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Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

Defense Strategies In Billion-Dollar Software Copyright Cases

By **Mark Schonfeld and Brooke Penrose**

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Mark Schonfeld

Brooke Penrose

In recent years, software developers and their attorneys have struggled to determine which form of intellectual property protection is best to protect their software. Patent protection was considered the most effective method of protection until the U.S. Supreme Court issued its 2014 ruling in Alice Corp. Pty. V. CLS Bank International, which substantially limited the patentability of software. Alice excluded from patent eligibility "abstract ideas" that are implemented using a computer. As a result, many software patents have been invalidated because they fail the test prescribed by Alice.

The limited availability of patent protection has led to a resurgence in using copyright law to protect software programs. Two recent high-profile software copyright infringement cases illustrate how much is at stake. In Cisco Systems Inc. v. Arista Networks Inc. and Oracle America Inc. v. Google Inc., the defendants avoided huge damages awards by asserting the defenses of scènes à faire and fair use, respectively. How do these two defenses compare as part of a strategy to protect the rights of software developers, and how can they be used by both plaintiffs and defendants in software infringement cases?

The Defenses of Fair Use and Scènes à Faire

The doctrine of scènes à faire has traditionally been used to distinguish protectable expression from common elements that are necessary to convey an idea. The phrase "scènes à faire" literally means "things that must be done." The defense does not allow copyright protection for expressions that are standard, common or stock to a particular topic. In the software context, the scènes à faire defense is generally used to preclude copyright protection for elements that are dictated by external factors, such as industry best practices, hardware standards, software standards and computer industry programming practices.

In a similar vein, the defense of fair use attempts to strike a balance between the needs of copyright owners to enjoy certain rights to control the use of their works with the needs of subsequent users to reference earlier works in order to produce their own creative expression. The defense requires four factors be weighed: (1) the purpose and character of the infringing use, (2) the nature of the infringed work, (3) the amount and substantiality of the portion of the work used, and (4) the effect on the potential market or value of the infringed work. The transformative use of a small, insignificant portion

of a factual work for an educational purpose that has no effect on the copyright owner's market tends to weigh in favor of finding the use "fair," while wholesale copying of large portions of a highly creative work for commercial purposes that harms the value of the copyrighted work weighs against finding fair use.

Cisco's Software Copyright Case Against Arista

In December 2014, Cisco brought suit against Arista for violating Cisco's copyrighted groups of command line interfaces (CLIs) and related hierarchies through Arista's development of its Nexus switches. After a 10-day trial, the jury was left to determine whether Cisco's CLI compilations were copyrightable and whether they were infringed by Arista. In addition, the jury was asked to consider several affirmative defenses put forth by Arista, including fair use and scènes à faire. The jury decided on Dec. 14, 2016, that Arista was not liable for infringement because of the defense of scènes à faire.

The Cisco v. Arista trial began only months after Oracle's multi-billion dollar loss at trial for its copyright infringement claims against fellow software giant, Google. Oracle claimed that Google had infringed its Java application program interface (API) packages through Google's use in its Android platform. This trial was the result of the Federal Circuit's previous finding that the Java API packages were copyrightable and remanding on the issue of fair use. The jury was persuaded by Google's arguments that its use of Oracle's Java API packages constituted fair use.

Google had also tried to raise the scènes à faire defense, arguing that that the infringed Java API packages were so frequently grouped by others in the same manner as Google's grouping, which evidenced that the groupings were driven by external factors, such as programmer custom and comfort. In affirming the trial court's finding that Google had failed to sufficiently support its scènes à faire defense, the Federal Circuit clarified that the assessment of a software scènes à faire defense must focus on whether external factors dictated the original creator's choices at the time of creation; scènes à faire should not turn on the circumstances faced by the alleged infringer.

In presenting their respective positions on the applicability of scènes à faire to Cisco's organization of CLIs, Cisco and Arista focused on whether the Cisco's creation and organization of the CLIs were motivated primarily by Cisco's own creativity or by noncreative considerations — such as industry-accepted technical standards.

