

OFFICIAL TRANSCRIPT
PROCEEDINGS BEFORE
THE SUPREME COURT
OF THE
UNITED STATES

CAPTION: LOTUS DEVELOPMENT CORPORATION,
Petitioner v. BORLAND INTERNATIONAL, INC.
CASE NO: No. 94-2003
PLACE: Washington, D.C.
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IN THE SUPREME COURT OF THE UNITED STATES

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LOTUS DEVELOPMENT :
CORPORATION, :
Petitioner :
v. : No. 94-2003
BORLAND INTERNATIONAL, INC. :
- - - - -X

Washington, D.C.
Monday, January 8, 1996

The above-entitled matter came on for oral
argument before the Supreme Court of the United States at
1:00 p.m.

APPEARANCES:

HENRY B. GUTMAN, ESQ., New York, New York; on behalf of
the Petitioner.
GARY L. REBACK, ESQ., Palo Alto, California; on behalf of
the Respondent.

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1 P R O C E E D I N G S

2 (1:00 p.m.)

3 CHIEF JUSTICE REHNQUIST: We'll hear argument
4 now in No. 94-2003, Lotus Development Corporation v.
5 Borland International.

6 Mr. Gutman.

7 ORAL ARGUMENT OF HENRY B. GUTMAN

8 ON BEHALF OF THE PETITIONER

9 MR. GUTMAN: Mr. Chief Justice, and may it
10 please the Court:

11 This is a copyright infringement case. It was
12 brought and tried under that statute and none other.

13 It is our position and the issue before the
14 Court that the First Circuit committed error here when it
15 held that section 102(b) of the Copyright Act precludes,
16 as a matter of law, protecting the separable original
17 expression contained in the menus of Lotus 1-2-3. This
18 holding was not based upon the finding of fact that there
19 was any merger in this instance of the expression in those
20 menus with any idea or process or method.

21 Judge Keeton in the district court made fact
22 findings exactly to the contrary after trial and the First
23 Circuit said -- and this is in the petition appendix at
24 21a -- that it was accepting that fact finding as correct.
25 And clearly there's no finding that any of it was clearly

1 erroneous, so there's no First Circuit --

2 QUESTION: And that fact finding found some
3 protectable expression I take it.

4 MR. GUTMAN: Protectable expression and a lack
5 of merger, Your Honor, and originality. Frankly, Judge
6 Keeton conducted the trial on all of the elements under
7 102(a) as set out in Feist, and on each of those grounds,
8 our menus passed muster. The judge -- the First Circuit
9 did not reject any of that fact finding as clearly
10 erroneous.

11 Rather, the First Circuit reached its conclusion
12 by failing to apply or by applying incorrectly the
13 idea/expression dichotomy. This error is alone sufficient
14 ground for a reversal on remand, without reaching any of
15 the other issues that have been briefed in this case.

16 QUESTION: I thought the First Circuit also
17 found it was a method of operation and therefore not
18 patentable.

19 MR. GUTMAN: But what it didn't -- I'm sorry. I
20 believe the Chief Justice meant copyrightable I think.

21 QUESTION: Copyrightable, yes. We had a patent
22 case before lunch.

23 MR. GUTMAN: I was here. I remember.

24 (Laughter.)

25 MR. GUTMAN: I remember, and I do want that

1 distinction to be clear in our argument today. But that
2 is a point of contention between the parties.

3 What they found was that because it provides the
4 means -- these menus provide the means by which users
5 control and operate Lotus 1-2-3, it is therefore part of a
6 method of operation. The error -- the error -- was that
7 the First Circuit made no effort to determine whether
8 there was expression that could be distinguished or
9 separated from the method of operation. That's the
10 fundamental error here.

11 This Court taught in Feist that the
12 idea/expression dichotomy applies in every case and that
13 it is not an option. One does not just define. One looks
14 at the work and attempts to determine whether there is
15 expression that can be separated from the idea. This is
16 the crux of the interaction between sections 102(a) and
17 102(b) of the statute.

18 QUESTION: But isn't the difficulty that we have
19 here is that there are varying sort of degrees of merger
20 and utility? At one extreme is the computer program
21 itself. At another extreme, not in this case, would be I
22 suppose the dashboard of the Model T Ford.

23 Here we're dealing with something that is in
24 sort of a median range. It is in fact used in the most
25 utilitarian of fashions, and yet theoretically one can

1 say, yes, it is expressive and that there is some degree
2 of -- certainly of non-merger.

3 And isn't the problem that the First Circuit had
4 and the problem that we had -- have is not an analytical
5 problem, but a problem of saying that something which is
6 kind of in the middle could be classified one way or the
7 other. And Judge Boudin answered that by saying you ought
8 to look to certain, quite practical consequences. Isn't
9 that the way we should look at it, as a choice case rather
10 than analysis case?

11 MR. GUTMAN: Respectfully, I would disagree,
12 Justice Souter. It's -- it is an analysis case.
13 Copyright rarely provides black and white answers or
14 bright lines.

15 The issue in each of these cases -- and this is
16 the heart of the idea/expression dichotomy -- is to look
17 at the works and determine whether the portions that are
18 at issue are portions that cannot be -- to which the
19 protection may not extend, in the words of 102(b), because
20 they are a system, a method, et cetera.

21 What we are talking about in this instance is
22 words, whose only function and purpose is to inform the
23 user as to what functionality is available in the program
24 and how to access it, that is, which keystrokes to use in
25 order to get the program to do --

1 QUESTION: Well, part of what troubles people I
2 suppose is that if you have a little menu command and all
3 it says is exit, block, move, et cetera, maybe those are
4 just functional. What is it about the Lotus program that
5 makes it protectable expression in your view?

6 MR. GUTMAN: This was the subject of the trial
7 in the district court, Your Honor, and Judge Keeton was
8 mindful of the Court's decision in Feist. We have an
9 extensive trial record, and it was the creative choices,
10 unlike Feist where one took a given set of names and
11 simply alphabetized them which did not have that minimum
12 spark of creativity that the Copyright Act requires.

13 In this instance, the creators of Lotus 1-2-3
14 beyond having made the decisions as to what functions the
15 program should perform, all of which Judge Keeton clearly
16 provided was not protected. The functionality, he said,
17 was part of the unprotected idea, and we did not seek to
18 get him to rule otherwise on that subject. The functions
19 the program performs are not protected.

20 Even taking that as a given, what Judge Keeton
21 found was that the creators of 1-2-3 had a vast array of
22 choices in terms of how they would present that
23 functionality to the user and that's where the expression
24 is. The expression is in deciding what words -- just
25 deciding whether to have menus or not, deciding what words

1 to use in the menus, deciding what --

2 QUESTION: But at a certain level it seems to me
3 that the expression necessarily merges with the function
4 certainly at a very simple level, start/stop to make the
5 machine go.

6 MR. GUTMAN: There's no question, Justice
7 Kennedy, that there are certain menus and certain user
8 interfaces that would be far too simple to pass the Feist
9 test. We are not taking the position, never have, did not
10 in the court below, in the First Circuit did not --

11 QUESTION: But it's more than creativity, sweat
12 of the brow. I'm not quite sure what it is that you say
13 is protected.

