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**MUDDY WATERS: FAIR USE
IMPLICATIONS OF *GOOGLE V.
ORACLE AMERICA, INC.***

Gary Myers



February 2022

VOL. 19, NO. 2

MUDDY WATERS: FAIR USE IMPLICATIONS OF *GOOGLE LLC V. ORACLE AMERICA, INC.*

Gary Myers*

ABSTRACT—

Ooh
In the muddy water we're falling
Ooh
In the muddy water we're crawling
Holds me down
Hold me now
Sold me out
In the muddy waters we're falling

— Laura Pergolizzi (LP) - “Muddy Waters,” *Lost On You* (Vagrant Records 2016)

The United States Supreme Court ruling in *Google LLC v. Oracle America, Inc.*¹ ended a long-running dispute between two giant technology companies. The case, which first began in 2010, has received considerable attention and commentary with regard to the scope of copyright protection for software and then about the contours of the fair use defense. The Court ultimately left the software copyright questions for another day, but it did render an important decision on fair use, the first major precedent on this important topic since 1994.

The Court's fair use ruling provides important guidance on the scope of fair use in the context of computer software and other functional works, and it provides some clarity on the extent to which a use of copyrighted works can be deemed transformative. But the Court's analysis might only exacerbate the unpredictable nature of the fair use defense, particularly given its treatment of the role of good faith, the scope of potential markets that may

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¹ *Google LLC v. Oracle Am., Inc.*, 141 S. Ct. 1183 (2021).

be affected by an unauthorized use of copyrighted works, and the role (if any) of the public interest in the market effect factor of the fair use analysis.

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I. BACKGROUND OF THE LITIGATION

Oracle America, Inc. (“Oracle”) sued Google Inc. (“Google”) for copyright infringement. Oracle claimed that “Google’s unauthorized use of 37 packages of Oracle’s Java application programming interface (‘API packages’) in its Android operating system infringed Oracle’s patents and copyrights.”²

API packages are carefully organized collections of source code that programmers use as shortcuts to perform common tasks. API packages contain two types of code. Declaring code provides functional specifications and identifies the task to be performed as a kind of shorthand or taxonomy. Implementing code is longer and more detailed, containing step-by-step instructions for carrying out specific tasks. Thus, declaring code might identify a task (for example, generating Bernoulli numbers), while the implementing code instructs the computer on how to generate those numbers.³

The first jury trial resulted in a verdict that Google infringed Oracle’s copyrights, but the jury deadlocked as to whether Google’s copying was a fair use. After the district court ruled that the API packages were not copyrightable as a matter of law, Oracle successfully appealed to Federal

² Oracle Am., Inc. v. Google LLC, 886 F.3d 1179, 1185 (Fed. Cir. 2018), *rev’d and remanded*, 141 S. Ct. 1183 (2021), *and vacated in part*, No. 2017-1118, 2021 WL 1941874 (Fed. Cir. May 14, 2021).

³ This algorithm was actually the first published complex computer program, written by Ada Lovelace using amechanical device designed by Charles Babbage. *See, e.g.*, WIKIPEDIA, *Bernoulli Number*, https://en.wikipedia.org/wiki/Bernoulli_number [https://perma.cc/3G42-YNWK] (last visited Nov. 11, 2021).

Circuit. The prior panel determined that declaring code and the structure, sequence, and organization (“SSO”) of the Java API packages are copyrightable.⁴ The court thus reinstated the jury’s infringement verdict and remanded for a new trial on Google’s fair use defense.⁵

In the second jury trial, Google’s fair use defense was successful, and Oracle appealed from the district court’s final judgment and its denial of Oracle’s motions for judgment as a matter of law (JMOL) and for a new trial. The Federal Circuit reversed, determining that Google’s use of the Java API packages was not fair use as a matter of law.⁶

One key to the fair use analysis is an understanding of Oracle’s licensing practices, after it acquired Sun Microsystems’s widely used Java platform. Oracle makes the Java platform freely available to programmers building applications (“apps”) but charges a licensing fee to those who want to use the APIs in competing platforms or to embed them in an electronic device. Oracle also had an open-source version of Java, “OpenJDK,” which (like many open-source offerings) required that any improvements on the packages be freely given away to the Java community.⁷

Google sought to develop a platform to attract Java developers to build apps for Android. The Android team failed to develop its own APIs, and Google was unable to reach a license agreement. Google chose to “[d]o Java anyway and defend [its] decision, perhaps making enemies along the way.”⁸ Google wrote its own implementing code, but it copied verbatim the declaring code for the 37 Java API packages—a total of 11,500 lines of

⁴ Oracle Am., Inc. v. Google Inc., 750 F.3d 1339, 1348 (Fed. Cir. 2014).

⁵ *Id.* at 1353. The Federal Circuit heard this case because it has exclusive jurisdiction over appeals in actions involving patent claims, including when the appeal raises only non-patent issues. See 28 U.S.C. § 1295(a)(1). The court applied the law of the regional circuit in which the district court sits, which meant it applied Ninth Circuit law on copyright issues. See *Oracle Am., supra* note 2, at 1190 (citing *Atari Games Corp. v. Nintendo of Am., Inc.*, 975 F.2d 832, 837 (Fed. Cir. 1992)).

⁶ Fair use is codified at 17 U.S.C.A. § 107, which states:

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.

See 17 U.S.C.A. § 107.

⁷ *Oracle*, 886 F.3d at 1187.

⁸ *Id.*

Oracle’s code. It also copied the SSO of the Java API packages.⁹ Android has generated over \$42 billion in advertising revenue for Google. Oracle contended that many of its customers switched to Android or demanded discounts from Oracle.¹⁰

The lower court held that Google’s actions constituted fair use. As to the purpose and character of the use (the first factor), the court found Google’s use was transformative because—though commercial in nature—Google only used declaring code for mobile smartphones and wrote its own implementing code. With regard to the second factor, the nature of the copyrighted work, even though the declaring code and SSO were sufficiently creative to qualify for copyright protection, they were heavily influenced by functional considerations. Third, with regard to the amount and substantiality of the portion used, Google’s copying was quantitatively small, and it only took what was necessary for a transformative use. Fourth, as to market effect, the taking caused no harm to the desktop and laptop computer markets. Overall, the lower court found that reasonable minds could differ and that the jury could reasonably have found that Google’s actions constituted a fair use.¹¹ Oracle then appealed.

II. THE FEDERAL CIRCUIT’S FAIR USE RULING

The Federal Circuit began its fair use analysis by stating familiar general propositions about the doctrine — it recognizes the value of building on prior works; it involves a case-by-case balancing; it focuses on whether “copyright law’s goal of ‘promot[ing] the Progress of Science and useful Arts,’ U.S. Const., art. 1, § 8, cl. 8, ‘would be better served by allowing the use than by preventing it’”; the burden of proof is on the defendant; and “fair use is appropriate where a ‘reasonable copyright owner’ would have consented to the use, i.e., where the ‘custom or public policy’ at the time would have defined the use as reasonable.”¹²

The court summarized Oracle’s main argument on appeal, which was that all four fair use factors favored it: “(1) the purpose and character of Google’s use was purely for commercial purposes; (2) the nature of Oracle’s work is highly creative; (3) Google copied 11,330 more lines of code than necessary to write in a Java language-based program; and (4) Oracle’s

⁹ *Id.*

¹⁰ *Id.* at 1187–88.

¹¹ Oracle Am., Inc. v. Google Inc., No. C 10-03561 WHA, 2016 WL 3181206 (N.D. Cal. June 8, 2016), *rev’d and remanded sub nom.* Oracle Am., Inc. v. Google LLC, 886 F.3d 1179 (Fed. Cir. 2018), *rev’d and remanded*, 141 S. Ct. 1183, and *vacated in part*, No. 2017-1118, 2021 WL 1941874 (Fed. Cir. May 14, 2021), and *aff’d sub nom.* Oracle Am., Inc. v. Google LLC, No. 2017-1118, 2021 WL 1941874 (Fed. Cir. May 14, 2021).

¹² *Oracle*, 886 F.3d at 1191 (internal citation omitted).

customers stopped licensing Java SE and switched to Android because Google provided free access to it.”¹³

Before addressing these points, Judge O’Malley addressed the standard of review. The court held that “whether the [lower] court applied the correct legal standard to the fair use inquiry is a question we review de novo, whether the findings relating to any relevant historical facts were correct are questions which we review with deference, and whether the use at issue is ultimately a fair one is something we also review de novo.”¹⁴

Fair use, Judge O’Malley noted, is ultimately a mixed question of law and fact.¹⁵ Quoting *Harper & Row*, the court observed that “[w]here the district court has found facts sufficient to evaluate each of the statutory factors, 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 of the copyrighted work.’”¹⁶ The court also cited Ninth Circuit precedent that indicated that the fair use analysis can involve reweighing of the statutory factors by the appellate court, based on the record below.¹⁷ Thus, the court observed that the fair use analysis is “a primarily legal exercise. It requires a court to assess the inferences to be drawn from the historical facts found in light of the legal standards outlined in the statute and relevant case law and to determine what conclusion those inferences dictate.”¹⁸

In other words, “while inferences from the four-factor analysis and the ultimate question of fair use are “legal in nature,” in the Ninth Circuit, disputed historical facts represent questions for the jury. Where there are no disputed material historical facts, fair use can be decided by the court alone.¹⁹

On the facts of this case, the court identified the following possible fact issues:

- the history and origin of the copyrighted work, including what declaring code is;
- how much of the copyrighted work was copied;
- whether there were other ways to write the API packages;

¹³ *Id.*

¹⁴ *Id.* at 1193.

¹⁵ *Id.* (citing *Harper & Row Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 560 (1985)).

¹⁶ *Id.* (quoting *Harper & Row*, 471 U.S. at 560) (internal quotations and alterations omitted).

¹⁷ *Id.* (citing *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 800 (9th Cir. 2003); *L.A. News Serv. v. CBS Broad., Inc.*, 305 F.3d 924, 942 (9th Cir. 2002), *opinion amended on denial of reh’g*, 313 F.3d 1093 (9th Cir. 2002)).

¹⁸ *Oracle*, 886 F.3d at 1193.

¹⁹ *Id.* at 1195 (quoting *Fisher v. Dees*, 794 F.2d 432, 436 (9th Cir. 1986)).