The jury found that even though Arista had infringed at least some of Cisco's copyrightable content, Arista was not liable because the content fell under the scènes à faire doctrine. Apparently following the Federal Circuit's guidance on scènes à faire in Oracle v. Google, the court instructed the jury that: "The scènes à faire doctrine depends on the circumstances presented to the creator at the time of creation, not the circumstances presented to the copier at the time it copied."

Lessons Learned

What can be learned from both of these cases about how scènes à faire and fair use can be used to mount a successful defense strategy in copyright infringement cases?

- The use of a well-thought-out analogy to explain these defenses can be extremely effective in persuading a jury. Defense counsel in both cases used everyday consumer experiences to illustrate fair use and scènes à faire to the jury. Arista analogized its use of CLI labels to remote controls for a TV set to explain its scènes à faire defense to the jury noting that its use of nearly

identical CLIs was acceptable for the same reason that television manufacturers tended to use nearly identical industry standard remote control labels (e.g.,,“on,” “off,” “mute,” etc.). A similar technique was used by Google to compare the organization of APIs to a grocery store where the organization was fairly predictable (e.g., “if you want sugar, you go to the baking aisle.”).

- Juries are sympathetic to the fair use defense when there is a record of the plaintiff’s longtime tolerance of the defendant’s product. Google, in particular, highlighted public and private congratulations extended to Google by Sun, Oracle’s predecessor-in-interest, for Java. These compliments were effectively used to suggest that Google’s actions were blessed by the “true” creators of Java.

- Defense counsel should emphasize the way the defendant’s infringing use benefits society when putting forth a fair use defense. Google effectively used this strategy to stress how its use of Java enabled it to build Android as an open-source platform.

- Understand whether the jurisdiction you are in treats scènes à faire as an affirmative defense or as an attack on copyrightability. The difference can be crucial. If it is an affirmative defense, it must be pleaded by the defendant in the answer or it can be deemed waived. Moreover, the defendant has the burden of proving the affirmative defense.

- In attacking an affirmative copyright defense, it is critical that plaintiff’s counsel carefully define for the jury exactly what the work at issue is. Fair use and scènes à faire are dependent on the scope of the works infringed. Arista successfully focused the jury on individual CLIs despite instructions that the copyrighted works at issue were the compilations of CLIs.

- The pervasiveness of the use of the plaintiff’s software within an industry, particularly if the plaintiff actively promotes its software as an “industry standard,” tends to strengthen the defenses of fair use or scènes à faire. Arista’s counsel challenged Cisco’s creativity in creating its software by pointing to Cisco’s own internal guidelines which instructed its designers to use CLIs familiar to the industry. Similarly, Google used the popularity and widespread adoption of Java to undermine the level of copyright protection Oracle should be entitled to.

- Arguing creativity is important to the scenes a faire defense. During closing arguments, Arista’s lawyer Robert Van Nest described Cisco’s CLI as using simple, uncreative phrases. He called the Cisco commands unoriginal and noted that they were based on 40-year-old technology from older systems. By finding in favor of a scènes à faire defense, the jury has shown that those arguments, questioning the creativity behind CLI, had a strong effect.

Next Steps

The cases of Oracle v. Google and Cisco v. Arista are far from over. The Northern District of California heard motions for judgment as a matter of law in the Cisco v. Arista case on April 27, 2017. In Oracle v. Google, Oracle argued to the Federal Circuit that no reasonable jury could have found fair use in light of Google’s commercial use, the “highly creative” nature of the APIs, and that Oracle was severely harmed by Google’s copying. Google responded by contending that the jury’s verdict on fair use should stand because the jury had sufficient evidence to find that Google’s copying was fair use and the jury’s conclusion was reasonable. These upcoming district court and appellate rulings will hopefully provide

more clarification on the viability of the scènes à faire and fair use defenses in software infringement cases.

Mark Schonfeld is a partner and Brooke Penrose is an associate at Burns & Levinson LLP in Boston.