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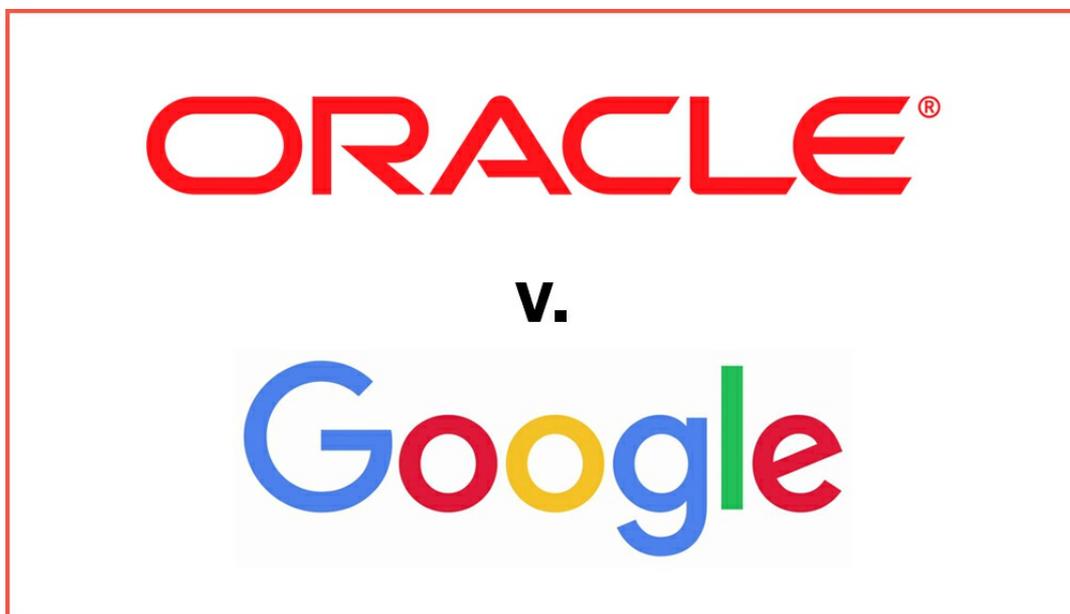
June 14, 2018

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Oracle v. Google

By [Jeffrey W. Gluck, Ph.D.](#)

Oracle America, Inc. v. Google LLC has been dubbed “the World Series of IP cases” by one of the presiding judges. Others have referred to the dispute as the case that never ends. The United States Court of Appeals for the Federal Circuit (CAFC), ruled in favor of Oracle earlier this spring, opining that Google had violated Oracle’s copyrights. The CAFC



remanded the case to the United States District Court for the Northern District of California (CAND) for damages. Oracle has previously sought damages of \$8.8 billion. Google is weighing its options, including an *en banc* rehearing or an appeal to the U.S. Supreme Court. The implications of the ultimate resolution of this case are monumental.

A Brief History of Time

With a nod to Stephen Hawking, we note that the history of this dispute is complex and complicated. When Google began building Android circa 2005, it used Java’s development kit (JDK), an open-source software development environment, in order to beat Apple’s iPhone to the market. Steve Ballmer, Microsoft’s former CEO, once referred to open source as communism. Open source software (OSS) is a type of computer software. Specifically, according to [opensource.com](#), it is “software with source code that anyone can inspect, modify, and enhance...Source code is the part of software that most computer users don’t ever see; it’s the code computer programmers can manipulate to change how a piece of software—a program or application—works. Programmers who have access to a computer program’s source code can improve that program by adding features to it or fixing parts that don’t always work correctly.” Tech companies often use open-source code to avoid reinventing the wheel, accepting the terms of a license from the code’s original developer.