- whether the copied material was used for the same purpose as in the original work;
- whether the use was commercial in nature;
- whether Google acted in bad faith in copying the work;
- whether there are functional aspects to the copyrighted work that make it less deserving of protection; and
- whether there was harm to the actual or potential markets for the copyrighted work.²⁰

The court noted that the parties eventually agreed on: “(1) what the declaring code is and what it does in Java SE and Android, and that the code at issue was a work created by Oracle; (2) how many lines of code were copied; (3) that there were other ways for Google to write API packages; and (4) that Google used the API packages in Android for the same purpose they were created for in Java.”²¹ The remaining issues were still in dispute.

Turning to the first fair use factor, the court found that purpose and character of these were commercial in nature. The court rejected Google’s arguments that its use was non-commercial because it gives Android away for free under an open source license and because Google’s revenue comes from advertisements on its search engine, which preexisted Android. On the first point, the court noted that “[g]iving customers ‘for free something they would ordinarily have to buy’ can constitute commercial use.”²² On the second point, the court noted that “commerciality does not depend on how Google earns its money” — the economic benefit can be indirect.²³ Thus, Google’s use was held to be overwhelmingly commercial.

The court next addressed transformative use: “To be transformative, a secondary work must either alter the original with new expression, meaning, or message or serve a new purpose distinct from that of the original work.”²⁴ Although not a prerequisite for a fair use finding, “the more transformative the new work, the less will be the significance of other factors, like

²⁰ *Id.* at 1196.

²¹ *Id.*

²² *Id.* at 1197 (quoting *A&M Recs., Inc. v. Napster, Inc.*, 239 F.3d 1004, 1015 (9th Cir. 2001), *as amended* (Apr. 3, 2001), *aff’d sub nom.* *A&M Recs., Inc. v. Napster, Inc.*, 284 F.3d 1091 (9th Cir. 2002), and *aff’d sub nom.* *A&M Recs., Inc. v. Napster, Inc.*, 284 F.3d 1091 (9th Cir. 2002)).

²³ *Id.* at 1198.

²⁴ *Id.* at 1198 (citing *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994)).

commercialism, that may weigh against a finding of fair use.”²⁵ This factor, the court noted, is a matter of law in the Ninth Circuit.²⁶

Oracle contended that Google’s use was not transformative because it did not alter the APIs with “new expression, meaning, or message.”²⁷ Google, on the other hand, argued that it “used a small portion of the Java API packages to create a new work in a new context—Android, a platform for smartphones, not desktops and servers.”²⁸ The Federal Circuit held that Google’s use was not transformative “because: (1) it does not fit within the uses listed in the preamble to § 107; (2) the purpose of the API packages in Android is the same as the purpose of the packages in the Java platform; (3) Google made no alteration to the expressive content or message of the copyrighted material; and (4) smartphones were not a new context.”²⁹

The Federal Circuit thus took a relatively narrow view of transformative use — viewing the copying of code was not sufficiently transformative, unlike the use in *Sony Computer Entertainment, Inc. v. Connectix Corp.*³⁰ The court viewed Google’s actions in selecting the declaring code and the SSO of 37 of the 166 API packages as excessive and thus transformative. To this panel, Google’s writing of its own implementing code did not excuse the copying, as “no plagiarist can excuse the wrong by showing how much of his work he did not pirate.”³¹ Critically, in the Federal Circuit’s view, “merely copying the material and moving it from one platform to another without alteration is not transformative.”³² A change in format is not enough, because a use is transformative only if it serves a different purpose or alters the “expression, meaning, or message” of the original work.³³ Further, Google’s use of the copyrighted material was not in a new context (smartphones) because the “Java SE APIs were in smartphones before Android entered the market. Specifically, Oracle presented evidence that Java SE was in SavaJe mobile phones and that Oracle licensed Java SE to other smartphone manufacturers, including Danger and Nokia.”³⁴

²⁵ *Id.* (quoting *Campbell*, 510 U.S. at 579).

²⁶ *Id.* at 1199 (citing *Mattel*, 353 F.3d at 801; *Fox News Network, LLC v. TVEyes, Inc.*, 883 F.3d 169, 175–77 (2d Cir. 2018)).

²⁷ *Id.*

²⁸ *Id.* (quoting Br. for Def.-Appellee/Cross-Appellant at 37, May 22, 2017, (Nos. 17-1118, -1202)).

²⁹ *Id.*

³⁰ *Sony Comput. Ent., Inc. v. Connectix Corp.*, 203 F.3d 596, 596 (9th Cir. 2000).

³¹ *Oracle*, 886 F.3d at 1201 (quoting *Oracle*, 750 F.3d at 1375).

³² *Id.*

³³ *Id.*

³⁴ *Id.*

In short, the court noted, when “the copying is verbatim, for an identical function and purpose, and there are no changes to the expressive content or message, a mere change in format (e.g., from desktop and laptop computers to smartphones and tablets) is insufficient as a matter of law to qualify as a transformative use.”³⁵

Briefly addressing the conflicting views of the parties on whether Google acted in bad faith, the court noted that Oracle claimed that Google intentionally copied and knew it needed a license, while Google argued that it complied with industry custom and believed that it could copy the declaring code and SSO as long as it wrote its own implementing code. Concluding its analysis of the first fair use factor, the court held “that, even assuming the jury was unpersuaded that Google acted in bad faith, the highly commercial and non-transformative nature of the use strongly support the conclusion that the first factor weighs against a finding of fair use.”³⁶

Turning to the second factor—the nature of the copyrighted work—the court stated: “Although it is clear that the 37 API packages at issue involved some level of creativity—and no reasonable juror could disagree with that conclusion—reasonable 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.”³⁷

The third factor focuses on the “amount and substantiality of the portion used in . . . the context of the copyrighted work, not the infringing work.”³⁸ Factually, the court noted the parties had “stipulated that only 170 lines of code were necessary to write in the Java language. It is undisputed, however, that Google copied 11,500 lines of code—11,330 more lines than necessary to write in Java.”³⁹ Moreover, despite using a small percentage of Java (11,500 lines of declaring code out of roughly 2.86 million lines of code in the Java SE libraries), Google “copied the SSO for the 37 API packages in its entirety.”⁴⁰

Although the district court focused on Google’s desire for “inter-system consistency,” Google significantly did not rely on any interoperability arguments in this appeal.⁴¹ This crucial point is the result of the fact that

³⁵ *Id.* at 1202.

³⁶ *Id.* at 1204.

³⁷ *Id.* at 1205. Nonetheless, the court noted that the Ninth Circuit views this factor as less significant in the overall fair use analysis. *Id.* (citing *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1402 (9th Cir. 1997); *Mattel*, 353 F.3d at 803)).

³⁸ *Oracle*, 886 F.3d at 1205.

³⁹ *Id.* at 1206.

⁴⁰ *Id.*

⁴¹ *Id.*

“Google specifically designed Android to be incompatible with the Java platform and not allow for interoperability with Java programs.”⁴² This concession by Google is ironic, given the general concern that software interoperability is fundamentally important.

Instead, Google used Java because software developers were familiar with and trained on the Java API packages. The court noted that “there is no inherent right to copy in order to capitalize on the popularity of the copyrighted work or to meet the expectations of intended customers.”⁴³

As to the substantiality prong of this factor, the court noted:

Even assuming the jury accepted Google’s argument that it copied only a small portion of Java, no 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. Google conceded as much when it explained to the jury the importance of the APIs to the developers it wished to attract.⁴⁴

Thus, in summary, the court found that the third factor “is, at best, neutral in the fair use inquiry, and arguably weighs against such a finding.”⁴⁵

Addressing the last factor, “the effect of the use upon the potential market for or value of the copyrighted work,”⁴⁶ the court began with familiar general principles:

- (1). This factor focuses not only on market harm in the present case, but also on whether similar widespread conduct would impair the potential market for the original.
- (2). “[M]arket harm 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.”⁴⁷
- (3). The impact on the market for potential derivative uses, including potential licensing agreements, should be considered, as was noted in *Campbell*.⁴⁸

⁴² *Id.* at 1206 n.11 (emphasis in the original).

⁴³ *Id.* at 1206–07 (citing *Dr. Seuss Enters.*, 109 F.3d at 1401 (copying the most famous and well recognized aspects of a work “to get attention” or “to avoid the drudgery in working up something fresh” is not a fair use)).

⁴⁴ *Id.* at 1207.

⁴⁵ *Id.*

⁴⁶ 17 U.S.C.A. § 107(4).

⁴⁷ *Oracle*, 886 F.3d at 1207 (quoting *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 590 n.21 (1994)).

⁴⁸ *See Campbell*, 510 U.S. at 592.

- (4). Copyright owners have the right to determine when, whether, and in what form to release a work into new markets.

In the lower court's view, the jury could reasonably have found Google's use caused no harm to the market for the works in desktop and laptop computers, because Sun made Java API packages available for free and on open-source terms.⁴⁹ Oracle, on the other hand, appealed on the ground that there was overwhelming evidence of actual and potential harm.⁵⁰ The Federal Circuit agreed with Oracle, finding first that there was strong evidence of actual market harm. The court cited evidence that Java SE was used in mobile devices (Blackberry, SavaJe, Danger, and Nokia) and in tablets (the Amazon Kindle), thus making the parties direct competitors. In addition, when Android entered the market, Amazon selected it over Java SE, and later was able to get a large discount to use Java SE in a newer Kindle device.⁵¹

The court also found that Google's copying could have an impact on Oracle's potential markets, as highlighted by the fact that Oracle and Google engaged in (unsuccessful) licensing negotiations to license its work for smartphones. Thus, the court noted: "Smartphones were, therefore, a traditional, reasonable, or likely to be developed market."⁵²

Next, the court rejected Google's contention that Java SE and Android were not direct competitors because Oracle did not make smartphones and had not yet built its own smartphone platform. Even though Oracle never built a smartphone, the court noted that "potential markets include licensing others to develop derivative works."⁵³ As for the second point, a potential market can be found even if the copyright owner "has no immediate plans to enter it or is unsuccessful in doing so."⁵⁴ In sum, the court found that the four factor weighed heavily in favor of Oracle, based on both the actual and potential harm found in the record.

Finally, the court turned to the balancing of the four fair use factors. Summarizing its conclusions, the court noted that:

factors one and four weigh heavily against a finding of fair use, while factor two weighs in favor of such a finding and factor three is, at best, neutral.

⁴⁹ See *Oracle*, 886 F.3d at 1197.

⁵⁰ *Id.*

⁵¹ *Id.* at 1209.

⁵² *Id.* (quoting *Swatch Grp. Mgmt. Service Ltd. v. Bloomberg L.P.*, 756 F.3d 73, 91 (2d Cir. 2014)) (quotations omitted).