14 MR. GUTMAN: Well, if I may use the inelegant
15 analogy of sweat, I believe that what the Feist case
16 established is that not all sweat has equal impact under
17 copyright law. Sheer sweat of the brow doesn't make it.
18 That's clear after Feist. But intellectual creative
19 sweat, expressive sweat, spending months, as the authors
20 of 1-2-3 did, considering dozens and dozens and dozens of
21 different iterations of a menu structure and of precise
22 words to use and their placement to find what you think is
23 the best way of presenting it is precisely the kind of
24 creative activity which I think does pass muster under
25 Feist.

1 QUESTION: What is the general rule that you
2 apply in order to have us follow that and make that
3 analysis and come out in your case? This is protected
4 because --

5 MR. GUTMAN: Because --

6 QUESTION: -- of the creativity --

7 MR. GUTMAN: Because it is --

8 QUESTION: -- is so substantial?

9 MR. GUTMAN: I'm sorry. Because it is original
10 within the meaning of Feist. It's the work of the author,
11 and it shows that minimal spark of creativity quite
12 easily, well beyond. This is not a close case under
13 Feist.

14 Two, because there is not a merger of the idea
15 or functions of the program and the expression in these
16 particular menus.

17 Now, the way Judge Keeton made that judgment was
18 based on a factual record before him which included dozens
19 of different spreadsheet programs, all of which provided
20 fundamentally the same functionality, but which had very
21 different menus.

22 Indeed, the single -- if one had to rely on only
23 a single bit of evidence to refute merger here, I would
24 rely on the infringing work itself, Borland's program
25 Quattro Pro, because it provided in the same package, in

1 the same program two separate sets of menus, ours and
2 theirs, to access precisely the same functionality. So,
3 they --

4 QUESTION: Mr. Gutman, may I ask you one thing
5 that I think was very much on Judge Boudin's mind?

6 You have just explained that (b) doesn't exempt
7 wholesale anything you could call a method of operation.
8 Sure, it's a method of operation but it has expression,
9 and you have to separate the expression out just like you
10 do with an idea, with a procedure, anything else. They're
11 all binary in that respect.

12 But Judge Boudin said the user has put in a lot
13 of the user's own sweat or whatever to develop something
14 new, and that something is in the form of all these
15 macros. And those macros were not created by Lotus 1-2-
16 3. It was the user, working with this machine, to get up
17 -- to customize a whole set of things for the user's own
18 operation. The user can't extract that, the user's own
19 work, unless the user can resort to the Lotus commands.

20 So, I noticed something in your reply brief.
21 You said, of course, for the user this would be a fair
22 use. There would be no infringement for the user. So,
23 can one look at this and say what Borland is doing is
24 facilitating the user's fair use?

25 MR. GUTMAN: Well, I think, Your Honor, that the

1 user and Borland stand in very different positions for
2 fair use purposes. What the user does in terms -- for
3 example, if a user wanted to convert a 1-2-3 macro so that
4 it would work in Quattro Pro and the conversion was
5 required, there is much that that user could do for his or
6 her own personal purposes that I think would fairly easily
7 qualify as a fair use. May I ask you something about the key
8 reader? When a competitor makes a wholesale just
9 appropriation of your entire menu structure, which is the
10 communicative core of the user interface of the program -
11 -s, that in order to modify them, you would have to have
12 access to QUESTION: But that's my question. Is -- can
13 the user -- how can the user with all these macros make
14 use of them with the Borland spreadsheet? Part of the said,
15 Your Honor MR. GUTMAN: Well, that brings me -- the user
16 can rewrite the macro or convert it as necessary even if
17 Borland had done none of what it did in infringement. At
18 back up a But that does bring me naturally to the second
19 point I wanted to make, which is because the First Circuit
20 dealt the way it did with copyrightability, it never to
21 reached the next step which is infringement. sed in Quattro
22 pro, but And there were two separate active infringements
23 here on the part of Borland. One was copying the words on
24 the screen, the menus themselves. The second, which was a
25 mid-litigation development and the subject of our words

1 supplemental complaint, was this macro key reader, which
2 was an internal translator.

3 Now, there may very well be different issues.
4 There are different issues in terms of infringement
5 between those two different acts of infringement, and the
6 First Circuit never reached any of those.

7 QUESTION: May I ask you something about the key
8 reader? Do I -- one of the briefs suggested that just
9 providing the key reader wouldn't be enough because all
10 you could do with the key reader was run your macros as
11 is, that in order to modify them, you would have to have
12 access to all the commands.

13 MR. GUTMAN: Or to fix them. And if -- what
14 that point makes, which was made by a number of the amici,
15 Your Honor -- what that illustrates is exactly our point,
16 that the purpose of the menus is to inform. The only
17 reason they would want the words -- if someone -- let me
18 back up a step.

19 If someone wanted, having already purchased
20 Quattro Pro and being a Quattro Pro user now, not only to
21 convert a 1-2-3 macro so that it could be used in Quattro
22 Pro, but to keep writing it as a 1-2-3 macro, which
23 wouldn't make sense once you've switched -- even if
24 someone wanted to do that, what the argument of the amici
25 is is that, well, you'd still need to look at those words

1 of the menu in order to understand what you were doing.

2 And the response to that is, if so, it is only
3 because the function of those words is to inform. You
4 could get the same information out of a piece of paper or
5 a 1-2-3 users manual which, as a former 1-2-3 user, you
6 presumably have.

7 QUESTION: Mr. Gutman, a moment ago you said
8 something about a finding of infringement. I just read
9 over your question presented. I don't see that it
10 presents anything about any question of infringement.

11 MR. GUTMAN: That's exactly the point. That's
12 exactly the point, Mr. Chief Justice. The infringement
13 issue, which is where these two different points come up
14 is not before the Court and wasn't addressed by the First
15 Circuit.

16 So, my point is if I am correct, if our position
17 is correct, that the First Circuit made a -- an error in
18 interpreting 102(a) and its relationship to 102(b) and
19 there's a reversal on remand, the First Circuit can then
20 deal with the infringement issues, at which point it may
21 or may not decide that the key reader is different from
22 the menus.

23 I mean, we understand and recognize that the
24 protection on the key reader, that the issues are
25 different and that the arguments are not as strong there

1 because the expressive content is not as strong. But that
2 is not an issue that this Court has before it because, as
3 the Chief Justice just pointed out, the issue raised in
4 the petition and the only issue dealt with by the First
5 Circuit, and thus before the Court, is the issue of
6 copyrightability and this fundamental issue of the
7 relationship between the two pieces of 102.

8 QUESTION: But assuming -- I assume the 469
9 words are in English and they each express something, but
10 I take it that the genius of what Lotus did was to work
11 out ways of organizing and presenting in a certain order
12 possible functions of a computer, possible functions of
13 certain programs. Let's put file first and follow it with
14 edit, and that's a lot of work. They did that.

