

**Marketa Trimble**

# **Injunctive Relief, Equity, and Misuse of Rights**

33. Tagung für Rechtsvergleichung  
“Grenzen der Rechtsdurchsetzung im Immaterialgüterrecht”  
16 September 2011

“[T]he very essence of the right conferred by the patent [...] is the privilege of any owner of property to use or not use it, without question of motive.”

*Continental Paper Bag Co. v. Eastern Paper Bag Co.*,  
210 U.S. 405 (S. Ct. 1908)

“Without the right to obtain an injunction, the right to exclude granted to the patentee would have only a fraction of the value it was intended to have, and would no longer be as great an incentive to engage in the toils of scientific and technological research.”

*Smith International, Inc. v. Hughes Tool Co.*,  
718 F.2d 1573, 1578 (Fed. Cir. 1983)

# Injunctive relief – pre-eBay

**Irreparable injury**

**Inadequate remedies at law**

**Balance of hardships**

**Public interest**

**presumed**

**damages**

**prevention of economic waste**

**interest in a functioning patent system**

# Pre-eBay Development

- *City of Milwaukee v. Activated Sludge*, 69 F.2d 577 (7th Cir. 1934), *cert. denied* (sewage plant)
- *Shiley, Inc. v. Bentley Laboratories., Inc.*, 601 F. Supp. 964, 971 (C.D. Cal. 1985) (bubble blood oxygenators)
- *Schneider (Europe) AG v. SciMed Life Systems, Inc.*, 852 F. Supp. 813, 869 (D. Minn. 1994) (balloon dilatation catheters)

# eBay

- *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006)
  - Plaintiff (*MercExchange*) – non-practicing entity
  - A business method patent (an “electronic market designed to facilitate the sale of goods between private individuals”)
  - Unsuccessful licensing proposals by *MercExchange*
  - Defendant (*eBay*) – willful infringer
  - No preliminary injunction requested



# Injunctive relief – pre-eBay

**Irreparable  
harm**



presumed



**Inadequate  
remedy at  
law**



damages

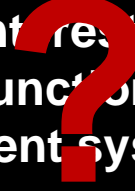


**Balance of  
hardships**

**Public  
interest**



interest in  
a functioning  
patent system





# Post-eBay Development

Patent infringement cases - decisions on permanent injunctions issued during the period between the *eBay* decision (2006) and 11 April 2011

<b>Permanent injunctions granted</b>	<b>132</b>	<b>75%</b>
<b>Permanent injunctions denied</b>	<b>44</b>	<b>25%</b>

Patstats, University of Houston Law Center, 20 July 2011

# Post-eBay Development

## ○ Predictability of awards of injunctions:

- Practicing entity
  - Direct competitor
  - Offer to license
  - A small component of the infringing product
- Douglas Ellis et. Al., *The Economic Implications (and Uncertainties) of Obtaining Permanent Injunctive Relief After eBay v. MercExchange*, 17 Fed. Cir. B.J. 437 (2008)
  - Benjamin Petersen, *Injunctive Relief in the Post-eBay World*, 23 Berkeley Tech. L.J. 193 (2008)
  - Rachel M. Janutis, *The Supreme Court's Unremarkable Decision in eBay Inc. v. MercExchange, L.L.C.*, 14 Lewis & Clark L. Rev. 597 (2010)

# Post-eBay Development

## Copyright cases:

- *Salinger v. Colting*, 607 F.3d 68 (2<sup>nd</sup> Cir. 2010)
- *Perfect 10 Inc. v. Google Inc., ...* (9<sup>th</sup> Cir. 2011)
  - no presumption of irreparable harm

## Trademark case:

- *Marlyn Nutraceuticals Inc. v. Mucos Pharma GmbH*, 571 F.3d 873 (9<sup>th</sup> Cir. 2009)

# Post-eBay Development

- **Impact of patent trolls / non-practicing entities / patent asserting entities on patent law**
  - Availability of injunctive relief
  - Rules of standard setting organizations
  - Calculation of damages
  - Work-product doctrine
  - Venue rules
  - ITC proceedings
  - Defensive patent pooling
  - Organizing of the victims
  - Calls for better examination of patent applications

# Post-eBay Development

- International Trade Commission
  - Section 337 proceedings
  - Only limited injunctive relief
  - Possible parallel proceedings
  - Issue of standing of non-practicing entities
    - *In the Matter of Certain Multimedia Display and Navigation devices and Systems, Components Thereof, and Products Containing Same*, ITC No. 337-TA-694, 22 July 2011

# Injunctive Relief, Equity, and Misuse of Rights

**Marketa Trimble**

Associate Professor of Law

William S. Boyd School of Law

University of Nevada, Las Vegas

[marketa.trimble@unlv.edu](mailto:marketa.trimble@unlv.edu)