

Reply to Andrew F. Spillane's The Continuing Vitality of the  
Presumption of Irreparable Harm in Copyright Cases

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## INTRODUCTION

Jose, an immigrant entrepreneur, came to America seeking the American dream.<sup>1</sup> Like many before him, Jose understood that this dream could be realized only through earning a quality education. However, like most immigrants, Jose could not afford to pay for his schooling, so he sought entrepreneurial methods to pay his tuition. He devised a plan to purchase, in a foreign country, books published in America at rates lower than the retail price found in America, and then sell these books in America at a discounted price. Once

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1. Jose is a fictional character used to highlight the main point which this article addresses.

the publishers found out about Jose's business, they sought injunctive relief in order to stop his book sales immediately. This article addresses whether a plaintiff, seeking an injunction, must actually prove that the defendant's actions caused the plaintiff irreparable harm or whether irreparable harm is presumed from a finding of copyright infringement.

Injunctive relief is a drastic measure. In his article, Andrew F. Spillane argues that an injunction should always flow from copyright infringement, as irreparable harm should be presumed.<sup>2</sup> However, Spillane's argument fails to correctly analyze a Supreme Court decision indicating that irreparable harm must be demonstrated. Further, he fails to appropriately address the fact that requiring the plaintiff to demonstrate irreparable harm would lead to a more equitable result.

A copyright is a set of exclusive rights granted by the federal government to the creator of an original work for a limited period of time.<sup>3</sup> This includes the right to copy, distribute, perform, display, and adapt the work.<sup>4</sup> The Constitution protects both patents and copyrights in order "to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."<sup>5</sup> Thus, the Founding Fathers appreciated the important role played by patents and copyrights in promoting economic incentives for innovation and creativity.<sup>6</sup>

Injunctive relief is a powerful tool within the arsenal of the courts. It can protect victims of intellectual property infringement by ordering defendants to cease their infringing activities.<sup>7</sup> Prior to the seminal Supreme Court decision on injunctive relief, *eBay v. MercExchange*,<sup>8</sup> a plaintiff needed to show only past copyright infringement and a likelihood of future infringement to obtain injunctive relief, as irreparable

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2. Andrew F. Spillane, Comment, *The Continuing Vitality of the Presumption of Irreparable Harm in Copyright Cases*, 15 MARQ. INTELL. PROP. L. REV. 257, 258 (2011).

3. *Vault Corp. v. Quaid Software, Ltd.*, 847 F.2d 255, 267 (5th Cir. 1988).

4. *Id.*

5. U.S. CONST. art. I, § 8, cl. 8.

6. Jeffrey M. Sanchez, Comment, *The Irreparably Harmed Presumption? Why the Presumption of Irreparable Harm in Trademark Law Will Survive eBay and Winter*, 2011 BYU L. REV. 535, 560 (2011).

7. Spillane, *supra* note 2, at 258.

8. 547 U.S. 388 (2006).

harm was presumed.<sup>9</sup> In *eBay*, the Supreme Court held that, even in cases of intellectual property infringement, the traditional four-factor test of equity must be satisfied before injunctive relief may properly be granted. The four-factor test requires: (1) that a plaintiff would suffer irreparable injury in the absence of an injunction; (2) that remedies available at law are inadequate to compensate for the injury; (3) that considering the balance of the hardships between the plaintiff and the defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by the injunction.<sup>10</sup>

Spillane argues that the courts should “graft a rebuttable presumption of irreparable harm into the first *eBay* factor in order to regain the traditional rule’s clarity and predictability.”<sup>11</sup> Spillane believes that, without an injunction, “a mere damage award would effectively license the infringing behavior, allowing copyright defendants to infringe a copyright owner’s exclusive rights [so] long as those defendants are willing and able to pay the consequential or statutory damages.”<sup>12</sup>

Spillane presents six arguments why courts should continue to presume irreparable harm in cases of copyright infringement.<sup>13</sup> He proposes that the presumption should continue to apply to: (1) protect a copyright holder’s property right to exclude; (2) remove the issue of judicial distrust towards defendant’s assertions of voluntary cessation; (3) maintain the interdependent relationship between property rights and the protective remedies for those rights; (4) conserve judicial resources; (5) allow general rules while prohibiting categorical rules; and (6) follow history and tradition in equity practice.<sup>14</sup>

This Comment addresses the weaknesses of Spillane’s argument that courts should maintain the presumption of

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9. *CBS Broad Inc. v. EchoStar Commc’ns Corp.*, 450 F.3d 505, 509 (11th Cir. 2006); *Elvis Presley Enterprises, Inc. v. Passport Video*, 349 F.3d 622, 627 (9th Cir. 2003); *Walt Disney Co. v. Powell*, 897 F.2d 565, 567 (D.C. Cir. 1990); *Universal City Studios v. Sony Corp. of America*, 659 F.2d 963, 976 (9th Cir. 1981); *Elektra Entm’t Group Inc. v. Brimley*, No. 205-134, 2006 U.S. Dist. LEXIS 56798 at \*9 (S.D. Ga. Aug. 15, 2006).

10. *eBay*, 547 U.S. at 391.

11. Spillane, *supra* note 2, at 260.

12. *Id.*

13. *Id.* at 282-293.

14. *Id.*

irreparable harm in the face of the *eBay* decision. Part I of this Comment examines the legislative background that led to copyright law as we know it today, and reviews the pre-*eBay* standard for injunctive relief. Part II addresses *eBay*'s progression through the federal courts, the standard that emerged in the Supreme Court's holding, and the confusion that has resulted regarding whether the presumption still applies. Part III demonstrates that the Supreme Court intended to eliminate the presumption in the *eBay* decision, and that this leads to a more equitable result. Part IV raises separate arguments supporting the proposition that the presumption's removal is more equitable. Finally, Part V provides a brief conclusion of the arguments raised.

### I. LEGISLATIVE BACKGROUND

Congress has granted federal courts the authority to issue injunctive relief under 17 USCS § 502.<sup>15</sup> The statute states: "any court having jurisdiction of a civil action arising under this title may, subject to the provisions of section 1498 of title 28, grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a copyright."<sup>16</sup> Courts interpret the word "may" to imply that the issuance of an injunction is subject to a court's discretion.<sup>17</sup>

The Copyright Act itself, however, implies less room for judicial discretion, stating that, "if any person shall infringe the copyright in any work protected under the copyright laws of the United States such person shall be liable. . .to an injunction restraining such infringement."<sup>18</sup> However, courts have traditionally demanded certain preliminary requirements before issuing injunctive relief.<sup>19</sup> Prior to *eBay*, in both patent and copyright infringement cases, courts required a *de minimis* showing of past infringement, and a likelihood of future infringement.<sup>20</sup> Following *eBay*, a plaintiff

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15. Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 433-34 (1984).

16. 17 U.S.C. § 502(a) (2006).

17. Yule Kim, Cong. Research Serv., 97-589, *Statutory Interpretation: General Principles and Recent Trends* 9 (2008).

18. § 502(a) (2006).