15 Copyright doesn't protect the ingenious system
16 they worked out, does it?

17 MR. GUTMAN: Well --

18 QUESTION: That's the last thing copyright has
19 in mind.

20 MR. GUTMAN: Well --

21 QUESTION: And if that's so, the question then
22 comes down to whether one can easily or reasonably easily
23 use their system, unless something else protects it,
24 without using their words. And if the answer to that
25 question is Baker v. Selden, isn't that the issue in the

1 case, or is it? I'm trying to get you to discuss in
2 general that kind of an issue.

3 MR. GUTMAN: Certainly. I would not agree that
4 the words are the system, Your Honor.

5 QUESTION: No, no. The system is calling up
6 certain kinds of commands in a certain order. You could
7 use a different word. You don't have to say file, but
8 it's the most natural word to use or it is a natural word
9 to use. I don't want to get into an argument about that.

10 What I'm trying to work out is -- the analogy
11 that I've been using, which no one likes, is I could
12 invent a system for organizing a department store: first
13 floor, women's; second floor, men's; third floor, boys.
14 Within the department store, floors, pants here, trousers
15 there, shirts there. Within the shirts, dress, not dress,
16 et cetera. And I could have little signs over each one.
17 The genius is in my system, not the words on the sign, and
18 you have the right under the copyright law to tie up the
19 system by copyrighting the words gentlemen, ladies, and
20 saying, oh, you could use caballeros, you could use damas,
21 you could use monsieur. I mean, you see?

22 MR. GUTMAN: I understand the point of the
23 question, but in this case it's not correct. That is,
24 Borland's own product -- again, this is -- Borland's own
25 product is a refutation of the point because they did

1 present exactly that same organization of functions, which
2 Your Honor referred to as the system. Yet, their commands
3 for accessing exactly the same functions are quite
4 different.

5 QUESTION: In exactly the same order and in
6 exactly the same format. I mean, the genius of this was
7 not just that you could -- you had a system of access. It
8 was which words came first, what order they're presented
9 in. Is that what Borland was able to do?

10 MR. GUTMAN: Borland provided exactly -- exactly
11 -- the same functions. It's a single program. The
12 computational engine on the inside is one engine, and
13 there are two separate menus, two separate sets of
14 menus --

15 QUESTION: And how could that system work in
16 order to attract to its use those people who had already
17 learned Lotus?

18 MR. GUTMAN: By -- well, the answer, Your Honor,
19 would be that they would do it the way everybody else who
20 produced a competing spreadsheet tried to do it. Some of
21 them succeeded, some of them failed.

22 QUESTION: But is it the purpose of copyright
23 law to throw up that kind of obstacle to the use not of
24 some expressions, but to the use of a person who invented
25 a different system? That's what I'm continuously worried

1 about.

2 MR. GUTMAN: No. I understand the worry, Your
3 Honor, and where we have a different perspective is that
4 we don't believe we are trying to protect the system. We
5 are protecting a particular set of words which could have
6 been widely varied without changing the system, the idea,
7 what Judge Keeton called the idea, what we're referring to
8 as the set of functionality.

9 QUESTION: In order to refute that point, do the
10 respondents have to rely on a doctrine or the idea of
11 merger, that the expression -- they so, oh, no, you're
12 wrong because the function has merged with the expression.
13 Is that the only way they can win?

14 MR. GUTMAN: Well, there are a lot of defenses
15 available under the copyright law.

16 QUESTION: Well, is that their principal
17 refutation of your argument? Let me put it that way.

18 MR. GUTMAN: Their -- no. Their principal
19 refutation before this Court is to argue that this really
20 isn't a question of copyright law. It's a question of
21 patent law, which is a separate issue.

22 QUESTION: Well, but the question is why is this
23 expression that you ask for -- to be protected by the
24 copyright -- why is that so divorced from the function?

25 It seems to me that it's different than the

1 text. The text describing how Lotus works everybody says
2 is copyrightable. The command menus are not according to
3 the First Circuit. And the difference, it seems to me, is
4 that in the case of the command menus, it does merge very
5 closely with the function.

6 MR. GUTMAN: Well, the difference, Your Honor,
7 is -- the only difference between the longer texts that
8 are acknowledged to be protected --

9 QUESTION: Yes.

10 MR. GUTMAN: -- is conciseness, and there is
11 nothing in copyright law that says a very concise index or
12 table of contents of a work is not protected from being
13 copied by someone who likes it. You can't copy the index
14 of the Samuelson economics text because you think that's a
15 good way to teach economics and you'd like to make it the
16 model for your own independently written beyond that point
17 economics text.

18 QUESTION: There is something in copyright law
19 that stops you from copying a concise thing. If the only
20 way to practice Mr. Selden's art is to copy the concise
21 words at the head of a column, you can't do it. And now
22 you're going to come back and tell me but it isn't
23 absolutely necessary to use those same words.

24 And then the question is, how much do we read
25 into that word absolute? I mean, if it's possible to find

1 another word somewhere, is that sufficient? How -- what's
2 -- that's what I'm struggling for, the test of how far
3 Baker v. Selden reaches.

4 MR. GUTMAN: It's a sliding scale, Your Honor.
5 The degree of freedom of expression that is available --
6 and I would remind the Court that when we look at these
7 questions -- these are copyrightability questions -- we're
8 looking not at the work of the infringer. The question
9 isn't what freedom did Borland have when it wrote. The
10 question is what freedom did Lotus have when the authors
11 of 1-2-3 sat down to write. That's where one focuses.

12 And if that freedom of expression available to
13 the creator, the author is narrowly limited, then the
14 right in copyright is narrowly limited. It's thin. For
15 example, a factual work, a compilation. There perhaps all
16 you have is your own organization and --

17 QUESTION: If all you had were just a few words
18 in the command like block, move, stop, print, perhaps not
19 copyrightable, but what did we have here? 469 commands
20 and 50 menus and submenus and so on and so on. Is that
21 right?

22 MR. GUTMAN: Exactly right, Your Honor. If
23 these words and menus were printed in a little pamphlet, a
24 little pocket guide to 1-2-3, a reminder on a printed
25 page, I don't think there's any question they'd be

1 protected. I don't think anybody would -- we wouldn't be
2 here. The fact that they are --

3 QUESTION: You could also protect a -- an
4 original language that you had written then too.

5 MR. GUTMAN: Well, the question -- languages is
6 a tricky question because if one --

7 QUESTION: Well, it's one more removed, but I
8 suppose you could make the same argument that that was
9 indistinguishable from your ultimate program which is
10 copyrightable that you can make with respect to the menu.

11 MR. GUTMAN: The program is certainly
12 copyrightable, Your Honor. We are not claiming protection
13 of the language.

14 QUESTION: Yes, but why couldn't you? Why isn't
15 that -- I mean, what is it that draws the line at such a
16 claim? It seems to me that your argument would carry you
17 right to that point.

18 MR. GUTMAN: Well, this is more like a users
19 manual, Your Honor. This is a users manual. It's a
20 short, concise users manual for the program, and copyright
21 has always protected --

22 QUESTION: Yes, but you're saying your argument
23 is, well, you can't distinguish in practical terms between
24 the program and the users manual. Well, if you had
25 invented a language and the only way to get to the menu

1 was to the use of language, you could make the same
2 argument.

