

Analysis of the Court's Holding

The holding in the Netbula, LLC v. Sun Microsystems, Inc (N.D. Cal, 2007) ([Martin J. Jenkins and Elizabeth D. Laporte Judges](#)) was the following.

The first provision in the 2000 Agreement, titled "Netbula ONC RPC SDK and POWERRPC SDK Product License" grants to Storagetek:

"a non-exclusive, perpetual, irrevocable license for use by Storagetek's employees, consultants and subsidiaries for up to ONE user(s) for each of the licenses purchased, to use the PowerRPC SDK Product under Windows NT and 95/98 platforms; each user can only use the software on one on[sic] computer."

...

First, turning to the number of users, both the 2000 and 2004 Agreements state that one user may use each of the licenses purchased. This provision does not limit how the software may be used, but instead defines what the purchase of one license gives the buyer. The amount charged for each license is set forth separately in Exhibit C to the contract. (Melnick Decl., Exh. 1 at 7.) The parties agree that StorageTek purchased eight licenses with the 2000 agreement and at least one with the 2004 agreement. The agreement, therefore, does not appear to limit the scope of the license. Instead, like the compatibility requirements in Sun II, the limitation on the number of users is a separate contractual promise, or covenant, that does not limit or condition the use of the license. Therefore, because this provision is not a limitation on the scope of the license, Plaintiff is not entitled to a copyright infringement claim on this issue.

We can remove the text in red color. The result after applying the reduction is:

This provision that each user can only use the software on one computer for each license purchased does not limit how the software may be used. Therefore, Plaintiff is not entitled to a copyright infringement claim.

The absolute simplicity of the above is quite striking.