on *disputed* facts, a reviewing court must view the evidence in the light most favorable to the verdict, not perform its own *de novo* weighing of the evidence.

Relying on cases reviewing grants of summary judgment, the Federal Circuit assigned to itself the role of "reweigh[ing] on appeal the inferences to be drawn from th[e] record." Pet. App. 18a (citation omitted). But a reviewing court is "not free to reweigh the evidence and set aside the jury verdict merely because the jury could have drawn different inferences or conclusions or because [the court] fe[lt] that other results are more reasonable." *Tennant v. Peoria & Pekin Union Ry.*, 321 U.S. 29, 35 (1944); Cherry Professors Br. 13-14. Deciding which evidence in the two-week trial was persuasive and which witnesses were credible was the *jury's* province, not the Federal Circuit's. *Reeves v. Sanderson Plumbing Prods., Inc.*, 530 U.S. 133, 150-151 (2000).

B. Substantial Evidence Supported The Jury's Fair-Use Verdict.*

1. Oracle Fails to Grapple with Evidence of Industry Practice and Its Own Prior Positions Supporting the Reasonableness of Google's Conduct.

Fair-use determinations require an assessment not only of evidence about the four non-exclusive statutory factors, *Harper & Row*, 471 U.S. at 560, but also more broadly whether the use in question advances the goals of copyright, *Campbell*, 510 U.S. at 578. In undertaking its narrow role of determining whether there was sufficient evidence to support the verdict,

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* Because Oracle and the United States focus almost exclusively on the first and fourth statutory factors, we do so as well in this reply. As explained in our opening brief, Google Br. 43-48, and above, the jury's fair-use verdict is supported by the second and third factors as well.

the Federal Circuit failed to consider *any* of Google's evidence on that point.

The jury heard that "many at Google (and Sun) understood that at least the declaring code and their [structure, sequence, and organization] were free to use and reimplement." Pet. App. 106a. "Sun's own CEO at the time, Jonathan Schwartz, testified . . . that a practice of duplicating declarations existed and that the competition was on" the implementing code, which Google did not copy. *Id.* at 106a-107a; JA55.

Oracle argues that Google should have licensed the declarations, a theory that would equally negate every defense to infringement. Oracle Br. 11. But there is no such thing as a "declaring code license." That term was never uttered in either trial, appears nowhere in the record, and cannot even be found in the document to which Oracle refers. JA511. Oracle's argument requires the Court to ignore abundant evidence, including testimony from former top executives responsible for the creation, development, licensing, and marketing of Java that the declarations were "[a]bsolutely" "marketed by Sun" "as free and open," and that Sun "never" treated them as proprietary or "licensed [them] separately from the language." JA124-125; JA129; *see* JA56; JA119-122; 2016 Tr. 332-335, 339, 493-494; Computer Scientists Br. 15. Indeed, Sun (and later Oracle) lauded Android despite knowing that Google had not taken a license. JA129; 2016 Tr. 556-558; Trial Exhibit (TX) 2352; TX2041 at 10-11.

2. The Jury Could Reasonably Have Found That Google's Reuse Was Transformative.

Oracle does not dispute that the jury was correctly instructed on all aspects of fair use, including

transformativeness. JA281-290. Instead, it incorrectly asserts (without citation) that Google conceded the use of the declarations for the same purpose in a competing product. Oracle Br. 2.

a. The jury was entitled to find that Google's reuse was transformative because Google "add[ed] something new" by "altering" the declarations "with new expression" in a new context. *Campbell*, 510 U.S. at 579. The *functional purpose* of the declarations was unchanged because the declarations by their nature can only ever connect specific calls with particular implementing code. All computer instructions can only ever perform one function. But the factor-one inquiry examines whether the "new work is 'transformative,'" *ibid.*, and Android linked the declarations to entirely new implementing code to create a modern smartphone ecosystem unlike anything before it. *See id.* at 581-582 (discussing transformative effect of 2 Live Crew's *added* expression). As Google's technical expert testified, "the purpose" of the declarations was "different" in Android "because creating an application on the Android platform is a different context than creating an application on the laptop or desktop computer." JA383-384. The jury was entitled to credit that testimony.

Google's use of the declarations also fostered "the development of new ideas out of old," Pierre N. Leval, *Toward a Fair Use Standard*, 103 Harv. L. Rev. 1105, 1109 (1990), by enabling developers trained in the Java programming language to create innovative programs for a modern smartphone for the first time, JA139-140; JA187; JA190-191; Pet. App. 196a; *infra* at 20-23. The Federal Circuit ignored that evidence.

b. Whether Android was a transformative product or a competitor to Java SE was hotly disputed. The jury heard evidence that Oracle "did not have a competitive product," that "Android has not superseded Java SE," and that Android and Java SE are "very different types of products" because Java SE is "just an applications programming framework" for desktops and servers, while Android is "an entire mobile operating stack that runs a smartphone." JA676; JA255-257. That evidence was sufficient to find transformativeness, and that should be the end of it.

Oracle and the United States argue that Google's reuse created a derivative work of Java SE by transferring declarations from big computers to smaller computers. That is wrong because it ignores fundamental differences in markets, technological architecture, and consumer usage of desktops and smartphones. The only derivative uses relevant to fair use are those the copyright owner could have created or licensed. *Campbell*, 510 U.S. at 592.

Oracle's remaining arguments are nothing more than nitpicking the jury's assessment of evidence about particular devices. Even on Oracle's view of those contested facts, the jury was fully entitled to conclude that on net Android was transformative.

Oracle's carefully worded contention that by 2005, "the Java *platform* was in over a billion mobile handsets," Oracle Br. 11 (emphasis added), is extremely misleading. Those handsets used *Java ME*—Java Micro Edition—not Java SE. JA500 (cited at Oracle Br. 11) (noting one billion "wireless" units with "Java ME" installed); *see* JA239. Java ME is *not* the copyrighted work; it is a "different" work that predated the versions of Java SE at issue and did not include the same

set of declarations. 2016 Tr. 1479-1481, 1940-1941. Devices that used Java ME are *irrelevant* here.

Oracle contends it is "undisputed" that "'Java SE was already being used in smartphones'" before Android, pointing only to SavaJe and Danger. Oracle Br. 41-42 (citation omitted). But the jury heard testimony from former Sun executives that when Android was announced in 2007, *no* mobile phones were "running [Java] SE." JA135-136; 2016 Tr. 580-581; *see* JA98. SavaJe had proven unsuccessful *before* the first Android phones were released. *See* JA235; JA650; JA671; *see also* JA171. The jury saw SavaJe's phone and heard that it was not a true smartphone because it lacked a touchscreen and a QWERTY keyboard. *See* JA221; JA668-669; JA671-673.

The story is similar with Danger's Sidekick, which also lacked a touchscreen. JA359-360; JA669; *see* 2016 Tr. 1074. Moreover, the jury heard that Danger licensed Java ME—and no evidence that Danger licensed Java SE, as Oracle now contends. JA436; 2016 Tr. 1671; JA678-692 (Danger-Sun licensing agreement). *Oracle* may view SavaJe and Danger's implementations as proof that Android competed with Java SE in smartphones, but the jury was entitled to disagree. *E.g.*, TX7803 at 5-6 (Oracle recognition that "Java, as a mobile platform, [is] not competitive").

Finally, Oracle misconstrues the trial record in contending that Amazon "ping-ponged between Java and Android" for the "Kindle." Oracle Br. 11, 15. Oracle conflates two different Amazon products and two different versions of Java. The "Kindle" is an electronic reader (lacking various smartphone capabilities) and in Oracle's own words, "Amazon licensed Java ME . . . for its electronic reader, Kindle." Oracle 13-1021 C.A.

Resp. & Reply Br. 56; *see also* 2012 Tr. 3371. In contrast, the "Kindle Fire," a multi-purpose tablet, is "both a device and an operating system" "built on Android." JA206; *see* JA395-397. There is *no* evidence that Amazon "ping-ponged" between Java *SE* and Android. Amazon licensed Java *ME* for one product and used Android for a very different product.

3. The Jury Was Entitled to Find No Market Harm to Java SE.

Oracle's primary argument is that Google's reuse cannot be fair use because Android competes with Java SE. Oracle's premise and conclusion are both wrong.

Initially, Oracle errs in suggesting that creating a better product weighs against a finding of fair use in the software context. Because the fair-use doctrine must be adapted to the nature of the copyrighted material, Oracle's literary analogies fall short. The jury's verdict does not threaten Oracle's amici that create traditional literary and musical works, including the Association of American Publishers and the Recording Industry Association of America. Copyright does not foster literary creativity by encouraging development of better and more efficient versions of a novel; but encouraging innovation in software requires fostering exactly those kinds of improvements. "When technological change has rendered its literal terms ambiguous, the Copyright Act must be construed in light of [its] basic purpose" of "promoting broad public availability" of new creative works. *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 432 (1984) (quoting *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975)). The United States Copyright

Office has explained that, "[i]n the context of software-enabled consumer products in particular, the fourth factor is likely to favor fair use where the purpose of the use is to create a 'legitimate competitor in the market.'" U.S. Copyright Office, *Software-Enabled Consumer Products* 58-59 (Dec. 2016) (quoting *Sony*, 203 F.3d at 607). Oracle's contrary view would allow a copyright owner to block innovation and stifle competition by preventing innovators from reusing a small amount of functional code in a new larger work that has enormous creative value.

In any event, the record contains abundant evidence that Android did not compete with Java SE or displace it in any existing market, as explained above. Oracle's brief fails to identify a *single* lost Java SE sale. At trial, its "market-harm" expert admitted he did not "know whether" "Java SE" "revenue" is "going up or down," and that he did not "go to the trouble of talking to the Java SE managers to see how [it] was doing." JA674-675. Oracle's witnesses testified that Java SE was "doing fine," with growing revenues. JA675. Google's market-harm expert testified that "Android does not have any market impact on Java SE," and that "Android has not superseded Java SE" in the marketplace. JA255-256. The jury was entitled to credit that evidence.

Oracle's assertion (Oracle Br. 47) that the Federal Circuit "cited only *undisputed* evidence in finding that Oracle suffered harm to potential markets" is puzzling—because the Federal Circuit cited literally *no evidence* other than the failed partnership negotiations between Oracle and Google in finding "that Oracle intended to license Java SE in smartphones." Pet. App. 51a-52a. "The market for potential derivative

uses includes only those that creators of original works would in general develop or license others to develop." *Campbell*, 510 U.S. at 592. But Oracle relies only on speculative markets rather than addressing "any part of the normal market for" Java SE. *Harper & Row*, 471 U.S. at 568 (quoting S. Rep. No. 94-473, at 65).

The jury heard substantial evidence that there was *no* potential market for Java SE in smartphones because Java SE is not suitable for modern smartphones. Google Br. 43, 48; TX7362 at 1 (Oracle employee stating that "[w]e have no solution for smart phones, true"). The jury heard that Oracle gave up on making its own smartphone platform or adapting Java SE to work in smartphones. *E.g.*, JA102; JA234-235; JA650. And Oracle's brief fails to identify a single company that ever expressed interest in licensing Java SE for a modern smartphone. Any potential future market would have been a market for a materially different product than Java SE. If a hypothetical, wished-for market for a different product were enough to find market harm, that factor would never support fair use.

In sum, there is no basis on this record to overturn the jury's verdict that Google's reuse of the Java SE declarations was fair use—a verdict that is fully consistent with the application of copyright law to further interoperability and innovation in computer software.

CONCLUSION

The judgment of the court of appeals should be reversed.

Respectfully submitted,

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August 7, 2020

Via e-filing and hand delivery

The Honorable Scott S. Harris
Clerk of the Court
Supreme Court of the United States
One First Street, N.E.
Washington, D.C. 20543

Re: *Google LLC v. Oracle America, Inc.*, No. 18-956

Dear Mr. Harris:

This letter responds to the Court's request for briefing on the "appropriate standard of review for the second question presented, including but not limited to the implications of the Seventh Amendment, if any, on that standard." The standard of review is de novo.

The standard of review flows from established civil procedure principles that the Court of Appeals faithfully applied. The fair use question in this case arises from Oracle's motion for judgment as a matter of law (JMOL). On JMOL, the court determines the controlling law de novo and assumes that the factfinder resolved in favor of the verdict every disputed issue of historical fact supported by substantial evidence and accepted all other undisputed evidence. In applying the law to that body of established facts, the court determines de novo any mixed question of law and fact that requires it "to expound on the law, particularly by amplifying or elaborating on a broad legal standard." *U.S. Bank Nat'l Ass'n v. Vill. at Lakeridge, LLC*, 138 S. Ct. 960, 967-68 (2018). As this Court has already held, the ultimate question whether a use is a fair use is the kind of mixed question that is determined de novo. *See Harper & Row Publ'rs, Inc. v. Nation Enters.*, 471 U.S. 539, 560 (1985). De novo review is appropriate because fair use hinges on legal judgments that balance competing interests of property rights, the progress of science and the arts, and free expression, and because copyright holders and the public rely on the stable development of the doctrine.

That said, whether fair use is determined de novo makes no difference in this case. A party is always entitled to JMOL if, under the controlling law, no reasonable jury could find for the non-movant. The Court of Appeals correctly concluded that only one determination was reasonable: It is not fair use for Google to copy popular portions of Oracle's software for an identical, superseding purpose in a platform that competes with Oracle's work and its derivatives.

The Seventh Amendment does not affect the standard of review. It is settled that JMOL comports with the Seventh Amendment. And de novo review of a question like fair use does not implicate the Re-examination Clause, which applies to jury factfinding only, not to the application of law to facts. In any event, no Seventh Amendment right attaches because fair use did not exist upon ratification of the Amendment, and no comparable defense was tried by juries at the time.

I. The Court Determines Fair Use De Novo On Review Of Judgment As A Matter Of Law, Though The Court Of Appeals' Judgment Is Correct Under Any Standard.

A. Whether Google's copying is fair use as a matter of law is a question a court evaluates de novo.

1. The second question presented asks whether the Court of Appeals correctly held that Oracle is entitled to JMOL on Google's fair use defense. Because the propriety of judgment as a matter of law is itself a question of law, the appellate standard of review is de novo. *Montgomery Ward & Co. v. Duncan*, 311 U.S. 243, 254 (1940); *see* 9B Wright & Miller, Federal Practice & Procedure § 2540 (3d ed. 2020). On any JMOL review, this Court applies the same standard as the district court: JMOL is proper when, "under the controlling law," "a reasonable jury would not have a legally sufficient evidentiary basis to find for the [non-movant] on th[e] [claim or defense]." Fed. R. Civ. P. 50(a), (b); *accord Neely v. Martin K. Eby Constr. Co.*, 386 U.S. 317, 321-24 (1967).

As Google conceded in its petition for certiorari, the Court of Appeals "correctly stated" the settled division of labor between the court and the jury when considering a post-verdict JMOL motion. Pet. 22; *see* Pet. App. 16a. The court determines any "question[s] of law," *Baltimore & Carolina Line, Inc. v. Redman*, 295 U.S. 654, 659-61 (1935), which are reviewed de novo, *U.S. Bank*, 138 S. Ct. at 965.[1] The jury determines the historical facts—"who did what, when or where, how or why." *Id.* at 966. The court defers to the jury's factfinding by assuming the jury resolved every dispute of historical fact in favor of the verdict so long as substantial evidence supports that assumption. Pet. 22; Pet. App. 23a. It also assumes the jury accepted any evidence that is "uncontradicted and unimpeached." *Reeves v. Sanderson Plumbing Prods., Inc.*, 530 U.S. 133, 150-51 (2000). Based on that universe of established facts, the court determines whether "the evidence presented … would … suffice, as a matter of law, to support a jury verdict under the properly formulated [legal standard]." *Boyle*, 487 U.S. at 513; *see* Oracle Br. 38.

