

The Changing Landscape of Patent Remedies after *eBay*

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A year ago, the Supreme Court's decision in *eBay Inc. v. MercExchange, L.L.C.* ("*eBay*") swept aside the long-standing presumption that a permanent injunction would, absent "exceptional circumstances," issue once the infringement and validity of a patent had been determined.¹ Instead, the Supreme Court held that before a permanent injunction can issue, a patentee must satisfy the traditional four-factor test for injunctive relief:

1. the patentee has suffered an irreparable injury;
2. remedies available at law, such as monetary damages, are inadequate to compensate for that injury;
3. considering the balance of hardships between the plaintiff and defendant, an injunction is warranted; and
4. the public interest is not disserved by a permanent injunction.

This article will examine the impact of the *eBay* decision on the award of injunctive relief. This article proceeds in four parts. First, this article provides a background of remedies available to a patentee in United States district courts against an adjudicated infringer. Next, it discusses the *eBay* case and how it reshaped the discussion of permanent injunctions. The article then analyzes the reported post-*eBay* district court cases deciding the issue of whether to grant a permanent injunction. Finally, the article considers how the United States Court of Appeals for the Federal Circuit (the "Federal Circuit") might apply the four-factor test once it begins considering appeals of lower court decisions relating to injunctive relief in patent infringement actions.

REMEDIES AVAILABLE TO PATENTEES FOR THE INFRINGEMENT OF A VALID PATENT

The Patent Act provides two types of remedies to a patent holder whose valid patent is infringed. First, the court can award the patent holder compensatory damages for infringement, which shall be "adequate to compensate for the infringement but in no event less than a reasonable royalty for the use made of the invention by the infringer[.]"² Second, the court may issue an injunction against future infringement.³

¹ 126 S. Ct. 1837 (2006).

² 35 U.S.C. § 284.

³ 35 U.S.C. § 283.

Courts use a variety of methods to determine the appropriate amount of compensatory damages to be awarded. One possible measure for compensation is lost profits. “Lost profits” are the profits on sales the patent owner would have made “but for” the infringement.⁴ To claim lost profits, a patent owner must prove: (1) demand for the patented product; (2) the absence of acceptable noninfringing substitutes; (3) its own manufacturing and marketing capability to exploit the demand; and (4) the profits it would have made absent the infringement.⁵ Lost profits cannot be used to compensate a patent holder who does not practice the patented invention. If the patentee has no sales, there are no profits to lose.

Alternatively, damages may be based on an established royalty rate or, where no established rate exists, a reasonable royalty. A reasonable royalty is an amount which a reasonable licensor and licensee would agree to in a hypothetical negotiation occurring at the time of the first infringement.⁶ The calculation typically assumes that the royalty will permit the infringer to make and sell the product that uses the patent at a reasonable profit.⁷ If the patent is found to be valid but essentially without value, a plaintiff may be awarded only nominal damages.⁸

There is no provision in the patent statute for the court to compel the patent holder to issue a license. The “future” remedy explicitly provided for under the statute is injunctive relief—the right to stop the infringer from using the patent.⁹ Prior to the Supreme Court’s ruling in *eBay*, courts in the United States, with rare exception, issued permanent injunctive relief once infringement and validity

⁴ See *Grain Processing Corp. v. Am. Maize-Products Co.*, 185 F.3d 1341, 1349 (Fed. Cir. 1999).

⁵ *Panduit Corp. v. Stahl Bros. Fibre Works, Inc.*, 575 F.2d 1152, 1156 (6th Cir. 1978).

⁶ *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1554 (Fed. Cir. 1995) (citing *Hanson v. Alpine Valley Ski Area, Inc.*, 718 F.2d 1075, 1078 (Fed. Cir. 1983)).

⁷ See *Mahurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1579-80 (Fed. Cir. 1996); see also *Leman v. Krentler-Arnold Hinge Last Co.*, 284 U.S. 448, 455-56 (1932) (finding the infringer’s profits may serve as a measure of the damage to the patent holder).

⁸ See *Standard Mailing Machs. Co. v. Postage Meter Co.*, 31 F.2d 459, 462 (1929) (citing *Am. Tel. & Tel. Co. v. Radio Audion Co.* 5 F.2d 535 (D. Del. 1925)).