3 MR. GUTMAN: Well, there is a distinction
4 between -- in languages. Again, this Court has not
5 decided -- and there are some suggestions from Learned
6 Hand in an old decision -- that a language, not English or
7 French, not some natural language, but that an invented
8 language could be protected by copyright. Fortunately, I
9 don't believe the Court has to decide that --

10 QUESTION: What about computer languages?

11 MR. GUTMAN: Again, there --

12 QUESTION: What about Fortran or Basic?

13 MR. GUTMAN: People protect the compilers, and
14 if one wanted to draw that analogy, our program, our menus
15 are more like the compiler than they are like a language.
16 Now, that's not an issue that was dealt with by either of
17 the courts below. There's nothing in the record on it,
18 and language could itself -- what is a language? What is
19 a computer language is itself a subject that could consume
20 much time and debate and much expert testimony, none of
21 which is in this case. We're not claiming --

22 QUESTION: May I ask you a -- I'm sorry. If you
23 -- are you done?

24 MR. GUTMAN: I just wanted to make it clear we
25 aren't claiming it's protected. I'm sorry, Justice

1 Souter.

2 QUESTION: Let me ask you an entirely different
3 kind of question, and it goes to this point of whether it
4 is indeed possible to draw the line that the First Circuit
5 drew between program and menu.

6 The respondents pointed to evidence that that is
7 what Congress intended to do, and they did this at page -
8 - I wrote it down -- page 37 of their brief by referring
9 to the CONTU report and said that the CONTU report
10 apparently expressly referred to the copyrightability of a
11 source code, an object code, and possibly the flow chart,
12 and that's where it stopped so that it would be reasonable
13 to read the 1980 amendments as expressing Congress'
14 judgment that this material would be copyrightable and
15 that anything beyond that need not be.

16 Is that a fair argument and an accurate argument
17 -- an accurate statement of the CONTU report?

18 MR. GUTMAN: It's not, Your Honor, because CONTU
19 also talked, for example, about databases which are texts
20 that shows up on the screen of a computer. So, CONTU
21 never said only the code of a program is what would be
22 protected.

23 And, again, the CONTU report has --

24 QUESTION: Well, it didn't say that it is only
25 what would be protected, but it expressly said that it

1 would be protected.

2 MR. GUTMAN: Yes.

3 QUESTION: With the negative pregnant that
4 beyond that Congress -- if Congress in fact was more or
5 less adopting that suggestion, that Congress did not
6 positively intend to go any further.

7 QUESTION: Well, Congress didn't enact the CONTU
8 report, did they?

9 MR. GUTMAN: That -- I was about to say that,
10 Mr. Chief Justice.

11 I would prefer, rather than --

12 QUESTION: Good point.

13 (Laughter.)

14 QUESTION: But the CONTU report was made to
15 Congress, wasn't it?

16 MR. GUTMAN: Yes, Your Honor.

17 QUESTION: And it preceded the legislation. So,
18 do you feel that it has no interpretive significance?

19 MR. GUTMAN: As legislative history goes, it is
20 of the light variety. It ranks below House reports and
21 Senate reports and in all instances below the words of the
22 statute which says, copyright protection subsists in
23 original works of authorship fixed in any tangible medium
24 of expression, now known or later developed, from which
25 they can be perceived, reproduced, or otherwise

1 communicated either directly or with the aid of a machine
2 or device. QUESTION: Very well, Mr. GUTMAN.
3 QUESTION: Is this a pictorial, graphic, or
4 sculptural work? AL ARGUMENT OF GARY L. REBACK
5 MR. GUTMAN: No, Your Honor. It's a literary
6 work. MR. REBACK: Mr. Chief Justice, and may it
7 please the QUESTION: Why not? Why not? It's not the
8 words in the pocket. It comes up on a screen. It comes
9 up on a screen in a certain order and it's designed people
10 -- for people with a mouse in fact as to where physically
11 they point. grant of private monopoly is done in a wholly
12 indiscrimin MR. GUTMAN: It's -- it is still a literary the
13 work, Your Honor. regime of patents, grants of private
14 monopoly QUESTION: Because? exacting examination and
15 the basis MR. GUTMAN: That's what Congress said. These
16 are words. Now, as Judge Boudin explained below, because of
17 the way QUESTION: So, is the word Asia on a map make
18 the map a literary work? subject matter where the damage
19 to society MR. GUTMAN: It fits within the definition in
20 the statute, Your Honor, of a literary work. It also fits
21 within 102(a)'s express terms, and on that basis we think
22 it's -- it is both a protectable work under 102(a) and a
23 literary work, which is also what Congress said concerning
24 computer programs. Is there any reason to think that
25 Congress I'd like to, if I could, reserve my remaining

1 time for rebuttal.

2 QUESTION: Very well, Mr. Gutman.

3 Mr. Reback, we'll hear from you.

4 ORAL ARGUMENT OF GARY L. REBACK

5 ON BEHALF OF THE RESPONDENT

6 MR. REBACK: Mr. Chief Justice, and may it
7 please the Court:.

8 Pursuant to the patent and the copyright clause
9 of the Constitution, Congress enacted two regimes for the
10 granting of private monopolies. One regime -- under one
11 regime, the grant of private monopoly is done in a wholly
12 indiscriminate, uncritical, unexamined way, and under the
13 other regime, the regime of patents, grants of private
14 monopoly are made following an exacting examination and
15 the satisfaction of very high thresholds.

16 Now, as Judge Boudin explained below, because of
17 the way Congress set up the first regime, the regime of
18 copyright, it's used for subject matter where the damage
19 to society by a mistake in grant of protection is not all
20 that great, where the problem of overprotection is not
21 something that we should really worry about because even
22 if we mistakenly grant protection, the next author can
23 always make a near substitute.

24 QUESTION: Is there any reason to think that
25 Congress was of this view that was expressed by Judge

1 Boudin?

2 MR. REBACK: Yes, I think so, Your Honor. I
3 think so for several reasons.

4 The first is that 102(a) of the statute -- the
5 statute formerly read in 1909, all the writings of an
6 author. And that created confusion in the case law, and
7 the language was changed to make it clear that not all
8 writings are copyrightable, but rather that there is a
9 separate ambit for things that we don't worry about
10 overprotection and a regime of patents in which we do
11 worry about that. That's most directly set out in 102(b).
12 That's the language that is expressly intended to keep
13 copyright from undermining the patent system.

14 QUESTION: Well, it shows a narrowing certainly,
15 but I would not think just the one citation you make means
16 that Congress adopted the view the Judge Boudin expressed.

17 MR. REBACK: Well, Judge Boudin had a variety of
18 things to say in his opinion.

19 But the point that 102(b) is intended to prevent
20 overcompensation to the first author I think comes through
21 from the language of the statute itself. The statute
22 doesn't read the idea of a system is uncopyrightable. It
23 says a system is uncopyrightable. It doesn't say the idea
24 of a method of operation is uncopyrightable. It says a
25 method of operation is uncopyrightable.