2. Once the court decides the controlling legal principles and identifies the established facts, it must resolve the ultimate question, here whether the challenged use was a fair use. The Court has already established that it reviews that mixed question of law and fact de novo. *Harper & Row*, 471 U.S. at 560. If the historical facts established are "sufficient to evaluate each of the statutory factors, an appellate court … may conclude as a matter of law that the challenged use does not qualify as a fair use." *Id.* (alterations omitted). Notably, the Court applied that standard in *Harper & Row* even though the parties had significant disputes over fair use, such as the importance of "'news reporting'" on a "'politically significant'" matter; the amount of creative expression copied from a non-fiction memoir balanced against the importance of those passages; and how to weigh the Copyright Act's guarantee to creators of "a fair return for their labors," including the right of first publication. *Id.* at 544-46, 549, 560-69. *Harper & Row* established that appellate courts "evaluate" fair use de novo—i.e., apply the legal principles of fair use to the historical facts—without the need to "'remand for further factfinding.'" *Id.* at 560. Google did not ask this Court to overrule *Harper & Row* and has therefore waived that possibility. *See Carlsbad Tech., Inc. v. HIF Bio, Inc.*, 556 U.S. 635, 638 n.* (2009).

[1] Contrary to Google's assertion, Google Br. (GB) 35, the court determines and applies the legal rules on JMOL regardless of the rules reflected in the jury instructions. *See Boyle v. United Techs. Corp.*, 487 U.S. 500, 513-14 (1988).

Regardless, *Harper & Row* was right. Its de novo standard comports with *U.S. Bank*'s approach to determining how a court should review a mixed question: Because "[m]ixed questions are not all alike," the standard of review depends on "whether answering [that mixed question] entails primarily legal or factual work." *U.S. Bank*, 138 S. Ct. at 967. The ultimate determination whether a defendant's copying qualifies as fair use entails primarily legal work because that analysis involves *legal* judgments balancing the competing policies embodied in the Copyright Act of rewarding innovation, protecting the author's property rights, encouraging progress of science and arts, and safeguarding constitutional free expression. Pet. App. 16a-19a; *see* Oracle Br. 37-38. It is the job of a judge, not a lay jury, to calibrate these interests—to demarcate the lines between permissibly building on an earlier work and invading an author's exclusive right to prepare derivatives of the original work, and between cognizable potential markets reserved for the original author and uses others should remain free to pursue. *See* Oracle Br. 40-41. Because fair use entails primarily legal work, it receives de novo review.

It would undermine the stable development of copyright law to defer to a jury on whether a particular use achieves the Copyright Act's "essential purpose." GB37. Where, as here, a mixed question "require[s] courts to expound on the law, particularly by amplifying or elaborating on a broad legal standard," de novo review is appropriate. *U.S. Bank*, 138 S. Ct. at 967. As exemplified by this Court's four prior fair use decisions, *see* Oracle Br. 37, answering such questions will "clarify legal principles [and] provide guidance," *U.S. Bank*, 138 S. Ct. at 968, that reverberates throughout copyright law and across industries—as the legions of amici in this case demonstrate, *e.g.*, Creators' Rights Organization Br. 32-34. Resolving those legal questions is also typically dispositive of fair use.

Google urged the Court of Appeals to apply *U.S. Bank*. Google C.A. 28(j) Letter, ECF No. 240. So it cannot now argue that *U.S. Bank* is inapplicable. Nor can Google now distinguish *U.S. Bank* or *Harper & Row* on the ground that the factfinder was a judge, not a jury. Google Reply (GR) 15. A "primarily legal" mixed question that is reviewed on appeal de novo does not somehow become a "factual" one reviewed deferentially just because the factfinder was a jury rather than a judge. The same is true of a general verdict. The fact that the jury issued a general verdict does not contract a court's role in stating the applicable legal principles, determining the relative legal import of the historical facts, or assessing what resolution of fair use best meets the Copyright Act's objectives. On JMOL review, the consequence of a general verdict is that the court presumes the jury resolved every disputed historical fact in favor of the verdict, as opposed to deferring only to the more particularized factfinding in a special verdict or interrogatories on subsidiary factual questions. *Compare Reeves*, 530 U.S. at 150-51, *with* Fed. R. Civ. P. 49.

Contrary to Google's assertion (GB35-36), *Hana Financial, Inc. v. Hana Bank*, 574 U.S. 418 (2015), does not compel deferential review. That case holds that a jury should decide trademark "tacking," which asks whether an "ordinary consumer" would consider two trademarks equivalent. *Id.* at 422. That mixed question falls on the opposite side of the *U.S. Bank* spectrum: Determining "an ordinary consumer's understanding of the impression that a mark conveys" is the kind of "fact-intensive" question that "falls comfortably within the ken of a jury." *Id.* In contrast, fair use does not ask what feels fair to an ordinary person. It applies judge-made factors codified in the Copyright Act and elucidated by additional legal rules developed in a vast body of fair use precedent. Accordingly, fair use is a primarily legal, not factual, question determined de novo.

3. Fair use's constitutional implications further justify de novo review. "In the constitutional realm," this Court has "often held that the role of appellate courts in marking out the limits of a standard through the process of case-by-case adjudication favors de novo review even when answering a mixed question primarily involves plunging into a factual record." *U.S. Bank*, 138 S. Ct. at 967 n.4. For example, because the defense of "actual malice" in a defamation case implicates First Amendment protections, the court must conduct an "independent review of the evidence," which entails deferring to the factfinder's "purely factual findings," such as credibility determinations, but not to the jury's assessment whether those historical facts prove "actual malice." *Bose Corp. v. Consumers Union of U.S., Inc.*, 466 U.S. 485, 499-501, 508, 510-11, 513 & nn.27, 31 (1984) (applying *New York Times Co. v. Sullivan*, 376 U.S. 254 (1964)).

The same First Amendment considerations that compel de novo review of the actual malice defense apply to fair use. Fair use, too, is "designed to accommodate First Amendment concerns." *Georgia v. Public.Resource.Org, Inc.*, 140 S. Ct. 1498, 1513 (2020). Parody, satire, news reporting, criticism, education, research, and other core applications of fair use are part of copyright's "built-in First Amendment accommodations." *Eldred v. Ashcroft*, 537 U.S. 186, 219-21 (2003); *see, e.g.*, *Harper & Row*, 471 U.S. at 555-60 (considering First Amendment implications but holding no fair use). De novo review is essential for courts to protect the stability and development of such constitutional safeguards, without regard to whether any particular case implicates the First Amendment. *See Bose*, 466 U.S. at 502-11 & n.29; *id.* at 514 ("reaffirm[ing] the principle of independent appellate review," although First Amendment concerns "may seem out of place in a case involving a dispute about the sound quality of a loudspeaker").

4. Google emphasizes that the statutory fair use factors are non-exclusive and suggests the jury's inquiry was therefore entirely open-ended. GB37-41. But a standard with some flexibility does not require total deference to juries. If it did, a court could rarely resolve fair use on summary judgment or test a jury verdict against the legal standard on JMOL—a dispute on any factor or additional consideration would drive the case to a jury. Such an approach would radically alter the settled practice of resolving many fair use cases without a jury trial. *See* Barton Beebe, *An Empirical Study of U.S. Copyright Fair Use Opinions 1978-2005*, 156 U. Penn. L. Rev. 549, 570 & tbl.2 (2008). Indeed, because fair use typically turns on legal disputes, courts "most frequently" resolve fair use at summary judgment, including where factors point in different directions. *TCA Television Corp. v. McCollum*, 839 F.3d 168, 178 (2d Cir. 2016); *see also Castle Rock Ent., Inc. v. Carol Publ'g Grp., Inc.*, 150 F.3d 132, 137 (2d Cir. 1998) (affirming summary judgment of no fair use).[2] This practice furthers the stable development and predictability of the law, while effectively and efficiently resolving most fair use cases.

B. Even if fair use is not reviewed de novo, the Court of Appeals correctly held that Oracle is entitled to judgment as a matter of law.

1. The standard of review makes no difference here because the Court of Appeals correctly concluded that no reasonable jury could have found fair use on these facts under controlling law.

[2] This Court's dictum in *Public.Resource.Org* that fair use will often require a jury trial, 140 S. Ct. at 1513, simply reflects that a jury trial may be necessary to *determine* the historical facts where there are genuine disputes regarding those facts. But once the jury settles those facts, the ultimate question of fair use is a legal mixed question that a court determines on JMOL without deference to the verdict.

A court always determines on JMOL whether the evidentiary record can satisfy the governing legal standard. Fed. R. Civ. P. 50(a)(1); *Boyle*, 487 U.S. at 513-14; *Hana Fin.*, 574 U.S. at 423. And although the Court of Appeals explained why the standard of review for fair use is de novo, its opinion did not rely on that characterization. Rather, the court determined that "no reasonable jury" could conclude that Google met the legal standard for fair use, particularly in light of the uncontroverted evidence and the parties' stipulations. U.S. Br. 27 (Court of Appeals "correctly identified several specific bases for its conclusion that 'no reasonable jury' could have ruled for petitioner on fair use"); *cf. Bose*, 466 U.S. at 514 n.31 (declining to remand where appellate court stated errant standard of review but did not apply it).

For each fair use factor, the Court of Appeals properly began by articulating the controlling legal standards de novo. It held that not charging consumers directly and having mixed commercial and noncommercial motivations cannot negate commerciality, Pet. App. 27a-28a; a transformative use must "alter[] 'the *expressive content or message* of the original work,'" Pet. App. 34a; "a copyist's good faith cannot weigh in favor of fair use," Pet. App. 39a; the functional nature of copyrightable software cannot, without more, establish fair use, Pet. App. 42a-43a; and "harm to the 'market for potential derivative uses,' including 'those that creators of original works would in general develop or license others to develop,'" weighs against fair use, Pet. App. 49a. And the court reaffirmed the longstanding *legal* rule that a "superseding use is inherently unfair." Pet. App. 53a; *Harper & Row*, 471 U.S. at 550 (holding fair use "has always precluded a use that 'supersede[s] the use of the original.'" (quoting *Folsom v. Marsh*, 9 F. Cas. 342, 344-45 (No. 4,901) (C.C.D. Mass. 1841) (Story, J.))); *see* Oracle Br. 36.

The court then correctly determined that, based on these controlling legal rules, no reasonable jury could have found fair use in this case. First, employing the governing legal standards it identified, the court determined what a jury could have concluded on each factor based on the assumed historical facts.[3] Next, the court held that the overarching legal principle that a superseding use is inherently unfair meant that a reasonable jury could find it only unfair that Google commercially exploited Oracle's code for the same purpose for which Oracle created it in a protected market for Oracle's work, Pet. App. 53a—a "classic example of an unfair use" as a matter of law, *Stewart v. Abend*, 495 U.S. 208, 238 (1990).

2. Nothing about the court's application of JMOL principles and substantive fair use law intruded on the jury's factfinding role. Contrary to Google's assertion, the Court of Appeals did not treat the jury's *factfinding* "as 'advisory only.'" GB36. Rather, as Google's petition concedes, the court correctly stated that it "'must assume'" the jury's implicit factual findings were binding. Pet. 22. The court stated that "findings relating to fair use *other than* [the jury's] implied findings

[3] *E.g.*, Pet. App. 27a-28a ("no substantial eviden[ce]" that Google's use was "anything other than overwhelmingly commercial"); Pet. App. 31a-37a (Google's use "not transformative as a matter of law"); Pet. App. 39a (Google's alleged "good faith" legally irrelevant); Pet. App. 42a ("[R]easonable jurors could have concluded that functional considerations were both substantial and important. Based on that assumed factual finding, we conclude that factor two favors a finding of fair use."); Pet. App. 46a ("[N]o reasonable jury could conclude that what was copied was qualitatively insignificant, particularly when the material copied was important to the creation of the Android platform."); Pet. App. 51a ("Given this evidence of actual market harm, no reasonable jury could have concluded that there was no market harm to Oracle from Google's copying."); Pet. App. 52a ("Even assuming a reasonable jury could have found no *current* market harm, the undisputed evidence showed, at an minimum, that Oracle intended to license Java SE in smartphones; there was no evidence in the record to support any contrary conclusion.").

of historical fact must … be viewed as advisory," Pet. App. 23a-24a (emphasis added)—meaning the only aspect of the verdict that the court considered "advisory" was the jury's answer to *legal questions* subsumed within its verdict, which the court correctly reviewed de novo.

The procedural history of this case demonstrates that the Court of Appeals took care to respect the jury's role. In the first appeal, the Court of Appeals thought Oracle's case for JMOL was "not without force," but Google contended that there were disputes regarding certain material historical facts, and so, with due "respect for the limit[s] of [the] appellate function," the court remanded for the factfinder to resolve them. Pet. App. 181a-82a. The court's grant of JMOL in the second appeal reflected a changed evidentiary landscape—not a changed approach. Pet. App. 23a-25a (observing evidentiary differences between appeals). The court noted that key purported disputes evaporated on remand. Google ended up admitting some of them were not disputed, the parties resolved other disputes by stipulation, and others turned out to be immaterial. *Id.*[4]

3. Google barely addresses the mass of undisputed evidence that drives the fair use result here as a matter of law. It waited for its reply to challenge three discrete instances in which it asserts the Court of Appeals resolved disputed facts against it. Google waived these challenges to the Court of Appeals' opinion by making the tactical decision not to assert them in its opening brief. In any event, each further illustrates Google's misunderstanding of the standard of review and the substantive law of fair use.

All three purported disputes are legally irrelevant. They all concern the extent to which Java SE and Android *actually* competed in *existing* markets for identical devices. GR19-21. But as a matter of law, Google cannot establish fair use simply by showing that Java SE and Android were not competing in existing markets. Congress confirmed that point by directing the factor four inquiry to "the effect of the use upon the *potential market* for or value of the … work." 17 U.S.C. § 107(4) (emphasis added). This inquiry requires courts to consider all harms to the value of the work, including harms to opportunities to adapt the work for new markets and the effect of "widespread conduct of the sort engaged in by the defendant." *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 590 (1994). Because, by definition, a potential market is one that the work has not entered, direct competition is unnecessary.

That is why *Stewart* found no fair use as a matter of law where a movie producer usurped a short story author's exclusive right to create the derivative work of a movie based on the story, even though the author did not have his own competing movie. 495 U.S. at 238. And it is why *Campbell* stressed the importance of determining harm to the potential market for rap derivatives of "Oh, Pretty Woman" even though Roy Orbison had never tried to market one (and probably would have failed had he tried). 510 U.S. at 592-93. Yet, in Google's view, a jury could *always* find fair use in the absence of direct competition, vitiating the author's exclusive right to create

[4] Specifically, Google admitted on remand that the declaring code in Java SE and Android serve the same purpose, Pet. App. 30a-31a & n.6; the district court accepted Google's admission that its use was "commercial," Pet. App. 27a n.5; Google conceded that it copied 11,500 lines of code (not 7000) and that only 170 of those lines were necessary to program in the Java language, Pet. App. 45a; and Google abandoned its argument that Android is interoperable with Java SE, Pet. App. 46a n.11. In addition, new evidence on remand included that Google had made $42 billion on Android, Pet. App. 7a, 26a; that Android's founder admitted that Android "compet[es]" with Java SE, JA366; that Amazon extracted a "steep discount" by threatening to use Android for free instead of Java SE, Pet. App. 51a; and that Android competed in the same market as SavaJe, a smartphone platform that used Java SE, Pet. App. 50a.

derivative works—or to decide not to. 17 U.S.C. § 106(2); *see* Oracle Br. 40-43. By focusing on actual markets, Google tacitly concedes the dispositive point that the Court of Appeals found as a matter of law: that Android harmed the opportunity and ability for Oracle to extend Java SE and its derivatives to the smartphone market. Pet. App. 53a.

