No. 21-1542

United States Court of Appeals for the Federal Circuit

SAS INSTITUTE INC.,

Plaintiff-Appellant,

v.

WORLD PROGRAMMING LIMITED,

Defendant-Appellee.

Appeal from the United States District Court for the Eastern District of Texas in No. 2:18-cv-00295-JRG, Chief Judge J. Rodney Gilstrap.

AMICUS CURIAE BRIEF OF RALPH OMAN, FORMER REGISTER OF COPYRIGHTS, IN SUPPORT OF APPELLANT SAS INSTITUTE INC.

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May 21, 2021

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CERTIFICATE OF INTEREST

Case Number 21-1542

Short Case Caption *SAS Institute Inc. v. World Programming Limited*

Filing Party/Entity Ralph Oman, *Amicus Curiae*

I certify the following information is accurate and complete to the best of my knowledge.

Date: May 21, 2021 Signature: */s/ Sarang Vijay Damle*
Name: Sarang Vijay Damle

1. Represented Entities. Provide the full names of all entities represented by undersigned counsel in this case.

Ralph Oman.

2. Real Party in Interest. Provide the full names of all real parties in interest for the entities. Do not list the real parties if they are the same as the entities.

None.

3. Parent Corporations and Stockholders. Provide the full names of all parent corporations for the entities and all publicly held companies that own 10% or more stock in the entities.

None.

4. **Legal Representatives.** List all law firms, partners, and associates that (a) appeared for the entities in the originating court or agency or (b) are expected to appear in this court for the entities. Do not include those who have already entered an appearance in this court. Fed. Cir. R. 47.4(a)(4).

None.

5. Related Cases. Provide the case titles and numbers of any case known to be pending in this court or any other court or agency that will directly affect or

be directly affected by this court's decision in the pending appeal. Do not include the originating case number(s) for this case. Fed. Cir. R. 47.4(a)(5). See also Fed. Cir. R. 47.5(b).

None.

6. Organizational Victims and Bankruptcy Cases. Provide any information required under Fed. R. App. P. 26.1(b) (organizational victims in criminal cases) and 26.1(c) (bankruptcy case debtors and trustees). Fed. Cir. R. 47.4(a)(6).

None.

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Page(s)

CASES

Page(s)

STATUTES AND LEGISLATIVE HISTORY

OTHER AUTHORITIES

Page(s)

INTEREST OF *AMICUS CURIAE*[1]

Amicus curiae Ralph Oman served as the U.S. Register of Copyrights from 1985 to 1993, and is currently the Pravel, Hewitt, Kimball, and Kreiger Professorial Lecturer in Intellectual Property and Patent Law at the George Washington University Law School. As Register, he advised Congress on copyright policy and testified more than forty times on proposed copyright legislation and treaties and on the state of the U.S. Copyright Office. He was personally involved in the final stages of drafting the Copyright Act of 1976.

Mr. Oman has a particular interest in the copyright treatment of computer programs. During his tenure as Register, Mr. Oman helped begin the transition of U.S. copyright law to the digital age, and he was part of the government team that convinced the international community to protect computer software as a literary work under national copyright laws. Given his prior role in the development of U.S. copyright law, Mr. Oman thus has a direct interest in the proper resolution of the issues presented by this case.

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[1] No party's counsel authored this brief in whole or in part, and no one made a monetary contribution intended to fund the preparation or submission of this brief. All parties have consented to the filing of this brief.

INTRODUCTION AND SUMMARY OF ARGUMENT

This appeal implicates two fundamental principles of our copyright regime. *First*, Congress in the Copyright Act afforded computer programs the same level of protection as novels, poems, film scripts, or any other type of literary work. That judgment followed the recommendation of the National Commission on New Technological Uses of Copyrighted Works ("CONTU"), which had emphasized that a computer program is created like "most copyrighted works, by placing symbols in a medium" and "[i]n this respect, it is the same as a novel, poem, play, musical score, blueprint, advertisement, or telephone directory." *Final Report of the National Commission on New Technological Uses of Copyrighted Works, July 31, 1978* at 15 (1979), http://digital-law-online.info/CONTU/PDF/index.html ("CONTU Report").