⁵³ *Id.* at 1209–10 (citing *Campbell*, 510 U.S. at 592).

⁵⁴ *Id.* at 1210 (citing *Worldwide Church of God v. Phila. Church of God, Inc.*, 227 F.3d 1110, 1119 (9th Cir. 2000); *Micro Star v. Formgen Inc.*, 154 F.3d 1107, 1113 (9th Cir. 1998)).

Weighing these factors together, we conclude that Google’s use of the declaring code and SSO of the 37 API packages was not fair as a matter of law.⁵⁵

The Federal Circuit held:

that allowing Google to commercially exploit Oracle’s work will not advance the purposes of copyright in this case. Although Google could have furthered copyright’s goals of promoting creative expression and innovation by developing its own APIs, or by licensing Oracle’s APIs for use in developing a new platform, it chose to copy Oracle’s creative efforts instead. There is nothing fair about taking a copyrighted work verbatim and using it for the same purpose and function as the original in a competing platform.⁵⁶

The court ended this portion of the opinion with a caveat: “We do not conclude that a fair use defense could never be sustained in an action involving the copying of computer code. Indeed, the Ninth Circuit has made it clear that some such use can be fair. We hold that, given the facts relating to the copying at issue here—which differ materially from those at issue in *Sony* and *Sega*—Google’s copying and use of this particular code was not fair as a matter of law.”⁵⁷

III. THE SUPREME COURT’S FAIR USE RULING

The gist of Justice Breyer’s majority opinion is summarized in the opening paragraph: “we assume, for argument’s sake, that the material was copyrightable. But we hold that the copying here at issue nonetheless constituted a fair use. Hence, Google’s copying did not violate the copyright law.”⁵⁸ After discussing the basic nature of software code and recounting the long history of this copyright dispute, Justice Breyer began his analysis by reviewing the purposes and drawbacks of granting copyright incentives.⁵⁹ Justice Breyer then noted that Congress specifically decreed that computer software should be eligible to be copyrightable subject matter in 1980.⁶⁰ Congress defined a “computer program” as “a set of statements or

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *Id.* (first citing *Sony*, 203 F.3d at 608; then citing *Sega Enterprises Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1527–28, (9th Cir. 1992), *as amended* (Jan. 6, 1993)).

⁵⁸ *Google*, 141 S. Ct. 1183 at 1190. Later in the opinion, the Court summarizes its reasons for not addressing the copyrightability question: “Given the rapidly changing technological, economic, and business-related circumstances, we believe we should not answer more than is necessary to resolve the parties’ dispute. We shall assume, but purely for argument’s sake, that the entire Sun Java API falls within the definition of that which can be copyrighted.” *Id.* at 1197.

⁵⁹ *Id.* at 1196.

⁶⁰ *Id.*

instructions to be used directly or indirectly in a computer in order to bring about a certain result.”⁶¹

The opinion provides a short overview of fair use, noting that it is an “‘equitable rule of reason’ that ‘permits courts to avoid rigid application of the copyright statute when, on occasion, it would stifle the very creativity which that law is designed to foster.’”⁶² Moreover, the Court synthesized the prior fair use precedent, which indicated that the fair use factors are not exhaustive, that the examples of fair use are not exclusive, and that particular factors may be more important in some cases than in others.⁶³

This, the Court noted, “the provision to set forth general principles, the application of which requires judicial balancing, depending upon relevant circumstances, including ‘significant changes in technology.’”⁶⁴ Further, the Court noted that context matters, and that fair use’s early origins as a judge-made doctrine reflect the common law nature of its reasoning and application.⁶⁵

The Court also noted that “copyright’s protection may be stronger where the copyrighted material is fiction, not fact, where it consists of a motion picture rather than a news broadcast, or where it serves an artistic rather than a utilitarian function.”⁶⁶ In addition, when “copyrightable material is bound up with uncopyrightable material, copyright protection is ‘thin.’”⁶⁷

Turning from these general principles to the particular context of computer programs, the Court noted that that software is distinct from other types of “literary works,” such as books and films, because software

⁶¹ *Id.* (citing Pub. L. No. 96-517, 94 Stat. 3028, 94 Stat. 3028 (1980) (codified at 17 U.S.C.A. § 101)).

⁶² *Id.* at 1196 (quoting *Stewart v. Abend*, 495 U.S. 207, 236 (1990)).

⁶³ *Id.* at 1197 (first citing *Campbell*, 510 U.S. at 577 (1994); then citing *Harper & Row*, 471 U.S. at 560 (1985); see also Pierre N. Leval, *Toward a Fair Use Standard*, 103 Harv. L. Rev 1105, 1110 (1990)).

⁶⁴ *Id.* at 1197 (quoting *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 430 (1984); then quoting *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975) (“When technological change has rendered its literal terms ambiguous, the Copyright Act must be construed in light of its basic purpose”).

⁶⁵ *Id.* at 1198 (“The language of § 107, the “fair use” provision, reflects its judge-made origins. It is similar to that used by Justice Story in [*Folsom v. Marsh*, 9 F. Cas. 342, 348 (No. 4,901) (C.C.D. Mass. 1841)]. That background, as well as modern courts’ use of the doctrine, makes clear that the concept is flexible, that courts must apply it in light of the sometimes conflicting aims of copyright law, and that its application may well vary depending upon context”).

⁶⁶ *Id.* at 1197 (see *Stewart*, 495 U.S. at 237–38; see also *Harper & Row*, 471 U.S. at 563; MELVILLE B. NIMMER & DAVID NIMMER, 4 NIMMER ON COPYRIGHT § 13.05: CHAPTER 13 INFRINGEMENT ACTIONS—SUBSTANTIVE ASPECTS: § 13.05 THE DEFENSE OF FAIR USE [A][2][a] (2021) [hereinafter *Nimmer on Copyright*]).

⁶⁷ *Id.* at 1198 (quoting *Feist Publications Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 349 (1991) (noting that “the copyright in a factual compilation is thin”).

generally serves functional purposes.⁶⁸ Justice Breyer characterized the functional aspects of software as causing “Congress to think long and hard about whether to grant computer programs copyright protection.”⁶⁹ Congress established the National Commission on New Technological Uses of Copyrighted Works (CONTU) to assess copyright protection for software, and the report eventually determined that the “availability of copyright protection for computer programs is desirable.”⁷⁰ Despite the overall conclusion, Justice Breyer noted that CONTU sought to avoid “unduly burdening users of programs and the general public,” and that copyright “should not grant anyone more economic power than is necessary to achieve the incentive to create.”⁷¹ Justice Breyer noted that fair use can also serve to “prevent holders from using copyright to stifle innovation.”⁷² With these caveats, Congress provided for copyright protection for computer software.⁷³

The Court then turns to its central theme regarding the role of fair use in delineating the scope of protection for software:

The upshot, in our view, is that fair use can play an important role in determining the lawful scope of a computer program copyright, such as the copyright at issue here. It can help to distinguish among technologies. It can distinguish between expressive and functional features of computer code where those features are mixed. It can focus on the legitimate need to provide incentives to produce copyrighted material while examining the extent to which yet further protection creates unrelated or illegitimate harms in other markets or to the development of other products. In a word, it can carry out its basic purpose of providing a context-based check that can help to keep a copyright monopoly within its lawful bounds.⁷⁴

⁶⁸ *Id.* The Court went on to note that “[t]hese and other differences have led at least some judges to complain that ‘applying copyright law to computer programs is like assembling a jigsaw puzzle whose pieces do not quite fit.’” (quoting *Lotus Dev. Corp. v. Borland Int’l, Inc.*, 49 F.3d 807, 820 (1st Cir. 1995) (Boudin, J., concurring), opinion aff’d 516 U.S. 233 (1996)).

⁶⁹ *Id.*

⁷⁰ National Commission on New Technological Uses of Copyrighted Works (CONTU), *Final Report on the National Commission on New Technological Uses of Copyrighted Works*, 3 COMPUT. L.J. 53, 59 (1981) [hereinafter *CONTU*].

⁷¹ *Google*, 141 S. Ct. at 1198 (quoting *CONTU* at 12).

⁷² *Id.*

⁷³ *Id.* (citing § 10, 94 Stat. 3028).

⁷⁴ *Id.* at 1198–99 (citing H. R. Rep. No. 94–1476, pp. 65–66 (1976)). The Court cited a number of cases to illustrate this principle: *see, e.g.*, *Lexmark Int’l, Inc. v. Static Control Components, Inc.*, 387 F.3d 522, 543–45 (6th Cir. 2004) (fair use and compatibility); *Sony Computer Ent., Inc. v. Connectix Corp.*, 203 F.3d 596, 603–08 (9th Cir. 2000) (fair use intermediate copying in order to reverse engineer and gain access to unprotected functional software features); *Sega Enterprises Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1521–27 (9th Cir. 1992), as amended (Jan. 6, 1993) (wholesale copying of code so as to develop a competing program).

Thus, this Court emphasized the importance of fair use as a boundary or limit on the scope of copyright protection for software, just as with other types of subject matter: “Just as fair use distinguishes among books and films, which are indisputably subjects of copyright, so too must it draw lines among computer programs.”⁷⁵ Further, fair use should “consider the realities of how technological works are created and disseminated. We do not believe that an approach close to ‘all or nothing’ would be faithful to the Copyright Act’s overall design.”⁷⁶

Next, Justice Breyer addressed the threshold question—what standard of review applies to fair use determinations? On this point, Google contended that it should be the deferential “substantial evidence” standard for factual determinations. Oracle, on the other hand, argued that fair use constitutes a mixed question of law and fact, under which the ultimate determination of fair use is a matter of law (subject to *de novo* review), though findings of underlying facts are reviewed deferentially.

Citing language from *Harper & Row*,⁷⁷ the Court held squarely that “[f]air use is a mixed question of law and fact.” Moreover, “the standard of review for a mixed question all depends—on whether answering it entails primarily legal or factual work.”⁷⁸ Here, determinations of fair use is deemed to be legal work: “‘Fair use’ was originally a concept fashioned by judges. Our cases still provide legal interpretations of the fair use provision. And those interpretations provide general guidance for future cases. This type of work is legal work.”⁷⁹

As suggested by the term “mixed question of law and fact[,]” some underlying factual determinations are assessed under the deferential standard of review. The Court provided two illustrations of that concept: “whether there was harm to the actual or potential markets for the copyrighted work” and “how much of the copyrighted work was copied.”⁸⁰

Finally, the Court addressed the merits of the fair use determination, starting with an assessment of the nature of the copyrighted work. First, the Court observed that “Sun Java API is a ‘user interface.’ It provides a way through which users (here the programmers) can ‘manipulate and control’

⁷⁵ *Id.* at 1199.