Although Google's purported factual disputes concerning existing markets are legally irrelevant, we address each to illustrate the other ways in which Google misapplies the JMOL standard. First, Google argues that the Court of Appeals should have ignored *all harm* to Oracle's relationship with Amazon, because Amazon licensed a modified derivative version of Java SE (Java *ME*, rather than Java SE) in *one version* of the Kindle. GR20-21. Google never made this argument to the Court of Appeals. Regardless, it ignores that Amazon used Java SE to power another Kindle version (the Paperwhite) and that Amazon expressly leveraged Android to obtain a 97.5% discount on Java SE. JA396, 670. The court properly credited that uncontroverted evidence of price-erosion harm to Java *SE* on JMOL review, U.S. Br. 31. *See Reeves*, 530 U.S. at 151. Moreover, Google ignores that Java ME is itself a derivative of Java SE, Oracle C.A. Opp. Br. 7; Oracle C.A. Reply 40 n.9—an abridgment made for smaller devices—and so Amazon's switch from Java ME in the Kindle to Android in the Kindle Fire qualifies as "harm to the market for derivative works." *Campbell*, 510 U.S. at 590. It also shows that a potential market existed for adaptations of Java SE and that Google harmed that potential market.

Google's second argument is another one it did not make to the Court of Appeals and one that also invokes the legally irrelevant distinction between Java ME and Java SE: that the jury could have concluded that Danger did not use Java SE in its smartphones. GR20. The only basis for that assertion is the non sequitur that "the jury heard that Danger *licensed* Java ME." *Id.* (emphasis added). So what? Danger's decision to take a license to Java ME does not mean it did not *use* SE. Google does not address or dispute the uncontradicted testimony from Danger's founder (Andy Rubin, who also founded Android) that Danger *used* Java SE and was paying for that use. JA359, 370.

Third, Google argues that the Court of Appeals should have concluded that the jury dismissed harm to SavaJe as irrelevant because the Java-SE-based SavaJe platform "had proven unsuccessful before the first Android phones were *released*." GR20 (emphasis altered). But Google again ignores the uncontroverted evidence: Google does not dispute that it pitched Android to device manufacturers and wireless carriers before Android's release. Oracle Br. 15. And Android's co-founder recognized that the *announcement* that the Java-SE-based Android was coming was what cost SavaJe critical investment. JA584. That is undisputed harm to the market for adapting Java SE for mobile devices.

II. The Seventh Amendment Does Not Alter The Standard Of Review.

The Seventh Amendment provides that "the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law." Because there was a jury trial on fair use, only the Re-examination Clause is potentially at issue here. *Cf. Feltner v. Columbia Pictures Television, Inc.*, 523 U.S. 340, 344 (1998) (reversing denial of request for jury trial without addressing standard of review). As a threshold matter, Google has never raised any Seventh Amendment issue

and has therefore forfeited any violation. *See Duignan v. United States*, 274 U.S. 195, 198-200 (1927); 9 Wright & Miller, *supra*, § 2321. Nevertheless, the Seventh Amendment does not alter the standard of review. An otherwise proper JMOL ruling does not violate the Re-examination Clause (§II.A). In any event, the Seventh Amendment does not attach to fair use (§II.B).

A. Holding Google's use unfair as a matter of law comports with the Re-examination Clause.

This Court has held, and Google concedes (GB35), that an appellate court's grant of JMOL setting aside a jury verdict under "Rule 50(b) does not violate the Seventh Amendment's guarantee of a jury trial." *Neely*, 386 U.S. at 321. That is true whether the basis for JMOL concerns sufficiency of the evidence, *id.* at 319-21, a legal issue, *Redman*, 295 U.S. at 659-60, or the application of law to fact, *Boyle*, 487 U.S. at 513. Accordingly, this Court has held that there is no Seventh Amendment issue with a court of appeals clarifying the governing legal principles and then granting JMOL. *Id.* It has also rejected a Seventh Amendment challenge to an appellate court reevaluating the trial record and granting JMOL to the verdict loser after holding a subset of the evidence inadmissible, *Weisgram v. Marley Co.*, 528 U.S. 440, 443-44, 454 n.10 (2000).

These holdings flow naturally from the Re-examination Clause's text, which applies only to a "fact tried by a jury." The Clause's "ban on re-examination of facts does not preclude [the Court] from determining whether governing rules of federal law have been properly applied to the facts." *New York Times*, 376 U.S. at 284-85 & n.26 (quotation marks omitted). "Seventh Amendment concerns [are not] … implicated in appellate review" of an issue that "does not constitute a finding of 'fact.'" *Cooper Indus., Inc. v. Leatherman Tool Grp., Inc.*, 532 U.S. 424, 437-38 (2001) (no Seventh Amendment concern presented by de novo review of punitive damages award). Because the ultimate question of fair use is a mixed question applying law to fact, not a finding of fact, the Re-examination Clause does not affect the standard of review.

B. Regardless, there is no Seventh Amendment right to a jury trial on fair use.

Because the standard of review on JMOL does not implicate the Seventh Amendment, this Court need not address whether there is a jury trial right on fair use. *See also* Fed. R. Civ. P. 39(c)(2) (verdict after jury trial on consent has "the same effect" as if it were as of right). But, insofar as a Seventh Amendment right has any bearing on the standard of review, we address it for completeness: There is no such jury trial right.

Courts assess the Seventh Amendment's application issue by "particular issue." *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 377 (1996); *accord City of Monterey v. Del Monte Dunes at Monterey, Ltd.*, 526 U.S. 687, 718 (1999). For example, in patent cases there is a right to a jury trial on infringement, but there is no such right on the "subsidiary question" of the meaning of a patent claim—even though that question is indispensable to, and often dispositive of, an infringement case. *Markman*, 517 U.S. at 375-77, 391. Similarly, just because a plaintiff is entitled to a jury trial on statutory damages in a copyright case, *Feltner*, 523 U.S. at 353, does not mean that the right extends to the fair use defense.

For several reasons, there is no jury trial right on fair use. First, looking to "existing precedent," *Markman*, 517 U.S. at 384, this Court has repeatedly described fair use as "equitable

[in] nature." *Harper & Row*, 471 U.S. at 551; *accord Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 448 (1984) ("'equitable rule of reason'"). There is no jury trial right for equitable defenses. *Liberty Oil Co. v. Condon Nat'l Bank*, 260 U.S. 235, 242-43 (1922).

Second, there was no established historical practice of juries deciding fair use during the relevant period—i.e., before the Seventh Amendment's ratification in 1791. *See Markman*, 517 U.S. at 376, 383-84. A prominent copyright scholar recently investigated this very question and reached this conclusion. *See* Justin Hughes, *The Respective Role of Judges and Juries in Copyright Fair Use*, 58 Houston L. Rev. (forthcoming 2020), https://ssrn.com/abstract=3592361. In fact, fair use did not exist in 1791. It derived from *Folsom v. Marsh*, decided in 1841. *See* Internet Accountability Project Br. 1-2.

Google's amici cite just two English law cases that they say demonstrate juries decided "issues very similar to the modern issue of fair use," Civ. Pro. Profs. Br. 6-7—*Sayre v. Moore*, 102 Eng. Rep. 138, 139 n.(b) (K.B. 1785), and *Cary v. Kearsley*, 170 Eng. Rep. 679 (K.B. 1803). Two cases are not enough to show the kind of robust historical practice that establishes a constitutional right—even if the cases were on point, which they are not. *Cary* is irrelevant because it postdates the Seventh Amendment's ratification. Moreover, neither *Cary* nor *Sayre* are fair use cases or anything like fair use. Both concerned road atlases, and in both the sole question the court identified for the jury was whether the substantial similarity between maps was due to copying, versus simply reflecting the same geographic elements that anyone is free to document. *Sayre*, 102 Eng. Rep. at 139-40 n.(b); *Cary*, 170 Eng. Rep. at 679-80. That mirrors not fair use but rather the modern infringement question—whether a defendant copied protectable expression from a plaintiff's work. *See Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991). *Cary* recounts one hypothetical exchange between the bench and counsel that sounds vaguely like fair use considerations, but Lord Ellenborough presented it as merely a hypothetical and did not say the issue would be for a jury were it actually presented. 170 Eng. Rep. at 680 (Paley's Philosophy hypothetical). Moreover, in both *Sayre* and *Cary*, the bench pronounced the applicable principles of law de novo, just like modern courts do on JMOL. *Sayre*, 102 Eng. Rep. at 140 n.(b) (pronouncing "[t]he rule of decision in this case"); *Cary*, 170 Eng. Rep. at 679 (similar).[5]

Third, there was no "established jury practice sufficient to support an argument by analogy." *Markman*, 517 U.S. at 379-80. The only analog Google's amici have cited is the ancient doctrine of "fair abridgment." Fair abridgment categorically excused a historical practice of shortening a longer work enough to "be called a new [work]," *Gyles v. Wilcox*, 2 Atk. 141, 143

[5] *Emerson v. Davies*, 8 F. Cas. 615 (No. 4,436) (C.C.D. Mass 1845), which also postdates the ratification of the Seventh Amendment, is inapposite for the same reason as *Cary* and *Sayre*: The question Justice Story identifies for the jury is expressly "confined to" whether the similarity between two arithmetic books was due to copying, as opposed to shared use of common materials and facts that predated both works. *Id.* at 625-26. In *Millar v. Taylor*, 98 Eng. Rep. 201 (K.B. 1769), Judge Aston noted in dicta that juries should resolve the historical fact question whether a plaintiff owned the copyright to the work, rather than the original author having "abandoned" the rights or "gift[ed] [it] to the public," *id.* at 224. But that described only a plaintiff's ability to prove ownership such that he had a "right" to recover damages, *id.*, not, as Google's amici have suggested elsewhere, a "fair use" analog of "circumstances that would justify copying," Ned Snow, *Judges Playing Jury: Constitutional Conflicts in Deciding Fair Use on Summary Judgment*, 44 U.C. Davis L. Rev. 483, 547 & n.358 (2010).

(1740)—a practice fair use does not similarly excuse.[6] While this Court has suggested in dicta that "'fair abridgement[]'" is the doctrinal ancestor to fair use, that case did not involve the Seventh Amendment. *See Campbell*, 510 U.S. at 575-76. That ancestry does not mean, and this Court has never held, that fair abridgment is analogous to fair use for Seventh Amendment purposes.

Regardless, there was no established practice of trying fair abridgment to a jury either. The doctrine originated in courts of equity, not courts of law. *See* Patry on Fair Use §1:7 (fair abridgment originated in a series of cases decided by Lord Chancellor Hardwicke). Chancery judges routinely ruled on this equitable doctrine without a jury.[7] In one case, the court expressly *refused* to send a case to the law court for a jury to determine whether the accused work was a "real and fair abridgment," explaining that "[t]he court is not under an indispensable obligation to send all facts to a jury." *Gyles*, 2 Atk. at 143-44.

Oracle is aware of just one case in which a fair abridgment issue was heard in a court of law (as opposed to equity), *Roworth v. Wilkes*, 1 Camp. 94 (K.B. 1807), and even in that case the judge, not the jury, decided fair abridgment. Lord Ellenborough stated, "I think the plaintiff is entitled to a verdict," and he "therefore, directed the jury to find … damages." *Id.* at 98-99. Google's amici hide the ball by asserting that in *Roworth* "[a] jury found for the plaintiff." Civ. Pro. Profs. Br. 8 n.5. That was on damages, not fair abridgment. Regardless, *Roworth* too is irrelevant, because it postdates ratification of the Seventh Amendment.

In short, neither the historical practice with respect to fair abridgment nor Google's amici's two irrelevant cases supply the kind of "overwhelming evidence" of a "consistent practice at common law" that can establish a jury-trial right. *Feltner*, 523 U.S. at 353. Even if the historical record were mixed or ambiguous, the Seventh Amendment would not automatically attach. Rather, this Court would look to "functional considerations" to determine whether "judges, not juries, are … better suited" to resolving the ultimate question of fair use. *Markman*, 517 U.S. at 388 (relying on such considerations to find no jury right attaches). For similar reasons as stated above, *supra* §I.A, in our answering brief, Oracle Br. 37-38, and in the opinion below, Pet. App. 16a-19a, those functional considerations weigh strongly against a Seventh Amendment requirement that a jury decide fair use.

CONCLUSION

For the forgoing reasons and those in our merits brief, the Court should affirm.

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[6] *See* Internet Accountability Project Br. 6; Alexandra Sims, *Appellations of Piracy: Fair Dealing's Prehistory*, 1 Intell. Prop. Q. 3, 7, 13-15 (2011); Ronan Deazley, *Commentary on Copinger's Law of Copyright (1870)* §7, in Primary Sources on Copyright (1450-1900) (2008); *Twin Peaks Prods., Inc. v. Publ'ns Int'l, Ltd.*, 996 F.2d 1366, 1376 (2d Cir. 1993) (explaining that works historically protected as "a 'real and fair abridgment'" are *not* categorically protected as "fair use," and that the Copyright Act defines an "abridgment" as a type of "'derivative work'").

[7] *E.g.*, *Strahan v. Newbery*, Lofft 775 (1774) (Chancellor calls on Justice Blackstone for "assist[ance]" in examining the work and determining that it is a fair abridgment); *Macklin v. Richardson*, 2 Amb. 694, 696-97 (1770) (Lord Commissioners rule that infringing work is not an abridgment and permanently enjoin it); *Bell v. Walker & Debrett*, 1 Bro. C.C. 451, 452 (1785) (Lord Chancellor "had heard sufficient read" to determine work was not a fair abridgment, preliminarily enjoined it, and "directed a reference to the Master" to resolve outstanding questions).

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Honorable Scott S. Harris, Clerk
Supreme Court of the United States
Washington, D.C. 20543

Re: *Google, LLC v. Oracle America, Inc.*, No. 18-956

Dear Mr. Harris:

Petitioner Google respectfully submits this "supplemental letter brief[] addressing the appropriate standard of review for the second question presented, including but not limited to the implications of the Seventh Amendment, if any, on that standard." May 4, 2020 Order.

The second question presented arises from Oracle's argument that the trial evidence was insufficient to support the jury's verdict that Google's limited reuse of the Java SE declarations was fair use. The settled standard of review governing that assertion asks whether—construing all the evidence in support of the verdict—a reasonable jury could find fair use. The Federal Circuit erred in applying *de novo* review based on its incorrect premise that only a court can decide fair use. This Court should reverse and reinstate the judgment in Google's favor. Remanding the case for a third appeal before the Federal Circuit would unnecessarily extend this decade-old litigation and deprive the lower courts and the software industry of certainty on the lawfulness of the longstanding, widespread practice of reusing software interfaces.

The jury in this case found that Google's reuse of certain Java SE declarations to create the Android smartphone platform was a fair use. Oracle moved for judgment as a matter of law (JMOL) under Federal Rule of Civil Procedure 50. The district judge denied that motion in a detailed opinion that applied a well-settled standard of review: It construed the evidence in support of the verdict and concluded that a reasonable jury, after weighing all that evidence and applying the court's instructions, could find fair use. *See* Pet. App. 92a-120a; *infra* Part I.

The Federal Circuit wrongly applied a dramatically less deferential standard of review. The court *sua sponte* deemed the verdict merely "advisory." The court then held that a jury's only role is to find a limited set of "historical facts," drew its own inferences from the trial evidence, and decided *de novo* that Google's conduct was not fair use. *See* Pet. App. 19a, 23a-24a, 55a. That was not only contrary to this Court's decisions and the Rules of Civil Procedure, but doubly unprecedented: No court had ever before held that fair use is a question of law that only judges may decide, and no appellate court had ever overturned a jury's verdict finding fair use.

