New York Law Journal
SERVING THE BENCH AND BAR SINCE 1888
WWW.NYLJ.COM
An ALM Publication
VOLUME 263—NO. 47
WEDNESDAY, MARCH 11, 2020

INTELLECTUAL PROPERTY LITIGATION

Expert Analysis

SCOTUS and Ninth Circuit Set To Weigh In on Fair Use

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The "fair use" defense shields the unauthorized use of a copyrighted work from infringement liability in certain circumstances. This term, the Supreme Court may decide whether Google's copying of portions of Oracle's Java platform for use in Google's Android operating system was a fair use, see *Google v. Oracle America*, No. 18-956, and, separately, the Ninth Circuit will consider whether the use of illustrations from Dr. Seuss's *Oh, the Places You'll Go!* in a comic mash-up with *Star Trek* was a fair use, see *Dr. Seuss Enterprises v. ComicMix*, No. 19-55348 (9th Cir.). We report here on these cases.

The Copyright Act

The Copyright Act provides that "the fair use of a copyrighted work … for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright." 17 U.S.C. §107.

Section 107 provides four nonexclusive factors to be considered by courts:

> (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.

'Google v. Oracle'

Oracle's Java platform is used to write and run programs in the Java programming language. The platform includes the Java Application Programming Interface (API), a collection of prewritten programs that "allow programmers to use the prewritten code to build certain functions into their own programs rather than write their own code." *Oracle Am. v. Google*, 886 F.3d 1179, 1186 (Fed. Cir. 2018). To include a particular function, a programmer uses "declaring code." Id. "Implementing code" is then used to carry out the declared function. Id.

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Google owns the Android software platform and provides it free of charge to smartphone

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manufacturers for use as an operating system on smartphones. To develop Android, Google wrote its own implementing code but copied verbatim the declaring code of 37 Java API packages, amounting to 11,500 lines of Oracle's copyrighted code, and also copied the structure, sequence, and organization (SSO) of the Java API packages. Id. at 1187.

After a federal jury found that Google infringed Oracle's copyrights but not its patents, the Federal Circuit held copyrightable the declaring code and SSO of the Java API packages. On remand, a jury found that Google's copying was fair use. On appeal, applying the law of the Ninth Circuit and considering the four statutory fair-use factors, the Federal Circuit concluded that "Google's copying was not fair use as a matter of law." Id. at 1191.

The first factor has two primary components: (1) whether the use is commercial in nature and (2) whether the new work is transformative. The court concluded that Google's use of the API packages was "overwhelmingly commercial," explaining that "the fact that Android is free of charge does not make Google's use of the Java API packages noncommercial" and that it is "irrelevant as a matter of law" that Google might also have non-commercial motives. Id. at 1197, 1198. Although Google's revenue flowed from advertisements, according to the court, "commerciality does not depend on how Google earns its money." Id. at 1198.

As to transformativeness, the court explained that "the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against" fair use. Id. Rejecting Google's argument that the use was transformative because Google "selectively used the declarations and SSO of only 37 of the 166" API packages, the court explained that "taking only select passages of a copyrighted work, is, by itself, not transformative." Id. at 1200. The court was unpersuaded by Google's having written its own implementing code, explaining that "[t]he relevant question is whether Google altered 'the *expressive content or message* of the original work' that it copied." Id. at 1201. According to the court, "there is no suggestion that the new implementing code somehow changed the expression or message of the declaring code." Id.

In addressing the second statutory factor—the nature of the copyrighted work—the Federal Circuit held that "[a]lthough it is clear that the 37 API packages at issue involved some level of creativity … reasonable jurors could have concluded the functional considerations were both substantial and important." Id. at 1205. Although factor two favored fair use, the court explained that the "Ninth Circuit has recognized" that the "second factor 'typically has not been terribly significant in the overall fair use balancing.'" Id.