For example, just as protection for a novel extends to both its literal elements (*e.g.*, the actual prose) and its non-literal elements (*e.g.*, its overall plot or structure), copyright protection for a computer program extends not just to the source code written by the programmer, but also to "its structure, sequence, organization, user interface, screen displays, and menu structures." *Gen. Universal Sys., Inc. v. Lee*, 379 F.3d 131, 142 (5th Cir. 2004).

Second, under the Copyright Act, registration of a work by the Register of Copyrights "constitute[s] prima facie evidence of the validity of the copyright and of the facts stated in the certificate." 17 U.S.C. § 410(c). This presumption of

validity means that a plaintiff "should not ordinarily be forced in the first instance to prove all of the multitude of facts that underline the validity of the copyright." H.R. Rep. No. 94-1476, at 157 (1976), 1976 U.S.C.C.A.N. 5659, 5773. And because the presumption extends to "the originality of the[] [registered] work," a defendant wishing to attack that presumption must provide specific evidence to the contrary. *Boisson v. Banian, Ltd.*, 273 F.3d 262, 268 (2d Cir. 2001).

In deciding—with just a few sentences of analysis—that SAS had not carried what the district court believed was its burden to prove the copyrightability of the relevant elements of the SAS System, the district court's decision failed to properly apply either of these principles. Given the presumption of validity, the district court should have started with the premise that SAS's computer program *as a whole* was copyrightable—and required WPL to explain why those portions of the registered work that WPL had copied were not protectable. Instead, the district court found that because WPL had identified some quantum of "material *within* the copyrighted work [that] was unprotectable," the burden shifted back to SAS to show that the remaining elements *were* protectable. Appx16 (emphasis added). That was legal error.

Moreover, this error appears to stem from the district court's belief that computer programs are entitled to lesser protection than other literary works. *See, e.g.*, Appx6 ("It is settled law that, *to at least to some extent*, software is entitled to

copyright protection" (emphasis added)). The district court never would have treated a novel in the same manner—concluding, for instance, that because some elements of a novel's plot were unoriginal, a plagiarist was entitled to copy the entire work unless the copyright holder could show that all remaining aspects of the novel were original. The district court's computer-program-specific approach cannot be squared with Congress's policy judgment that computer programs be granted full copyright protections, just like any other literary work.

Because the district court's copyrightability decision violated these fundamental principles, this Court should vacate that decision and remand.

ARGUMENT

THE DISTRICT COURT'S DECISION VIOLATES TWO BASIC PRINCIPLES OF COPYRIGHT LAW.

A. PRINCIPLE 1: UNDER THE COPYRIGHT ACT, COMPUTER PROGRAMS ARE LITERARY WORKS ENTITLED TO FULL COPYRIGHT PROTECTION

In the Copyright Act of 1976, Congress for the first time acknowledged that copyright law covers computer programs, extending the definition of a "[l]iterary work" to include works "expressed in words, numbers, or other verbal or numerical symbols or indicia." 17 U.S.C. § 101; *see* H.R. Rep. No. 94-1476, at 54 (1976), 1976 U.S.C.C.A.N. 5659, 5665 (House Report). In order to study issues raised by new computer technologies, Congress at the same time that it was debating the 1976

Act also created the National Commission on New Technological Uses of Copyrighted Works ("CONTU").