1 If we apply that, 102(b), to the Baker v. Selden
2 situation, Selden may have had a terrific system, but
3 people had no way to use that system, or at least to use
4 it efficiently, until he put some textual labels on it.
5 The same is true of Lotus' system. The only way people
6 can use systems is through some kind of textual label, and
7 the teaching of Baker v. Selden to us is that the bare set
8 of words, through which people use or manipulate or
9 operate a system, that's on the uncopyrightable side of
10 the line.

11 That's what 102(b) does. It prevents the
12 copyright law from undermining the ambit where we care
13 about overprotection, where a mistake in grant of
14 overprotection would do real damage to society because
15 there's not adequacy of near substitutes.

16 QUESTION: What are the legal labels we've used
17 to express this? Are you talking about the doctrine of
18 merger, that is to say that the expression merges into the
19 function? Or are you saying that we can decide and should
20 decide this case by saying that there is a definitional
21 distinction between expression on the one hand and method
22 of operation on the other? I take it you could prevail
23 under either approach.

24 MR. REBACK: Yes, we would I think.

25 But I don't think this calls for -- I think the

1 first place to start --

2 QUESTION: I would just say it doesn't seem to
3 me that the argument you've just made, which was a
4 sensible one, is reflected in either of the two categories
5 that I mentioned. If you just wanted to say, oh, well,
6 this is very important for people to have, I suppose we
7 could make that functional sort of judgment that this
8 shouldn't be protected. But it seems to me that the cases
9 require us to use different kinds of labels.

10 MR. REBACK: I think that --

11 QUESTION: And I need to know what kind of
12 labels I'm supposed to use to --

13 MR. REBACK: Sure.

14 QUESTION: -- to reach that result.

15 MR. REBACK: Yes, Your Honor. Yes.

16 The labels that were used in Baker v. Selden
17 were the labels of system and method of operation. Those
18 same labels are present in 102(b). That in our view is
19 the way that this case should be resolved. Merger does -
20 -

21 QUESTION: Mr. Reback, wouldn't that change the
22 character and understanding of 102(b)?

23 I mean, all these categories come together and
24 the idea/expression dichotomy is so basic to copyright, I
25 thought it was assumed that every one of these -- process,

1 system, method of operation -- that you have to extract
2 out of them what is the expression, the separable
3 expression. And sometimes there's nothing left except
4 stop and go and sometimes there's a merger, but that you
5 can't just say, oh, method of operation. Forget it. We
6 don't have to worry about expression.

7 That seems to me a wholly different way of
8 looking at 102(b) than runs through all of copyright.
9 There's always the question, is there separable
10 expression? And if the answer is no, that leads one way.
11 But just to say this fits within the description method of
12 operation, period, we can take it out wholesale, is
13 something that I have not seen in anything other than this
14 First Circuit case.

15 MR. REBACK: And I would argue in Baker v.
16 Selden, Your Honor. In other words, we don't see the
17 dichotomy between each of these words and expression. As
18 I said, it doesn't say the idea of a system. It says a
19 system. An expression is not itself a defined term.
20 Sometimes expression covers things that are not tangible,
21 like the plot of a play. In other situations, things that
22 are tangible, like the textual labels in Baker v. Selden,
23 are uncopyrightable.

24 The issue, the fundamental issue, to us of Baker
25 v. Selden is the distinction between the protection of the

1 utilitarian and the protection of these other things which
2 like artistic works we don't have to worry about
3 overprotection with respect to. That was a contorted
4 sentence, but I think I'm trying to get that point --

5 QUESTION: But even in Baker v. Selden, there
6 was something there that was protected. There was the
7 book. There was the explanation of it.

8 MR. REBACK: And so as there is here, Your
9 Honor. There is a users manual. There is on-line help
10 text. There are long prompts. The issue is where should
11 the line be drawn.

12 What happened in this case, Your Honor, is that
13 the district court moved the line one notch over from
14 where it had been in Baker v. Selden. That movement had
15 enormous ramifications. All we've ever asked for and all
16 the First Circuit did was to put the line back where it
17 was, where it had been 100 years.

18 QUESTION: That's exactly the question. You
19 have 469 words. They're in a certain order.

20 QUESTION: Commands I guess.

21 QUESTION: Right. There are -- yes, the
22 commands. And they're English words, and if they were in
23 a book, I guess they'd certainly be copyrightable and
24 you'd give them what Feist calls thin protection.

25 But they're not. They're on a screen. So, you

1 say, okay, Baker v. Selden. It's like Mr. Selden's
2 accounting system. And everyone, even your opponents,
3 agree that that would be so if, in order to work the
4 system of organization, you had to use these 469 words.

5 But they say Judge Keeton found you don't have
6 to use these 469 words. You could use some other words,
7 so you don't have to tie up that expression in order to
8 use Mr. Lotus' brilliant system of organization.

9 And now, what is your response to that?

10 MR. REBACK: My response to that is that this
11 case in many respects is an easier case than Baker v.
12 Selden because in this case you have to use those words to
13 run macros. There is that degree of blockage of barrier
14 to entry in this situation that doesn't exist elsewhere.

15 QUESTION: Okay. Point --

16 MR. REBACK: That's what --

17 QUESTION: I've got that point, but there --
18 that's complicated because it's the success of their
19 system that created that obstacle.

20 Is there any other point? That is, is Baker v.
21 Selden tied to the words? You necessarily have to use
22 this expression to get the accounting system? Or do we go
23 beyond necessarily? And there are certainly themes in
24 copyright law that suggest that you go beyond it in order
25 to avoid tying up a utilitarian idea, but what's the

1 particular point? How would you phrase the test and --

2 MR. REBACK: The -- I'm sorry.

3 The test is the bare words through which users
4 use or operate the system is uncopyrightable. That is the
5 system from the perspective of the user. That would be
6 our description of the test.

7 QUESTION: So, if they could get the exact
8 system and simply use any one of 5,000 other words to
9 operate it exactly as well, you could not protect that
10 expression?

11 MR. REBACK: Whatever word -- as Mr. Gutman
12 said, you look from the perspective of the original
13 developer. Whatever word they choose to enable users to
14 operate the system, that word is uncopyrightable --

15 QUESTION: You don't need any word at all.

16 MR. REBACK: -- if there are 5 or 469.

17 QUESTION: You don't need any word at all to
18 enable the user to operate it.

19 MR. REBACK: I don't think you could just --

20 QUESTION: You could have an instruction manual
21 that says to do this thing, move the cursor three spaces
22 over to the right and hit enter. You don't need a word
23 that shows you on the screen when you move it three spaces
24 over to the right that it's on file and when you hit
25 enter, you get into file. You don't need any words at

1 all.

2 MR. REBACK: Well, let me respond --

3 QUESTION: So, how can you say that the words
4 are inseparable from the operation when you don't even
5 need them? You could simply have a written users manual.