If this Court reaches the second question presented, it should reinstate the verdict under Rule 50's "reasonable jury" standard. The district court applied the correct standard of review, and the court of appeals should have applied at least the same degree of deference. *See infra* Part I.

The Federal Circuit derived its contrary, *de novo* legal standard from its novel holding that fair use is always "a question for the judge, not the jury, to decide." Pet. App. 20a. On that view,

there was no valid jury verdict on the ultimate question of fair use to which it was required to defer. That is incorrect for three independent reasons. First, Oracle is bound by its agreement to have the jury finally decide Google's fair use defense. *See infra* Part II-A. Second, this Court has held that juries appropriately decide mixed questions of law and fact, particularly questions that are as fact-intensive as fair use. *See infra* Part II-B. Third, the Federal Circuit's ruling violated Google's Seventh Amendment right to a jury trial. *See infra* Part II-C.

I. THE FEDERAL CIRCUIT FAILED TO GIVE THE APPROPRIATE DEFERENCE TO THE JURY'S VERDICT.

The Federal Circuit's decision overriding the jury's fair use verdict is irreconcilable with this Court's precedents specifying the applicable standard of review.

A. Because A Rational Jury Could Weigh The Conflicting Evidence To Find Fair Use, There Is No Basis To Overturn The Verdict.

Rule 50 authorizes a court to overturn a jury verdict only if "a reasonable jury would not have a legally sufficient evidentiary basis to find for [a] party." Fed. R. Civ. P. 50(a)(1). A court reviewing a general verdict construes *all* the facts—including the inferences to be drawn from the evidence—in support of it. *Reeves v. Sanderson Plumbing Prods., Inc.,* 530 U.S. 133, 150-151 (2000). The court then asks whether a "rational trier of fact" could have reached the jury's conclusion. *Id.* at 153.

The Federal Circuit's decision cannot be reconciled with that settled standard of review, in multiple respects—even beyond the court's fundamentally erroneous, *sua sponte* decision to deem the jury's verdict merely "advisory." While the jury has the power to find *all* the facts, the court held that the jury may determine only "historical facts," which it opined were "generally few"—here, "the 'origin, history, content, and [Google's] use' of" the Java SE declarations. Pet. App. 19a. Further, the Federal Circuit held that the court should not draw inferences from the trial evidence *in support of the verdict*, but instead should draw whatever inferences it concludes are appropriate *de novo*. *Id.* at 24a. Oracle notably does not defend that holding, which violates the bedrock principle that the court may not "reweigh the evidence and set aside the jury verdict merely because the jury could have drawn different inferences or conclusions or because [the court] fe[lt] that other results are more reasonable." *Tennant v. Peoria & P. U. Ry. Co.*, 321 U.S. 29, 35 (1944); *see also Lavender v. Kurn*, 327 U.S. 645, 653 (1946).[1]

B. An Appellate Court Appropriately Shows Additional Deference To A Jury Verdict When The Trial Judge Who Heard The Evidence Denies JMOL.

Because the jury's verdict should be reinstated under the traditional standard of review, this Court need not decide whether or when an appellate court should apply an *additional* layer of

[1] Google's position does not foreclose appellate review of fair use verdicts. It simply applies the settled, deferential standard of review for a general verdict. To the extent a party is concerned with certain sub-issues in the fair use inquiry—such as particular statutory factors—it can advocate for particular jury instructions and/or a special verdict form. Oracle did not do so here.

deference to the district court's conclusion that the evidence was sufficient to uphold the jury's verdict. But there is substantial reason to conclude that further deference is warranted, at least in a case like this one. As this Court concluded in an analogous context, "[w]ithin the federal system, practical reasons combine with Seventh Amendment constraints to lodge in the district court, not the court of appeals, primary responsibility" for determining whether an evidentiary record supports the jury's determination. *Gasperini v. Ctr. for Humanities, Inc.*, 518 U.S. 415, 438 (1996) (addressing district court's denial of Rule 59 motion arguing that the jury's damages award was excessive as a matter of law). "Trial judges," the Court continued, "have the unique opportunity to consider the evidence in the living courtroom context, while appellate judges see only the cold paper record." *Ibid.* (citations and quotation marks omitted). *Compare Eastman Kodak Co. v. Image Tech. Servs., Inc.*, 504 U.S. 451, 465 n.10 (1992) (district court's grant of summary judgment on ground that no trial is necessary is not reviewed deferentially).

The trial in this case lasted two-and-a-half weeks. The jury heard the conflicting testimony of seventeen live witnesses, and was presented with roughly 200 trial exhibits and the deposition testimony of a dozen more witnesses. That evidence related to numerous hotly disputed factual issues that were likely central to the jury's ultimate fair use determination. *See infra* Part II-B-1. The district court gave the jury extensive instructions on the law of fair use, including: the statutory factors and non-statutory considerations; its responsibility to weigh all the evidence; and the legal standards governing its ultimate determination of fair use. JA267-293.

The district judge denied Oracle's JMOL motion in an extensive opinion, explaining in detail how there was sufficient evidence for the jury to have favored Google with respect to each fair use factor, and for the jury to have found that the weight of the factors favored Google. *See* Pet. App. 105a-112a, 116a-117a (factor one); *id.* at 112a-114a (factor two); *id.* at 114a (factor three); *id.* at 114a-115a (factor four). The court concluded its analysis by observing (*id.* at 117a) that its

> order cannot cover all the myriad ways that the jury could reasonably have balanced the statutory factors and found in favor of fair use. The possibilities above represent but one take on the evidence. Witness credibility was much challenged. Plainly, many more variations and balancings could have reasonably led to the same verdict.

Both the jury's constitutionally prescribed role and the district judge's familiarity with the record accordingly counsel in favor of showing the verdict additional deference on appeal, and reinstating it. *Cf. Reeves*, 530 U.S. at 151-154 (reinstating jury's verdict in similar posture).

II. BECAUSE THE JURY WAS PROPERLY GIVEN THE ROLE OF FINALLY DECIDING GOOGLE'S FAIR USE DEFENSE, THERE IS NO BASIS FOR AN APPELLATE COURT TO RE-DECIDE THAT QUESTION *DE NOVO*.

The Federal Circuit decided fair use *de novo* because it deemed that defense "a question for the judge, not the jury, to decide." Pet. App. 20a. That unprecedented ruling cannot be reconciled with (a) the Rules of Civil Procedure, which hold Oracle to its agreement to a jury trial, (b) this Court's precedents governing the allocation of responsibility between judges and juries, or (c) the Seventh Amendment. It is therefore no surprise that no prior decision of any federal court *ever* held that the ultimate question of fair use must always be decided by a court.

A. Oracle Is Bound By Its Own Choice To Put The Question Of Fair Use To The Jury.

After resolving the initial appeal in this case over the copyrightability of the Java SE declarations, the Federal Circuit expressly remanded for a jury trial on Google's fair use defense. Pet. App. 182a-184a. Just as in the first trial, Oracle expressly "agree[d]" that fair use was a "factual issue[] . . . to be tried" by the jury. Doc. 1709 at 5; *see also* Doc. 525 at 13; Doc. 780 at 12. The instructions—to which Oracle did not object on appeal—specified that the jury was responsible for determining *all* the facts relevant to *all* statutory and non-statutory factors, weighing those facts, and determining the ultimate question of fair use. *E.g.*, JA289 ("It is up to you to decide whether all relevant factors, when considered fully and together, favor or disfavor fair use.").

The parties further agreed that the jury, after weighing all the evidence, would issue a general verdict, deciding the overarching question of fair use without making any other findings. Doc. 1700. The verdict form asked only the ultimate question: "Has Google shown by a preponderance of the evidence that its use in Android of the declaring lines of code and their structure, sequence, and organization . . . constitutes a 'fair use' under the Copyright Act? Yes ___ (finding for Google) No ___ (finding for Oracle)." *Ibid.* The jury answered "Yes." JA295.

Consistent with its position throughout the case, Oracle's JMOL motion accepted that the jury's appropriate role was to evaluate and weigh the relevant evidence, and then decide the ultimate question of fair use. *Compare* Doc. 1914 at 6, 14 (citing the preliminary jury instructions) *with id.* at 23 n.8 (contesting solely the instruction on the relevance of industry practice). Oracle did not ask the district court to treat the jury's verdict as "advisory" and make its own findings of fact. *See* Fed R. Civ. P. 52(a)(1). Oracle also did not request that the district court make its own determination of any individual fair use factor (or anything else) or conduct its own weighing of the evidence and determine fair use itself *de novo*. Oracle instead simply challenged the sufficiency of the evidence. Doc. 1914 at 1 (Rule 50(a) motion: "No reasonable jury could find that Google's verbatim and entirely commercial use of the declaring code and SSO to compete against the Java platform was a fair use."); *see also* Doc. 1993 at 1 (Rule 50(b) motion (same)).

Having agreed that the jury should decide fair use and lost, and then having asked the district court to overturn the verdict under the correct standard of review and lost again, Oracle now argues that an appellate court should decide fair use itself *de novo*. But Oracle is bound to its original choice. A party that agrees to a jury trial and does not like the result does not get a *de novo* appellate do-over as if the jury trial never happened. The entire point of the deferential Rule 50 standard is that the verdict of a properly instructed, reasonable jury is the final say.

That conclusion is confirmed by two other Federal Rules of Civil Procedure. First, Rule 39(c)(2) provides that the district "court . . . may, with the parties' consent, try *any issue* by a jury whose verdict has *the same effect* as if a jury trial had been a matter of right" (emphases added). The Federal Circuit's holding that it may retroactively deem the resulting verdict to be merely "advisory" deprives the Rule of effect, because a "judge could *always* rule that the verdict was advisory if the judge did not agree with the jury's verdict." *Bereda v. Pickering Creek Indus. Park, Inc.*, 865 F.2d 49, 52 (3d Cir. 1989) (emphasis added). Deeming the verdict advisory *post hoc* can

also seriously prejudice litigants such as Google, given the "significant tactical differences in presenting a case" to an advisory jury. *Ibid.* (quotation marks omitted). Other courts of appeals accordingly recognize that Rule 39 prohibits recharacterizing the jury's verdict as advisory after the judgment. *See ibid.* (citing cases); *see also Alcatel USA, Inc. v. DGI Techs., Inc.*, 166 F.3d 772, 795-796 (5th Cir. 1999); *Thompson v. Parkes*, 963 F.2d 885, 888 (6th Cir. 1992).

Second, Rule 52(a) provides that in "an action tried . . . with an advisory jury, the court *must find the facts specially* and state its conclusions of law separately" (emphasis added). But because the district court did not treat the jury as advisory, those factual findings—which would facilitate close appellate review in a case in which there was no jury verdict—are completely absent.

At the very least, Oracle can prevail on the standard of review only if it has an unwaivable right to have a court decide fair use *de novo*. That is essentially the claim that Rule 39(c)(2) is rendered unconstitutional by an inverted Seventh Amendment right to *avoid* a jury trial. But there is no such right to undo the consent to a jury trial, and Oracle is bound by its choice.

B. This Court's Precedents Hold That Juries Properly Decide Fact-Intensive Mixed Questions Of Law And Fact Such As Fair Use.

Wholly apart from Oracle's agreement, this Court's precedents make it clear that juries properly decide mixed questions such as fair use.

1. Fair use is a fact-bound determination appropriately made by a jury.

In *Hana Financial, Inc. v. Hana Bank*, this Court held that a jury may properly decide whether a trademark holder has engaged in "tacking"—a principle that gives a new mark the priority date of an earlier mark. 574 U.S. 418, 419-420 (2015). The tacking inquiry is whether a "reasonable" person would regard the two marks as equivalent. Although the "test involves the application of a legal standard," the Court recognized that such "'mixed question[s] of law and fact[]' ha[ve] typically been resolved by juries." *Id.* at 423-424 (quoting *United States v. Gaudin*, 515 U.S. 506, 512 (1995)). Moreover, "when the relevant question is how an ordinary person or community would make an assessment, the jury is generally the decisionmaker that ought to provide the fact-intensive answer." *Id.* at 422. The jury's task of making "the ultimate conclusion" is, the Court explained, its "constitutional responsibility." *Id.* at 424 (quoting *Gaudin,* 515 U.S. at 512).

Fair use is more fact-intensive, and therefore even more suitable for a jury determination, than tacking. This Court has not reviewed a jury verdict on fair use, but has recently reaffirmed that it is a "notoriously fact sensitive" issue that "often cannot be resolved without a trial." *Georgia v. Public.Resource.Org, Inc.*, 140 S. Ct. 1498, 1513 (2020). The Court has also held that the ultimate question of fair use is a "mixed question of law and fact" that "requires a case-by-case determination" of the "particular use." *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 549, 560 (1985); *see also Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 577 (1994). Accordingly, every fair use case "must be decided on its own facts." *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 448 n.31 (1984) (quotation marks omitted).

Consistent with this Court's precedents, the lower courts have regularly put the ultimate question of fair use to juries, without the slightest suggestion that only judges have the power to

make such a determination. *See, e.g.*, *Balsley v. LFP, Inc.*, 691 F.3d 747, 757-761 (6th Cir. 2012) ("[T]he jury was not unreasonable in weighing the four statutory factors of the fair use defense in Plaintiffs' favor."); *New York Univ. v. Planet Earth Found.*, 163 F. App'x 13, 14 (2d Cir. 2005) ("[T]he evidence . . . supports the jury's finding of fair use."); *Compaq Comput. Corp. v. Ergonome Inc.*, 387 F.3d 403, 409-411 (5th Cir. 2004) ("The evidence presented at trial and the reasonable inferences therefrom, when viewed through the lens of the statutory fair use factors, support the jury's fair use finding."); *Brewer v. Hustler Magazine, Inc.*, 749 F.2d 527, 529 (9th Cir. 1984) ("[T]here was sufficient evidence from which a jury could have found that Hustler's publication of the photograph was not a fair use."); *Jartech, Inc. v. Clancy*, 666 F.2d 403, 407 (9th Cir. 1982) ("[T]he jury's [fair use] verdict is certainly supported by substantial evidence.").

A jury is well suited to make such a judgment. Each statutory fair use factor is a continuum, not binary. The first addresses "whether and to what extent the new work is transformative," *Campbell*, 510 U.S. at 579 (quotation marks omitted); the second "recogni[zes] that some works are closer to the core of intended copyright protection than others," *id.* at 586; the third addresses "the amount and substantiality of the portion used in relation to the copyrighted work as a whole," 17 U.S.C. § 107(3); and, as to the fourth, the effect of the use on the market for the original "is a matter of degree" and "the importance of this factor will vary, not only with the amount of harm, but also with the relative strength of the showing on the other factors," *Campbell*, 510 U.S. at 590 n.21. The factors are also intertwined: "[T]he more transformative the new work, the less will be the significance of other factors, like commercialism," *id.* at 579, and, when the second use is transformative, "market harm may not be so readily inferred," *id.* at 591.

The fact-finder must consider evidence relevant to each statutory factor, make a qualitative judgment about where on the spectrum of each factor a particular use falls, assess any evidence relevant to non-statutory factors, and weigh all of the evidence. *Campbell*, 510 U.S. at 578; *Harper & Row*, 471 U.S. at 560. That evaluation is "a sensitive balancing of interests." *Sony*, 464 U.S. at 455 n.40. The weighing is *itself* a factual exercise, comfortably within the jury's fact-finding capacity. *See* 17 U.S.C. § 107 (describing a determination that a reuse is fair use as a "finding" that is "made upon consideration of all the above factors"). This Court has made clear that the importance of any single factor will vary from case to case, depending on the totality of circumstances. *Campbell*, 510 U.S. at 579, 590 n.21; *Harper & Row*, 471 U.S. at 563.