CONTU's eventual report made clear that the Commission was "unanimous in its belief that computer programs are entitled to legal protection." *Final Report of the National Commission on New Technological Uses of Copyrighted Works, July 31, 1978* at 12 (1979), http://digital-law-online.info/CONTU/PDF/index.html ("CONTU Report"). The report stressed that computer programs "are the product of great intellectual effort and their utility is unquestionable," and that copyright protection is thus "necessary to encourage the creation and broad distribution of computer programs in a competitive market." *Id.* at 11. Throughout the history of American copyright law, the Commission explained, "the universe of works protectible by statutory copyright has expanded along with the imagination, communications media, and technical capabilities of society," and there was no reason for copyright protection to exclude original expression embodied in computer programs. *Id.*

Nor did the Commission believe that the protection afforded computer programs applied only to the source code written by developers. To the contrary, it concluded, "[f]low charts, source codes, and object codes are works of authorship in which copyright subsists, provided they are the product of sufficient intellectual labor to surpass the 'insufficient intellectual labor' hurdle, which the instructions

'apply hook to wall' fail to do." *Id.* at 21; *see also id.* at 25 (rejecting "meaningful line of demarcation" between "flow chart," "source code," and "object code"). CONTU's recommendations were not unanimous; three commissioners recommended that Congress adopt an approach that would treat computer programs differently than other types of copyrighted works. *See id. at* 26-27 (Commissioner Nimmer, concurring); *id.* at 27-37 (Commissioner Hersey, dissenting); *id.* at 37-46 (Commissioner Karpatkin, dissenting).

Congress, however, decided to adopt the recommendation of the CONTU majority. In 1980, it amended the Copyright Act to expressly protect computer programs as literary works. *See* Pub. L. No. 96-517, § 10, 94 Stat. 3015, 3028 (1980); *see also* 126 Cong. Rec. 29,895 (1980) (statement of Rep. Kastenmeier) (explaining that the legislation "eliminates confusion about the legal status of computer software by enacting the recommendations of [CONTU] clarifying the law of computer software"); *Sega Enters. Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1519 (9th Cir. 1993) ("[A]s recommended by [CONTU], the 1980 amendments to the Copyright Act unambiguously extended copyright protection to computer programs."). As amended, the Copyright Act defines a computer program as "a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result." 17 U.S.C. § 101; *see also Google LLC v. Oracle*

Am., Inc., 141 S. Ct. 1183, 1196-1198 (2021) (recognizing that computer programs are copyrightable as "literary works").

The Copyright Act thus embodies Congress's policy decision to grant broad protection to computer programs, no different from that afforded other forms of literary work. And in the same way that the copyright in a novel extends both to its literal aspects (the actual text) and to its original non-literal aspects (such as its plot or characters), *see Stewart v. Abend*, 495 U.S. 207, 238 (1990), copyright protection extends to both the text of a computer program and its non-literal aspects, including its "structure, sequence, and organization," *Johnson Controls, Inc. v. Phoenix Control Sys., Inc.*, 886 F.2d 1173, 1175 (9th Cir. 1989). As the Second Circuit explained the logic: "[I]f the non-literal structures of literary works are protected by copyright; and if computer programs are literary works, as we are told by the legislature; then the non-literal structures of computer programs are protected by copyright." *Comput. Assocs. Int'l, Inc. v. Altai, Inc*, 982 F.2d 693, 702 (2d Cir. 1992); *see also Eng'g Dynamics, Inc. v. Structural Software, Inc.*, 26 F.3d 1335, 1341 (5th Cir. 1994) (holding that protection extends to program's "source code and object code," as well as "the program architecture, 'structure, sequence and organization', operational modules, and computer-user interface"). In this case, such non-literal elements include SAS's input formats and output designs. *See* SAS Br. 12-19. In short, "where 'the fundamental essence or structure of one work is

duplicated in another,' courts have found copyright infringement." *Altai*, 982 F.2d at 701 (quoting 3 *Nimmer on Copyright* § 13.03[A][1] (1991)).