19. Phillips v. Const. Publ'g Co., 72 U.S.P.Q. (BNA) 69, 69-70 (N.D. Ga. 1947).

20. CBS Broad Inc. v. EchoStar Commc'ns. Corp., 450 F.3d 505, 509 (11th Cir. 2006); Elvis Presley Enterprises, Inc. v. Passport Video, 349 F.3d 622, 627 (9th Cir.

must satisfy the four-factor test of equity prior to obtaining injunctive relief.<sup>21</sup>

## II. LEGAL BACKGROUND

### A. *The Emerging Standard For Injunctive Relief in Infringement Cases*

#### 1. *eBay, Inc. v. MercExchange, L.L.C.*

In *eBay*, MercExchange patented a business-method<sup>22</sup> that allows individuals to buy and sell goods from one another electronically.<sup>23</sup> Both eBay and Half.com refused to license this patent from MercExchange.<sup>24</sup> At trial, the jury found that eBay and Half.com both infringed MercExchange's patent.<sup>25</sup> Despite the jury's finding of infringement, the district court refused to grant injunctive relief because MercExchange failed to satisfy the four-factor test.<sup>26</sup> The court explained that relief would be improper because of the "plaintiffs' willingness to license its patents" and the fact that "its lack of commercial activity in practicing the patents" demonstrated that the patent holder would not suffer irreparable harm.<sup>27</sup>

The court of appeals reversed the district court's application of the traditional four-pronged equity test to cases of patent infringement.<sup>28</sup> It held that courts should generally

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2003); *Walt Disney Co. v. Powell*, 897 F.2d 565, 567 (D.C. Cir. 1990).

21. *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006).

22. Business-methods are still patentable in the wake of the Supreme Court's recent decision in *Bilski v. Kappos*, 130 S. Ct. 3218, 3228 (2010). There, the Court ruled that the term "process," from 35 USC § 101, "at least as a textual matter and before consulting other limitations in the Patent Act and this Court's precedents, may include at least some methods of doing business." *Id.*

23. *eBay*, 547 U.S. at 388. MercExchange actually sought to license its business patent to eBay, but a settlement could not be reached.

24. *Id.*

25. *Id.*

26. *Id.* at 393.

27. *Id.* Since the advent of "patent trolls," entities who buy and enforce patents against infringers without any intention of using the patented invention themselves, some courts have tried to make it more difficult to win injunctions. Jack C. Schecter, *Are "Patent Trolls" Facing A New Era of Litigation Penalties?*, 2011 EMERGING ISSUES 5885 (2011). This likely influenced the district court's decision in denying the injunction. Sanchez, *supra* note 6, at 540.

28. *Id.* at 393.

issue injunctions in cases of patent infringement absent exceptional circumstances.<sup>29</sup>

The Supreme Court granted certiorari to determine “whether the Federal Circuit erred in setting forth a general rule in patent cases that a district court must, absent exceptional circumstances, issue a permanent injunction after a finding of infringement.”<sup>30</sup> The Court held that neither the district court nor the court of appeals applied the appropriate test in determining whether to issue injunctive relief upon a finding of patent infringement.<sup>31</sup> The Court explained that the district court erred by applying an overly expansive test that would prevent patent holders that choose only to license their patents to receive injunctive relief.<sup>32</sup> The Court also explained that the court of appeals erred by failing to apply the traditional four-factor test.<sup>33</sup> Thus, the Court remanded for further proceedings in accordance with the appropriate application of the four-factor test for injunctive relief.<sup>34</sup>

On remand, the district court analyzed “whether a presumption of irreparable harm upon a finding of validity and infringement survives the Supreme Court’s opinion remanding this case.”<sup>35</sup> The district court held, “a review of relevant case law, as well as the language of the Supreme Court’s decision, supports defendants’ position that such [a] presumption no longer exists.”<sup>36</sup>

Virtually all courts have agreed that *eBay* eliminated the presumption of irreparable harm in the patent context.<sup>37</sup> Further, most courts generally apply *eBay*’s holding to cases

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29. *eBay*, 547 U.S. at 393.

30. Spillane, *supra* note 2, at 277.

31. *eBay Inc.*, 547 U.S. at 393.

32. *Id.* The court held that the extra factors taken into account by the district court were beyond the scope of the four-factor test.

33. *Id.*

34. *Id.* at 394.

35. *MercExchange, L.L.C. v. eBay, Inc.*, 500 F. Supp. 2d 556, 568 (E.D. Va. 2007).

36. *Id.*; *See z4 Techs., Inc. v. Microsoft Corp.*, 434 F. Supp. 2d 437, 440 (E.D. Tex. 2006) (concluding that the language in the Supreme Court’s *eBay* opinion “does not imply a presumption, but places the burden of proving irreparable injury upon the plaintiff”); *Paice LLC v. Toyota Motor Corp.*, No. 2:04-CV-211, 2006 U.S. Dist. LEXIS 61600, at \*4 (E.D. Tex. Aug. 16, 2006) (“The *eBay* decision demonstrates that no presumption of irreparable harm should automatically follow from a finding of infringement.”).

37. *See Robert Bosch LLC v. Pylon Mfg. Corp.*, 659 F.3d 1142, 1149 (Fed. Cir. 2011); *z4 Techs.*, 434 F. Supp. 2d at 440; *Paice LLC*, 2006 U.S. Dist. LEXIS 61600; *Amoco Prod. Co. v. Vill. of Gambell*, 480 U.S. 531, 532 (1987).

of copyright infringement.<sup>38</sup>

2. *Winter v. NRDC, Inc.*<sup>39</sup>

In *Winter*, the National Resources Defense Counsel (NRDC) sought an injunction against the United States Navy to prevent the Navy from engaging in antisubmarine warfare training sessions using mid-frequency active sonar off the coast of California.<sup>40</sup> The NRDC asserted that the National Environmental Policy Act of 1969 (NEPA) required the Navy to prepare an environmental impact statement assessing the impact of these naval exercises on marine mammals prior to engaging in the training exercises.<sup>41</sup> Both the district court and the Court of Appeals for the Ninth Circuit upheld the injunction based, at least in part, on NRDC establishing a possibility of irreparable harm.<sup>42</sup> The Supreme Court, reversing the court of appeals, explained that injunctive relief should be granted only when irreparable injury is *likely*, not merely possible.<sup>43</sup>

Although *Winter* did not involve any issue of intellectual property rights, several courts have cited to it in holding that the presumption of irreparable harm is no longer valid.<sup>44</sup> For example, in *Flexible Lifeline Sys. v. Precision Lift, Inc.*,<sup>45</sup> the Ninth Circuit vacated an injunction issued by the district court because the plaintiff failed to demonstrate irreparable

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38. *Peter Letterese & Assocs. v. World Inst. of Scientology Enters. Int'l*, 533 F.3d 1287, 1323 (11th Cir. 2008); *Christopher Phelps & Assocs. v. Galloway*, 492 F.3d 532, 543 (4th Cir. 2007) (“The Supreme Court[’s *eBay* decision] reaffirmed the traditional showing that a plaintiff must make in order to obtain a permanent injunction in any type of case, including a patent or copyright case”); *See also Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 518 F. Supp. 2d 1197, 1208-10 (C.D. Cal. 2007).

39. 555 U.S. 7 (2008).

40. *Id.* at 8.

41. *Id.*

42. *Id.*

43. *Id.* at 22 (Stating that “issuing a preliminary injunction based only on a *possibility* of irreparable harm is inconsistent with our characterization of injunctive relief as an extraordinary remedy that may only be awarded upon a clear showing that the plaintiff is entitled to such relief. Our frequently reiterated standard requires plaintiffs seeking preliminary relief to demonstrate that irreparable injury is *likely* in the absence of an injunction.”).