6 MR. REBACK: I'm saying the words are
7 inseparable from the system. But I take Your Honor's
8 point. The issue is one of degree, as members of this
9 Court have pointed out. I can't use the system
10 efficiently in any respect by doing that because it
11 requires me to use a whole wide variety of keystrokes.

12 And if I may make one other point, Your Honor.
13 With --

14 QUESTION: Before you go on.

15 MR. REBACK: Please.

16 QUESTION: You could say the same thing about a
17 users manual as far as that goes. You can't use the
18 system without a users manual. Does that merge with the
19 system itself as well?

20 MR. REBACK: No, no. It does not. And the
21 issue is where to draw the line, and we say you draw the
22 line between the bare words that state the system and the
23 users manual. The line is someplace in there.

24 QUESTION: But does that answer their question
25 that it's the combinations that they are trying to seek?

1 It's not the mere words. It's the menu which is a
2 combination of words in hierarchical order, and that --
3 your answer doesn't seem to go to that claim of theirs.

4 MR. REBACK: What they are seeking to protect is
5 the organization of the words. The organization of those
6 words --

7 QUESTION: So, the freedom of words from
8 copyright doesn't answer their point.

9 MR. REBACK: No. What I'm saying is the bare
10 set of words through which that organization is stated --
11 in other words, the bare set of words through which users
12 can operate the organization or manipulate the
13 organization -- that's what 102(b) puts off limits from
14 copyright.

15 QUESTION: The word file. Somebody else can use
16 the word file.

17 MR. REBACK: Absolutely.

18 QUESTION: Okay. They say absolutely right.
19 But using it in the combination, the hierarchical set of
20 orders that we have devised, that is subject to copyright.

21 MR. REBACK: I think --

22 QUESTION: In other words, you can use the words
23 without using our menu. That's their argument.

24 MR. REBACK: You could use the words in a
25 different context you mean, Your Honor --

1 QUESTION: In different combinations, yes.

2 MR. REBACK: Well, the same would be true --

3 QUESTION: Or to do different things for that
4 matter.

5 MR. REBACK: The same would be true of the
6 textual headings in Baker v. Selden. In other words,
7 Baker -- Lotus makes the point that Baker used different
8 words, but that didn't change the copyrightability of the
9 words that Selden chose to enable people to use his
10 system.

11 QUESTION: But technically someone could have
12 come up with a different set of column headings for
13 Selden's system and still have come up with the same
14 results. So, isn't it the case that implicit in Selden is
15 some kind of calculus saying it would be too socially
16 expensive to require them to do that? And isn't that the
17 same calculus that Judge Boudin was going through, and
18 isn't that why this is not merely an analytical issue?

19 MR. REBACK: I see your point. Yes, Your Honor.
20 And indeed, it is made all the more acute by the presence
21 of macros because the functionality --

22 QUESTION: That throws up the stakes
23 considerably.

24 MR. REBACK: That's right. That's right.
25 That's what makes it the kind of situation that Your Honor

1 is describing. I did not understand Your Honor's question
2 and I apologize for that.

3 QUESTION: Well, I can't blame you for that.

4 (Laughter.)

5 MR. REBACK: I did want to point out --

6 QUESTION: Of course, the -- even if some
7 portion of this is copyrightable, as the district court
8 would have found, it doesn't take it out of public use in
9 the sense that presumably Lotus could license a use of its
10 system to someone. It isn't as though this is forever
11 unavailable to other people. It just merges into the
12 whole economics of what it's worth to buy the right to use
13 it. Isn't that right?

14 MR. REBACK: In one sense, certainly. Copyright
15 is an economic calculus, and the issue is --

16 QUESTION: Sure.

17 MR. REBACK: -- do we give Lotus the ability to
18 put up that barrier of entry or should they have to get a
19 patent to do that. That's our point. It's not that they
20 can't protect these words.

21 QUESTION: I find that a little difficult to
22 swallow. I mean, the copyright law does appear at least
23 to permit the copyright of a so-called users manual, and
24 if that is carried out in the form of a menu command
25 hierarchy, why isn't that protectable under the broad

1 language of 102(a)?

2 MR. REBACK: I'm sorry, Your -- a users manual
3 would be protected under the broad language of 102(a).
4 Even --

5 QUESTION: And when it's in the form of a menu
6 command hierarchy, why isn't it also in light of the broad
7 language of 102(a)? I mean, at least some portion of it,
8 the portion that is clearly original and expressive, if
9 that is the finding of the trial court.

10 MR. REBACK: The -- as we point out in our
11 brief, there are -- and as Your Honor indicates, there are
12 102(a) works here like the users manual. They embody
13 these words. But I don't think the words would be 102(a)
14 material, but if they were, in our view they'd be
15 disqualified by 102(b). That's the learning and that's
16 where the line is and that's what the statute says.

17 That -- you know, expression is not a defined
18 term in the copyright law or in the copyright statute, and
19 the notion that it -- that expression means something
20 textual is not carried throughout the copyright law.

21 QUESTION: Is that why you concede -- I think
22 you concede -- that the program code that Lotus wrote, the
23 code that enables the machine to react to the human
24 commands, is copyrightable?

25 MR. REBACK: The statute draws a line --

1 QUESTION: Am I correct that you conceded that
2 that's copyrightable?

3 MR. REBACK: Absolutely, Your Honor. The --

4 QUESTION: It seems a little odd that the closer
5 you get to the machine, the more expression there is, but
6 when you back up, then you tell me I have to have a
7 patent.

8 MR. REBACK: Well, the --

9 QUESTION: It seems to me that the closer to the
10 human you come, the more -- the stronger the case is for
11 expression.

12 MR. REBACK: The --

13 QUESTION: Your argument doesn't work quite that
14 way.

15 MR. REBACK: Well, the statute draws a line
16 between the computer program, which is protectable by
17 copyright, and the method of operating the computer
18 program which is not protectable by copyright.
19 Congress --

20 QUESTION: The First Circuit decision does, but
21 I don't see that in the statute, especially if you read
22 these words to be subject to the like interpretation,
23 idea/expression, procedure/expression, process/expression.
24 That's what -- as far as I know, the First Circuit is the
25 only one that has said once you can call it a method of

1 operation, it's out entirely. Forget about anything else.
2 It's a method of operation, period. It's not
3 copyrightable.

4 Tell me about an operating system. The basic -
5 -

6 MR. REBACK: Yes.

7 QUESTION: Is that subject to copyright?

8 MR. REBACK: An operating system is a computer
9 program. A computer program is a composition. That is
10 copyrightable. This is a very important difference in
11 copyright law. A menu command hierarchy is a method. A
12 computer program is not a method. It's a composition.
13 Copyright protects compositions. It's like a method of
14 dance notation, uncopyrightable, and choreography that is
15 copyrightable. A method of musical notation that's not
16 copyrightable and a musical score that is copyrightable.
17 Language which is uncopyrightable, but compositions in
18 language that are copyrightable.

19 Programs are written in command sets like the
20 macro language. Borland's program happens to be written
21 in the method -- the command set called C, which was
22 created by AT&T. Copyright has always protected
23 compositions, but has not protected the underlying command
24 sets.