According to testimony in the extant case, Alphabet chairman and former Google CEO Eric Schmidt went to Sun Microsystems, the original developer of Java, to license Java for \$30 to \$40 million. The talks were not successfully concluded, and in 2010 Oracle acquired Sun Microsystems. Two versions of Java were in place: OpenJDK and Java Standard Edition (JDE). OpenJDK, including documentation and libraries, and including the language’s application

programming interfaces (APIs) was made freely available as open source software. Although the information was freely available to developers, Oracle also licensed JSE, a more complete and mature version of Java, as non-open-source software. Google used the freely available information, including Java APIs, to develop its Android operating system, and used a clean room to build its own version of JSE for its mobile device platform, according to Wikipedia. (In intellectual property parlance, a [clean room](#) is used to segregate a development team from all competitor trade secrets and know-how, and thus insure that the technology is independently developed and not subject to license or royalty obligations.) According to Wikipedia, “37 API calls and around 11,500 lines of code deemed central to Java were taken from Apache Harmony, an open-source clean room Java implementation developed by the Apache Software Foundation (ASF). Prior to this, the ASF had tried to obtain necessary licenses from Sun to support the Harmony project [so] as to call it an official Java implementation.” However, this attempt was unsuccessful, primarily due to license incompatibilities.

Lest one think that Google was engaged in wholesale copying of Java, the 11,500 lines of code are a small fraction of the *over three million* lines of code in Java.

Oracle sued Google for copyright and patent violations in the CAND. The Court ruled in May 2012 that Google had not infringed the Java patents and also said that APIs were not copyrightable. Oracle appealed that decision to the CAFC, which ruled partially in favor of Oracle on the copyrightability issue and remanded the issue of copyrightability and fair use to the CAND.

The [fair use doctrine](#) has been part of U.S. copyright law for a long time and was expressly incorporated into the 1976 Copyright Act. Under that act, a judge may excuse unauthorized use that may otherwise be infringing. The Copyright Act of 1976 included four factors to guide judges in making determinations of fair use:

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 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.

(Follow along, readers. This will be on the test.)

The case was then subject to a second jury trial at the CAND on the issue of fair use, and the jury ruled in favor of Google (again) in May 2016, citing Google’s use of Java APIs as within the scope of fair use. Oracle understandably—they had claimed damages of \$8.8 billion—appealed the decision to the CAFC.

In May 2018, the CAFC ruled for Oracle and remanded the case to the CAND for determination of damages. This recent CAFC ruling is controversial, hailed by some as protecting the property rights of intellectual property owners and simultaneously decried as Armageddon for developers using APIs.

Courts, on the issue of fair use, often give more weight to factors one and four, as did the CAFC. Regarding factor one and commercialization, the CAFC ruled that, although Google may have had non-commercial motives for its use of Java APIs and that even though its revenues stemmed from ad revenues, primarily, a direct economic benefit was not required to demonstrate commercial use. It also said that Google’s use of the APIs was not *de minimus* and not transformative. As for factor four, and despite Oracle’s having been a non-starter in the mobile device space, the Court said: “*Given the record evidence of actual and potential harm, we conclude that “unrestricted and widespread conduct of the sort engaged in by” Google would result in “a substantially adverse impact on the potential market for the original” and its derivatives.*”

Impact

As for Google, in 2016, Google released a new Android Runtime environment that avoided the issues that resulted in this lawsuit. However, the rulings in this case, unless overturned on appeal, may have significant impact on software development.

In particular, many other software developers have relied on open-source software to develop their own software. The present ruling means that some may either have to pay licensing fees for certain software or may need to develop their own substitute software from scratch. Some predict that this may have a chilling effect on the speed of software innovation. C. Mills, “[Google Has Lost Its Billion-Dollar Legal Fight with Oracle, but Everybody Will Pay the Price,](#)” In fact, Mozilla’s amicus brief in the present case argued, “In order for open source to thrive, programmers need to reuse and reimplement existing ... APIs...-the technical standards according to which computer programs interoperate with each other. Without such

interoperability, open source programs lose much of their value as creative and competitive alternatives to proprietary... programs.” *Id.* (quoting from Mozilla’s amicus brief)

This may have a particularly chilling effect on software development by small companies that may not have the muscle to fight over licensing terms or the means to pay large licensing fees. And again, it may result in software developers who have relied upon open source software to go back and re-develop at least portions of their software so as to avoid potential copyright issues due to components such as APIs having been copied into the open source software that they utilized.

What Next?

Google may either appeal to the U.S. Supreme Court or request a rehearing *en banc* before the full CAFC. Until this dispute is ultimately settled, developers of APIs may wish to file for copyright protection of their own work. And developers using APIs originated by others should take care to remain within the scope of fair use or should make an effort to negotiate a license with the original developer.