44. *Flexible Lifeline Sys. v. Precision Lift, Inc.*, 654 F.3d 989, 995 (9th Cir. 2011); *Salinger v. Colting*, 607 F.3d 68, 77-78 (2d. Cir. 2010); *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 518 F. Supp. 2d 1197, 1209 (C.D. Cal. 2007); *Apple Inc. v. Psystar Corp.*, 673 F. Supp. 2d 943, 948 (2009).

45. 654 F.3d at 995.



harm in a copyright infringement case. According to the court, “after the Supreme Court’s *eBay* and *Winter* decisions in 2006 and 2008, this circuit’s long-standing practice of presuming irreparable harm upon the showing of likelihood of success on the merits in a copyright infringement case is no longer good law.”<sup>46</sup>

### *B. Recent Court Approaches to the Presumption of Irreparable Harm*

In the wake of *eBay* and *Winter*, courts have taken two different approaches to the traditionally recognized presumption of irreparable harm in copyright infringement cases.<sup>47</sup> Some courts hold that the presumption is no longer valid,<sup>48</sup> while others maintain the presumption’s validity in cases of copyright infringement.<sup>49</sup>

#### 1. The Presumption is No Longer Valid

In *Salinger v. Colting*, J.D. Salinger brought a copyright infringement suit against an author for allegedly copying scenes, characters, events, and other elements from Salinger’s classic novel, *Catcher in the Rye*.<sup>50</sup> Upon establishing a prima facie case of copyright infringement, Salinger sought injunctive relief from the district court.<sup>51</sup> The court, interpreting *eBay* to affect only cases of patent infringement, presumed irreparable harm and issued a preliminary injunction.<sup>52</sup> On appeal, the Second Circuit vacated the injunction, holding that *eBay* equally applies to cases of

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46. *Id.*; See also *Salinger*, 607 F.3d at 77-78; *MGM Studios*, 518 F. Supp. 2d at 1209; *Apple*, 673 F. Supp. 2d at 948.

47. Compare *Salinger*, 607 F.3d at 77-78; *GM Studios*, 518 F. Supp. 2d at 1209; *Apple*, 673 F. Supp. 2d at 948; with courts still holding of the presumption: *Capitol Records, Inc. v. Zahn*, No. 3:06-0212, 2007 U.S. Dist. LEXIS 11426 at \*10 (M.D. Tenn. Feb. 16, 2007). *Microsoft Corp. v. McGee*, 490 F. Supp. 2d 874, 877 (2007).

48. *Salinger*, 607 F.3d at 77-78; *MGM Studios*, 518 F. Supp. 2d at 1209; *Apple*, 673 F. Supp. 2d at 948.

49. *McGee*, 490 F. Supp. 2d at 882; *Sony BMG Music Entm’t v. Tenenbaum*, No. 07-cv-11446, 2009 U.S. Dist. LEXIS 115734 at \*4 (D. Mass. Dec. 7, 2009); *Microsoft Corp. v. Atek 3000 Computer, Inc.*, 2008 U.S. Dist. LEXIS 56689 (E.D.N.Y. July 23, 2008); *Zahn*, 2007 U.S. Dist. LEXIS 11426 (M.D. Tenn. Feb. 16, 2007).

50. *Salinger*, 607 F.3d at 77-78.

51. *Id.*

52. *Id.*

copyright infringement<sup>53</sup> stating that *eBay* “eviscerated the presumption of irreparable harm upon a showing of a likelihood of success on the merits in copyright cases.”<sup>54</sup> Similarly, courts in the Fourth, Ninth, and Eleventh Circuits have directly rejected the presumption in cases of copyright infringement.<sup>55</sup>

## 2. The Presumption Survives in the Copyright Context

In *Microsoft v. McGee*,<sup>56</sup> the defendant distributed counterfeit and infringing software programs that were developed and licensed by the plaintiff. Once the plaintiff demonstrated a prima facie case of infringement, the court reviewed the four-pronged test set forth in *eBay*, holding that under the first prong,<sup>57</sup> irreparable harm is automatically presumed upon any showing of copyright infringement.<sup>58</sup> District courts in the First, Second, and Sixth Circuits have reached the same conclusion.<sup>59</sup> However, none of these courts adequately explain its conclusion. Rather, these courts simply cite to pre-*eBay* cases as precedent for the presumption, which includes cases that are no longer good law.<sup>60</sup>

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53. *Id.*

54. Sanchez, *supra* note 6, at 545.

55. Peter Letterese & Assocs. v. World Inst. of Scientology Enters. Int'l, 533 F.3d 1287, 1323 (11th Cir. 2008); Christopher Phelps & Assocs. v. Galloway, 492 F.3d 532, 543 (4th Cir. 2007) (The Supreme Court's *eBay* decision reaffirmed the traditional showing that a plaintiff must make in order to obtain a permanent injunction in any type of case, including a patent or copyright case.); Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd., 518 F. Supp. 2d 1197, 1208-10 (C.D. Cal. 2007); Arlington Indus. v. Bridgeport Fittings, Inc., No. 3:06-CV-1105, 2011 U.S. Dist. LEXIS 77592 at \*24 (M.D. Pa. July 18, 2011).

56. 490 F. Supp. 2d 874, 877 (S.D. Ohio 2007).

57. The first prong: that the plaintiff has suffered an irreparable injury.

58. *McGee*, 490 F. Supp. 2d at 877.

59. *Id.* at 882; Sony BMG Music Entm't v. Tenenbaum, 2009 U.S. Dist. LEXIS 115734 (D. Mass. Dec. 7, 2009); Microsoft Corp. v. Atek 3000 Computer, Inc., No. 07-cv-11446, 2008 U.S. Dist. LEXIS 56689 at \*4 (E.D.N.Y. July 23, 2008); Capitol Records, Inc. v. Zahn, NO. 3:06-0212, 2007 U.S. Dist. LEXIS 11426 at \*10 (M.D. Tenn. Feb. 16, 2007).

60. See *McGee*, 490 F. Supp. 2d at 882 (citing Universal City Studios v. Reimerdes, 82 F.Supp.2d 211, 215 (S.D.N.Y. 2000)); *Microsoft*, No. 06-cv-6403, 2008 U.S. Dist. LEXIS 56689 at \*15 (quoting MyWebGrocer, LLC v. Hometown Info, Inc., 375 F.3d 190, 193 (2d Cir. 2004)).

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### III. ARGUMENTS DEMONSTRATING THAT THE PRESUMPTION OF IRREPARABLE HARM IS NO LONGER VALID

Although the Supreme Court did not directly address whether its *eBay* decision intended to abrogate the presumption of irreparable harm, most courts agree that such an interpretation is warranted.<sup>61</sup> Admittedly, however, the *eBay* decision did allow room for some confusion by failing to specifically state its holding applies to copyright infringement cases. This failure allowed commentators such as Spillane to propose justifications for not applying the presumption to the copyright context.<sup>62</sup> However, these justifications are insufficient to overcome the reality that the presumption “has left the building.”<sup>63</sup>

#### *A. Protecting the Right to Exclude of a Copyright Holder*

##### 1. Spillane’s Argument in Favor of the Presumption’s Validity

Spillane argues in favor of the presumption’s validity. Copyright infringement involves the invasion of a copyright holder’s right to the exclusive use of his work.<sup>64</sup> A copyright’s exclusivity can be characterized by two points: (1) the copyright’s nature as a monopoly; and (2) the method used in policing infringement of a copyright.<sup>65</sup>

The Constitution authorizes Congress to pass legislation on copyright matters.<sup>66</sup> With this power, Congress enacted the Copyright Act granting authors an “exclusive right” to their copyrightable works.<sup>67</sup> This exclusivity provides a monopolistic right to a copyright owner, barring others from use of their work. However, a monopoly ceases to exist when parties other than the copyright owner use the copyrighted

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61. *See supra* notes, 36-38.