Crucially, it makes no difference that a computer program might be thought to be less "literary" than other works protected by copyright. As the House Report for the 1976 Act explained: "The term 'literary works' does not connote any criterion of literary merit or qualitative value: it includes . . . computer data bases, and computer programs to the extent that they incorporate authorship in the programmer's expression of original ideas, as distinguished from the ideas themselves." House Report at 54, 1976 U.S.C.C.A.N. at 5667. CONTU similarly disclaimed any distinction between computer programs and other literary works, explaining that a "program is created, as are most copyrighted works, by placing symbols in a medium. In this respect, it is the same as a novel, poem, play, musical score, blueprint, advertisement, or telephone directory." CONTU Report 15. Fundamentally, there is "no basis . . . for the imposition of a standard of literary or artistic merit for determining copyrightability." *Id.* at 25; *see also Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251-52 (1903) (Holmes, J.).

The Supreme Court's recent decision in *Google* reaffirms that Congress intended copyright protection to extend to software to the same extent as other copyrighted works. 141 S. Ct. at 1199. In that decision, the Court recognized that "Congress, weighing advantages and disadvantages, will determine the more

specific nature" of copyright protection, and that Congress exercised that constitutional prerogative in 1980 when it "expanded the reach of the Copyright Act to include computer programs." *Id.* at 1195-96. The Court thus assumed, without deciding, that the entire software work at issue in *Google* "f[ell] within the definition of that which can copyrighted." *Id.* at 1197. And while the Supreme Court's decision explained that applicable principles of fair use must take account of the functional role of computer programs, that decision nowhere held that the scope of *copyrightability* is less expansive for computer programs than for novels, poems, instruction manuals, or any other type of literary work.

To be sure, as is true of all other literary works, copyright protection does not extend to "any idea, procedure, process, system, method of operation, concept, principle, or discovery" embodied in a computer program. 17 U.S.C. § 102(b). This means that someone who merely borrows the ideas within a computer program, without copying any of the expression, is not liable for copyright infringement. *See, e.g.*, *Gates Rubber Co. v. Bando Chem. Indus., Ltd.*, 9 F.3d 823, 842-46 (10th Cir. 1993). Nor are computer programs exempt from other generally applicable limitations on the scope of copyright, such as the merger doctrine and *scènes à faire.* *See, e.g.*, *Google,* 141 S. Ct. at 1199 ("We do not understand Congress . . . to have shielded computer programs from the ordinary application of copyright's limiting doctrines . . . ."). But these generally applicable limitations do not provide a basis

for affording the original, expressive features of a computer program—including a creator's decisions in selecting input and output designs and user interfaces—second-class protection. *Eng'g Dynamics*, 26 F.3d at 1339-42; *see also Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 350-51 (1991) (holding that even a "factual compilation is eligible for copyright if it features an original selection or arrangement of facts").

In short, as one leading commentator has recognized, it is "now firmly established that computer programs qualify as works of authorship in the form of literary works, subject to full copyright protection." 1 *Nimmer on Copyright* § 2A.10[B] (2021) (footnote omitted); *see also* CONTU Report 25 ("The only legitimate question regarding copyrightability is: Is the object an original work of authorship?"). Judicial analysis of the scope of protection for a computer program must thus begin with the fundamental premise that software deserves as much protection as any other literary work.

B. PRINCIPLE 2: WORKS THAT ARE REGISTERED WITH THE COPYRIGHT OFFICE ARE ENTITLED TO A PRESUMPTION OF VALIDITY

Equally important is the statutorily-enshrined principle that a registered work is entitled to a presumption of validity—and the burden is squarely on an accused infringer to rebut that presumption.

The Copyright Act provides for registration of works by the Register of Copyrights as director of the Copyright Office. 17 U.S.C. §§ 408(a), 410. A party obtains a registration by submitting a registration application providing information about the work, as well as depositing copies of that work. *Id.* § 408(a)-(b). In the case of computer programs, the Copyright Office has provided special accommodations permitting the deposit of a sample of the computer program's source code, rather than the full source code for the computer program. *See* United States Copyright Office, Circular 61: Copyright Registration for Computer Programs (rev. Mar. 2021), https://www.copyright.gov/circs/circ61.pdf.