The third factor "looks to the quantitative amount and qualitative value of the original work used in relation to the justification for its use." *Id.* The court found that this factor is "at best, neutral" and "arguably weighs against" fair use because Google copied 11,330 lines more than necessary to write in the Java language, and "no reasonable jury could conclude that what was copied was qualitatively insignificant." Id. at 1206-07.

Under factor four, which "reflects the idea that fair use 'is limited to copying by others which does not materially impair the marketability of the work which is copied'" the court held that evidence of actual and potential harm was "overwhelming" and there was "substantial evidence that Android was used as a substitute for Java SE and had a direct market impact." Id. at 1207, 1209.

Balancing the four factors, the Federal Circuit concluded 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. at 1210.

The court granted Google's

petition for certiorari on both fair use and the copyrightability of the declaring code and SSO of the API packages. Google argues that "Google's reuse of the declarations was consistent with the overarching purpose of the fair-use doctrine: avoiding the rigid application of copyright that would stifle creativity." Google Br. at 15-16. Oracle, in response, argues that "[i]f Google had taken 11,330 topic sentences from an encyclopedia or the entire structure of a treatise to compete with the original, Google could not credibly argue that what it took was devoid of copyright protection or fair to copy. Software is no different." Oracle Br. at 1-2. Oral argument is scheduled for March 24.

'Dr. Seuss v. ComicMix'

Dr. Seuss owns the copyright to the book *Oh, the Places You'll Go!* ("*Go!*"). ComicMix created a comic mash-up of Star Trek and *Go!* titled *Oh, the Places You'll Boldly Go!* ("*Boldly*") containing illustrations that were "slavishly cop[ied]" from *Go!* but that used Star Trek characters in place of the original Dr. Seuss characters. *Dr. Seuss Enters. v. ComicMix*, 372 F. Supp. 3d 1101, 1108 (S.D. Cal. 2019). Dr. Seuss sued ComicMix for copyright and trademark infringement. The district court granted ComicMix's motion for summary judgment of fair use.

The court concluded that statutory factor one weighs in favor of fair use, explaining that *Boldly* is "highly transformative" because "[a]lthough Defendants certainly borrowed from *Go!*—at times liberally—the elements borrowed were always adapted or transformed." Id. at 1115. Notably, the court distinguished the case from *Google*, stating that there "the Defendants copied the 37 SE API packages wholesale" whereas "the copied elements [in *Boldly*] are always interspersed with original writing and illustrations that transform *Go!*'s pages into repurposed, *Star-Trek*-centric ones." Id. The court also explained that, given "the transformative nature of the work," that *Boldly* was "created … for profit" weighs only "slight[ly]" against ComicMix. Id. at 1111, 1115.

The court held that factor two "only slightly" favored Dr. Seuss because "there is no dispute that the Copyrighted Works are highly creative but have also been long and widely published." Id. at 1116. As to factor three, again departing from *Google*, the court concluded that "Defendants took no more from the Copyrighted Works than was necessary for Defendants' purposes" because although "Defendants took discrete elements of the Copyrighted Works," such as "object placements" and "certain distinctive facial features," "Defendants ultimately did not use" Dr. Seuss's "words, his character, or his universe." Id. at 1118.

The court held that factor four "favors neither party" because "*Boldly* does not substitute for the original and serves a different market function than *Go!*" and its "market relies on consumers who have already read and greatly appreciated *Go!* and Dr. Seuss's other works." Id. at 1119, 1122, 1125. "On balance," concluded the court, the factors favored fair use. Id. at 1125.

On appeal, Dr. Seuss argues that "[p]opulating Dr. Seuss's imaginative illustrated world[']s settings with *Star Trek* characters and props, and adding some Seuss-like doggerel did not result in any transformation favored by the Copyright Act; it simply infringed two different copyright holders' rights." 2019 WL 3816473, at *19. ComicMix, on the other hand, argues that *Boldly* "is a playful mashup of elements from the original *Star Trek* series and from several Seuss Books, creatively combined to new ends. Its bright colors and comic surfaces are laced with parodic commentary on *Go!*." 2019 WL 5149913, at *19. Oral argument is scheduled for April 1.

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