62. Spillane, *supra* note 2, at 282-285.

63. *Elvis Presley Enters., Inc. v. Passport Video*, 349 F.3d 622, 627 (9th Cir. 2003).

64. Spillane, *supra* note 2, at 282.

65. *Id.* at 283.

66. U.S. CONST. art. I, § 8, cl. 8.

67. Spillane, *supra* note 2, at 283; 17 U.S.C. § 106 (2006).

content.<sup>68</sup> Thus, requiring irreparable harm before granting injunctive relief weakens this monopoly, making it easier to infringe without consequences.

Furthermore, by granting causes of action in instances of infringement, the Copyright Act imposes supervision rights upon the copyright holder.<sup>69</sup> While in many instances of infringement:

[a damage award] may account for the losses resulting from the infringement and profits the defendants may have garnered from their infringing activities, and may deter future infringement by making the cost of that activity prohibitive, a mere damage award runs the risk of judicially licensing infringement where the Copyright Act otherwise has not provided for compulsory licenses.<sup>70</sup>

In other words, defendants may find it better to infringe and pay for the resulting damage judgments, particularly if the infringer is a corporation with sufficient capital to bear the cost of such judgments.<sup>71</sup> According to Justice Scalia, allowing only monetary damages to be awarded is equivalent to the judiciary saying to the patent holder, “Here, take your money,” and to the infringer, “You, God bless you, go continue to violate the patent.”<sup>72</sup> This scenario would force copyright owners to constantly litigate in order to protect their exclusive rights against wealthy companies that can easily afford such litigation.<sup>73</sup>

As such, Spillane argues that the continuance of the presumption of irreparable harm will protect this monopoly and appropriately address these supervision concerns. Thus, he finds that the presumptions’ viability in copyright actions should survive the *eBay* decision.<sup>74</sup>

## 2. Argument Against the Presumption’s Validity

Through the ideological principles and intent of the Supreme Court’s decision in *eBay*, it is clear that the presumption should continue neither in patent infringement

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68. Spillane, *supra* note 2, at 283.

69. *Id.*

70. *Id.* at 284.

71. *Id.* at 285.

72. Spillane, *supra* note 2, at 276 (quoting Transcript of Oral Argument at 27, *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006) (No. 05-130)).

73. *Id.* at 275.

74. *Id.* at 292.

nor copyright infringement. In making this argument, this section first addresses the issue of a copyright holder's monopoly and then addresses the copyright holder's self-supervising role. Finally, a review of the Court's language in *eBay* clearly indicates that the presumption should not be applied in the copyright context.

*a. Copyright Holder's Monopoly*

Congress has granted both patent and copyright owners an exclusive monopoly.<sup>75</sup> The crux of a copyright holder's "exclusive right" to the property is found under the Copyright Act. Congress virtually granted this same protection to patent holders in the Patent Act.<sup>76</sup> That is, under the same Constitutional Clause used to create the Copyright Act, Congress enacted the Patent Act granting the patent holder an exclusive monopoly as well.<sup>77</sup> While Spillane argues that an injunction is required to protect this monopoly,<sup>78</sup> his view contradicts the holding of the Supreme Court.<sup>79</sup> Spillane admits that the *eBay* ruling removes the presumption in the patent context. However, he argues that this ruling does not extend to copyrights.<sup>80</sup> Nevertheless, since rights to both a copyright and a patent arise from the same Constitutional Clause, and both Acts are framed in similar language, it is inappropriate to demand different standards for injunctive relief between these two species of intellectual property. Thus, just as the Supreme Court requires a showing of irreparable harm upon a finding of patent infringement, despite the "monopoly" granted to patent holders by Congress, a copyright holder's "monopoly," which is no more powerful than a patent owner's, does not warrant a different standard.

*b. Self-Policing*

Patents and copyrights share the same infringement

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75. 17 U.S.C. § 106 (2006); 35 U.S.C. § 261 (2006).

76. § 261.

77. 35 U.S.C. § 271 (2006).

78. Spillane, *supra* note 2, at 283.

79. *eBay Inc. v. MercExchange, L.L.C.*, 500 F. Supp. 2d 556, 568 (E. D. Va. 2007).

80. Spillane, *supra* note 2, at 279-82. The only argument Spillane addresses is the split of authority over whether the presumption is removed in the copyright context. *Id.* He does not contend that the presumption remains in the patent context. *Id.*

concerns and the same self-policing mechanisms. In Section 281, Congress awarded self-policing rights to patent holders and granted them causes of action to protect against patent infringement.<sup>81</sup> Similarly, in Section 501, Congress granted copyright holders causes of action in cases of infringement, allowing them to self-supervise their creations.<sup>82</sup> Yet, the *eBay* Court did not believe that a *prima facie* case of patent infringement necessarily justifies an injunction.<sup>83</sup> In other words, the Supreme Court was not concerned that corporations with enough capital may choose to keep infringing at the expense of simply paying penalty fees.<sup>84</sup> Similarly, fear of mandated copyright infringement is no greater a concern; it is therefore not deserving of stronger protection than patent infringement through a presumption of irreparable harm. Thus, it is insufficient to say that in the copyright realm, which has similar policing mechanisms to patent infringement and the same capability to infringe and pay, the presumption of irreparable harm should remain despite the Court's decision in *eBay*.

Moreover, the premise that monetary damages are often insufficient is misleading.<sup>85</sup> It is true that in contrast to a patent holder, who may seek punitive damages upon a *prima facie* showing of patent infringement,<sup>86</sup> the majority of courts hold that a copyright holder may not pursue punitive damages.<sup>87</sup> However, a copyright holder is entitled to either actual damages along with the additional profits of the infringer, or statutory damages.<sup>88</sup> When actual damages are awarded, the victim of copyright infringement is made

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81. 35 U.S.C. § 281 (2006).

82. 17 U.S.C. § 501(b) (2006).

83. *eBay v. MercExchange, L.L.C.*, 547 U.S. 388,395 (2006) (stating the fact that in the vast majority of cases courts have granted injunctive relief upon a showing of patent infringement “does not entitle a patentee to a permanent injunction or justify a general rule that such injunctions should issue); *see also Roche Prods., Inc. v. Bolar Pharmaceutical Co.*, 733 F.2d 858, 865-867 (Fed. Cir. 1984).

84. *See eBay*, 547 U.S. at 396.

85. *Spillane* raises the argument that rich corporations could easily infringe and pay even the maximum damages while continuing to make a profit. *Spillane*, *supra* text accompanying note 2, at 284-85.

86. 35 U.S.C. § 284 (2006).

87. *Bucklew v. Hawkins, Ash, Baptie & Co.*, 329 F.3d 923, 931 (7th Cir. 2003); *Epcon Group, Inc. v. Danburry Farms, Inc.*, 28 F. App'x 127, 130 (3d Cir. 2002); *Leutwyler v. Royal Hashemite Court of Jordan*, 184 F. Supp. 2d 303, 308 (S.D.N.Y. 2001).