This case illustrates how fair use calls for a fact-intensive determination. Oracle itself could not have been more emphatic that "[f]air use is a complex issue requiring the jury to weigh a wealth of evidence in considering the four fair use factors." Doc. 1708 at 9; *see also* Doc. 1709 at 5; Doc. 568 at 25-26; Doc. 525 at 13, 15. In that respect, Oracle was correct. The parties presented the jury with conflicting evidence on innumerable factual questions relevant to the mix of statutory and non-statutory factors that lead to the fair use determination, including:

- the significance of the common practice of reusing software interfaces;
- the extent to which Oracle made the declarations available to use without a license;
- whether or how Java SE was used in smartphones or was suited for that environment;
- how functional the declarations are, and thus removed from the core of copyright;

- how quantitatively or qualitatively significant the reused declarations were in comparison to the whole of the copyrighted work;
- how much Sun Microsystems (the original creator of Java SE) supported Google's reuse;
- the degree of market harm, if any, suffered by Oracle;
- how transformative Google's reuse of the declarations in a smartphone was;
- whether Google reused more than necessary to achieve an innovative purpose;
- whether Android competed with Java SE in the market for any derivative product;
- what were the reasonably likely future derivative markets for Java SE;
- whether the amount of creativity Android unleashed justified the reuse; and
- which of the four statutory factors or other unenumerated factors was more or less important in view of all other evidence in the record.

These qualitative, fact-intensive, and hotly disputed determinations were relevant to the jury's assessment of the four statutory factors, as well as non-statutory factors, and thus its ultimate fair use verdict. At the very least, that inquiry is not so purely legal that *only* a court can undertake it.

Oracle misstates the record in claiming that the trial evidence could support only the conclusion that Google did not engage in fair use. *See* Google Br. 37-50; Reply Br. 16-23. Just as important, Oracle's own arguments highlight the primacy of the particular facts and evidence presented in this particular case—rather than legal principles determined by judges—in determining fair use. Oracle's arguments about the trial record would not establish a broadly applicable legal rule regarding the reuse of software interfaces; subsequent cases would be decided on their particular facts. Fair use is thus not a question that categorically must be decided by a court *de novo* in every case, including this one.

2. Juries regularly decide such mixed questions of law and fact.

The jury also properly decided the overall question of fair use because, as *Hana Financial* explains, "the application-of-legal-standard-to-fact sort of question…, commonly called a 'mixed question of law and fact,' has typically been resolved by juries." *Hana Financial*, 574 U.S. at 423-424 (quoting *Gaudin*, 515 U.S. at 512 (quoting in turn J. Thayer, *Preliminary Treatise on Evidence at Common Law* 194, 249-250 (1898))). Indeed, most jury verdicts are properly thought of as the resolution of mixed questions because in reaching the ultimate determination, a jury applies the relevant legal standards, as set forth in the jury instructions, to its assessment of the evidence presented at trial. *See Pullman-Standard v. Swint*, 456 U.S. 273, 289 n.19 (1982) (mixed question asks whether "the historical facts . . . satisfy the statutory standard, or to put it another way, whether the rule of law as applied to the established facts is or is not violated").

This Court has repeatedly affirmed that a jury properly decides such mixed questions. That is particularly true when, as here, the question requires drawing inferences from facts and assessing their significance. For example, juries decide the issue of "materiality" with respect to false or omitted statements. The Court explained in the civil context that "[t]he issue of materiality may be characterized as a mixed question of law and fact, involving as it does the application of a legal standard to a particular set of facts." *TSC Indus., Inc. v. Northway, Inc.*, 426 U.S. 438, 450 (1976). The Court applied the same rule in the criminal context. *Gaudin*, 515 U.S. at 512-513; *see also*

Chandris, Inc. v. Latsis, 515 U.S. 347, 369 (1995) (jury properly determines whether a plaintiff is a Jones Act "seaman" under 46 U.S.C. App. § 688(a)).[2]

Oracle's argument that fair use is determined according to legal principles—derived from the four statutory factors—fails to recognize that the fair use determination turns on the weighing of an array of evidence relevant to those factors, each of which is a continuum, as well as other relevant factors not defined by the Copyright Act. Just as important, Oracle's argument confuses the legal *framework* for the fair use analysis (which guides the jury through the jury instructions) with the *application* of those rules to the facts (which is the verdict). Oracle "offers no support for the claim" that fair use "cases 'have to be' resolved by reliance on precedent." *Hana Financial*, 574 U.S. at 424. "And insofar as [Oracle] is concerned that a jury may improperly apply the relevant legal standard, the solution is to craft careful jury instructions that make that standard clear." *Ibid.* Here, the district judge did exactly that, JA267-293 (jury instructions), and Oracle did not challenge any of those instructions on appeal.[3]

3. Juries properly determine the reasonable use of copyrighted material.

A jury also properly decides fair use because it is well suited, from both a practical and a policy perspective, to determine how a "reasonable" party would assess the defendant's conduct. A jury brings a diverse range of experience, offering a holistic perspective on how a community views the reasonableness of conduct. *See Hana Financial,* 574 U.S. at 423. The overarching fair use inquiry is whether a defendant "use[d] the copyrighted material in a reasonable manner." *Harper & Row,* 471 U.S. at 549 (quoting H. Ball, *Law of Copyright and Literary Property* 260 (1944)). Thus, traditionally, the question of fair use was viewed as whether the "'custom or public policy' at the time would have defined the use as reasonable." *See Wall Data Inc. v. L.A. Cty. Sheriff's Dep't*, 447 F.3d 769, 778 (9th Cir. 2006) (quoting Subcomm. on Patents, Trademarks & Copyrights of the S. Comm. on the Judiciary, 86th Cong., 2d Sess., Study No. 14, Fair Use of Copyrighted Works 15 (Comm. Print 1960)); *see also Harper & Row*, 471 U.S. at 549. There is no reason to conclude that a court is categorically better suited to make such a judgment.

4. This Court's decisions applying de novo *review have involved the review of court rulings, not jury verdicts.*

Oracle's contrary argument for *de novo* review relies on decisions that *did not involve juries*. Like the losing party in *Hana Financial*, Oracle "relies on cases in which judges have resolved [such] disputes in bench trials, at summary judgment, or the like." *Hana Financial,* 574 U.S. at 425; *see* Oracle Br. 37. Sometimes judges resolve questions that would otherwise go to a jury. For

[2] By contrast, this Court held that patent claim construction is a question for the judge because it requires construing legal documents, a task peculiarly within the province of the court. *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 388-390 (1996).

[3] Neither party argues categorically that the reuse of software interfaces is always or never fair use. Such a purely legal claim arguably would be reviewed *de novo*. *Cf. Campbell*, 510 U.S. at 572 (1994) (rejecting the argument that parody never qualifies as fair use).

example, the court may grant "a motion for summary judgment or for judgment as a matter of law," or "the parties [may] opt[] to try their case before a judge." *Hana Financial*, 574 U.S. at 423. But that does not imply that a jury may never decide the question. *Id.* at 422.

For example, *Harper & Row* involved a *bench* trial, in which the district judge made express factual findings. This Court did not address the standard of review. It stated that when the judge has found the relevant facts and decided fair use, an appellate court "need not remand for further factfinding but may conclude as a matter of law that the challenged use does not qualify as a fair use." 471 U.S. at 560 (cleaned up and quotation marks omitted).

This case is very different. In *Harper & Row*, the parties agreed that the court would determine fair use; here, the parties agreed on a jury trial. In *Harper & Row*, the trial judge made express factual findings that could be applied by an appellate court; here, there are none. *See supra* at 5 (discussing Rule 52(a)). Indeed, it is hard to see how a court could determine fair use *de novo* while remaining true to the jury's implicit resolution of numerous factual disputes.[4]

Similarly, in *U.S. Bank*, this Court addressed "which kind of *court* (bankruptcy or appellate)" is best situated to decide whether a third party is a non-statutory insider. *U.S. Bank Nat'l Ass'n ex rel. CWCapital Asset Mgmt. LLC v. Vill. at Lakeridge, LLC*, 138 S. Ct. 960, 966 (2018) (emphasis added). But even under the *U.S. Bank* framework, the jury would determine fair use, because it is such a fact-bound defense. *See supra* Part II-B-1; *U.S. Bank*, 138 S. Ct. at 968.

C. The Federal Circuit's Ruling Is Inconsistent With The Seventh Amendment Right To A Jury Trial And The Re-examination Clause.

Finally, the jury properly decided the ultimate question of fair use because Google had a constitutional right to a jury trial on that defense. The Seventh Amendment provides that "[i]n Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law." U.S. Const. amend. VII. The phrase "rules of the common law" refers to the "common law in respect of trial by jury as these rules existed in 1791" in England. *Dimick v. Schiedt*, 293 U.S. 474, 487 (1935); *Parsons v. Bedford, Breedlove & Robeson*, 28 U.S. 433, 446, 448 (1830).

At that time, suits seeking damages for copyright infringement were tried by common-law juries. *Feltner v. Columbia Pictures Television, Inc.*, 523 U.S. 340, 348-352 (1998). The jury decided all questions of liability, including early forms of what would become the fair use defense. *See, e.g.*, Cherry Professors Br. 6-11; *see also Campbell*, 510 U.S. at 576 (fair use defense originated in "fair abridgements" cases under 18th-century English copyright statute) (citing W. Patry, *The Fair Use Privilege in Copyright Law* 6-17 (1985)); *Patry on Fair Use* § 1:4 & nn.16-17. As a consequence, any diminishment of the jury's role in deciding fair use would raise serious

[4] In the other fair use cases cited by the Federal Circuit, the trial judge granted summary judgment because there was no material factual dispute to give to the jury, and courts of appeals applied *de novo* review to those decisions under Rule 56. *See* Pet. App. 17a-18a.

Seventh Amendment concerns. *See Feltner*, 523 U.S. at 355 (holding that Seventh Amendment preserves the right to jury trial in copyright damages actions).

The fact that fair use is sometimes labeled an "equitable rule of reason" does not mean it can be decided only by a judge. The Seventh Amendment allows a court to reject a jury-trial demand on a common-law claim only if the defense would have been prosecuted by filing a separate action in a court of equity to enjoin the common-law proceeding. *See Liberty Oil Co. v. Condon Nat'l Bank*, 260 U.S. 235, 242-243 (1922). Neither fair use, nor its precursor, ever constituted such a defense sounding solely in equity. Pierre N. Leval, *Toward a Fair Use Standard*, 103 Harv. L. Rev. 1105, 1127 (1990). Instead, as the cases above document, fair-use-like questions were decided by juries in common-law cases seeking damages and by judges in suits seeking injunctions from courts of equity. The Seventh Amendment preserves the right to a jury determination of such a defense in a suit, like this one, seeking legal relief. *See, e.g.*, *Granfinanciera, S.A. v. Nordberg*, 492 U.S. 33, 43 (1989).

The Seventh Amendment's Re-examination Clause ensures that courts do not abrogate the jury right by revisiting a jury's express or implied factual determinations. *Slocum v. N.Y. Life Ins. Co.*, 228 U.S. 364, 379-380 (1913). The Court "read[s] it as a substantial and independent clause." *Parsons*, 28 U.S. at 447 (Story, J.). The Federal Circuit's *de novo* determination of the intensely fact-bound question of fair use violates the Seventh Amendment's guarantee "that the jury be allowed to make reasonable inferences from facts proven in evidence having a reasonable tendency to sustain them." *Galloway v. United States*, 319 U.S. 372, 396 (1943).

The constitutional guarantee of the right to a jury trial is at its most expansive, and most important, when a jury is asked to review factually intensive questions, weigh the credibility of live witnesses, and apply a legal standard to a complex web of facts. Creating a new precedent for *de novo* review of the mixed question of fair use, empowering appellate courts to ignore the verdicts of juries properly instructed on the law, would weaken the protections of the Seventh Amendment and the traditional role of juries in the American system of justice.[5]

CONCLUSION

The judgment of the Federal Circuit should be reversed.

Sincerely,



Thomas C. Goldstein

cc: See Attached Service List

[5] Google also prevails on the view that the Seventh Amendment's Re-examination Clause prohibits a court of appeals from overturning the jury's implied factual determinations. *See, e.g.*, *Gasperini*, 518 U.S. at 450-458 (Scalia, J., dissenting).

Service List:
Google, LLC v. Oracle America, Inc., No. 18-956

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Photo by Sarah Jeong / The Verge

POLICY

THE JUDGE'S CODE

Meet the judge who codes — and decides tech's biggest cases

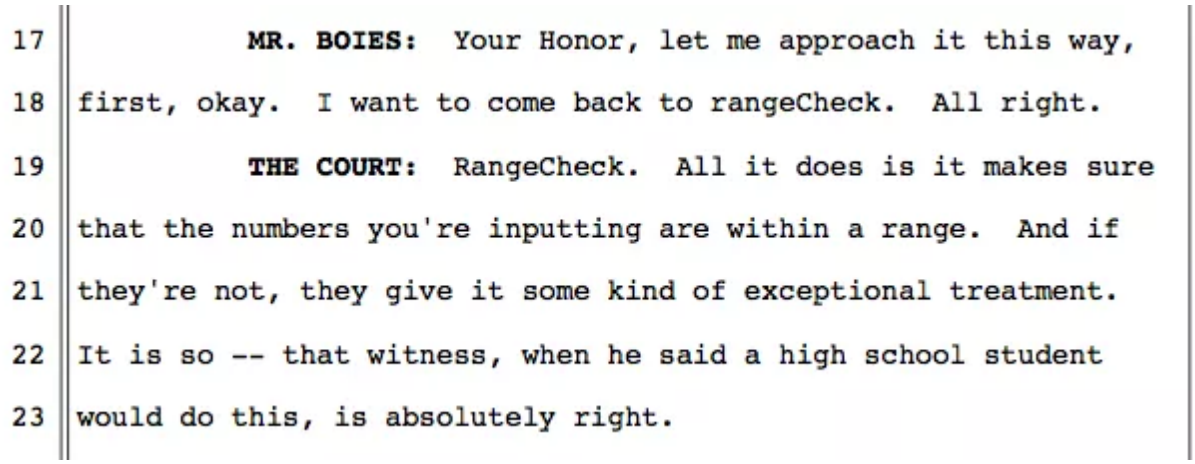
By Sarah Jeong | @sarahjeong | Oct 19, 2017, 10:57am EDT

On May 18th, 2012, attorneys for Oracle and Google were battling over nine lines of code in a hearing before Judge William H. Alsup of the northern district of California. The first jury trial in *Oracle v. Google*, the fight over whether Google had hijacked code from Oracle for its Android system, was wrapping up.

The argument centered on a function called rangeCheck. Of all the lines of code that Oracle had tested — 15 million in total — these were the only ones that were "literally" copied. Every keystroke, a perfect duplicate. It was in Oracle's interest to play up the significance of rangeCheck as much as possible, and David Boies, Oracle's lawyer,

began to argue that Google had copied rangeCheck so that it could take Android to market more quickly. Judge Alsup was not buying it.

“I couldn't have told you the first thing about Java before this trial,” said the judge. “But, I have done and still do a lot of programming myself in other languages. I have written blocks of code like rangeCheck a hundred times or more. I could do it. You could do it. It is so simple.”



MR. BOIES: Your Honor, let me approach it this way, first, okay. I want to come back to rangeCheck. All right.

THE COURT: RangeCheck. All it does is it makes sure that the numbers you're inputting are within a range. And if they're not, they give it some kind of exceptional treatment. It is so -- that witness, when he said a high school student would do this, is absolutely right.

As counsel for Oracle tried to continue speaking, the judge only became more and more indignant.