25 The reason the district court's decision created

1 such an uproar is that it extended copyright from the
2 protection of compositions like the operating system
3 software to the protection of methods. That has never
4 been done before. That has all kinds of ramifications of
5 the type we've been discussing here, all untoward and
6 should be, if attainable at all, attainable through the
7 patent law.

8 QUESTION: What exactly is the difference
9 between composition and method, as you see?

10 MR. REBACK: The method or the system includes
11 words, syntax, and grammar, which are taken by someone who
12 then, applying their own sweat, as the user does here with
13 respect to a macro, and their own creativity, creates a
14 program.

15 That's the difference between -- one should not
16 confuse, we would respectfully submit, the syntax and
17 grammar of the English language with compositions written
18 in the English language. They're two different things in
19 our view.

20 QUESTION: Let's take the macros out of it.

21 MR. REBACK: Yes, Your Honor.

22 QUESTION: Then, as far as I can tell, the First
23 Circuit is -- still comes out where it is. It doesn't
24 matter. Judge Boudin focused on that but the First
25 Circuit didn't. The First Circuit -- it wouldn't have

1 made any difference if no user ever made a macro.

2 MR. REBACK: That's right. The First Circuit
3 views Baker v. Selden and 102(b) as we do, as creating a
4 policy and societal judgment that you need to satisfy the
5 high thresholds of a patent if you to -- are to control
6 the bare words through which users manipulate or operate a
7 system. That's where they draw the line. That's where we
8 would draw the line and that's where we see the Court in
9 Baker v. Selden drawing the line.

10 The majority opinion in the First Circuit,
11 though, does also refer to the existence of macros in
12 order to demonstrate that that line is an appropriate
13 societal line because otherwise people would have to
14 relearn a different system for every device that they
15 would operate and --

16 QUESTION: They added in the macros to add
17 weight to a conclusion that they had already reached.

18 MR. REBACK: I would agree with that. I would
19 agree with that, Your Honor.

20 QUESTION: Mr. Reback, as I understand it, your
21 opponent is not insisting that you cease from using the
22 same -- what were you contrasting with composition? What
23 is the opposite of composition?

24 MR. REBACK: The system or method, Your Honor.

25 QUESTION: System or method. He's not insisting

1 that you abandon his system or method. You can -- you
2 could have the same thing three times over with the cursor
3 to the right and then hit enter, and you can set it up
4 exactly the same way so long as you don't use the same
5 words that he chose to use in his description of it on the
6 screen.

7 MR. REBACK: He's -- yes, Your Honor.

8 QUESTION: You can use the very same program or
9 method. He's not stopping you from using it.

10 MR. REBACK: No, no.

11 QUESTION: He just doesn't want you to use the
12 same description of it that he adopted.

13 MR. REBACK: We are talking terminology here,
14 but he doesn't have any objection to me making the cursor
15 move or making electrons run through the computer.

16 QUESTION: And saying that in an instruction
17 manual.

18 MR. REBACK: And saying that in an instruction
19 manual.

20 QUESTION: In your own way.

21 MR. REBACK: He has great exception to me
22 allowing users to run their programs on my spreadsheet.
23 That's what he takes exception to. Or to use my
24 spreadsheet in the way that they have learned to use
25 spreadsheets. They've memorized keystrokes. They've

1 learned that system. He doesn't want them transporting
2 that learning to my spreadsheet.

3 He draws the line between the totally abstract
4 and the first words that are attached to that abstraction.
5 We say that's not where the statute draws the line. It
6 doesn't say idea of a system --

7 QUESTION: But Borland just made -- Borland made
8 a wholesale copying of a very complex menu command
9 hierarchy.

10 MR. REBACK: Yes, Your Honor.

11 QUESTION: I mean, just wholesale. I can't
12 imagine a case that would present the question more
13 starkly.

14 MR. REBACK: There is no utility in copying 90
15 percent of the menu command hierarchy because then the
16 investment of the user in a skill set or macros wouldn't
17 work. That's the reason it is all or nothing, and that's
18 the reason that there is the starkness in the case.

19 QUESTION: And maybe that's why Judge Boudin
20 said applying copyright law to computer programs is like
21 assembling a jigsaw puzzle whose pieces do not quite fit.
22 But still, to say we're going to take something like
23 method of operation and give it a kind of meaning that it
24 doesn't have in other contexts --

25 MR. REBACK: That's how it's used in the patent

1 law, Your Honor.

2 QUESTION: But wait. It's not method of -- I
3 have an airplane cockpit.

4 MR. REBACK: Yes.

5 QUESTION: 469 levers on it, and each one I put
6 a label on. Those are words. Okay? I have a department
7 store with 469 departments organized in a particular way,
8 and each label has a -- each department has a sign over
9 it. Each of those signs and each of those labels has a
10 word in English. The order in which they are pasted up
11 there is terribly important.

12 Now, what is it in the law of copyright that
13 stops me from copyrighting those 469 words in the order
14 they are on the labels in the cockpit or in the
15 departments of the department store?

16 MR. REBACK: Well --

17 QUESTION: What is the doctrine? How do you
18 phrase it in English? I have a strong instinct from
19 reading your briefs I guess and also the other side
20 disagrees nonstop that there may be such a principle. But
21 what is it if there is such a principle?

22 I don't think it's the word method of operation.
23 I don't think it's Baker v. Selden literally. I can find
24 theme after theme that tells us that the copyright law is
25 not to be used so that one company will monopolize the

1 Internet henceforth into world reality.

2 MR. REBACK: Right.

3 QUESTION: But I think possibly that could be
4 for Congress.

5 But -- so, what -- if it's the copyright law
6 that's supposed to prevent that from happening, how does
7 the copyright law stop them from getting the copyright on
8 the 469 words?

9 MR. REBACK: I think that the copyright law
10 stops them, and the principle is the same. I mean, to tie
11 in Justice Ginsburg's question, all the other circuits
12 have also held that when it's necessary for compatibility,
13 even literal code may be copied. So, the principle is one
14 of how much economic power do you give the person who
15 created the words.

16 In the -- in -- with respect to, say, artistic
17 works or traditional works of literature, we don't give
18 the person through copyright enough economic power to
19 prevent the creation of near substitutes. And in this
20 case that's exactly the amount of economic power that's
21 being given. That's what Judge Boudin says. Another
22 method of operation, another system, a different set of
23 words is not a near substitute to users who have invested
24 in this set of words.

25 QUESTION: So, what you're suggesting is the

1 standard is do not give a copyright that's unfair?

2 MR. REBACK: No, but that would be a good
3 standard.

4 (Laughter.)

5 MR. REBACK: But I don't think that I could
6 phrase it any more clearly than they do in 102(b). Since
7 people invest in methods of operation and since there is
8 societal utility in having people operate efficient
9 systems or creating efficient systems of department stores
10 or jet cockpits, we're only going to put efficient systems
11 of that type off limits to competition so long as you
12 satisfy the high threshold of utility patent. You can
13 protect it. You can get the right to license it. You can
14 have all those rights, but you must satisfy the higher
15 threshold. That would be our point.