88. 17 U.S.C. § 504 (2006).

whole.<sup>89</sup> However, in cases granting statutory damages to copyright holders, it is within the courts' discretion to award a minimum of \$750 and a maximum of \$30,000 per infringement.<sup>90</sup> Furthermore, upon willful infringement, the court may impose damage awards of up to \$150,000 per infringement.<sup>91</sup> In fact, these damages have been specifically created to provide adequate compensation to the copyright holder, to discourage wrongful conduct, and to deter infringements.<sup>92</sup> Thus, even though copyright infringements cannot lead to the kinds of punitive damages awarded for patent infringements, large corporations will not be more inclined to engage in copyright infringement because copyright infringement can still result in significant financial loss.

*c. Direct Interpretation of eBay Implies its Holding  
Applies Equally to Copyright Infringement*

In *eBay*, the Supreme Court openly declared that the four-pronged test for injunctive relief "is consistent with our treatment of injunctions under the Copyright Act."<sup>93</sup> The Court further stated that these traditional principles of equity apply, "in patent disputes no less than in other cases governed by such standards."<sup>94</sup> Thus, the only relevant issue is whether the Supreme Court in *eBay* removed the presumption altogether in cases of patent infringement since that would also remove the presumption from copyright infringement injunctions. As the district court in *eBay* found on remand, "a review of relevant case law, as well as the

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89. See e.g., *Wal-Mart Stores v. Samara Bros.*, 529 U.S. 205, 208 (2000), (Wal-Mart infringed upon Samara Brothers' copyrights by selling knockoffs. In granting actual damages to the Samara Brothers, the jury awarded the full \$1.15 million of Wal-Mart's gleaned profits from copying Samara Brothers' materials, in addition to fees and costs. *Id.*

90. § 504(c)(1).

91. *Id.* In contrast, in the Ninth Circuit courts go so far as to hold statutory damages must be in excess of the amount that would have been awarded as profits or actual damages alone, assuming either profits or actual damages have already been ascertained. *Kamar Int'l v. Russ Berrie & Co.*, 829 F.2d 783, 786 (9th Cir. 1987) (citing *Frank Music Corp. v. Metro-Goldwyn-Mayer, Inc.*, 772 F.2d 505, 520 (9th Cir. 1985)).

92. "The statutory purposes of the Copyright Act of 1909 are to provide adequate compensation to the copyright holder and to discourage wrongful conduct and deter infringements." *Kamar Int'l*, 829 F.2d at 786.

93. *eBay v. MerckExchange, L.L.C.*, 547 U.S. 388, 392 (2006).

94. *Id.* at 394 (Roberts, CJ, concurring).

language of the Supreme Court's decision, supports the position that such presumption no longer exists."<sup>95</sup> Accordingly, courts are erring by continuing to apply the presumption.

*d. Summation*

Spillane's arguments are not sufficient for the presumption to survive the *eBay* decision. Patents and copyrights share the same bundle of rights granted by Congress.<sup>96</sup> Furthermore, they both have similar self-policing mechanisms and in both types of infringement cases, the subsequent monetary damages available to a plaintiff are sufficient to deter corporations with large amounts of capital.<sup>97</sup> Hence, there is no reason to adopt Spillane's proposal and apply different standards between patent law and copyright law.<sup>98</sup> Finally, the Court's decision in *eBay* demonstrates that its ruling should apply equally to both copyright infringement and patent infringement.<sup>99</sup>

*B. Judicial Distrust of Defendant's Assertions of Voluntary Cessation*

1. Spillane's Arguments in Favor of the Presumption's Validity

In prior cases of copyright infringement, courts have held that defendants lack good faith in their assertions that they will stop their infringing activity.<sup>100</sup> They have also held that the threat of future infringement undermines the exclusive right granted to copyright holders such that injunctive relief is required to protect this right.<sup>101</sup> Both in *Tanenbaum*<sup>102</sup> and

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95. See *supra* notes 36-38.

96. See *infra* Part III., Section A, Subpart 2, Subsection b.

97. *Id.*

98. *Id.*

99. *Id.*

100. Sony BMG Music Entm't v. Tenenbaum, No. 07-cv-11446, 2009 U.S. Dist. LEXIS 115734 at \*4 (D. Mass. Dec. 7, 2009); Walt Disney Co. v. Powell, 897 F.2d 565, 567 (D.C. Cir. 1990).

101. Spillane, *supra* note 2, at 284-85.

102. In *Tanenbaum*, the defendant used an audio sharing device to distribute 381 infringed audio files over the internet. 2009 U.S. Dist. LEXIS 115734.



*Walt Disney Co.*<sup>103</sup> the defendants infringed upon issued copyrights. In both cases, the courts imposed permanent injunctions to ensure infringement protection based on the belief that the defendants would otherwise further infringe the plaintiffs' copyrights.<sup>104</sup> Spillane argues that a presumption of irreparable harm will impose a burden of proof upon a defendant to provide that his or her infringing activity does not demonstrate irreparable harm.<sup>105</sup> With this burden, a judge may more accurately assess a defendant's assertions that he or she will cease the infringing activity once the case ends.<sup>106</sup>

## 2. Argument against the Presumption's Validity

Spillane points only to *Tanenbaum* and *Walt Disney Co.* in making his argument because there are no other cases asserting this judicial distrust principle. Every other court that has addressed this issue has interpreted the Supreme Court to have rejected the notion that an injunction automatically follows a copyright infringement determination.<sup>107</sup> As such, cases prior to *eBay*, such as *Walt Disney Co.* have been overruled and lack any persuasive force. Moreover, any case to the contrary decided after *eBay* is simply not in accordance with precedent in light of the above arguments.<sup>108</sup> Thus, *Tanenbaum* was mistaken in granting the injunction without a further demonstration of irreparable harm regardless of the possibility of continued infringement.

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103. In *Walt Disney*, the defendant produced t-shirts with infringed symbols such as Playboy, the Hard Rock Café, Disney, and Georgetown University in quantities that the court could not assess accurately. *Walt Disney*, 897 F.2d at 567.

104. *Tanenbaum*, 2009 U.S. Dist. LEXIS 115734; *Walt Disney*, 897 F.2d at 567.

105. Spillane, *supra* note 2, at 287.

106. *Id.*

107. *Perfect 10, Inc. v. Google, Inc.*, 653 F.3d 976, 981 (9th Cir. 2011); *Robert Bosch LLC v. Pylon Mfg. Corp.*, 659 F.3d 1142, 1148-49 (Fed. Cir. 2011); *Salinger v. Colting*, 607 F.3d 68, 78 (2d Cir. 2010); *Apple v. Psystar Corp.*, 673 F. Supp. 2d 943, 948 (N. D. Cal. 2009); *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 518 F. Supp. 2d 1197, 1209 (C.D. Cal. 2007).

108. *Wilson v. Brennan*, 666 F. Supp. 2d 1242, 1265 (D.N.M. 2009) *aff'd*, 390 F. App'x 780 (10th Cir. 2010) (expressly stating that *eBay* rejects the notion that the injunction automatically follows a copyright infringement); *Christopher Phelps & Assocs., LLC v. Galloway*, 477 F.3d 128, 138 (4th Cir. 2007).