It was an offhand comment that would snowball out of control, much to Alsup’s chagrin. It was first repeated among lawyers and legal wonks, then by tech publications. With every repetition, Alsup’s skill grew, until eventually he became “the judge who learned Java” — Alsup the programmer, the black-robed nerd hero, the 10x judge, the “master of the court and of Java.”

Judge Alsup would like everyone to know that he doesn’t know Java.

Not very well, anyway. He can, however, definitely code. He’s been coding in BASIC for decades, actually, writing programs for the fun of it: a program to play Bridge, written as a gift for his wife; an automatic solution for the board game Mastermind, which he is immensely fond of; and most ambitiously, a sprawling multifunctional program with a graphical interface that helps him with yet another of his many hobbies, ham radio.

THESE MAJOR CASES HAVE WOUND UP IN THE DOCKET OF MAYBE THE ONE JUDGE IN AMERICA CAPABLE OF UNDERSTANDING THEIR TECHNICAL DETAILS: A JUDGE WHO CAN CODE

His interests have served him well on the judicial bench, informing his outlook on the multibillion-dollar intellectual property cases that come to him. The fortunes of tech companies can rise or fall depending on his rulings. *Oracle v. Google* has wide repercussions for big companies and smaller developers alike, to say nothing of the $9 billion at stake. The yet-to-be-totaled billions Alphabet is seeking from Uber in the ongoing *Waymo v. Uber* suit could make or break Uber as a player in the nascent self-driving car market.

By sheer coincidence, these major cases have wound up in the docket of maybe the one judge in America capable of understanding their technical details: a judge who can code. Alsup's long-cherished hobby illuminated issues at the very heart of *Oracle v. Google*, and his off-hours tinkering with photography, lenses, and the science of light will inform him in *Waymo v. Uber*, a case involving LIDAR, a laser-based technology for self-driving car navigation.

The tech industry has long despaired of the law's inability to comprehend it, making much of the legal system's struggle to keep up with the rapid pace of progress. The belief that the law will never "catch up" to technology is borne in part of tech exceptionalism, a libertarian elitism that derides any kind of legal or regulatory impediment as Luddism. But it's also fueled by genuine frustration with the state of law. The patent office is perceived to be rubber-stamping obvious technologies. Supreme Court justices appear befuddled by the basic process of coding. And attorneys stack juries with non-technical jurors who return massive verdicts for patents on online shopping carts.

In this landscape, Alsup is an outlier — a mystifying exception to the accepted wisdom that the law cannot make sense of the fast-changing tech industry. Alsup's secret is simple: he's a lifelong geek.

Alsup is notorious among San Francisco's attorneys for the early hours he keeps (and forces upon the lawyers who appear before him). At 9AM, most of the judges' chambers at the federal courthouse were still dark, and doors were closed. But when I got to Alsup's chambers, the door was flung open and the bustle inside suggested that everyone had already been at work for hours.

A white-haired man with rectangular wire-frame glasses and a soft Southern accent, Alsup is of normal stature, but his imposing presence leaves you with the impression that he towers over you.

Alsup's chambers have many of the classic aesthetics of the legal profession: the shelves upon shelves of leather-bound books, the stained wood paneling, a small black-and-white portrait of Abraham Lincoln hanging over an intimidatingly large desk. Off to the side sits a sofa strewn with dog toys. Alsup's Jack Russell Terrier, who he often brings to work, was not at the office that day.

The judge sat me down on the sofa and walked me through his programs on a 2011 court-issued Dell laptop. He couldn't run the same programs on his desktop computer, he said with some irritation, so the Dell was here to stay. "It's the last one that will support QuickBASIC, which is kind of a shame, because it's the only language I really know."

"IT'S THE LAST ONE THAT WILL SUPPORT QUICKBASIC, WHICH IS KIND OF A SHAME, BECAUSE IT'S THE ONLY LANGUAGE I REALLY KNOW."

The judge is not a hardware fanatic. He uses computers and whatever smartphone the court has provided him with. He has a court-issued iPhone, but if the Northern District of California issued him an Android, he'd use an Android, he said.

I asked him if I could put his code on GitHub, and he asked me what GitHub was. In lieu of that, he handed me printouts of his computer programs, three stacks of paper that had been neatly stapled at the corners. The one on the top, he apologized, had several dependencies that he hadn't had the time to print out. Long before he became the judge presiding over Silicon Valley, Alsup had been a hobbyist operating in isolation; he's a geek, but he's a geek from another era.

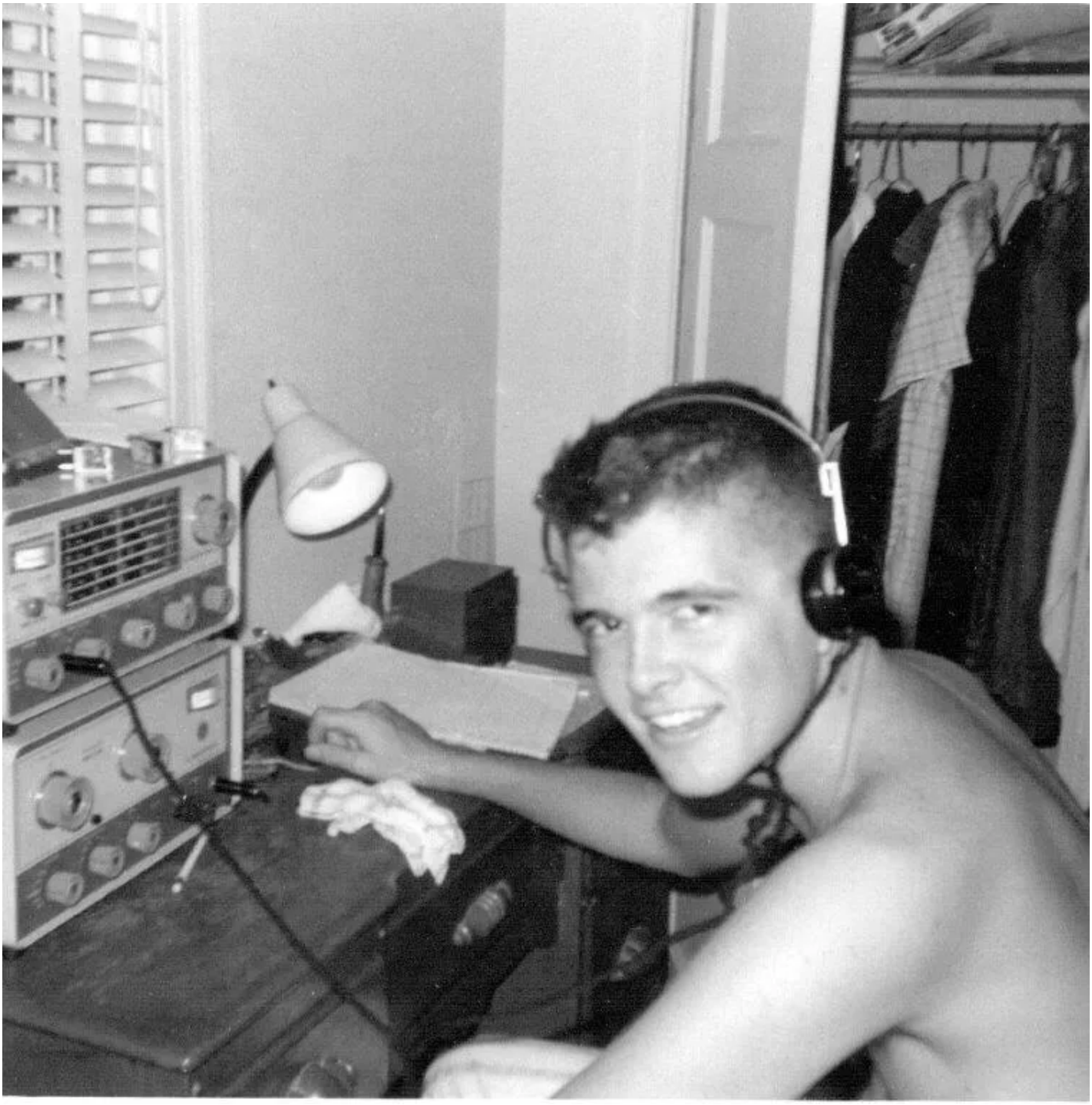
Alsup was born in 1945 in Jackson, Mississippi, the son of two rural Texans — a nurse and a civil engineer who got his start under Roosevelt's Works Progress Administration. Even as a boy, Alsup displayed the freewheeling curiosity and technical bent that would characterize his later life. He spent much of his childhood alongside Hubert Feild, now a professor at Auburn University. Friends since the age of six, the two built forts together, buried time capsules, launched lighter-than-air balloons made of laundry bags, shot

flaming matches from clothespins (an Alsup invention), and had “dirt clod wars,” which, Feild said, were “not recommended.”

“Bill was an extremely bright kid,” Feild said. Alsup taught himself piano, but, dissatisfied with the sound, modified the instrument by pressing thumb tacks into the hammers that strike the piano wire. His hack made the piano sound like it came from a long-lost cowboy saloon. “I still have recordings of Bill playing classic songs (such as those by Ray Charles) on his ‘new and improved’ version of his piano,” Feild said.

But if there was one gadget that caught the boys’ imaginations, it was ham radios. The two spent hours listening to shortwave broadcasts, combing frequencies on a Zenith Transoceanic radio with a seven-foot telescoping antenna. They tuned into faraway stations like Radio Moscow, Radio Quito, and Radio Havana, but most of their time was spent listening to the amateur radio operators — the so-called “hams.”

“As we listened to the conversations from hams in various states in the US as well as foreign countries, it was as if a ‘new world’ had been discovered beyond the confines of Mississippi,” Feild said. He would listen as Alsup, who became a licensed ham operator while still in high school, carried on conversations from his bedroom with far-off interlocutors, sometimes in Morse Code.



A young Alsup at his ham radio, around 1963.

“Bill had, and continues to have, a very strong influence on my life,” Feild said. “For the last 20 years or so, Bill and I talk via ham radio each Saturday morning.”

After high school, Alsup began as an engineering major at Mississippi State, intending to be a civil engineer like his father. But this was the ‘60s, and the civil rights movement was in full swing: the March on Washington happened during his freshman year in college; the Civil Rights Act of 1964 was passed in his sophomore year. As Alsup took an

interest in broader legal issues, something clicked. “I wanted to be another Atticus Finch,” Alsup said to me. After college he attended Harvard Law School, and went on to clerk for Supreme Court Justice William O. Douglas.

He set up shop in Mississippi doing civil rights work, but found it financially unsustainable. Eventually he and his wife relocated to San Francisco in 1973, and over the years he worked both in private practice and at the Department of Justice. In 1999, he was commissioned as a federal judge by President Bill Clinton.

"I WANTED TO BE ANOTHER ATTICUS FINCH."

In the Northern District of California, Alsup has a fearsome reputation among lawyers. His early hours are the bane of attorneys, who are forced to argue motions as early as seven, sometimes even earlier if the judge sees that everyone is present. Litigators are timed down to the minute, and juries are let out at the exact time he specifies.

In the second *Oracle v. Google* trial, he refused to allow lawyers to continue to question Eric Schmidt past 1PM, even though this meant that the president of Alphabet would have to return to court the next day. The business of a $570 billion mega corporation would have to make way for jurors picking up kids from daycare, putting dinner on the table, and catching the train for a long commute back home. “I know the witness is a busy man,” Alsup said. “But the jurors’ time counts a lot more right now.”

He keeps his courtroom significantly colder than the rest of the building; it’s rumored that the air conditioning is cranked up high to keep the jurors awake. If someone coughs in the gallery, Alsup pauses the trial to demand to know who did it. Once the cougher is identified, the judge produces a cough drop — he keeps them by the judge’s bench for such eventualities — and the cough drop of shame is passed down through the ranks of attorneys and into the gallery. If the cough persists, the cougher must exit the courtroom, as swiftly and as quietly as possible.

IF SOMEONE COUGHS IN THE GALLERY, ALSUP PAUSES THE TRIAL TO DEMAND TO KNOW WHO DID IT

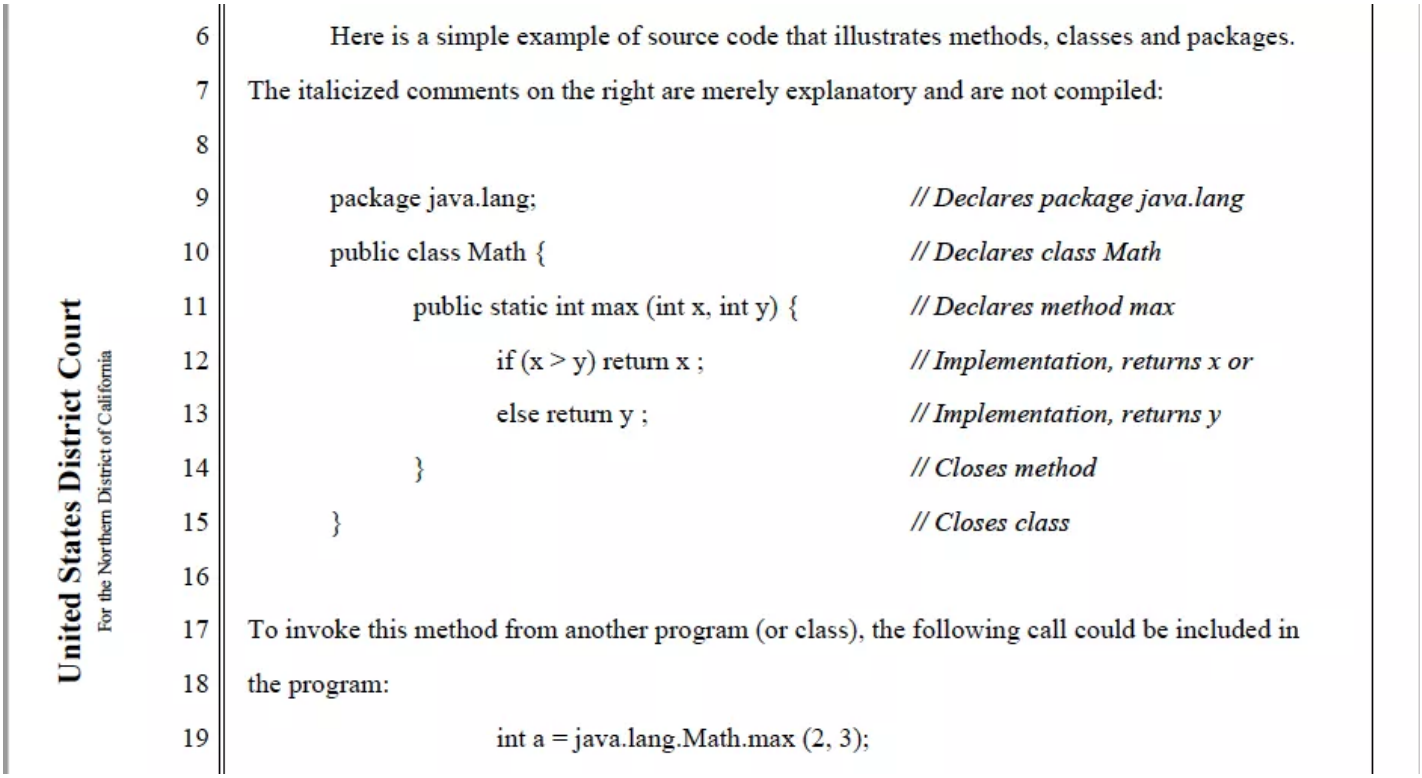
Out of earshot, when the jurors are closed off inside their deliberations room, he can be harsh to attorneys. But the judge that jurors see is a grandfatherly, solicitous Southern

gentleman, one who takes the time to ask after individual jurors and to thank them for the time they're putting in.

