

United States District Court
For the Northern District of California

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

ORACLE AMERICA, INC.,

Plaintiff,

No. C 10-03561 WHA

v.

GOOGLE INC.,

Defendant.

**MEMORANDUM OPINION RE
GOOGLE’S MOTION *IN LIMINE* NO. 2
REGARDING NEW PRODUCTS**

INTRODUCTION

In this copyright infringement action, the accused infringer seeks to exclude evidence relating to new implementations of its software platform that are not accused herein. The final pretrial order **GRANTED** defendant Google Inc.’s motion and ruled that evidence regarding Android Wear, Android Auto, Android TV, and Brillo would be excluded from the forthcoming trial. Now this memorandum explains the reasoning for that decision.

STATEMENT

Plaintiff Oracle America, Inc., commenced this action against defendant Google Inc. in 2010, asserting claims that certain versions of Google’s Android operating system infringed its copyrights in Java 2 Standard Edition versions 1.4 and 5.0. The case proceeded to trial and the jury found that Google infringed Oracle’s copyrights but did not infringe its patents. The jury deadlocked on Google’s fair use defense. The undersigned granted Google’s motion for judgment as a matter of law, holding that the declaring code and the SSO of the 37 API packages were not entitled to copyright protection. The Court of Appeals for the Federal

1 Circuit reversed and remanded the case for further proceedings regarding Google’s fair use
2 defense and Oracle’s damages.

3 During the pendency of the appeal, Google’s Android business expanded significantly.
4 Not only did Android gain more users, applications, and developers, but it also released
5 modified implementations and derivatives of Android for use in numerous device categories,
6 including wearable devices with small screens (Android Wear), dashboard interfaces in cars
7 (Android Auto), television sets (Android TV), and everyday devices with Internet connectivity,
8 such as household appliances or medical sensors, that comprise the so-called “Internet of
9 Things” (Brillo).

10 Google now moves to exclude evidence of Android Auto, Android TV, Android Wear,
11 and Brillo from the trial on remand, which will evaluate Google’s fair use defense and, failing
12 that, Oracle’s remedies. This order follows full briefing and oral argument.

13 ANALYSIS

14 When this case returned on remand, Oracle sought to file a supplemental complaint for
15 the limited purpose of adding allegations concerning market harm and damages resulting from
16 new versions of Android released in the time since the first trial. Oracle’s supplemental
17 complaint, which Google did not oppose, alleged, *inter alia*, that Google had launched new
18 versions of Android for phones and tablets and expanded Android’s adoption into new device
19 categories such as wearable devices, televisions, automobiles, and household appliances (Supp.
20 Compl. ¶¶ 5–9).

21 After the parties served their initial expert reports, Google moved to strike references in
22 Oracle’s expert reports to additional versions of the Java platform that Oracle had not addressed
23 in any of the operative pleadings. After a hearing on that motion, the Court ruled that this case
24 would proceed only with the versions of Java SE and Android addressed in the first trial plus
25 the Gingerbread, Honeycomb, Ice Cream Sandwich, Jelly Bean, KitKat, and Lollipop versions
26 of Android that had been released since the first trial, which Google had agreed would be
27 subject to the prior jury’s adverse finding of infringement and which Oracle identified in its
28 supplemental complaint. (The parties later stipulated to add the Marshmallow version of

1 Android, which Google released after Oracle filed its supplemental complaint.) The order on
2 Google’s motion to strike expressly held, “[a]mong possibly others, our trial will *not* include
3 implementations of Android in Android TV, Android Auto, Android Wear, or Brillo.
4 Nevertheless, if Oracle prevails at the trial and if an injunction is warranted, the equitable
5 remedy might extend beyond the versions expressly in play in the trial pursuant to the ordinary
6 scope of equitable relief” (Dkt. No. 1479 at 2).

7 In light of the prior order on the new implementations of Android, Google’s second
8 motion *in limine* seeks to exclude evidence of Android TV, Android Auto, Android Wear, and
9 Brillo, as well as expert testimony about those products. Oracle contends that evidence of those
10 products is relevant to the first fair use factor, which considers “the purpose and character of the
11 use.” 17 U.S.C. 107(1). Specifically, Oracle contends that Google’s use of Android in new
12 product categories in which Oracle already licensed derivatives of the copyrighted works
13 demonstrates that Android was not a transformative use of the declaring code and SSO of the
14 37 API packages under the first fair use factor because it served the same function as Oracle’s
15 derivative works. Oracle also contends that evidence of the new products is relevant to the
16 fourth fair use factor, which considers “the effect of the use upon the potential market for or
17 value of the copyrighted work,” because Oracle allegedly lost licensing revenue in those
18 markets due to competition from Android. 17 U.S.C. 107(4).