After an applicant has submitted an application and the work, the Register in her expert judgment "examin[es]" the "material deposited" and determines whether the work "constitutes copyrightable subject matter" and whether "other legal and formal requirements of [the Copyright Act] have been met." 17 U.S.C. § 410(a). If the Register makes that determination in the affirmative, she registers the claim and issues the applicant "a certificate of registration under the seal of the Copyright Office." *Id.*

Under 17 U.S.C. § 410(c), "[i]n any judicial proceedings the certificate of a registration made before or within five years after first publication of the work shall constitute prima facie evidence of the validity of the copyright and of the facts stated

in the certificate."[2] As Congress recognized in the 1976 Act, "[t]he principle that a certificate represents prima facie evidence of copyright validity has been established in a long line of court decisions, and it is a sound one." House Report at 157, 1976 U.S.C.C.A.N. at 5773. When this presumption applies, "[t]he plaintiff should not ordinarily be forced in the first instance to prove all of the multitude of facts that underline the validity of the copyright unless the defendant, by effectively challenging them, shifts the burden of doing so to the plaintiff." *Id.*

Courts have thus made clear that registration requires a court to "presume" that the registrant "holds valid copyrights"—a presumption that can be rebutted only by sufficient evidence presented by a defendant. *Boisson v. Banian, Ltd.*, 273 F.3d 262, 267 (2d Cir. 2001). And certificates of registration "constitute prima facie evidence of the validity not only of [registrants'] copyrights, but also of the originality of their work." *Id.* at 268. That is, upon production of a certificate of registration, "the burden shifts to the defendants, who must demonstrate that 'the work in which copyright is claimed is unprotectable . . . or, more specifically, to prove that . . . the copyrighted work actually taken is unworthy of copyright

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[2] After that five year period, the Copyright Act vests courts with "discretion" as to the "evidentiary weight to be accorded the certificate," 17 U.S.C. § 410(c), and courts have regularly exercised that discretion to extend presumptive weight even to late-filed certificates. *See, e.g.*, *CJ Prods. LLC v. Concord Toys Int'l Inc.*, No. 10-CV-5712, 2011 WL 178610, at *3 (E.D.N.Y. Jan. 19, 2011); *Telerate Sys., Inc. v. Caro*, 689 F. Supp. 221, 227 n.7 (S.D.N.Y. 1988).

protection.'" *Engenium Sols., Inc. v. Symphonic Techs., Inc.*, 924 F. Supp. 2d 757, 776 (S.D. Tex. 2013) (second alteration in original) (quoting *Montgomery v. Noga*, 168 F.3d 1282, 1289 (11th Cir. 1999)).

C. THE DISTRICT COURT EFFECTIVELY AFFORDED COMPUTER PROGRAMS LESSER PROTECTION THAN OTHER LITERARY WORKS AND FAILED TO PROPERLY APPLY THE PRESUMPTION OF VALIDITY

The district court disregarded these fundamental principles in this case, subjecting SAS's work to a level of scrutiny that it would never have applied to a novel or other literary work, and affording only token weight to the presumption of validity. These legal errors require vacatur of the decision below.

The district court displayed its cramped understanding of the protection afforded computer programs from the start of its opinion, stating that it "is settled law that, *to at least to some extent*, software is entitled to copyright protection." Appx6 (emphasis added). Of course, as discussed, that is not the law: Software is entitled to the same copyright protection as any literary work, subject to precisely the same exceptions and limiting principles. *Supra*, at 4-9.