### *C. The Interdependent Relationship Between Rights and Remedies*

#### 1. Spillane's Arguments in Favor of the Presumption's Validity

A reciprocal relationship exists between the rights and the remedies for violation of those rights; thus, a powerful remedial approach should exist in the event of copyright infringement, given its nature as an exclusive right.<sup>109</sup> According to Spillane, the substance of rights asserted often defines the nature and scope of the remedies for that right in the event of its violation because the proper remedy ultimately determines how and whether the right is properly vindicated.<sup>110</sup> "Copyright owners hold a bundle of exclusive rights under 17 U.S.C. § 106, and these rights may cease to be exclusive where the Copyright Act does not provide [an appropriate remedy] when infringing behavior continues."<sup>111</sup> Thus, because a copyright holder receives an explicit grant of exclusive rights, it deserves a strong reciprocal remedy in cases of infringement, such as injunctive relief.<sup>112</sup> Therefore, Spillane argues for continuation of the presumption in cases of copyright infringement.<sup>113</sup>

#### 2. Argument Against the Presumption's Validity

The Supreme Court in *eBay* agrees that a strong right deserves a strong remedy.<sup>114</sup> There, the Court noted that injunctions are warranted in cases of copyright infringement considering the substance of a copyright holder's right; nevertheless, injunctive relief requires a sufficient showing of irreparable harm.<sup>115</sup> *eBay's* requirement that irreparable harm be demonstrated rather than presumed changes only the circumstances in which a court is allowed to find that irreparable harm exists. Therefore, the substantive right itself is not diminished. Rather, the factual standard

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109. Spillane, *supra* note 2, at 287-88.

110. *Id.*

111. *Id.* at 288.

112. *Id.*

113. *See id.* at 289.

114. *See eBay, Inc. v. MercExchange L.L.C.*, 547 U.S. 388, 391-93 (2006).

115. *Id.*

required to warrant this strong remedy has been raised to a likelihood of irreparable harm, as opposed to a mere possibility of such harm occurring. It is this standard that allows for a more equitable result.

*D. Conserving Judicial Resources by Recognizing Trends*

1. Spillane's Argument in Favor of the Presumption's Validity

Spillane also argues that “[t]he presumption also finds worth in its conservation of judicial resources.”<sup>116</sup> Because irreparable harm will normally flow from cases of copyright infringement, presuming irreparable harm once infringement is shown saves time and money.<sup>117</sup> Further, allowing the presumption to be rebutted increases accuracy in the presumably small set of cases that deviate from the norm.<sup>118</sup> As such, it would be more beneficial for courts themselves to continue the presumption.

2. Argument against the Presumption's Validity

Allowing the presumption to continue would enable across-the-board<sup>119</sup> infringement litigation costs to continue their meteoric rise. While the presumption existed in copyright cases, it virtually guaranteed an injunction in each case where the plaintiffs were able to prove past infringement.<sup>120</sup> With this fact becoming known, copyright owners began leveraging copyrights of little value into lucrative settlements.<sup>121</sup> As such, continuing to presume irreparable harm furthers abusive copyright litigation. In fact, there are several aspects of copyright litigation that make it particularly conducive to frivolous or abusive litigation, demonstrating that removal of the presumption is more cost

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116. Spillane, *supra* note 2, at 289.

117. *Id.*

118. *Id.*

119. This includes increasing costs for plaintiffs, defendants, and the judiciary.

120. “From at least the early 19th century, courts have granted injunctive relief upon a finding of infringement in the vast majority of patent cases.” *eBay, Inc. v. MercExchange L.L.C.*, 547 U.S. 388, 395 (2006) (Roberts, C.J., concurring).

121. Michael J. Meurer, *Controlling Opportunistic and Anti-Competitive Intellectual Property Litigation*, 44 B.C. L. REV. 509, 512-20 (2003).

effective.

First, copyright law asks the fact-finder to make a difficult subjective decision concerning whether the defendant unlawfully appropriated the plaintiff's expressive work.<sup>122</sup> Aside from the already vague standards in place to determine whether infringement has occurred, trials often feature conflicting expert testimony about matters relevant to the scope of an intellectual property right.<sup>123</sup> Compounding these problems is the risk of error by judges and juries.<sup>124</sup> Trial errors are difficult to correct in intellectual property litigation because the complexity of the evidence can make it difficult for a deserving defendant to win summary judgment or even prevail at trial.<sup>125</sup> Thus, high variance in the scope of rights makes it profitable for intellectual property plaintiffs with apparently narrow rights to gamble that a court will grant them broad rights.

Second, a weak lawsuit presents a credible threat to a defendant for whom it is difficult to distinguish weak lawsuits from strong ones.<sup>126</sup> A plaintiff with a weak lawsuit can successfully bluff a defendant because, in the early stages of intellectual property litigation, the plaintiff is likely to have better information about the scope and validity of its claim.<sup>127</sup>

Third, a weak lawsuit may cause the defendant to settle—either to avoid the nuisance of mounting a defense or because the cost of a strong defense threatens the defendant's solvency.<sup>128</sup> Alternatively, the threat of a weak lawsuit may deter entry into a given market if the plaintiff establishes a reputation for prosecuting weak suits through to the end.<sup>129</sup> A plaintiff with a predatory reputation may rationally view losing a weak lawsuit as a profitable investment in that reputation.<sup>130</sup>

Further, allowing the presumption of irreparable harm to remain enables copyright litigation costs to continue rising

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122. Brief for America Online, Inc. et al. as Amici Curiae Supporting Respondent at 10, *eBay, Inc. v. MercExchange L.L.C.*, 547 U.S. 388 (2006) (No. 05-130).

123. *Id.*

124. *Id.*

125. *Id.*

126. *Id.*

127. Brief for America Online, Inc. et al. as Amici Curiae Supporting Respondent at 10, *eBay, Inc. v. MercExchange L.L.C.*, 547 U.S. 388 (2006) (No. 05-130).

128. *Id.* at 11.

129. *Id.*

130. *Id.*

given the fact that no demonstration of irreparable harm need be shown. According to economic reports, copyright litigation is expected to cost at least \$600,000 for each party.<sup>131</sup> In fact, according to surveys taken by the American Intellectual Property Lawyers Association, from 2001 until 2007 there has been a 32% rise in copyright litigation.<sup>132</sup> One way to stem this continued rise in litigation is to remove the presumption. This would require that each case have merit without presuming the merits, thereby substantially decreasing the incentives for infringement litigation.

Fourth, well aware of the above-mentioned opportunities, professional copyright litigants opportunistically buy up copyrights solely for the purpose of suing past and future infringers.<sup>133</sup> Such parties are known as copyright trolls.<sup>134</sup> In *Video-Cinema Films, Inc. v. CNN, Inc.*, the plaintiff purchased the G.I. Joe copyright, with a clause that ownership would retroactively take effect two years prior to the date of purchase.<sup>135</sup> The plaintiff then sued several news organizations for infringement for showing snippets of the films.<sup>136</sup> Another instance of copyright trolling appeared in *Righthaven LLC*.<sup>137</sup> There, the plaintiffs scoured the internet seeking online infringements of the Las Vegas Review Journal, purchased those copyrights, and commenced suit on the infringers.<sup>138</sup> Requiring plaintiffs to demonstrate actual harm, would decrease copyright trolling because, in most cases of trolling, irreparable harm is not present.