⁷⁶ *Id.*

⁷⁷ *Id.* (citing *Harper & Row*, 471 U.S. at 560).

⁷⁸ *Id.* (citing *U. S. Bank Nat. Ass’n ex rel. CWC Capital Asset Mgmt. LLC v. Vill. at Lakeridge, LLC*, 138 S. Ct. 960, 967 (2018)).

⁷⁹ *Id.* at 1199–1200 (citing *Folsom*, 9 F. Cas. at 348; *Campbell*, 510 U.S. at 592–93; *Harper & Row*, 471 U.S. at 564; *Sony*, 464 U.S. at 451; *U.S. Bank*, 138 S. Ct. at 967).

⁸⁰ *Id.* at 1200 (citing *Oracle*, 886 F.3d at 1196). The Court also addressed Google’s Seventh Amendment claim, finding that the right to a jury trial was not violated because fair use is essentially an equitable determination made by courts.

task-performing computer programs ‘via a series of menu commands.’”⁸¹ The Court broke down the software into three parts, the first being implementing code, which Google programmers independently created to perform tasks. Second, the Sun Java API contains commands to call up a particular program, which Oracle did not claim to be a copyright violation. Third, Java’s API contains declaring code, which labels particular tasks in the API and organizes them into packages and classes. “We have referred to this organization, by way of rough analogy, as file cabinets, drawers, and files.”⁸² Oracle’s copyright claim focused on Google’s use of this declaring code.

Addressing this copyright claim, the Court noted that the declaring code “is inextricably bound together with . . . the division of computing tasks, that no one claims is a proper subject of copyright. It is inextricably bound up with the idea of organizing tasks into what we have called cabinets, drawers, and files, an idea that is also not copyrightable. It is inextricably bound up with the use of specific commands known to programmers . . . that Oracle does not here contest.”⁸³

Declaring code does not involve the creativity that coders exercise when they write implementing code that, for example, would run more efficiently on a smartphone than on a laptop. Instead, declaring code involves “names that would prove intuitively easy to remember” and a system that programmers can become accustomed to using.⁸⁴ Declaring code is therefore largely functional and “is, if copyrightable at all, further than are most computer programs (such as the implementing code) from the core of copyright.”⁸⁵ Thus, the Court found that this factor—the nature of the work—points favorably toward Google fair use defense.⁸⁶

Next, the Court turned to the purpose and character of the use, noting that this includes a decision about whether the use creatively contributed a “new expression, meaning or message.”⁸⁷ Hence, the Court has focused on whether the use was transformative.⁸⁸ The Court observed that “Google copied portions of the Sun Java API . . . to enable programmers to call up implementing programs that would accomplish particular tasks. But since

⁸¹ *Id.* at 1201 (quoting *Lotus Dev. Corp.*, 49 F.3d at 809).

⁸² *Id.*

⁸³ *Id.*

⁸⁴ *Id.* at 1202 (citation omitted).

⁸⁵ *Id.*

⁸⁶ *Id.*

⁸⁷ *Id.* (citing *Campbell*, 510 U.S. at 579).

⁸⁸ *Id.* at 1203 (citing *Campbell*, 510 U.S. at 579–81) (“[A]s we held in *Campbell*, a parody can be transformative because it comments on the original or criticizes it, for “[p]arody needs to mimic an original to make its point”).

virtually any unauthorized use of a copyrighted computer program (say, for teaching or research) would do the same, to stop here would severely limit the scope of fair use in the functional context of computer programs.”⁸⁹ Google’s purpose for copying the API was to create new software that would run on Android smartphones, which the Court deemed to be “highly creative and innovative” and consistent with the innovative goals of copyright law.⁹⁰ The Court characterized Google’s use of the API as “only insofar as needed to include tasks that would be useful in smartphone programs” so that programmers could call upon those tasks in a familiar programming language. It was, the Court stated, a “reimplementation,” taking a system and implementing it in a new setting (using independently created implementing code).⁹¹ Technically, only 170 of the 11,500 lines of code were actually needed to run Java on the Android platform.

The Court noted evidence that “shared interfaces are necessary for different programs to speak to each other” and for programmers to “use their acquired skills.”⁹² Moreover, it was common to reuse APIs, and that Sun itself had done so when it created Java. Thus, the Court found that Google’s use of the code was transformative, another factor weighing in favor of fair use.⁹³

Addressing other considerations built into the first fair use factor, the Court acknowledged that Google’s use was a commercial and for profit, but that point “is not dispositive of the first factor, particularly in light of the inherently transformative role that the reimplementation played in the new Android system.”⁹⁴

With regard to bad faith, the Court made one of its more noteworthy statements. Justice Breyer expressed doubts about the role of bad faith in the determination of fair use: “As for bad faith, our decision in *Campbell* expressed some skepticism about whether bad faith has any role in a fair use analysis. We find this skepticism justifiable, as ‘[c]opyright is not a privilege reserved for the well-behaved.’”⁹⁵ Overall, the Court had “no occasion here to say whether good faith is as a general matter a helpful inquiry. We simply note that given the strength of the other factors pointing toward fair use and

⁸⁹ *Id.*

⁹⁰ *Id.*

⁹¹ *Id.*

⁹² *Id.* at 1203–04 (citations omitted).

⁹³ *Id.* at 1203.

⁹⁴ *Id.* at 1204.

⁹⁵ *Id.* (citing *Campbell*, 510 U.S. at 585 n.18 (quoting Leval, *supra* note 64, at 1126)).

the jury finding in Google’s favor on hotly contested evidence, that fact bound consideration is not determinative in this context.”⁹⁶

The next fair use factor is the amount and substantiality of the portion used. It was undisputed that Google copied 11,500 lines of declaring code for 37 API packages. The Court deemed this a small quantitative amount of the 2.86 million lines of JavaAPI software code, or 0.4 percent of the entire work. The Court acknowledged that a small taking can exceed fair use’s protective boundaries if it constitutes the “heart of the work.”⁹⁷ But the Court noted that “copying a larger amount of material can fall within the scope of fair use where the material copied captures little of the material’s creative expression or is central to a copier’s valid purpose.”⁹⁸

Intriguingly, the Court noted that taking a single sentence from a novel would be insubstantial, but then offered a contrary illustration: “if that single sentence set forth one of the world’s shortest short stories—‘When he awoke, the dinosaur was still there.’—the question looks much different, as the copied material constitutes a small part of the novel but the entire short story.”⁹⁹

Contrasted with the more than two million lines of code in Java, the Court found that Google copied 11,500 lines “not because of their creativity, their beauty, or even (in a sense) because of their purpose. It copied them because programmers had already learned to work with the Sun Java API’s system, and it would have been difficult, perhaps prohibitively so, to attract programmers to build its Android smartphone system without them.”¹⁰⁰ Given what the Court found to be Google’s transformative purpose, this copying was permitted.¹⁰¹

Significantly, the Court rejected the Federal Circuit view that only 170 lines of code were needed to use the Java language, i.e., that Google took too much of the Java code. The Court stated:

Google’s basic objective was not simply to make the Java programming language usable on its Android systems. It was to permit programmers to make use of their knowledge and experience using the Sun Java API when they wrote new programs for smartphones In principle, Google might have created its

⁹⁶ *Id.*

⁹⁷ *Id.* at 1205 (quoting *Harper & Row*, 471 U.S. at 564–65).

⁹⁸ *Id.* (citations omitted).

⁹⁹ *Id.* (quoting A. Monterroso, *El Dinosaurio*, in *Complete Works & Other Stories* 42 (E. Grossman transl. 1995)). The Court noted that the original Spanish, version of the story states: “Cuando despertó, el dinosaurio todavía estaba allí.” *Id.*

¹⁰⁰ *Id.*

¹⁰¹ *Id.* (citing *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 586–87 (explaining that this factor “will harken back to the first of the statutory factors, for . . . the extent of permissible copying varies with the purpose and character of the use”).

own, different system of declaring code. But the jury could have found that its doing so would not have achieved that basic objective. In a sense, the declaring code was the key that it needed to unlock the programmers' creative energies.¹⁰²

Thus, the Court found that both the amount and the substantiality of the taking weigh in favor of fair use.

Finally, the Court turned to the effect of the taking on the "market for or value of the copyrighted work."¹⁰³ To the Court, "at least where computer programs are at issue, [this issue] can prove more complex than at first it may seem."¹⁰⁴ Justice Breyer explained that not only the amount of the potential loss, but also its source must be considered: "As we pointed out in *Campbell*, a 'lethal parody, like a scathing theatre review,' may 'kill[] demand for the original.' Yet this kind of harm, even if directly translated into foregone dollars, is not 'cognizable under the Copyright Act.'"¹⁰⁵

The Court then added a seemingly new consideration: "we must take into account the public benefits the copying will likely produce. Are those benefits, for example, related to copyright's concern for the creative production of new expression? Are they comparatively important, or unimportant, when compared with dollar amounts likely lost (taking into account as well the nature of the source of the loss)?"¹⁰⁶

Considering the amount that Oracle may have lost, the Court cited evidence that "Sun was poorly positioned to succeed in the mobile phone market."¹⁰⁷ It also noted that Google did not simply repurpose Java code from larger computers to smaller devices, because the "Android platform was part of a distinct (and more advanced) market than Java software."¹⁰⁸ Google's program thus was a new form of technology and a different type of product. The Court also cited evidence that Google's use of Java would actually benefit Oracle because it would expand the number of coders who could work with Java in both the smartphone and the laptopspheres.¹⁰⁹

¹⁰² *Id.*

¹⁰³ *Id.* at 1206 (quoting 17 U.S.C.A. § 107(4)).

¹⁰⁴ *Id.*

¹⁰⁵ *Id.* (citations omitted).

¹⁰⁶ *Id.* Justice Breyer cited only one lower court case from 1981, *MCA, INC. v. Wilson*, 677 F.2d 180, 183 (2d Cir.1981). The Court offered the following caveats: "We do not say that these questions are always relevant to the application of fair use, not even in the world of computer programs. Nor do we say that these questions are the only questions a court might ask. But we do find them relevant here in helping to determine the likely market effects of Google's reimplementation." *Google*, 141 S. Ct. at 1206.

¹⁰⁷ *Id.*

¹⁰⁸ *Id.* at 1207.

¹⁰⁹ *Id.* Citing *Nimmer on Copyright*, the Court noted that the market effect factor focuses on how "widespread conduct of the sort engaged in by the defendant" would affect the market for the work. *Id.* (quoting *Nimmer on Copyright* at § 13.05[A][4]).