The district court's failure to appreciate the creativity involved in computer programs is further reflected in its analysis of SAS's infringement claims. Given the presumption of validity, the district court should have started with the presumption that SAS's computer program *as a whole*—including those elements copied by SAS—was copyrightable. The burden then should have been fully on WPL, as the

defendant and alleged infringer, to explain why the copied elements of the work were uncopyrightable. *Cf. Compulife Software Inc. v. Newman*, 959 F.3d 1288, 1305 (11th Cir. 2020) ("Although we haven't previously done so, we now clarify that after an infringement plaintiff has demonstrated that he holds a valid copyright and that the defendant engaged in factual copying, the *defendant* bears the burden of proving—as part of the filtration analysis—that the elements he copied from a copyrighted work are *unprotectable*."). A host of judicial decisions and leading commentators make precisely this point. *See, e.g.*, *id.*; *Boisson*, 273 F.3d at 269 (placing on defendants the "burden of proving that" quilt design was not original, as registration "create[s] a presumption that the layout is original and therefore a protectible element"); 4 *Nimmer on Copyright* § 13.03[F][3] (2021) (citing cases).

That is not the approach the district court took, however. Instead, the court found that WPL had satisfied its burden merely by showing that some portions of SAS's works (and it is unclear whether the district court was even addressing the *copied* elements of those works) were unprotectable. *See* Appx16 ("Defendant WPL then came forward with evidence showing that material *within* the copyrighted work was unprotectable." (emphasis added)); Appx16-17 (finding that WPL "produced ample evidence that unprotectable elements *exist within and as a part of the SAS System*, identifying many 'species of unprotectability' *contained in* the asserted works" (emphasis added) (citation omitted)). It reasoned that once a defendant

"establishes that at least *some* of the material is not entitled to protection, the burden shifts back to the plaintiff" to affirmatively show "that there are remaining and identifiable protectable elements." Appx17 (emphasis added).

That approach contravenes the presumption of validity, as applied to computer programs. The district court should instead have concluded, after identifying certain elements that may be uncopyrightable, that whatever was left logically *must be* copyrightable. *See Compulife Software Inc.*, 959 F.3d at 1305 ("[T]he defendant bears the burden of proving—as part of the filtration analysis—that the *elements he copied* from a copyrighted work are unprotectable" (emphasis altered)); *Soc'y of the Holy Transfiguration Monastery, Inc. v. Gregory*, 689 F.3d 29, 52 (1st Cir. 2012) (criticizing defendant for failing to identify "the alleged short phrases which he contends are not copyrightable"). By instead shifting the burden back to SAS to prove copyrightability of the remaining elements, the court effectively undermined the presumption of validity. As SAS points out, however, not only is that approach contrary to fundamental copyright principles, it would lead to absurd results in application. SAS Br. 39-43.

Moreover, the district court's cramped approach appears to be one specially designed for computer programs. No court would allow a plagiarist of a Harry Potter novel to defeat the presumption of validity simply by pointing out that the abstract idea of a war between good and evil wizards is not copyrightable, that the plot

element of wizards using wands is *scènes à faire*, and that the novel uses some short phrases that are uncopyrightable standing alone. By taking a different approach for the computer program at issue in this case, the district court's reasoning is incompatible with the policy judgment embodied in the Copyright Act that computer programs "qualify as work of authorship in the form of literary works, subject to full copyright protection." 1 *Nimmer on Copyright* § 2A.10[B] (footnote omitted); *see also* CONTU Report 25.

CONCLUSION

For the foregoing reasons, the Court should vacate the district court's judgment, and remand.

Dated: May 21, 2021

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

I certify that this brief complies with the type-volume limitation of Federal Circuit Rules 29(b) and 32(b) because it contains 3,599 words, excluding the parts of the brief exempted by Federal Rule of Appellate Procedure 32(f) and Federal Circuit Rule 32(b)(2).

This brief complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) and the type-style requirements of Federal Rule of Appellate Procedure 32(a)(6) because it has been prepared in a proportionally spaced typeface using Microsoft Word 2016 with 14-point Times New Roman font.

Dated: May 21, 2021

/s/ Sarang Vijay Damle
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