Thus, allowing the presumption of irreparable harm to remain would in fact increase overall costs. First, it enables potential plaintiffs to gamble on winning because the difficulty in understanding complex litigation has led to a

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131. Sanford E. Warren Jr., *Intellectual Property Litigation Rising: How to Protect Your Company's Financial Health*, IRMI (Sept. 2009), <http://www.irmi.com/expert/articles/2009/warren09-intellectual-property-law.aspx> (citing AIPLA Report of the Economic Survey, 25-26 (2007)).

132. *Id.*

133. Ashby Jones, *Vegas, Baby! Ruling a Possible Boon to 'Copyright-Troll' Suits*, WSJ L. BLOG (Sept. 3, 2010, 3:11 PM), <http://blogs.wsj.com/law/2010/09/03/vegas-baby-ruling-a-possible-boon-to-copyright-troll-suits/>.

134. *Id.*

135. 98 Civ. 7128, 2001 U.S. Dist. LEXIS 15937, at \*7-8 (S.D.N.Y. Sept. 28, 2001).

136. *Id.* at 14.

137. Jones, *supra* note 133. Righthaven filed over 115 lawsuits of copyright infringement. *Id.*

138. *Id.*

high variance of results. Second, it enables a plaintiff to bluff the defendant into settling because it does not need to demonstrate irreparable harm, and is thus in a better position than the defendant to know the likely outcome. Third, the prohibitive cost of copyright litigation enables one to threaten suit in order to demand a settlement. Finally, allowing the presumption to continue would increase the growing problem of copyright trolls. As such, not only would the continuance of the presumption increase costs on the litigants and the industry, it would also increasingly burden an already overstretched court system.

### *E. Allowing General Rules While Prohibiting Categorical Rules*

#### 1. Spillane's Argument in Favor of the Presumption's Validity

The *eBay* Court reversed the United States Court of Appeals for the Federal Circuit because it incorrectly asserted a “‘general rule’ unique to patent disputes ‘that a permanent injunction will issue once infringement and validity have been adjudged.’”<sup>139</sup> Some decisions have looked to this language from the Supreme Court to indicate a basic rejection of general rules, thereby justifying, for those courts, the elimination of the presumption.<sup>140</sup> However, Spillane argues that general rules are practically inevitable.<sup>141</sup> That is, “a central tenet of common law jurisprudence is to apply preexisting generalized rules to a specific set of circumstances, to apply the precedent created by the first application to the next case, and so on.”<sup>142</sup> Consequently, the logic of these courts in denying the presumption is misguided because the Supreme Court cannot have rejected the entire notion of general rules. Rather, a rebuttable presumption is appropriate so that defendants must show that a copyright owner can be made whole through a monetary recovery, thereby rendering injunctive relief unnecessary.<sup>143</sup>

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139. *eBay, Inc. v. MercExchange L.L.C.*, 547 U.S. 388, 393-94 (2006).

140. Spillane, *supra* note 2, at 289-290.

141. *Id.* at 290.

142. *Id.*

143. *Id.*

## 2. Argument against the Presumption's Validity

The Supreme Court did not remove the presumption merely because the lower courts asserted general rules in their decisions. In *eBay*, the lower courts placed overbroad rules on patent infringement cases.<sup>144</sup> The District Court for the Eastern District of Virginia adopted expansive principles suggesting that injunctive relief could not issue in a broad swath of cases.<sup>145</sup> The Federal Circuit held that a permanent injunction would *always* issue upon infringement.<sup>146</sup> These courts both adopted expansive principles, and the Supreme Court merely noted that these principles do not comply with the four-factor test of equity.<sup>147</sup> The Court was not proposing that general/categorical rules never be used; rather, in this instance, both courts had invented their own general rules rather than applying the appropriate four-factor test.<sup>148</sup> As such, *eBay* does not affect whether the rebuttable presumption that Spillane proposes is or is not a general rule. Further, Spillane fails to cite to any court that uses this general rule justification to support the removal of the presumption.<sup>149</sup> This is probably because most courts simply justify the removal of the presumption through analysis into the intent of the Supreme Court's *eBay* decision as well as for reasons of equity.

### *F. Following the History and Tradition of Equity Practice*

#### 1. Spillane's Argument in Favor of the Presumption's Validity

In *eBay*, the Court applied the traditional four-factor test "historically employed by courts of equity."<sup>150</sup> However, Spillane argues that a court "laboriously marching through equitable factors in copyright infringement suits" does not accurately reflect the history and tradition referred to by the

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144. *eBay*, 547 U.S. 393-94.

145. Specifically, the court looked to whether a patent holder has a willingness to license its patents and a lack of commercial activity in practicing the patents. *Id.*

146. *Id.*

147. *Id.* at 394.

148. *Id.*

149. See Spillane, *supra* note 2, at 289-90.

150. *eBay*, 547 U.S. at 390.

Court.<sup>151</sup> In fact, he cites a nineteenth-century treatise that claims equitable remedies are superior to actions at law in vindicating copyrights.<sup>152</sup> The treatise discusses that “a court of equity is manifestly the better forum for the protection of a copyright, since a court of law cannot afford as ample redress . . . for the prevention of a threatened or anticipated violation in the future.”<sup>153</sup> In addition, the treatise also explains that granting injunctions furthers “preventing mischief” and avoids “vexatious litigation.”<sup>154</sup> Moreover, historical records suggest that legal remedies are categorically inadequate in copyright infringement cases.<sup>155</sup>

Spillane harmonizes these historic principles with current Supreme Court precedent rather awkwardly. Instead of giving plain meaning to the *eBay* Courts’ statement that a plaintiff “must satisfy a four-factor test,” Spillane interprets this as not itself requiring that the plaintiff “prove” each factor.<sup>156</sup> Rather, Spillane’s interpretation provides that only in instances where a defendant resists injunction is a plaintiff required to prove the four factors.<sup>157</sup> Thus, according to this interpretation of *eBay*, the history referred to by the Court indicates that injunctions should be commonplace in instances of copyright infringement, further supporting the contention that the presumption should remain valid.

## 2. Argument against the Presumption’s Validity

The treatises mentioned by Spillane discussing the early development of law in both the English and American system are not an accurate portrayal of copyright infringement as it exists today. The Supreme Court stated that “given the difficulty of protecting a right to exclude through monetary remedies that allow an infringer to use an invention against the owner’s wishes,” it is not surprising that most cases in the

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151. Spillane, *supra* note 2, at 290.

152. *Id.* (quoting JAMES L. HIGH, A TREATISE ON THE LAW OF INJUNCTIONS 746 (3d ed. 1890)).

153. *Id.*

154. *Id.* (quoting JAMES L. HIGH, A TREATISE ON THE LAW OF INJUNCTIONS 746 (3d ed. 1890)).

155. *Id.* at 291 (citing H. Tomas Gomez-Arostegui, *What History Teaches Us About Copyright Injunctions and the Inadequate-Remedy-at-Law Requirement*, 81 S. CAL. L. REV. 1197 (2008)).

156. *Id.* at 292.