The Court rejected the Federal Circuit’s emphasis on Oracle’s lost licensing opportunity, quoting *Nimmer*’s observation that there is a “‘danger of circularity posed’ by considering unrealized licensing opportunities because ‘it is a given in every fair use case that plaintiff suffers a loss of a potential market if that potential is defined as the theoretical market for licensing the very use at bar.’”¹¹⁰ Justice Breyer acknowledged the enormous revenues and profits that Google has obtained from its Android platform, but attributed the value of Java more to the investment that programmers have made in learning to use Java and less to Oracle’s own efforts.¹¹¹

Finally, Justice Breyer turned to the new “harm to the public” factor. Enforcing Oracle’s copyright would interfere with “creative improvements, new applications, and new uses developed by users who have learned to work with that interface.”¹¹² Summarizing its assessment of the fourth fair use factor, the Court found that it too weighs in favor of fair use given “[t]he uncertain nature of Sun’s ability to compete in Android’s market place, the sources of its lost revenue, and the risk of creativity-related harms to the public”¹¹³

Justice Breyer paused to observe that the functional nature of software “makes it difficult to apply traditional copyright concepts in that technological world.”¹¹⁴ Justice Breyer specifically stated that those concepts were not altered by the fair use finding in this case: “[W]e do not overturn or modify our earlier cases involving fair use— cases, for example, that involve “knockoff “ products, journalistic writings, and parodies.”¹¹⁵ Instead, the Court has applied the fair use framework in a new context and for a different kind of work: “where Google reimplemented a user interface, taking only what was needed to allow users to put their accrued talents to work in a new and transformative program, Google’s copying of the Sun Java API was a fair use of that material as a matter of law.”¹¹⁶

Five Justices joined Justice Breyer’s majority opinion. Justice Barrett did not participate in the case. Justice Thomas dissented, joined by Justice

¹¹⁰ *Id.* (quoting *Nimmer on Copyright* at § 13.05[A][4]).

¹¹¹ *Id.* at 1208 (“We have no reason to believe that the Copyright Act seeks to protect third parties’ investment in learning how to operate a created work.” (citing *Campbell*, 510 U.S. at 591–92 (discussing harms “cognizable under the Copyright Act”))).

¹¹² *Id.* at 1208. Noting copyright law’s incentive to disseminate ideas, the Court found that “the reimplementing of a user interface allows creative new computer code to more easily enter the market.” *Id.*

¹¹³ *Id.*

¹¹⁴ *Id.* (citing *Lotus Dev. Corp.*, 49 F.3d at 820 (Boudin, J., concurring)).

¹¹⁵ *Id.*

¹¹⁶ *Id.* at 1209.

Alito.¹¹⁷ His powerful opening paragraph demonstrates his disagreement with the majority's approach:

Oracle spent years developing a programming library that successfully attracted software developers, thus enhancing the value of Oracle's products. Google sought a license to use the library in Android, the operating system it was developing for mobile phones. But when the companies could not agree on terms, Google simply copied verbatim 11,500 lines of code from the library. As a result, it erased 97.5% of the value of Oracle's partnership with Amazon, made tens of billions of dollars, and established its position as the owner of the largest mobile operating system in the world. Despite this, the majority holds that this copying was fair use.¹¹⁸

He proceeded to argue that Justice Breyer's analysis contradicts the express Congressional decision to protect software: "By skipping over the copyrightability question, the majority disregards half the relevant statutory text and distorts its fair-use analysis. Properly considering that statutory text, Oracle's code at issue here is copyrightable, and Google's use of that copyrighted code was anything but fair."¹¹⁹

Justice Thomas' factual summary succinctly captured the contrary view to the majority's characterization of the facts:

Google wanted to attract those programmers to Android by including in Android the [Java] declaring code with which they were now familiar. But the founder of Android, Andrew Rubin, understood that the declaring code was copyrighted, so Google sought a custom license from Oracle. At least four times between 2005 and 2006, the two companies attempted to negotiate a license, but they were unsuccessful, in part because of "trust issues."

When those negotiations broke down, Google simply decided to use Oracle's code anyway. Instead of creating its own declaring code—as Apple and Microsoft chose to do—Google copied verbatim 11,500 lines of Oracle's declaring code and arranged that code exactly as Oracle had done. It then advertised Android to device manufacturers as containing "Core Java Libraries."¹²⁰

Justice Thomas began his dissent with a strong argument that declaring code, like implementing code, is fully eligible for protection under the Copyright Act: "As the majority correctly recognizes, declaring code and implementing code are 'inextricably bound' together. Declaring code defines the scope of a set of implementing code and gives a programmer a way to

¹¹⁷ *Id.* at 1210.

¹¹⁸ *Id.* at 1210–11 (footnote omitted).

¹¹⁹ *Id.* at 1211.

¹²⁰ *Id.* at 1212 (citations omitted).

use it by shortcut. Because declaring code incorporates implementing code, it has no function on its own . . . Absent declaring code, developers would have to write every program from scratch, making complex programs prohibitively time consuming to create. The functionality of both declaring code and implementing code will thus typically rise and fall together.”¹²¹

Justice Thomas then questioned the majority’s application of the fair use doctrine: “By skipping copyrightability, the majority gets the methodology backward, causing the Court to sidestep a key conclusion that ineluctably affects the fair-use analysis: Congress rejected categorical distinctions between declaring and implementing code. But the majority creates just such a distinction.”¹²² Justice Thomas then makes a critical observation: “The result of this distorting analysis is an opinion that makes it *difficult to imagine any circumstance in which declaring code will remain protected by copyright.*”¹²³

After stating his agreement with the majority on the standard of review, Justice Thomas turned to the application of the fair use factors. With regard to the nature of the copyrighted work, he acknowledged that copying of functional works is favored, but noted that “Congress determined that declaring and implementing code are copyrightable, this factor alone cannot support a finding of fair use.”¹²⁴ On a practical level, he noted that “[d]evelopers cannot even see implementing code. Implementing code thus conveys *no* expression to developers. Declaring code, in contrast, is user facing. It must be designed and organized in a way that is intuitive and

¹²¹ *Id.* at 1213. Justice Thomas includes an elegant analogy to help explain the difference between declaring code and implementing code:

In the 1990s, Oracle created a programming language called Java. Like many programming languages, Java allows developers to prewrite small subprograms called “methods.” Methods form the building blocks of more complex programs. This process is not unlike what legislatures do with statutes. To save space and time, legislatures define terms and then use those definitions as a shorthand. For example, the legal definition for “refugee” is more than 300 words long. Rather than repeat all those words every time they are relevant, the U. S. Code encapsulates them all with a single term that it then inserts into each relevant section. Java methods work similarly. Once a method has been defined, a developer need only type a few characters (the method name and relevant inputs) to invoke everything contained in the subprogram. A programmer familiar with prewritten methods can string many of them together to quickly develop complicated programs without having to write from scratch all the basic subprograms.

To create Java methods, developers use two kinds of code. The first, “declaring code,” names the method, defines what information it can process, and defines what kind of data it can output. It is like the defined term in a statute. The second, “implementing code,” includes the step-by-step instructions that make those methods run. It is like the detailed definition in a statute. *Id.* at 1211.

¹²² *Id.* at 1214.

¹²³ *Id.* at 1214 (emphasis added).

¹²⁴ *Id.* at 1215.

understandable to developers so that they can invoke it.”¹²⁵ With regard to the majority’s statement that declaring code is “inherently bound together with uncopyrightable ideas,” Justice Thomas noted:

Is anything not? Books are inherently bound with uncopyrightable ideas—the use of chapters, having a plot, or including dialogue or footnotes. This does not place books far ‘from the core of copyright.’ . . . We have not discounted a work of authorship simply because it is associated with noncopyrightable ideas. While ideas cannot be copyrighted, expressions of those ideas can.¹²⁶

On the majority’s focus on the time coders invested in learning a computer language, Justice Thomas drew an analogy to a Broadway musical script: “a theater cannot copy a script . . . simply because it wants to entice actors to switch theaters and because copying the script is more efficient than requiring the actors to learn a new one.”¹²⁷ Further, Justice Thomas noted that “[w]hat the majority says is true of declaring code is no less true of implementing code The majority correctly recognizes that declaring code ‘is inextricably bound up with implementing code,’ but it overlooks the implications of its own conclusion.”¹²⁸ In his view, this assumption about the protection afforded to declaring code “taints the Court’s entire analysis.”¹²⁹

Justice Thomas then turned to the effect on the market, “the single most important element of fair use.”¹³⁰ Noting the Federal Circuit’s conclusion that there was overwhelming evidence that Google’s copying of code caused actual and potential harm, “Google ruined Oracle’s potential market in at least two ways.”¹³¹ The first was that Google released Android free of charge as its business model was based on ad revenue and on harvesting consumer data, and thus device manufacturers no longer had as much reason to pay for the fee-based Java platform.¹³²

The second type of harm was Google impingement of Oracle’s opportunities to continue to license Java to developers of smartphone operating systems, which it had been doing until Google introduced its Android platform. Addressing Justice Breyer’s contention that Oracle was

¹²⁵ *Id.* (emphasis in the original) (citations omitted).

¹²⁶ *Id.* at 1215–16 (footnote omitted) (citations omitted).

¹²⁷ *Id.* at 1216.

¹²⁸ *Id.* (citation omitted).

¹²⁹ *Id.*

¹³⁰ *Id.* (quoting *Harper & Row*, 471 U.S. at 566).

