GlaserWeil

Intellectual Property Insights

July 21, 2015

The “Oracle” Predicts It: Supreme Court Declines to Hear Landmark Software Copyright Case

Tags: **35 u.s.c. § 101**, **computer software**, **copyright & idea theft**, **copyright infringement**, **eligibility of software for copyright protection**, **fair use doctrine**, **google inc v oracle america inc**, **intellectual property**, **merger doctrine**, **oracle america inc v. google inc**, **patent infringement**, **scenes a fair doctrine**, **trade secret & unfair competition**, **us supreme court**, **write of certiorari; supreme court**

By: Jessica Mendelson

The U.S. Supreme Court declined to grant certiorari in the case of *Google, Inc. v. Oracle America, Inc.*, a closely watched case regarding the eligibility of software for copyright protection. The Supreme Court’s decision leaves in place the Federal Circuit’s landmark 2014 ruling, which held that Oracle was entitled to copyright protection for its application programming interfaces (“APIs”), which are “preset blocks of code that help developers write in Oracle’s popular Java programming language.”

The Google/Oracle Copyright Dispute

Oracle first sued Google in 2010 in the U.S. District Court for the Northern District of California, alleging both copyright and patent infringement. In May of 2012, a jury found Google was not liable for patent infringement. The following month, Judge William Alsup held the APIs were not copyrightable, because the code was merely functional.

Oracle subsequently appealed the case to the Federal Circuit. On May 9, 2014, the Federal Circuit held Oracle was entitled to copyright protection for the APIs, because they were “original” and “creative” works, and could have been “written and organized in any number of ways and still have achieved the same functions.” The court found that the fact that the code was functional did not bar the APIs from protection.

Furthermore, the Court found that neither the merger doctrine nor *scenes a faire* applied, as both were defenses to infringement, not bars to copyrightability. Under the merger doctrine, when there are a limited number of ways to express an idea, the idea and expression merge, and the expression becomes unprotectable. Here, however, the court found Oracle had unlimited options as to the arrangement of the copied code, and thus, the expression could be protected. Under the *scenes a fair doctrine*, expressive elements of a work are not entitled to protection if they are standard, stock or common. Google argued that the APIs were *scenes a faire* because they were widely accepted within the computer industry. However, the court disagreed: even if the groupings for the API packages were common at the time Google copied them, these groupings were not common at the time of creation, and as a result, could not be considered unprotectable *scenes a faire*.

The Federal Circuit ultimately remanded the case to the district court for a decision as to whether Google's use of the copyrighted APIs was fair use. Before the district court could hear the case, however, Google appealed to the Supreme Court.

The Supreme Court ultimately declined to hear the case. As is the custom, no rationale was given for this decision. The case will now be sent back to the district court for additional proceedings. Among the issues likely to be discussed on remand is whether the fair use doctrine protects the use of Oracle's protected APIs.

Software and Intellectual Property

The issue of intellectual property protection for software has been a key issue in the United States since the Supreme Court's decision last year in *Alice Corp. v. CLS Bank*, which limited patent eligibility under 35 U.S.C. § 101. Following the *Alice* decision, the Federal Circuit and the district courts have repeatedly invalidated computer software patents, requiring software developers to use other methods to protect their intellectual property. As a result of the *Alice* decision, experts speculated that future intellectual property protection for software would likely come in the form of both copyright and trade secret protection.

The Federal Circuit's decision in *Oracle America, Inc. v. Google Inc*., followed by the Supreme Court's subsequent refusal to hear the case on appeal, seems to confirm such speculation. The *Oracle* decision shows that software can be copyrightable, and can offer software owners some protection against infringement. Software owners and legal practitioners should note, however, that there are key distinctions between patent and copyright protection. A copyright is far easier to obtain than a patent. However, unlike a patent, copyright protects only the expression (the source code actually created), rather than the invention itself. Furthermore, proving copyright infringement requires a showing of access and actual copying, unlike patent infringement, which can occur even if the defendant was unaware of the preexisting invention.

Another alternative is for companies to rely on trade secret law to protect software. A trade secret maintains its value based on the secrecy of the information, and as such, a software owner would have to be vigilant about maintain the secrecy of the software, through non-disclosure agreements and limiting the availability of the technology. No registration is required, however the software owner must be careful to avoid disclosure to prevent loss of value.

In the wake of the *Alice* and *Oracle* decisions, both trade secrets and copyright protection will likely be used to protect computer software. We will continue to keep you apprised of future intellectual property developments in the software field.

Edited by Mieke Malmberg, Partner Glaser Weil LLP