When one of the *Oracle v. Google* jurors was stung by a bee during the trial, Alsup asked her if she could still follow the proceedings. When she hemmed and hawed, he said, "Let me rephrase. Can you understand what is going on just as well as you could before you were stung by a bee?"

"Yes," she replied without hesitation.

The American system allows attorneys a great deal of power over who gets to be a juror. That's why a jury in a software copyright trial taking place in San Francisco, California, the tech capital of the world, ended up with zero jurors with experience in the computer industry. But attorneys can't pick the judges they end up with. And the litigators in the tech-dominated Northern District of California have learned they can't pull a fast one on Judge Alsup.



United States District Court
For the Northern District of California

Here is a simple example of source code that illustrates methods, classes and packages. The italicized comments on the right are merely explanatory and are not compiled:

```
package java.lang;                          // Declares package java.lang
public class Math {                         // Declares class Math
        public static int max (int x, int y) {   // Declares method max
                if (x > y) return x ;       // Implementation, returns x or
                else return y ;             // Implementation, returns y
        }                                   // Closes method
}                                           // Closes class
```

To invoke this method from another program (or class), the following call could be included in the program:

```
int a = java.lang.Math.max (2, 3);
```

Sample code from Judge Alsup's 2012 opinion in Oracle v. Google.

racle v. Google is a vast, sprawling piece of litigation over the Android platform, one where the billions of dollars at stake were the least-significant possible

consequence of the lawsuit. There's a reason why over 70 notable computer programmers signed onto an amicus curiae "Brief of Computer Scientists" to the Federal Circuit, and later to the Supreme Court, in an attempt to explain the technical question at the heart of the case. Each one of them feared what *Oracle v. Google* could do to their profession.

Oracle brought multiple patent claims and a copyright claim against Google in 2010, only to lose across the board in 2012 in a trial presided over by Judge Alsup. But Oracle appealed, and the Federal Circuit ruled in its favor. When Google tried to appeal again, the Supreme Court declined to hear the case, and sent it back down to Judge Alsup at the district court. The case was tried again in 2016. Again, a jury came back in favor of Google, and again, the appeal is pending before the Federal Circuit. After seven years of litigation, the lawsuit at this stage has boiled down to a single question: did Google's use of 37 Java APIs infringe Oracle's copyright?

Software copyright is difficult to grapple with. When it comes to music, movies, literature, paintings, and even Bikram yoga, it's pretty easy to have an opinion about whether something has been copied. Software, on the other hand, was an awkward late addition to the original Copyright Act of 1976, shoehorned into section 102(a) as a "literary work."

Copyright is only supposed to cover creative works, not what's useful or functional. That's why the *functional* elements of anything — from mannequins to accounting ledgers to computer program menus — are barred from being copyrightable.

IS CODE A FUNCTIONAL TOOL, OR IS IT A CREATIVE EXPRESSION?

Is code a functional tool, or is it a creative expression? To the extent that code "conveys meaning," it does seem like an art form with a valid claim to copyright. Think of programmers who refer to "elegant code" or "badly written code." But when that code is being executed to move a robot arm to pick up and fasten a bolt, that seems entirely functional — and therefore, not the kind of thing that can be addressed by copyright.

You can't copyright a urinal. But you could probably copyright a sculpture of a urinal. And like Duchamp's famous work, code is both, at the same time.

“You've seen courts wrestling with [this] for decades,” says James Grimmelmann, a law professor at the Cornell Tech Institute who once worked as a Microsoft programmer. “It turns out that actually carving up a piece of software into those functional and nonfunctional parts is really hard,” he says. “It requires a really nuanced understanding of just what is doing something and what means something in software.”

The *Oracle v. Google* case concerns a specific component of software: the application programming interface. APIs are a collection of well-defined interactions, a sort of shorthand to quickly access services, libraries, other functionalities. APIs have been compared to dictionaries of words with their definitions, but John Bergmayer, a senior staff attorney at Public Knowledge, says they’re more like collections of proverbs or idioms. You don’t need to know idioms to be able to speak grammatically correct English, but as many ESL students know, you’re going to have a hell of a time communicating without them. An idiom might be a lovely turn of phrase, but the more common it is in a pool of speakers, the more it simply serves as a shorthand for something that might take more time to spell out. Similarly, APIs often condense commonly used or particularly complex code.

This is the question at the heart of *Oracle v. Google*. Section 102(b) of the Copyright Act excludes copyright protection for “any idea, procedure, process, system, method of operation.” Is an application programming interface a process, system, or method of operation? Or is it a creative expression that warrants copyright protection?

When Google first created Android, the company made the decision that it would be compatible with Java, a popular programming language. By using Java, Android could tap into an existing community of developers, and maybe even their existing code. Anyone could *write* in Java, but Sun Microsystems, which had developed the language, maintained strict control over Java Standard Edition and Java Mobile Edition, which allow Java code to be deployed on desktop computers and mobile phones.

GOOGLE'S REIMPLEMENTATION OF THE JAVA APIS WAS ALMOST ENTIRELY WRITTEN FROM WHOLE CLOTH

After negotiations to license Java broke down, an army of engineers at Google wrote a clean room implementation of Java SE — meaning that the code was reverse engineered by a team that was forbidden from accessing the original code. Oracle

acquired Sun in 2010, and in a matter of months, filed a lawsuit against Google over Android.

Google's reimplementation of the Java APIs was almost entirely written from whole cloth. But it shared declaring code — code that identifies the names of other constituent parts of code — with the APIs of Java Standard Edition. Not only that, the structure, sequence, and organization of the implementation looked similar. And then there was rangeCheck, the infamous nine lines of code. They made their way into Android by way of Joshua Bloch, who had, suspiciously, previously worked at Sun Microsystems and had authored many of the Java APIs. (This was only an unfortunate coincidence, Judge Alsup later determined. Bloch had continued to contribute to OpenJDK, the open-source implementation of Java, after he left Sun for Google, and his code had wound up in both Android and Java SE through innocuous circumstances.)

In order to be compatible with Java, certain calls to certain APIs should look about the same. For example, the method that finds that maximum value in a set of numbers is quite sensibly named java.lang.Math.max. Oracle argued that Google could have just called it java.lang.Arith.larger. Google argued that the Java APIs were similar to the QWERTY keyboard layout. Sure, a keyboard could be organized any other way, but keyboard manufacturers keep making QWERTY keyboards, because people are used to that setup.

Languages build on top of other languages, and part of that means that their APIs look similar. The Java regular expression API is a reimplementation of Perl 5 and the Java string formatting API is a reimplementation from C. This is one of the reasons why programmers get up in arms about *Oracle v. Google*; it just doesn't make any sense to police Google for something that everyone else has been doing for forever. There is a general consensus among software developers that Oracle was wrong: that APIs are meant to be *used*, that to restrict their usage would subvert their purpose.

Indeed, even Oracle had a hard time being consistent about its own position. In 2015, a corporate witness for Oracle said in a deposition that the Java APIs and the Java language — which is free to use — were "inseparable," only to backtrack after his lunch break while sweating profusely.

When *Oracle v. Google* went to trial the first time, in 2012, the jury found in favor of Google on every patent claim. But the copyright question had since split into two stages. Were the claimed elements of the APIs copyrightable to begin with? And if they were copyrightable, were they fair use? The first question was decided by Judge Alsup; the second was by the jury.

The jury was hung on the question of whether Google's use of the Java APIs was fair use. But it turned out not to matter, it seemed, because Judge Alsup ruled that Oracle didn't have copyright in the declaring code or the structure, sequence, and organization of the implementing code. There was no infringement because there was nothing to infringe. And this was, Alsup concluded, because structure, sequence, and organization for API implementing code was functional rather than creative in nature.

ALSUP'S OPINION WAS DISTINCTIVE FOR ITS METICULOUSNESS AND TECHNICAL SAVVY

In a case where witnesses and lawyers had struggled to explain APIs, comparing them to everything from file cabinets to electric wall sockets, Alsup's opinion was distinctive for its meticulousness and technical savvy. For pages on end, it describes how code works, from the difference between source code and object code, to classes, declarations, headers, subroutines, methods, interfaces, and packages. It even includes sample code.

It's hard to imagine a judge without Alsup's long experience as a coder coming up with such an opinion. Alsup's background certainly came in handy when he ruled on rangeCheck, the infamous nine lines of code.

"It was the kind of thing I had done many times myself in QuickBASIC," he says, five years after that hearing. (The judge uses Microsoft's QuickBASIC, which is an integrated development environment and compiler for BASIC, to program in). "And if you had given me that problem in QuickBASIC, I was certain I could go back within an hour and I would have a working QuickBASIC model of that."

When we spoke, the judge was careful when talking about *Oracle v. Google*, since a second appeal is still pending at the Federal Circuit. But it seemed like he was still irritated with Oracle's attempts to cast the copied lines of rangeCheck as a "big deal." The coder in him may have even felt a little sorry for the beleaguered author of rangeCheck. The incident bothered Alsup so much that he spent an entire section of his

opinion on it. “Oracle has made much of nine lines of code that crept into both Android and Java. This circumstance is so innocuous and overblown by Oracle that the actual facts, as found herein by the judge, will be set forth below for the benefit of the court of appeals.” (The nine lines of code never came up again in the case.)

Alsup’s 2013 opinion in *Oracle v. Google* is, as Grimmelmann says, “the most detailed, most difficult, most nuanced engagement” that the judiciary has ever had with software copyright. He teaches *Oracle v. Google* to his own IP class. “It’s a framing of this is how Java works, this is what the different elements of source code are… it’s not just judging the case before him. It’s a piece of writing that’s pedagogical.”

Thanks to the meticulousness of his opinion, a great deal of Alsup’s understanding of Java and of software development remains preserved in the law, and is being passed down to young would-be lawyers. That may be the most lasting mark left by the remarkable ruling of the coder judge — because the judgment itself has been completely overturned.

"IT'S NOT JUST JUDGING THE CASE BEFORE HIM. IT'S A PIECE OF WRITING THAT'S PEDAGOGICAL."

Alsup’s 2013 ruling in *Oracle v. Google* went up on appeal almost immediately, and in 2014, the Court of Appeals for the Federal Circuit came back with a shocking reversal, one that resulted in countless law review articles penned by irate scholars of copyright law. The appeals court wrote that Oracle had “unlimited options as to the selection and arrangement of the 7,000 lines Google copied.” Oracle didn’t have to name the function java.lang.Math.max. It could have been called “any number of things,” like “Math.maximum” or “Arith.larger.”

It’s small tells like that one that suggest an overall unfamiliarity with code. (In another part of the opinion, the court says, “Google was free to develop its own API packages and to ‘lobby’ programmers to adopt them.”)

Google appealed the Federal Circuit decision up to the Supreme Court, which declined to take the case. The suit was sent right back to where it started: with Judge Alsup in San Francisco, for a second jury trial, and on May 26th, 2016, a jury found fair use in favor of Google.

Google may have won, but not only is the case still pending — Oracle has appealed again to the Federal Circuit — it's not clear what the actual effects of the case will be over time. The jury verdict of fair use doesn't provide any guidelines on when it is or isn't okay to copy declaring code, or the structure, sequence, and organization of an API.

Whatever insight or clarity Alsup had written into his opinion, built upon his long experience with BASIC, had simply evaporated away, blown to bits by the appellate court.



Photo by Sarah Jeong / The Verge

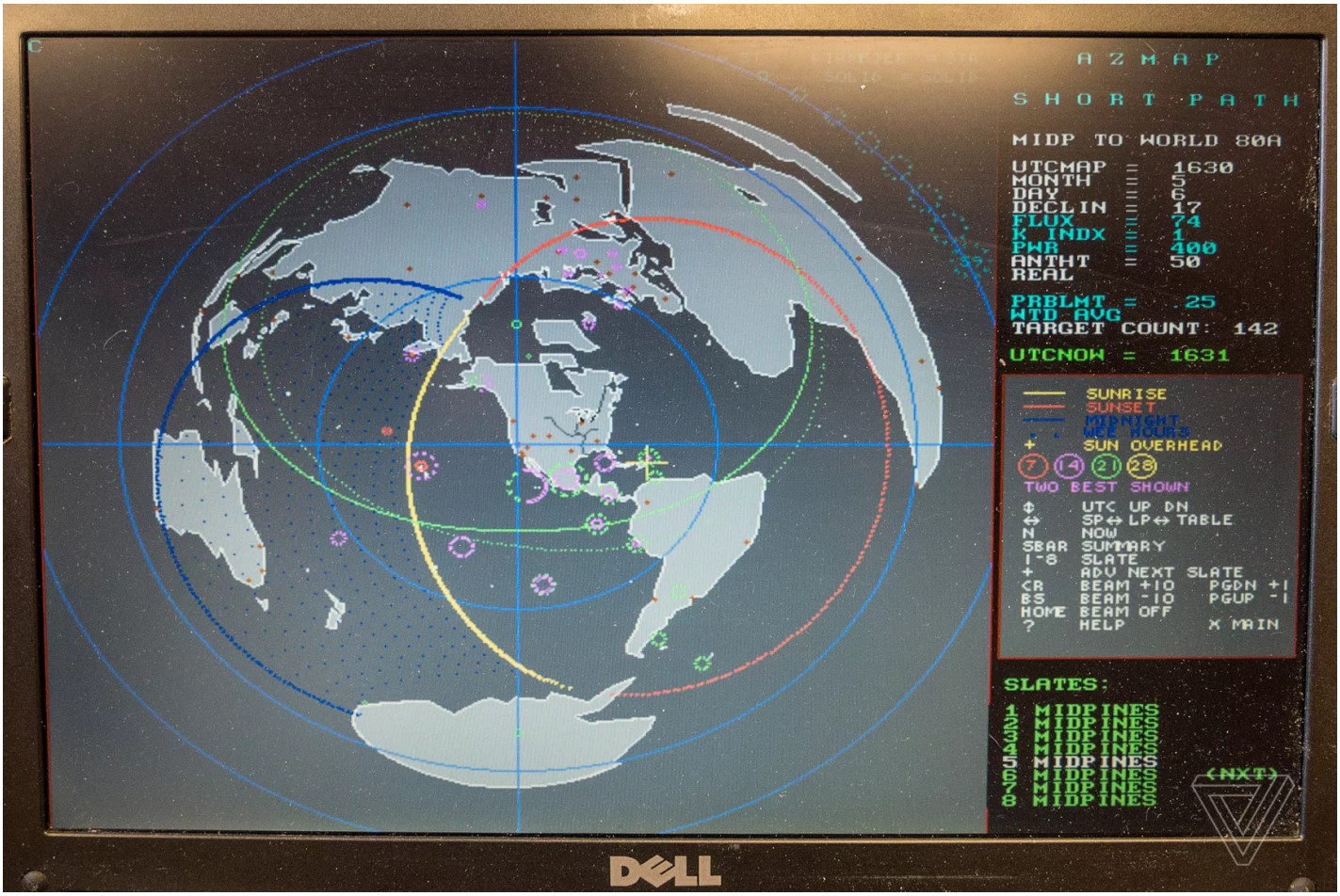
Alsup is not shy about his coding chops: "I do think I am a good programmer, and I think when you read these programs you can see that — since I've taught myself everything — there are some pretty nifty programming devices in these QuickBASIC programs." He added, "But they're not Java."

The judge has been coding ever since he got his first computer in 1985: an old IBM that he's since consigned to a dark and dusty corner of a barn on his Yosemite ranch. It used a 5 ¼-inch floppy disk and didn't have a hard drive. You could get the version with one floppy drive, or you could get the version with two. He and his wife sprang for the luxe two-drive version.

The computer came with two books, one about the DOS operating system, and the other about BASIC. “At some point, I looked at the BASIC book and decided I would learn that.” He taught himself straight from the book, which he recalls was “pretty straightforward.”