¹³¹ *Id.*

¹³² *Id.* Justice Thomas offered the following illustration: “[B]efore Google released Android, Amazon paid for a license to embed the Java platform in Kindle devices. But after Google released Android, Amazon used the cost-free availability of Android to negotiate a 97.5% discount on its license fee with Oracle. Evidence at trial similarly showed that right after Google released Android, Samsung’s contract with Oracle dropped from \$40 million to about \$1 million.” *Id.*

not likely to succeed in entering the developing smartphone market itself, Justice Thomas noted the importance of “potential markets the copyright holder might ‘license others to develop.’”¹³³

Addressing the majority’s focus on harm to the public, Justice Thomas noted that only 7.7% of current Android devices run the versions at issue in this case.¹³⁴ Moreover, Apple and Microsoft created their own device operating systems independently, Java was always freely available to coders, and any lower court remedy would likely involve damages, not an injunction against the use of Android. In short, Justice Thomas concluded that “Google decimated Oracle’s market and created a mobile operating system now in over 2.5 billion actively used devices, earning tens of billions of dollars every year. If these effects on Oracle’s potential market favor Google, something is very wrong with our fair-use analysis.”¹³⁵

Turning next to the purpose and character of the use, Justice Thomas contended that both of these important considerations favor Oracle. Google had a clear profit motive for its copying, earning \$18 billion from Android in 2015 alone, a number that has grown since that time. Acknowledging that a transformative use can sometimes outweigh this commercial purpose, it does not do so when it supplants the market for the original.¹³⁶

Focusing on transformative use, Justice Thomas argued that Google’s adaptation of Java code for use in mobile devices did not fulfill any favored copyright purpose. In order to “‘avoid the drudgery in working up something fresh,’ Google used the declaring code for the same exact purpose Oracle did.”¹³⁷

To the majority, Justice Thomas contended, transformative uses involve those that simply create new products: “That new definition eviscerates copyright. A movie studio that converts a book into a film without permission not only creates a new product (the film) but enables others to ‘create products’—film reviews, merchandise, YouTube highlight reels, late night television interviews, and the like.”¹³⁸

¹³³ *Id.* at 1217 (quoting *Campbell*, 510 U.S. at 592). By way of analogy, Justice Thomas noted that “[a] book author need not be able to personally convert a book into a film so long as he can license someone else to do so. That Oracle could have licensed its code for use in Android is undisputed.” *Id.*

¹³⁴ *Google LLC v. Oracle of Am., Inc.*, 141 S. Ct. 1183, 1217 (2021).

¹³⁵ *Id.*

¹³⁶ *Id.* at 1218 (citing *Campbell*, 510 U.S. at 579).

¹³⁷ *Id.* (quoting *Campbell*, 510 U.S. at 580). Quoting the Federal Circuit, Justice Thomas added that “[t]here is nothing fair about taking a copyrighted work verbatim and using it for the same purpose and function as the original in a competing platform.” *Id.* (quoting *Oracle*, 886 F.3d at 1210).

¹³⁸ *Id.* (“Nearly every computer program, once copied, can be used to create new products. Surely the majority would not say that an author can pirate the next version of Microsoft Word simply because he can use it to create new manuscripts.”).

To Justice Thomas, “the majority wrongly conflates transformative use with derivative use. To be transformative, a work must do something fundamentally different from the original. A work that simply serves the same purpose in a new context—which the majority concedes is true here—is derivative, not transformative.”¹³⁹

With regards to the amount and substantiality of the portion used, Justice Thomas observed that it was not disputed that Google copied the heart of the plaintiff’s work, and that it did so verbatim: “The majority does not disagree. Instead, it concludes that Google took no more than necessary to create new products. That analysis fails because Google’s use is not transformative.”¹⁴⁰ Justice Thomas also disputed the quantitative assessment—although 11,500 lines of declaring code (“enough to fill about 600 pages in an appendix”) was a small amount of the overall work, “the proper denominator is declaring code, not all code.”¹⁴¹ To Justice Thomas, the declaring code drew programmers and effectively made the Android platform a substitute, depriving Oracle of a licensed derivatives market. He would have found Google’s copying to be substantial both qualitatively and quantitatively.

Overall, Justice Thomas contended that all fair use factors favored Oracle, except for the nature of the copyrighted work. He concluded that “the majority cannot square its fundamentally flawed fair-use analysis with a finding that declaring code is copyrightable. The majority has used fair use to eviscerate Congress’ considered policy judgment.”¹⁴²

IV. IMPLICATIONS

Google v. Oracle is a landmark fair use case, the first Supreme Court decision on the merits of this important doctrine since 1994. It is also a definitive statement about the scope of copyright protection for software, at least from the standpoint of the applicability of the fair use defense. Further, it is a relatively rare majority opinion in the copyright field by Justice Breyer, who is generally less protective of authors’ rights than the late Justice Ruth Bader Ginsberg. This article suggests there are several critical take-aways from the 6-2 ruling.

¹³⁹ *Id.* Justice Thomas continued: “Congress made clear that Oracle holds ‘the exclusive rights . . . to prepare derivative works.’ § 106(2). Rather than create a transformative product, Google ‘profit[ed] from exploitation of the copyrighted material without paying the customary price.’ *Id.* (quoting *Harper & Row*, 471 U.S. at 562).”

¹⁴⁰ *Google*, 141 S. Ct. at 1219 (citing *Campbell*, 510 U.S. at 586).

¹⁴¹ *Id.*

¹⁴² *Id.*

A. Unpredictable Fact-Specific Balancing

The limited number of modern Supreme Court decisions in the fair use field provide limited guidance as to the fair use defense. The general lack of predictability is particularly pronounced given the Court's fervent adoption of a fact-specific, case-by-case balancing test in all fair use determinations. This approach is a common theme among the prior trilogy of cases—*Sony*, *Harper & Row*, and most prominently in *Campbell*—and *Google v. Oracle* continues that tradition. Indeed, a common view shared by the majority and the dissent in the new ruling is support for that case-specific approach, albeit with widely differing conclusions. There continue to be no evidentiary presumptions, no short-cuts, no safe harbors, and no presumptive unfair uses.

The best evidence of how unpredictable fair use determinations can be *ex ante* is the deeply divided judiciary in each of the four modern fair use cases. In *Sony*, the lower court judge found that time-shifting of broadcast movies was fair use, a ruling that was reversed by the three-judge Ninth Circuit panel, and finally that decision was reversed by a deeply divided 5-4 Supreme Court. In *Harper & Row*, the lower court judge found that the *Nation* magazine's quotations from a purloined copy of an as-yet unpublished Ford memoir was not fair use, a ruling that was reversed by the three-judge Second Circuit panel (in a 2-1 vote), and finally that decision was reversed by a deeply divided 6-3 Supreme Court. In *Campbell*, the lower court judge found that 2 Live Crew's use of the opening line and bass riff from the Roy Orbison song, *Pretty Woman*, was a fair use, a ruling that was reversed by a divided three-judge Sixth Circuit panel, and finally that decision was reversed by the Supreme Court. In *Google v. Oracle*, the lower court found that Google's use of Oracle code was fair use, a ruling that was reversed by the three-judge Federal Circuit panel, and finally that decision was reversed by a 6-2 Supreme Court decision. In short, in each of these cases, experienced federal judges with life tenured appointments were deeply divided as to the outcome of the fair use balancing test.¹⁴³

The unpredictable nature of the fair use defense might seem like a virtue for this who seek a nuanced and fact-specific determination of the scope of copyright claims and defenses. Yet, this uncertainty means that those who seek to use copyrighted materials cannot make a strong prediction of their ability to do, making it difficult to clear intellectual property rights. It also means that copyright owners face uncertain waters in deciding whether a lawsuit will be likely to succeed. Finally, it makes fair use determinations expensive and burdensome on both the courts and the parties themselves.

¹⁴³ *Campbell*, 510 U.S. at 569; *Harper & Row*, 471 U.S. at 539; *Sony Corp. of Am.*, 464 U.S. at 417.

B. A Broad Fair Use Defense in Software Cases

In considering activities that might be particularly favored under the Court's jurisprudence, three illustrative areas now emerge: non-commercial time shifting of television programs as found in *Sony*, parody of a well-known popular work, as addressed in *Campbell*, and copying of functional expression for purposes of computer program interoperability in *Google v. Oracle*. Many in the software field will laud this ruling for freeing them from liability concerns when the copy code (and SSO) necessary for interoperability, particularly declaring code. It certainly seems that interoperability is a laudable and favored use in copyright law as it applies to computer programs. There is an irony in that Google's inability to license Java was partly because it did not want to comply with the standard Java terms.¹⁴⁴

Despite this wrinkle, which was important to the Federal Circuit and to the Thomas dissent, interoperability in general is certainly an important goal, as all software builds on prior work, as is true in most fields. Reimplementation of code is a common and customary practice.

There is a close analogy to the Court's deference to copying for purposes of parody in *Campbell*. There, the Court noted the need to conjure up the original creative work in order to make the parody recognizable and successful. Thus, 2 Live Crew needed to copy the distinctive bass riff and the powerful opening line of "Oh Pretty Woman," though the Court left open the issue of whether it repeated the bass riff too often.

Here, the Court effectively sanctioned the copying of 11,500 lines of declaring code to facilitate the writing of new software on the Google platform. The parties had stipulated that only 170 lines of code were necessary to write in the Java language. Thus, questions arise as to whether declaring code has any copyright protection as well. In addition, the Court did not even mention the SSO, which similarly suggested a lack of significant protection for this software feature. Critically, no implementing code was copied — Google wrote its own new implementing code. But the analogy stands — Google was able to directly copy expressive computer code so as to make its new software platform work, just as 2Live Crew could copy musical expression to carry out its song parody.

Google argued that it complied with industry custom and believed that it could copy the declaring code and SSO as long as it wrote its own implementing code. This view was shared by my many industry observers and commentators, who viewed Google's actions as customary practice.

¹⁴⁴ "Google specifically designed Android to be incompatible with the Java platform and not allow for interoperability with Java programs." *Oracle*, 886 F.3d at 1206 n.11.

The Court's ruling on this point enables software developers in the future to proceed somewhat more confidently, knowing that they can copy aspects of code that are necessary for interoperability, particularly the declaring code. Moreover, Google copied the SSO for the 37 API packages in their entirety, which was barely mentioned in the Court opinion.

Google v. Oracle also has implications for functional material generally, whether software or other types of subject matter. As Professor Dennis Crouch observed (prior to the Court's ruling), "[a]lthough the API was found not to violate the limitations of 102(b), I would suggest that this close-call should have a relevant impact on the scope of fair use."¹⁴⁵

Put another way, copyright protection for the declaring code and SSO of the 37 API packages should be "thin" because their design and creation include significant functional considerations. It does appear that copyright protection for works that have a functional element will be narrower and more readily constrained under the fair use analysis. Reimplementation of code from one platform to another, for example from a desktop to a mobile device, is very likely to be considered a transformative use of that code and, therefore a fair use.