19 Thus, Oracle argues, if it is unable to present evidence of Google’s entrance into new
20 product markets, the jury may overestimate the transformative nature of Android and
21 underestimate the effect of Android on the market for Oracle’s copyrighted works. Not so.

22 The issue in the first phase of this limited retrial is whether Google’s use of 37 API
23 packages from Java 2 SE 1.4 and 5.0 in its implementations of Android in phones and tablets
24 constituted a fair use. There has been no determination that the implementations of Android in
25 other product categories infringe, and the jury will not be asked to consider that question in our
26 trial. Similarly, there will be no analysis of whether those new implementations constituted fair
27 use (assuming they infringe). The market effect attributable to works that are not the subject of
28 this action is irrelevant to the fair use analysis of the accused works. Similarly, any evidence

1 that the new implementations of Android superseded the copyrighted works (thus undermining
2 transformativeness) has no bearing on whether the accused works superseded the copyrighted
3 works.

4 Oracle cites *Frank Music Corp. v. Metro-Goldwyn Mayer, Inc.*, 772 F.2d 505, 510
5 (9th Cir. 1985), for the position that the fourth fair use factor may consider “the consequence
6 of Google’s infringement, regardless of whether Android Auto, TV, or Wear infringe[.]”
7 (Pl.’s Opp. to Def.’s MIL No. 2 at 7). There, the accused infringer used the copyright owner’s
8 music in a ten-act revue but later removed the infringing act from the show. The accused
9 infringer saw no decrease in revenue after removing the infringing act and thus contended its
10 profits could not be attributable to the infringement. *Frank Music* held that the fact that the
11 infringing act could be omitted without appreciable effect did not establish that the act was
12 unimportant to the interest in the revue.

13 *Frank Music* did not involve fair use at all. Nor did it concern the copyright owner’s
14 actual damages. It concerned disgorgement of the accused infringer’s profits attributable to the
15 infringement. Here, Oracle seeks to introduce *de novo* evidence of harm in an entirely different
16 set of product markets where there has been no determination that it suffered any harm in those
17 markets due to the original implementations of Android at issue in this action. Neither *Frank*
18 *Music* nor the plain language of Section 107 can be read to reach that far.

19 Oracle also cites Judge Richard Posner’s decision in *Bucklew v. Hawkins, Ash Baptie &*
20 *Co., LLP*, 329 F.3d 923, 933 (7th Cir. 2003), for the position that the calculation of the harm
21 attributable to the infringement “will sometimes require tracing those profits into another
22 [non-infringing] product.” Like *Frank Music*, *Bucklew* concerned disgorgement, not fair use.
23 Moreover, the tracing contemplated in *Bucklew* is not analogous to our case. In *Bucklew*,
24 Judge Posner offered the example of an accused infringer that offered a verbatim copy of a book
25 for free to anyone who paid \$25 for a bookmark with a market value of fifty cents. In such a
26 case, he noted, there may be a need to determine whether an accused infringer had shifted his
27 profits to sales of a separate noninfringing product. Here, there is no indication that Google
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1 launched its new products in an attempt to conceal the harm its initial Android products caused
2 to the potential markets for Java 2 SE 1.4 and 5.0. Thus, *Bucklew* offers Oracle no support.

3 Oracle contends that it could demonstrate that the implementations of Android in these
4 new products also include the 37 API packages at issue in a three to five page motion for
5 summary judgment, so their inclusion in this case will not require a mini-trial. Oracle will be
6 free to sue on these new products in the future, but for now we already have a long list of
7 infringing products to impose on our jury and a line must be drawn somewhere to cabin
8 the universe under consideration. At all events, those new products remain irrelevant to
9 consideration of whether Google's initial implementation of the declaring code and SSO of the
10 37 API packages constituted a fair use. Oracle also contends that it would be odd to require it
11 to present evidence of potential harm in the markets occupied by these new products regarding
12 the fourth fair use factor when it has evidence of actual harm. The strangeness of such evidence
13 does not result from the exclusion of these implementations of Android, but rather from
14 Oracle's attempt to draw in attenuated examples of market harm in product categories
15 unaffected by the works accused herein. Thus, limiting Oracle's contentions of harm in those
16 markets to the effect of copying like Google's "if it should become widespread" is appropriate.
17 *See Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 451 (1984).


18 Google also may not refer to those implementations of Android or otherwise argue for
19 the inference that the use of the declaring code and SSO of the 37 API packages was
20 transformative because of the potential to reach those product categories.

21 Oracle will be free to sue on those new products in a future trial after they have been
22 shown to infringe.

23 **CONCLUSION**

24 For the reasons stated above, the final pretrial order **GRANTED** Google's motion to
25 exclude any evidence or expert testimony relating to Android Wear, Android Auto, Android
26 TV, Brillo, or any other new implementations of Android in devices other than phones or
27 tablets.

28 Dated: May 2, 2016.


WILLIAM ALSUP
UNITED STATES DISTRICT JUDGE