16 QUESTION: In other words, if the other side
17 wins, there's never going to be, in effect, a new program
18 because there will never be a practical way to use that
19 program.

20 MR. REBACK: It would take --

21 QUESTION: Is that in a sentence what you're
22 saying?

23 MR. REBACK: I wouldn't say never, but the
24 barrier of entry --

25 QUESTION: Almost --

1 QUESTION: I think you can in view of what's
2 happened. Right? Because Lotus 1-2-3 is no longer the
3 front runner.

4 MR. REBACK: But the record reflects that.
5 That's because Microsoft was able to make a compatible
6 product because Lotus didn't sue them. Lotus didn't sue
7 them. They had the same words. They were able to
8 establish compatibility, and that changed the overall
9 concept of the software industry.

10 I'd like to make one very important point here.
11 It's the point made in Fogarty. There is a constitutional
12 limitation here. There is the constitutional limitation
13 of the patent in the copyright clause, and the learning of
14 this Court from Fogarty is that every interpretation we
15 make of the copyright statute must be an aid of the public
16 benefit requirement of the Constitution.

17 QUESTION: Well, do you think we could throw out
18 some part of Congress' act by saying that it wasn't an aid
19 of the constitutional grant?

20 MR. REBACK: Not in this case. I read -- we
21 read the statute as saying that with respect to the things
22 in 102(b), Congress has decided that the protection of
23 those things through the regime of indiscriminate grants
24 of private monopoly puts too much off limits. Congress
25 has made that decision.

1 This Court has repeatedly said that if we can't
2 tell whether the extension of copyright in the particular
3 case is within the congressional ambit or within the
4 congressional purpose or not, we shouldn't take that step.
5 We should leave it to Congress. I think that that's the
6 case here.

7 QUESTION: What is that? Some sort of a tie
8 counts for the runner approach?

9 MR. REBACK: Yes, absolutely. I would read that
10 in --

11 QUESTION: What case do you find that in?

12 MR. REBACK: In Aiken and Sony and Fogarty.

13 But I would go so far, Your -- Mr. Chief
14 Justice, as to say that in this case Congress has made
15 that decision. They made it in 102(b). They said that
16 with respect to the things in 102(b) that there is such a
17 risk of overprotection, of overcompensation to the first
18 author, that even if some other calculation could be made
19 of the kind that Justice Ginsburg is suggesting, we can't
20 go that far.

21 QUESTION: No. I wasn't suggesting that kind of
22 calculation at all. What I was suggesting is that we are
23 dealing with the statute and you've been featuring Judge
24 Boudin who at the end says, some solutions, e.g., a very
25 short copyright period for menus. So, that makes me

1 wonder what is he doing. Menus maybe are protected too
2 much and maybe they shouldn't be protected for as long.
3 So, he's really struggling with this idea.

4 But the notion that because there may be too
5 much protection, the Court should then revise the statute
6 is troubling.

7 MR. REBACK: Oh, yes, and I would not read that
8 as what he is saying, and we're certainly not saying that.

9 People routinely get patents over menu command
10 hierarchies. IBM has done it. Lotus has applied for it
11 in Europe. The claim of the patent covers the menu
12 command hierarchy. They can get protection. They just
13 want that protection without going through examination,
14 without showing novelty or non-obviousness. They want the
15 same degree or virtually the same degree of protection --

16
17 QUESTION: But to get a copyright you need
18 minimal creativity. Right?

19 MR. REBACK: That's correct.

20 QUESTION: Don't you need a lot more originality
21 for a patent?

22 QUESTION: Novelty.

23 QUESTION: Novelty for a patent.

24 MR. REBACK: Right. That's reflective of the
25 fact that we should not put off limits to competition

1 certain kinds of things unless people satisfy those
2 exacting requirements.

3 QUESTION: Thank you, Mr. Reback.

4 MR. REBACK: Thank you, Mr. Chief Justice.

5 QUESTION: Mr. Gutman, you have 2 minutes
6 remaining.

7 REBUTTAL ARGUMENT OF HENRY B. GUTMAN

8 ON BEHALF OF THE PETITIONER

9 MR. GUTMAN: Thank you.

10 Mr. Reback conceded that a musical score or a
11 choreography would be protected by copyright even though
12 the score instructs the player in how to play his or her
13 instrument, even though the choreography instructs the
14 dancer in where to move his or her feet and body, and even
15 though they can be memorized like the keystrokes of Lotus
16 1-2-3. Copyright has always protected instructive
17 materials. There's nothing different here.

18 It is also not an argument that this particular
19 work, through its popularity, has become too important to
20 protect. This Court in a more important context, I would
21 submit, answered that question definitively in Harper and
22 Row.

23 QUESTION: But doesn't the musical score do two
24 things? It instructs the player, but it also defines the
25 work of art and that is something different from the

1 relationship between the menu command and the program.

2 MR. GUTMAN: Well, it explains -- in this case
3 it explains or provides a means for someone to perform the
4 work of art. The music exists even if there's no score.
5 Even if no one wrote it, the music could exist.

6 QUESTION: The music is not a work of commercial
7 utility.

8 MR. GUTMAN: But that's not the standard.

9 QUESTION: It isn't? Isn't there a difference
10 in copyright fundamental between whether a work is a work
11 of commercial utility? Does your case depend on that,
12 there not being?

13 MR. GUTMAN: Copyright has always provided
14 protection to commercially useful works.

15 And, again, any -- all of these issues only go
16 to the question of the scope of protection, and here Judge
17 Keeton found virtually identical copying which even would
18 have met the Baker v. Selden necessary incidents test.
19 That is the standard in Baker v. Selden.

20 The final point I wanted to touch on is that all
21 the policy arguments about compatibility and competition
22 do not address and do not take into account the corrective
23 power of the market. If consumers and customers want open
24 systems and software companies don't provide it, if it's a
25 competitive market, they will make their wishes known by

1 voting with their feet. Some would say Borland has said
2 that that's what happened to Lotus.

3 In instances where that's not sufficient,
4 Congress has spoken. The Copyright Act has many detailed
5 provisions providing for compulsory licensing in instances
6 where that was not good enough and the ordinary rules
7 didn't apply. This is not one of those cases.

8 I would end with what I think was the thrust
9 of --

10 QUESTION: Well, you have ended.

11 MR. GUTMAN: I just did.

12 Thank you very much.

13 (Laughter.)

14 CHIEF JUSTICE REHNQUIST: The case is submitted.

15 (Whereupon, at 2:00 p.m., the case in the above-
16 entitled matter was submitted.)

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CERTIFICATION

Alderson Reporting Company, Inc., hereby certifies that the attached pages represents an accurate transcription of electronic sound recording of the oral argument before the Supreme Court of The United States in the Matter of:

LOTUS DEVELOPMENT CORPORATION, Petitioner v. BORLAND INTERNATIONAL, INC.

CASE NO.: 94-2003

and that these attached pages constitutes the original transcript of the proceedings for the records of the court.

BY: _____

Jonathan M. May
(REPORTER)