C. *The Role of the Derivative Market and of the Public Interest in the Market Effect Factor*

One of the most important implications of the ruling in *Google v. Oracle* is its analysis of market effect, and in particular its novel emphasis on the role of the public interest. The statute provides for consideration of the effect of the taking on the "market for or value of the copyrighted work."¹⁴⁶ Justice Breyer observed that, "at least where computer programs are at issue, [this factor] can prove more complex than at first it may seem."¹⁴⁷ Justice Breyer explained that not only the amount of the potential loss, but also its source must be considered: "As we pointed out in *Campbell*, a 'lethal parody, like a scathing theatre review,' may 'kil[l] demand for the original.' Yet this kind of harm, even if directly translated into foregone dollars, is not 'cognizable under the Copyright Act.'"¹⁴⁸

The Court then added this seemingly new consideration: "we must take into account the public benefits the copying will likely produce. Are those benefits, for example, related to copyright's concern for the creative

¹⁴⁵ Dennis Crouch, *Google v. Oracle: Fair Use of a Copyrighted API*, PATENTLYO (Feb. 20, 2017), <https://patentlyo.com/patent/2017/02/google-oracle-copyrighted.html> [<https://perma.cc/K82L-NYQD>].

¹⁴⁶ 17 U.S.C.A. § 107(4).

¹⁴⁷ *Google*, 141 S. Ct. at 1206.

¹⁴⁸ *Id.* (citations omitted).

production of new expression? Are they comparatively important, or unimportant, when compared with dollar amounts likely lost . . . ?”¹⁴⁹

Applying the “harm to the public” factor, Justice Breyer found that enforcing Oracle’s copyright would interfere with “creative improvements, new applications, and new uses developed by users who have learned to work with that interface.”¹⁵⁰ Justice Thomas, in his dissent, addressed the majority’s focus on harm to the public, observing that only 7.7% of current Android devices run the versions at issue in this case. Justice Thomas also noted that Apple and Microsoft created their own device operating systems independently, that Java was always freely available to coders, and that any lower court remedy would likely involve damages, not an injunction against the use of Android.¹⁵¹ Indeed, it is in the equitable decision whether to issue an injunction that the public interest factor weighs heavily, as the Court observed in *eBay Inc. v. MercExchange, L.L.C.*¹⁵²

In Justice Thomas’ view, “Google decimated Oracle’s market and created a mobile operating system now in over 2.5 billion actively used devices, earning tens of billions of dollars every year. If these effects on Oracle’s potential market favor Google, something is very wrong with our fair-use analysis.”¹⁵³

The Court in *Campbell* has previously stated that “market harm 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.”¹⁵⁴ Despite the powerful evidence of market harm—actual and potential—inflicted by Google, the clear implication of the majority’s ruling is that it can be outweighed by other considerations.

The evidence of harm, which as noted above, is quite arguably in the billions, and estimates suggest Oracle’s damages claim would amount to \$9 billion. This figure presents an interesting contrast with the \$12,500 loss in *Harper & Row*, which was given significant weight in the majority’s rejection of the fair use defense. The *Harper & Row* Court found that “Time’s cancellation of its projected serialization and its refusal to pay the \$12,500 were the direct effect of the infringement . . . Rarely will a case of copyright infringement present such clear-cut evidence of actual damage.”¹⁵⁵

¹⁴⁹ *Id.* (citing for this proposition only one lower court case from 1981, *MCA, INC.*, 677 F.2dat 183).

¹⁵⁰ *Id.* at 1208.

¹⁵¹ *Id.* at 1214–1217 (Thomas, J., dissenting).

¹⁵² *eBay*, 547 U.S. at 388.

¹⁵³ *Google*, 141 S. Ct. at 1215 (Thomas, J., dissenting).

¹⁵⁴ *Campbell*, 510 U.S. at 590 n.21.

¹⁵⁵ *Harper & Row*, 471 U.S. at 567.

The evidence of actual market harm included (1) the fact that Java SE was used in mobile devices (Blackberry, SavaJe, Danger, and Nokia) and in tablets (the Amazon Kindle), making the parties direct competitors; and (2) when Android entered the market, Amazon selected it over Java SE, and later was able to get a large discount to use Java SE in a newer Kindle device. The impact on the market for potential derivative uses, including potential licensing agreements, should be considered, as was noted in *Campbell*,¹⁵⁶ Google's copying could have an impact on Oracle's potential markets, as highlighted by the fact that Oracle and Google engaged in (unsuccessful) licensing negotiations to license its work for smartphones. As the Federal Circuit noted: "Smartphones were, therefore, a traditional, reasonable, or likely to be developed market." Thus, even though Oracle never built a smartphone, potential markets include licensing others to develop derivative works.¹⁵⁷ And a potential market can be found even if the copyright owner "has no immediate plans to enter it or is unsuccessful in doing so."¹⁵⁸

It does seem that the majority's approach on the market effect factor, if applied in other contexts, would undermine the ability of copyright owners to claim harm to various derivative markets that might reasonably be expected to secure. It is a striking contrast to the Court's suggestion, for example, in *Campbell*, that there might be a derivative market for a rap version of the song, *Pretty Woman*. Presumably, if the copyright owner had been able to establish the existence of such a market, this would have tilted the balancing against fair use.¹⁵⁹

Going forward, it will be worthwhile to see how lower courts will apply the *Google v. Oracle* approach when ascertaining market harm, particularly as to derivative or potential markets and as to situations in which there might be a public interest argument for allowing use of creative expression. To the extent that derivative and potential markets might not give sufficient weight, this result would run counter to the express language of the fair use statute itself. It could also have a disproportionate impact on individual authors and small businesses that might not be in a position to exploit every potential derivative market that might be pursued.

To the extent the public interest is given weight in the fair use balancing, it seems to add a consideration not found in the statute and one that is usually best taken into account in deciding whether injunctive relief is

¹⁵⁶ *Campbell*, 510 U.S. at 592.

¹⁵⁷ *Id.*

¹⁵⁸ *Oracle*, 886 F.3d at 1210.

¹⁵⁹ *Id.* So too the Court suggested there was a fact issue as to whether 2 Live Crew took too much when it repeated the distinctive bass riff in the song. *See id.*

appropriate.¹⁶⁰ It may well be that the Court, by avoiding a determination of the scope of what is copyrightable in the specific setting of computer software, might inadvertently undermine copyright protection in other contexts by revising the market harm analysis from its textual moorings and from its congressional purpose.

D. *The Role of Good Faith in Fair Use*

One of the more dramatic statements or potential shifts in Justice Breyer's majority opinion is its treatment of role of good or bad faith in the fair use analysis. He questioned the role of bad faith in the determination of fair use: "As for bad faith, our decision in *Campbell* expressed some skepticism about whether bad faith has any role in a fair use analysis. We find this skepticism justifiable, as "[c]opyright is not a privilege reserved for the well-behaved."¹⁶¹

This language is striking and is worth comparing to the treatment of fair use in the Court's other modern fair use cases. Justice Breyer cites footnote 18 from *Campbell*, which states as follows: "regardless of the weight one might place on the alleged infringer's state of mind, we reject Acuff-Rose's argument that 2 Live Crew's request for permission to use the original should be weighed against a finding of fair use."¹⁶² The *Campbell* court cited three authorities for this proposition. The first is the Court's clear statement in *Harper & Row*: "In evaluating character and purpose we cannot ignore The Nation's stated purpose of scooping the forthcoming hardcover and Time abstracts. The Nation's use had not merely the incidental effect but the intended purpose of supplanting the copyright holder's commercially valuable right of first publication."¹⁶³

The *Harper & Row* Court further stated: "[a]lso relevant to the 'character' of the use is 'the propriety of the defendant's conduct.' 'Fair use presupposes good faith and fair dealing.' The trial court found that The Nation knowingly exploited a purloined manuscript."¹⁶⁴ Clearly, the *Harper*

¹⁶⁰ See *supra* note 152 and accompanying text.

¹⁶¹ *Campbell*, 510 U.S. at 585 n.18 (quoting Leval, *supra* note 63, at 1126).

¹⁶² *Id.* (citations omitted).

¹⁶³ *Harper & Row*, 471 U.S. at 562.

¹⁶⁴ *Id.* at 562-63 (quoting *Nimmer on Copyright § 13.05[A]*, at 13-72; and *Time Inc. v. Bernard Geis Assoc.*, 293 F. Supp. 130, 146 (S.D.N.Y. 1968)) (internal quotations and other citations omitted). The Court expanded on this point as to the facts of the instant case: "Unlike the typical claim of fair use, The Nation cannot offer up even the fiction of consent as justification. Like its competitor newsweekly, it was free to bid for the right of abstracting excerpts from 'A Time to Heal.' Fair use 'distinguishes between a true scholar and a chiseler who infringes a work for personal profit.'" *Id.* at 563 (quoting *Wainwright Sec. Inc. v. Wall Street Transcript Corp.*, 558 F.2d 91, 94 (2d Cir. 1997)) (internal quotations and other citations omitted).

& Row Court expressly relied upon the defendant Nation’s lack of good faith as one of its central bases for its rejection of the fair use defense. That conclusion suggests that the Court held that good faith considerations are indeed relevant considerations in the fair use analysis.

Returning to footnote 18 in *Campbell*, the Court cited only two other authorities. This first is *Folsom v. Marsh*,¹⁶⁵ which ironically finds that good faith *does not bar* finding of infringement. The last and only authority directly supporting Justice Breyer’s dictum is a law review article.¹⁶⁶

At the end of its treatment of good faith, the Court found no lack of good faith on the facts in *Campbell*: “Even if good faith were central to fair use, 2 Live Crew’s actions do not necessarily suggest that they believed their version was not fair use; the offer may simply have been made in a good-faith effort to avoid this litigation. If the use is otherwise fair, then no permission need be sought or granted. Thus, being denied permission to use a work does not weigh against a finding of fair use.”¹⁶⁷

Overall, the *Google v. Oracle* Court had “no occasion here to say whether good faith is as a general matter a helpful inquiry. We simply note that given the strength of the other factors pointing toward fair use and the jury finding in Google’s favor on hotly contested evidence, that fact bound consideration is not determinative in this context.”¹⁶⁸

Thus, there is no holding on the good faith issue in this case, but Justice Breyer’s language suggests that at least some justices seem open to reconsidering its role in the fair use analysis. The good faith or bad faith factor is directly embedded in the language of section 107 — the “purpose and *character* of the use.” The factor was heavily relied upon in the Court’s prior ruling in *Harper & Row* and has a long history in the case law on fair use as an equitable rule of reason. To change or eliminate consideration that statutory factor contradicts the language, history, and purpose of the fair use statute.

E. Transformative Use

One long-awaited aspect of the Court’s ruling is its treatment of transformative use. The Court’s analysis suggests a broad interpretation of this fair use consideration. This issue is whether the use creatively

¹⁶⁵ *Folsom v. Marsh*, 9 F. Cas. 342, 349 (No. 4,901) (C.C.D. Mass. 1841).