The first programs he wrote were the example ones, simple routines that did arithmetic. They became increasingly complex: one that would play blackjack, one that played seven-card stud. They were all stored on a 5 ¼-inch floppy disk that was destroyed in 1988 when his two-year-old son ravaged it with the stapler.

“He was so proud of himself,” Alsup said wistfully.



Alsup’s shortwave radio propagation predicting program. | Photo by Sarah Jeong / The Verge

Of all the programs he’s written, it’s his shortwave radio propagation predictor that he’s most proud of — and with good reason. It’s a relatively complex piece of software with multiple dependencies and retro-looking graphic interfaces, including an Azimuthal

projection map based on the starting location you pick, complete with colored lines that track the movement of the sun, and extensive databases that he compiled by hand from atlases. (He is immensely proud of the massive amount of time he has spent doing data entry in his off hours, both before and after becoming an Article III judge appointed by the president of the United States.)

The program predicts the best times to target ham radio signals to various parts of the world by calculating between two endpoints that he specifies, or even generating tables of data about key locations he's selected from all over the globe.

Even in 1995, when he started coding his program, there were commercial versions available of similar programs. But, he says, "I just wanted the fun of being able to see if I could do it."

HIS CALL-SIGN IS N6XMW, OR AS HE PUTS IT, "NOVEMBER SIX X-RAY MIKE WHISKEY"

He uses his program to calibrate his Yaesu Mk V Field radio to talk his friends all over the world, including his childhood friend "Junior" Feild, and operator friends he's made in places as far away as Japan and New Zealand. He still spends a couple of hours operating his radio every month, mostly from the Sierra foothills. His call-sign is N6XMW, or as he puts it, "November Six X-Ray Mike Whiskey."

The judge spent almost an hour explaining this particular program to me, going over each of the various inputs that can change shortwave radio propagation, as well as the science behind it. The interview turned into an impromptu physics tutorial as he patiently explained the solar flux, K-index, and the ionosphere to me.

Predicting radio propagation takes into account more than a few of these constantly fluctuating variables, all of which change depending on where you are and where you're trying to reach, as well as the time of year and time of day.

Once he puts in the variables, he hits enter, and the computer begins to calculate. "See," he said. "It's thinking."

Indeed, the computer screen is now blank, except for the words, "Thinking…"

During the lengthy demonstration, the program does run into trouble once: a dependency breaks, and for some reason, it won't let him input New York City as a location. "That's not good," he mutters to himself. "Alright… so I goofed up," he admits to me. We agree to try a different location entirely, and the program runs smoothly from there on.

Alsup has coded in relative isolation for decades, learning from books and compiling databases by hand. It's a marked difference from the typical practices of the current generation of software developers, whose workflow and habits often tap into a larger community. He doesn't Google for solutions, he doesn't check StackExchange, and he doesn't use preexisting libraries. Everything he's written, he's written from scratch.

In fact, Alsup's closest encounter with the culture and community that has sprung up around programming seems to be *Oracle v. Google*.

In an infamous exchange in the second trial, erstwhile Sun CEO Jonathan Schwartz tried to explain free and open-source software to the jury, starting with GNU, a project integral to Linux that can be loosely described as both an operating system and associated suite of software.

"What does GNU stand for?" Alsup interrupted to ask.

"GNU is Not Unix," said Schwartz.

"THAT DOESN'T MAKE ANY SENSE," THE JUDGE REPLIED

"The G part stands for GNU?"

Schwartz confirmed.

"That doesn't make any sense," the judge replied. There was some laughter in the courtroom, but it was nothing like the uproar on Twitter afterward, as hundreds of nerds across the world facepalmed. (I even later saw a webcomic about this exact exchange.)

The GNU acronym is recursive, meaning that it invokes itself in an infinite loop — a move that frequently comes up in computer programming. There is a host of recursive acronyms in programming, including PHP (PHP: Hypertext Processor), cURL (cURL URL Request LIbrary), and unofficially, the search engine Bing (Bing Is Not Google). These

are bad inside jokes, embarrassing markers of an insular culture that never anticipated having to explain itself in a court of law.

And Alsup, despite having been a coder for so long, did not know what GNU stood for until that very moment. He was a little chagrined about it when I asked. Apparently an engineer friend of his (one of his backpacking buddies) had teased him for the GNU remark. “I did not know this recursive feature of the definition,” Alsup said. “Once it was explained to me, I was like, ‘Okay, that’s kind of cute.’”

Recent shifts in computer programming have made it difficult for Alsup to keep up with his hobby. A few years ago, he made an effort to learn Python, but that fell by the wayside when he “got too busy,” presumably with his day job as a federal judge. Microsoft has since stopped bundling QuickBASIC with Windows, making it impossible for Alsup to run his programs on newer computers.

It’s poetic in its own way: the judge who presided over a major compatibility case is now himself a victim of compatibility issues.



Photo by Sarah Jeong / The Verge

n December, Alsup will preside over *Waymo v. Uber*, a potentially multibillion-dollar lawsuit in which Uber is accused of stealing intellectual property around self-driving

car technology from a division of Alphabet. *Waymo* doesn't grapple with core principles of intellectual property law the way that *Oracle v. Google* does, but like that case, the outcome could change the face of the industry forever.

In our conversations, Alsup has been very careful not to discuss the ongoing *Waymo* case. But he's enthusiastic about the science surrounding the lawsuit. This time, it's his interest in photography and optics that might be most relevant to *Waymo v. Uber.* In March, Alsup requested that each side name a book or a treatise about LIDAR, a laser-based detection system used for self-driving cars that is at issue in the case, so that he could read up on it. But a court order sternly cautioned the parties not to patronize him.

> *Please keep in mind that the judge is already familiar with basic light and optics principles involving lens, such as focal lengths, the non-linear nature of focal points as a function of distance of an object from the lens, where objects get focused to on a screen behind the lens, and the use of a lens to project as well as to focus. So, most useful would be literature on adapting LiDAR to self-driving vehicles, including various strategies for positioning light-emitting diodes behind the lens for best overall effect, as well as use of a single lens to project outgoing light as well as to focus incoming reflections (other than, of course, the patents in suit).*

A COURT ORDER STERNLY CAUTIONED THE PARTIES NOT TO PATRONIZE HIM

Alsup also asked for a tutorial in LIDAR, presented by lawyers from both sides. It's something he does for a lot of different cases. He enjoys the tutorials, he said to me, and he listens carefully. But still, he suspects that he understands the technology better than the lawyers do in a great number of cases.

He has a long memory for lawyers he suspects of trying to get one over him, only to run into his engineering background and his acid tongue. Like any geek, he bears a grudge against any dodgy obfuscation of technology.

In a case that took place about a decade ago, regarding a patent involving FastTrak (the Bay Area's automated bridge toll pay tracking device), the two parties had come to a legally binding agreement about the technical aspects of how the patent was to be interpreted. Instead of rubber-stamping the stipulation, Judge Alsup pored over the patent himself, only to come to the conclusion that their stipulation made no sense at all.

“I knew what the technology was. And I told them. And I wrote an order that said I refuse to accept this stipulation, and here’s what it really means. And then they both agreed with me that I was right.”

The parties settled the case shortly thereafter.

“I guess they thought the judge was crazy.”

"I GUESS THEY THOUGHT THE JUDGE WAS CRAZY."

Alsup’s aggressive handling of attorneys is on full display in *Waymo*, perhaps fueled by deep disapproval of the millions of dollars that Alphabet and Uber are burning on some of the best litigators in the business. In the past, he’s been open about his distaste for the money that corporations fling around in court. In one post-trial hearing in *Oracle v. Google*, he snapped, “Do you know how many Social Security claimants I can’t rule on because you’re arguing over a costs bill?”

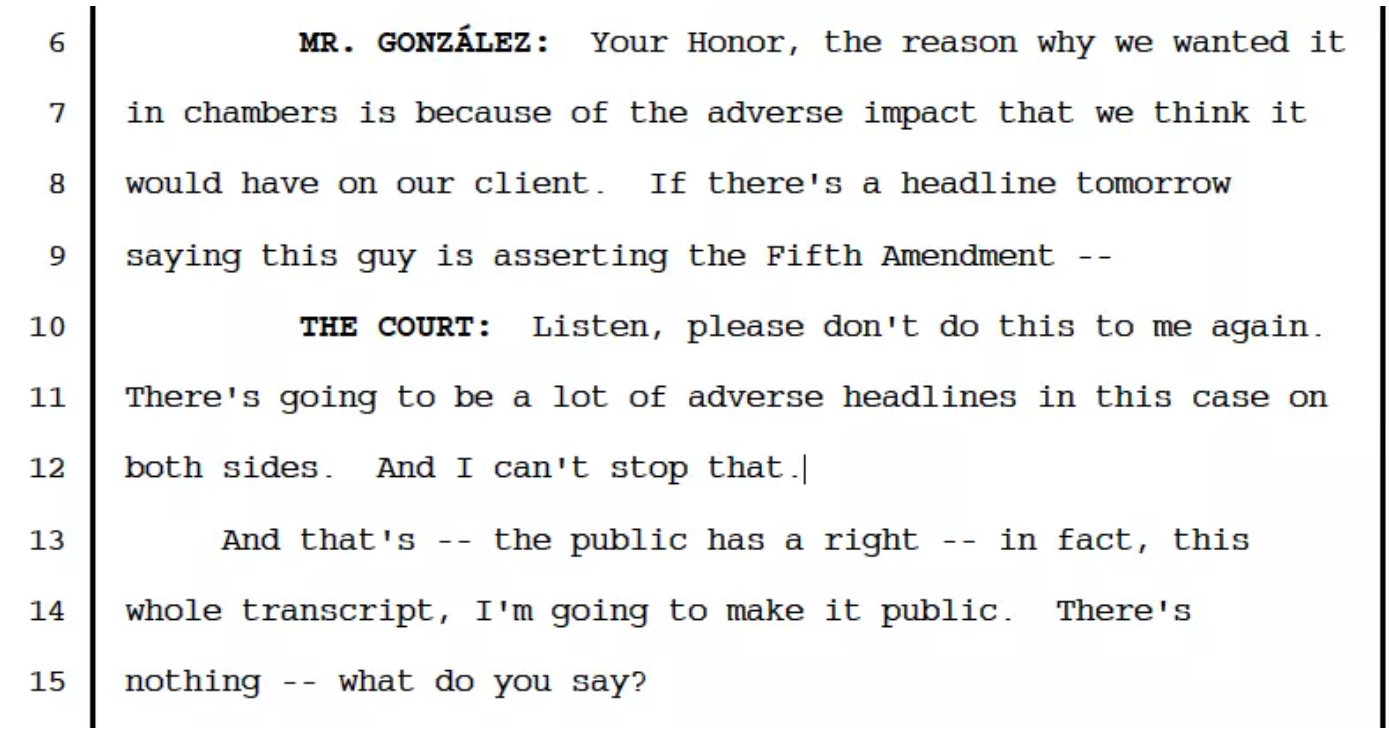
In *Waymo* in particular he has called on the press to scrutinize how the two companies behave in court, telling journalists to keep an eye on which party chooses to get rid of jurors with technical backgrounds during jury selection. Meanwhile, Alphabet and even Lyft are fighting to keep portions of the trial closed to press, claiming that valuable trade secrets might be exposed to the public.

A group of media companies (including *The Verge*’s parent company, Vox Media) has since intervened in the lawsuit, asking to keep the courtroom open. While it’s certain that parts of the lawsuit — which does involve a fair number of trade secrets — will remain sealed, Alsup has been adamant that the press has a right to know as much as they can.

In one hearing, lawyers for Uber asked to appear *in camera*, making the meeting closed to the public. But once the hearing got going, Judge Alsup concluded that this was an overstep, a use of secrecy that was motivated by embarrassment rather than legitimate reasons.

“Listen, please don't do this to me again,” he said. “There's going to be a lot of adverse headlines in this case on both sides. And I can't stop that.”

"The public has a right," said the judge. Then, in a classic Alsup twist, "In fact, this whole transcript? I'm going to make it public."



MR. GONZÁLEZ: Your Honor, the reason why we wanted it in chambers is because of the adverse impact that we think it would have on our client. If there's a headline tomorrow saying this guy is asserting the Fifth Amendment --

THE COURT: Listen, please don't do this to me again. There's going to be a lot of adverse headlines in this case on both sides. And I can't stop that.

And that's -- the public has a right -- in fact, this whole transcript, I'm going to make it public. There's nothing -- what do you say?

An excerpt from the transcript of the March 26th, 2017 hearing in Waymo v. Uber.

Since 1999, Alsup has divided his docket between two clerks: what he calls the criminal desk and the IP desk. Cases that don't fall into either category are evenly split between the two.

These days, he often looks for some kind of STEM background for the IP desk. It's not necessary, but it helps. Bill Toth, the IP clerk during *Oracle v. Google*, didn't have a STEM background, but he told me that the judge had specifically asked him to take a computer science course in preparation for his clerkship. When I asked Alsup about it, he laughed a little — he had no recollection of "making" Toth take any classes — but he did acknowledge that sometimes he gives clerks a heads up about what kind of cases are coming their way, and what kind of classes might be useful ahead of time.

Bill Toth is now clerking at the Federal Circuit, for Chief Judge Sharon Prost. He won't be allowed to work on the *Oracle v. Google* appeal, of course; it would be a conflict of interest.

But Toth is part of a new class of lawyers, one that over time will represent a larger share of the profession. Although he is a religious studies major turned lawyer, he's a coder through and through. "I do some programming for fun," Toth told me. "I've competed in the Google Code Jam (not terribly seriously) for the past three or four years, using Java. I think I made it past the qualifying round all but once, and I've definitely been learning a bunch each time around." Besides the computer science course that Alsup made him take, he already knew HTML, Javascript, CSS, BASIC, and a "tiny bit of" both Python and perl before he ever applied to clerk for Alsup. Toth declined to comment on whether his coding skills ever came into play while he worked on *Oracle v. Google*, but it's not hard to imagine that it made a difference.

THE TECH COMMUNITY MAINTAINS AN ENTRENCHED BELIEF THAT THE LAW WILL NEVER UNDERSTAND WHAT IT DOES

The tech community maintains an entrenched belief that the law will never understand what it does, and certainly the higher-level court decisions made in *Oracle v. Google* do nothing to dispel that notion. Yet Alsup's very existence is a challenge to this belief: a 72-year-old former engineering student who has been quietly and delightedly tinkering away in BASIC for decades, playing with his radios and his cameras, teaching his clerks and random journalists alike the things that he knows.

In the same patient and meticulous manner that Alsup explained the ionosphere to me, he explained software to the Federal Circuit in his *Oracle* opinion. And because it was so precise and so specific, he forced the Federal Circuit to engage with software development more than it otherwise might have. Regardless of the Federal Circuit's ultimate decision, a great deal of Alsup's understanding of software remains preserved in appellate caselaw.

That opinion is now taught in law school intellectual property classes. As the tech sector attracts more and more money, tech-specialized lawyers are emerging to meet that demand. Many of them will be reared on Alsup's careful pedagogy — for most of them, transmitted through words on paper, and for a lucky few, transmitted in person.

A few hours after we conclude the interview and I leave the courthouse, he emails me with the subject line "Found the bug," informing me that he had figured out the error from when he was showing me his shortwave radio propagation program. "I had remmed out

earlier a key line for reasons I can't remember and just reactivated it, so now it's fixed," he writes.

I thought back to my last moments in his office. As I was packing up my recorder and notebook, I had called him the "geek judge," only for him to look perplexed and ask, "Is that a good thing?"

When I insist that it is, he chuckles a little in response. "In my day, a geek was not something you wanted to be." ■

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