157. *Id.*



past have granted injunctions upon a showing of infringement.<sup>158</sup> However, monetary damages today prevent mischievous litigation, and therefore a demonstration of irreparable harm should be required before granting injunctive relief. Moreover, as discussed above, removing the presumption would lower costs as compared to routine granting of injunctions in copyright infringement cases.<sup>159</sup>

Further, while Chief Justice Roberts did mention cases from to the 19th century, it is clear that, when the Court determined that the traditional equity factors would apply in this context, it did not mean we should follow the precedent established in that time period.<sup>160</sup> In fact, in Gomez-Arostegui's article, which Spillane uses as a foundation for his argument, the author states "Chief Justice Roberts's concurrence neither indicates what history we should examine (American and/or English) nor how far back to look."<sup>161</sup> However, it is clear from the Court's choice of precedent that the Court was discussing only *recent* American history and the *recent* traditions set forth from these cases.<sup>162</sup> Thus, the fact that historical cases from the 19th century granted injunctions in all cases of copyright infringement has no substantive bearing on the law as *eBay* applies it. Although injunctive relief was granted in most cases of infringement in the past, that reality does not entitle a copyrightee to a permanent injunction or justify a general rule that such injunctions should issue.<sup>163</sup> Therefore, there is no need to find a non-obvious, contradictory interpretation of the Supreme Court's language, and harmonize it with English or early American case treatment of copyright infringement as Spillane attempts.

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158. *eBay, Inc. v. MercExchange L.L.C.*, 547 U.S. 388, 395 (2006) (Roberts, CJ., concurring).

159. See *supra* Part III., Section D., Subpart 2.

160. *eBay*, 547 U.S. at 395 (Roberts, C.J., concurring); See *infra* note 162.

161. H. Tomas Gomez-Arostegui, *What History Teaches Us About Copyright Injunctions and the Inadequate-Remedy-At-Law Requirement*, 81 S. CAL. L. REV. 1197, 1210 (2008).

162. *eBay*, 547 U.S. 391. This is evident from the Courts choice of precedent: *Amoco Production Co. v. Gambell*, 480 U.S. 531, 542 (1987); *Weinberger v. Romero-Barcelo*, 456 U.S. 305, 311-13 (1982).

163. See *eBay*, 547 U.S. at 395. (Roberts, CJ., concurring).

#### IV. SUPPLEMENTAL ARGUMENTS FAVORING THE REMOVAL OF THE PRESUMPTION OF IRREPARABLE HARM IN CASES OF COPYRIGHT INFRINGEMENT

Other arguments also demonstrate that the removal of the presumption will lead to more equitable results. Specifically, presuming irreparable harm prevents a defendant from the appropriate discovery required in establishing defenses to infringement such as fair use and copyright misuse.<sup>164</sup> In addition, a historical look at the origins of this presumption demonstrates its questionability even pre-*eBay*.<sup>165</sup> Thus, even in the copyright context, the effect of the *eBay* decision in removing the presumption is well warranted.

The copyright misuse defense is an invalidity defense to copyright infringement that cannot be established without discovery. This defense prohibits recovery for copyright infringement when the copyright holder uses the copyright “to secure an exclusive right or limited monopoly not granted by the Copyright Office and which is contrary to public policy.”<sup>166</sup> In order to adequately assert this defense, the defendant must first find existence of a period of copyright misuse.<sup>167</sup> Then, the defendant must determine whether his or her infringing use occurred during this period of misuse by the copyright holder.<sup>168</sup> Both inquiries are matters of fact requiring discovery—sometimes, significant amounts of discovery—from the copyright holder.

Another invalidity defense that cannot be fairly established without substantial discovery is the fair use defense. The indicative factors used in determining fair use are (1) consideration of all the evidence; (2) the value of the

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164. See Roy H. Wepner & Richard W. Ellis, *The Federal Circuit's Presumptively Erroneous Presumption of Irreparable Harm*, 6 TUL. J. TECH. & INTELL. PROP. 147, 148 (2004). The arguments discussed in this section originated in this article. Whereas the ideas expressed in this article primarily addressed patent infringement, similar concepts relate to cases of copyright infringement.

165. *Id.* at 166-168.

166. *Lasercomb America, Inc. v. Reynolds*, 911 F.2d 970, 977 (4th Cir. 1990)(citing *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U.S. 488, 492 (1942)); Karen E. Georgenson, *Reverse Engineering of Copyrighted Software: Fair Use or Misuse?*, 5 ALB. L.J. SCI. & TECH. 291, 312-313 (1996).

167. *Practice Mgmt. Info. Corp. v. AMA*, 121 F.3d 516, 520 (9th Cir. 1997) (citing *Lasercomb*, 911 F.2d at 979); *Altera Corp. v. Clear Logic, Inc.*, 424 F.3d 1079, 1090 (9th Cir. 2005).

168. *AMA*, 121 F.3d at 520 (citing *Lasercomb*, 911 F.2d at 979); *Altera Corp.*, 424 F.3d at 1090.

copyrighted material and effect on distribution of objects of the original work; (3) the nature and objects of the selections made; (4) the quantity and value of material used; and (5) the degree in which the use may prejudice sales of the original work.<sup>169</sup> Although some of these facts may be easily accessible, it may be impossible to establish certain facts without obtaining documents from, and deposing witnesses associated with the copyright holder. Thus, maintaining the presumption would prevent a defendant from asserting a valid fair use defense. As such, it is clearly more equitable to remove the presumption on this ground as well.

A historical view of the presumption's origins shows that even its general application to copyright cases is weak. In *American Metropolitan Enterprises, Inc. v. Warner Bros. Records, Inc.*,<sup>170</sup> the first case to recognize the presumption in copyright cases, the court extended this presumption directly from prior case law, indicating that a copyright holder is entitled to a preliminary injunction without a detailed showing of irreparable harm.<sup>171</sup> However, the fact that a detailed showing alone is not required to gain injunctive relief is a far cry from allowing a presumption that does not require *any* showing of irreparable harm.<sup>172</sup> Indeed, such a logical leap is unwarranted. As such, in light of the above arguments demonstrating the detriment of the presumption in copyright infringement cases, the fact that even its foundational precedent is arguable supports the notion of its removal.

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169. *Mathews Conveyer Co. v. Palmer-Bee Co.*, 135 F.2d 73, 85 (6th Cir. 1943)(stating that “fair use is to be determined by a consideration of all of the evidence, and among other elements entering into the determination of the issue, are the extent and relative value of copyrighted material, and the effect upon the distribution of objects of the original work. Whether a particular use of a copyrighted article, without permission of the owner, is a fair use, depends upon the circumstances of the particular case, and the court must look to the nature and objects of the selections made, the quantity and value of material used, and the degree in which the use may prejudice the sale, diminish the profits, or supersede the objects of the original work . . . .”) (citations omitted).

170. 389 F.2d 903, 905 (2d Cir. 1968).

171. *Wepner & Ellis*, *supra* note 164, at 167.

172. *Id.*

## V. CONCLUSION

Although the Supreme Court's decision in *eBay* has left some dispute as to the continuing validity of the presumption of irreparable harm in copyright infringement cases, an in-depth analysis demonstrates that removing the presumption follows from the intent of the Supreme Court and allows for a more equitable result. The serious nature of the injunction calls for the four-factor test of equity to be used, requiring a plaintiff to prove each factor. Spillane's arguments proposing the survival of the presumption in the wake of *eBay* and *Winter* are flawed and lead to a less equitable result. It is clear that courts will continue to require a plaintiff to satisfy the four-factor test of equity before granting injunctive relief, and there is no need for further clarification by the Supreme Court.