¹⁶⁶ Leval, *supra* note 63, at 1126–27 (good faith irrelevant to fair use analysis).

¹⁶⁷ *Campbell*, 510 U.S. at 596 n.18 (1994) (citing *Fisher v. Dees*, 794 F.2d 432, 437 (9th Cir. 1986)).

¹⁶⁸ *Google*, 141 S. Ct. at 1204.

contributed a “new expression, meaning or message.”¹⁶⁹ Justice Breyer noted that “Google copied portions of the Sun Java API . . . to enable programmers to call up implementing programs that would accomplish particular tasks. But since virtually any unauthorized use of a copyrighted computer program (say, for teaching or research) would do the same, to stop here would severely limit the scope of fair use in the context of computer programs.”¹⁷⁰

Google’s use of the code was “highly creative and innovative” and consistent with the innovative goals of copyright law.¹⁷¹ To Justice Breyer, Google’s use was a “reimplementation” that took “only insofar as needed to include tasks that would be useful in smartphone programs” so that programmers could call upon those tasks in a familiar programming language.¹⁷² Technically, only 170 of the 11,500 lines of code were actually needed to run Java on the Android platform.

Because “shared interfaces are necessary for different programs to speak to each other” and for programmers to “use their acquired skills,” the use was transformative.¹⁷³ Thus, even Google’s use was commercial and for profit, these considerations are “not dispositive of the first factor, particularly in light of the inherently transformative role that the reimplementation played in the new Android system.”¹⁷⁴

Justice Breyer’s view of transformative use contrasts dramatically with the view of the Federal Circuit below and with Justice Thomas’ dissent. To the Federal Circuit, “merely copying the material and moving it from one platform to another without alteration is not transformative.”¹⁷⁵ To be transformative, the use should be for a different purpose or alter the “expression, meaning, or message” of the original work.

Similarly, Justice Thomas viewed Google’s adaptation of Java code for use in mobile devices as merely avoiding “the drudgery in working up something fresh,” thereby fulfilling no favored copyright purpose, but rather using Oracle’s expression “for the same exact purpose Oracle did.”¹⁷⁶ Justice

¹⁶⁹ *Id.* at 1202–03 (citing *Campbell*, 510 U.S. at 579–81) (“[A]s we held in *Campbell*, a parody can be transformative because it comments on the original or criticizes it, for ‘[p]arody needs to mimic an original to make its point.’”).

¹⁷⁰ *Id.* at 1203. Section 102(b) of the Copyright Act states: “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.A. § 102(b).

¹⁷¹ *Google*, 141 S. Ct at 1203.

¹⁷² *Id.*

¹⁷³ *Id.* at 1203–04 (citation omitted).

¹⁷⁴ *Id.* at 1204.

¹⁷⁵ *Oracle*, 866 F.3d at 1201.

¹⁷⁶ *Google*, 141 S. Ct. at 1219 (Thomas, J., dissenting) (quoting *Campbell*, 510 U.S. at 580).

Thomas viewed the majority’s broad definition of transformative as one that “eviscerates copyright. A movie studio that converts a book into a film without permission not only creates anew product (the film) but enables others to ‘create products’—film reviews, merchandise, YouTube highlight reels, late night television interviews, and the like.”¹⁷⁷ Thus, Justice Thomas viewed Justice Breyer’s interpretation as “wrongly conflating] transformative use with derivative use. To be transformative, a work must do something fundamentally different from the original. A work that simply serves the same purpose in a new context—which the majority concedes is true here—is derivative, not transformative.”¹⁷⁸ In short, Justice Thomas viewed Google’s actions as transforming (adapting), but not transformative.

Going forward, the broader interpretation of transformative use will likely mean more successful fair use defenses in situations in which some substantial creative expression was taken.¹⁷⁹ With the Court’s rulings in *Campbell* and *Google v. Oracle*, it is likely that many uses of copyrighted material will be deemed transformative, particularly in the context of parody, and in cases involving factual or functional subject matter.

F. The Standard of Review

The Court clearly settled the issue of how findings of fair use should be reviewed on appeal. All justices agreed that these lower court or jury findings should be reviewed as a mixed question of law and fact. This was not a surprising result, as it was largely presaged by *Harper & Row*. Fair use, Justice Breyer held, is a mixed question of law and fact. Justice Thomas agreed. Therefore, the ultimate determination of fair use is deemed to be legal work, subject to de novo review: “‘Fair use’ was originally a concept fashioned by judges. Our cases still provide legal interpretations of the fair use provision. And those interpretations provide general guidance for future cases. This type of work is legal work.”¹⁸⁰

¹⁷⁷ *Id.* at 1219.

¹⁷⁸ *Id.*

¹⁷⁹ See generally *Fox News Network, LLC v. Tveyes, Inc.*, 883 F.3d 169, 181 (2d Cir. 2018) (rejecting fair use defense in case involving news aggregator “unlawfully profiting off the work of others by commercially re-distributing all of that work that a viewer wishes to use, without payment or license.”), *cert. denied*, 139 S. Ct. 595 (2018); *Cariou v. Prince*, 714 F.3d 694 (2d Cir. 2013), holding modified by *Andy Warhol Found. For the Visual Arts, Inc. v. Goldsmith*, 992 F.3d 99 (2d Cir. 2021), and holding modified by *Andy Warhol Found. For Visual Arts, Inc. v. Goldsmith*, 11 F.4th 26 (2d Cir. 2021) (25 of the artist’s 30 works incorporating a third-party’s photographs deemed to be fair use but remanding the consideration of the other five works); *TCA Television Corp. v. McCollum*, 839 F.3d 168, 177 (2d Cir. 2016) (defendant used a comedy routine in a scene in a Broadway play, the court reversed the lower court finding of “highly transformative” use and held that this was not fair as a matter of law.).

¹⁸⁰ *Google*, 141 S. Ct. at 1200.

On the other hand, underlying factual determinations are assessed under the deferential standard of review. Examples of factual issues include harm to actual or potential markets for the copyrighted work and the amount of the copyrighted work was taken. Thus, the parties can develop a factual record on the various specific fair use factors and considerations.

The Supreme Court did not really break new ground when it resolved the fair use question by applying *de novo* review to the ultimate question of fair use. Once the factual underpinnings have been determined, the fair use question boils down to the inferences to be drawn from those facts and the overall balancing of the factors, which will continue to be a determination of law made by the courts.

V. CONCLUSION

The Supreme Court's long-awaited pronouncement on fair use in *Oracle v. Google* offers the first exposition and application of the test in more than 25 years, since the 1994 ruling in *Campbell*. Because it avoided the threshold copyright question of the extent to which software code is protected subject matter, the Court addressed the fair use factors in a manner that further muddies the waters and creates even greater uncertainty about the scope of fair use than was prevalent before.

The first problem with the majority's approach is its discussion of the bad faith factor, which is directly embedded in the language of section 107—the “purpose and *character* of the use.” The factor was heavily relied upon in the Court's prior ruling in *Harper & Row* and has a long history in the case law on fair use as an equitable rule of reason. Yet Justice Breyer stated that some language in “*Campbell* expressed some skepticism about whether bad faith has any role in a fair use analysis. We find this skepticism justifiable, as “[c]opyright is not a privilege reserved for the well-behaved.”¹⁸¹ Although the Court had “no occasion here to say whether good faith is as a general matter a helpful inquiry,” its statement now raises the question of whether good fair or bad faith should be taken into account in the fair use balancing, and if so, what its role should be.

The second concern raised by Justice's opinion is its narrow interpretation of the important fourth fair use factor, “the potential market for or value of the copyrighted work.”¹⁸² Despite Oracle's modest success in licensing Java for mobile devices, and the evidence that it did have a potential market for licensing Java for such purposes, the Court essentially negates that possible effect and thus essentially ignores the \$42 billion boon

¹⁸¹ *Id.* at 179.

¹⁸² 17 U.S.C. § 107.

that Google captured in that potential market. The Court suggested that this harm was somehow not “cognizable,” referring to inapposite language from *Campbell*.¹⁸³

A lethal parody can indeed inflict incognizable harm on a copyrighted work, but an adaptation of software from one platform to another seems arguably much more like the type of derivative work right that Congress sought to provide in section 106 of the Copyright Act. The Court hinged its rejection of this type of harm on Oracle’s lack of major success in the mobile market, something that might challenge future copyright owners that might not be able to enter derivative markets quickly and directly. This is likely to have a particularly damaging effect on individual authors and on small businesses.

Third, the Court then added a seemingly new consideration in its fair use analysis: “we must take into account the public benefits the copying will likely produce. Are those benefits, for example, related to copyright’s concern for the creative production of new expression? Are they comparatively important, or unimportant, when compared with dollar amounts likely lost . . . ?”¹⁸⁴ Enforcing Oracle’s copyright, he continued, would interfere with “creative improvements, new applications, and new uses developed by users who have learned to work with that interface.”¹⁸⁵

Justice Breyer’s addition of “harm to the public” as a consideration in the market effect factor is not supported by the language or purpose of the provision. Furthermore, it conflates an important consideration in the assessment of remedies—whether an injunction would further or harm the public interest¹⁸⁶—into the determination of fair use in the liability stage of a copyright case. Finally, the public interest factor should already be weighed in assessing the purpose of the use and the nature of the copyrighted work. Placing it on the scales again as part of the market effect factor gives it too much weight in the fair use determination, potentially allowing harmful exploitation of the copyrighted work to pass muster as fair use.

Fourth, the Court adopted a broad interpretation of what constitutes a transformative use, which helps address an issue that lower courts struggled with since *Campbell*. On this front, the Court’s approach seems to be a reasonable one, allowing for building upon prior materials, particularly in

¹⁸³ *Google*, 141 S. Ct. at 1206. (“a ‘lethal parody, like a scathing theatre review,’ may ‘kil[l] demand for the original.’ Yet this kind of harm, even if directly translated into foregone dollars, is not ‘cognizable under the Copyright Act.’”).

¹⁸⁴ *Id.*

¹⁸⁵ *Id.* at 1208.

¹⁸⁶ See *eBay Inc. et al. v. MercExchange, L.L.C.*, 547 U.S. 388, 390 (2006).

the context of works that serve functional purposes. Reimplementation will be a favored use.

In short, although the *Google v. Oracle* decision provides reassurance for software designers and arguably reached the right result, it does harm to the already muddled fair use jurisprudence. How the lower courts will handle these new complications is difficult to predict, but it seems likely that the Supreme Court will eventually need to clarify the role of good faith, the scope of potential markets that may be affected by a use, and the role (if any) of the public interest in the market effect factor.