⁹ This structure is consistent with a property law view of patent law. The remedies for trespass are compensation for damage caused by past trespasses and an order prohibiting similar trespasses in the future; in general, courts will not set damages in case of future trespass. See *United States v. Corvard*, 89 F.2d 312, 314 (4th Cir. 1937) (explaining that “it is, of course, well settled that injunctive relief is proper against continuing trespass or against repeated trespasses where there is a threat of continuance and the remedy at law is inadequate or multiplicity of suits would be avoided by the equitable remedy.”).

were established at trial.¹⁰ The Federal Circuit had said that it was the “general rule” that a court, following a finding of patent infringement, would issue a permanent injunction.¹¹ Explaining the rationale underlying this practice, the Federal Circuit stressed that, absent the prospective equitable relief of an injunction,

the express purpose of the Constitution and Congress, to promote the progress of the useful arts, would be seriously undermined. . . . [T]he right to exclude granted by the patentee could 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.¹²

In accordance with this rationale, absent “exceptional circumstances”—public safety, national security, or similar concerns—courts routinely and presumptively enjoined those found to be infringing valid patents.¹³

THE eBAY DECISION

On September 26, 2001, eBay, the popular on-line auction house, and its wholly-owned subsidiary Half.com were accused of infringing two patents¹⁴ owned by MercExchange, L.L.C. (“MercExchange”), both relating to the exchange of information between buyers and sellers in the course of electronic sales.¹⁵ After a full trial on the merits, the jury found that eBay willfully infringed both patents and awarded damages in the amount of \$35 million.¹⁶ Subsequently, MercExchange requested a permanent injunction to prevent further infringement by the defendants. The district court applied the four-factor test typically used when assessing requests for permanent injunction (outside the patent context) and denied the plaintiff’s request. The district court focused, in part, on MercExchange’s failure to practice the patents.¹⁷ Moreover, because MercExchange had

¹⁰ See *Monsanto Co. v. Scruggs*, 459 F.3d 1328, 1342 (Fed. Cir. 2006).

¹¹ See, e.g., *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1238 (Fed. Cir. 1989); *W.L. Gore & Assocs., Inc. v. Garlock, Inc.*, 842 F.2d 1275, 1281 (Fed. Cir. 1988).

¹² *Smith Int’l, Inc. v. Hughes Tool Co.*, 718 F.2d 1573, 1577-78 (Fed. Cir. 1983).

¹³ See, e.g., *Rite-Hite Corp.*, 56 F.3d at 1547-48.

¹⁴ U.S. Patent No. 5,845,265 (filed Nov. 7, 1995) (the “265 patent”) and U.S. Patent No. 6,085,176 (filed Mar. 8, 1999) (the “176 patent”).

¹⁵ *MercExchange, L.L.C. v. eBay, Inc.*, 275 F. Supp. 2d 695, 698-99 (E.D. Va. 2003), *rev’d*, 401 F.3d 1323 (Fed. Cir. 2005); *eBay*, 126 S. Ct. at 1837-38.

¹⁶ *MercExchange*, 275 F. Supp. 2d at 698.

previously demonstrated a willingness to license the patents, the district court found that it was likely that money damages would be adequate to remedy any harm suffered as a result of the defendants' actions.¹⁸ The court also noted the plaintiff's statements to the media that it did not intend to seek an injunction and would prefer to collect monetary damages for the defendants' infringement.¹⁹

Defendants eBay and Half.com appealed the district court's denial of their motions for judgment as a matter of law ("JMOL") with respect to the validity and infringement of the '265 patent, and Half.com appealed the lower court's decision on its motion for JMOL regarding the validity and infringement of the '176 patent. MercExchange cross-appealed, arguing that it was entitled to a permanent injunction.²⁰ In response to the cross-appeal, the court reversed the district court's denial of a permanent injunction with respect to infringement of the '265 patent.²¹ In reversing the district court's denial of equitable relief, the Federal Circuit reiterated the "general rule" that once infringement and validity have been established, a patent holder is usually entitled to an injunction.²² The Federal Circuit stated: "Injunctions are not reserved for patentees who intend to practice their patents, as opposed to those who choose to license."²³ The Federal Circuit did not engage in an analysis of the traditional four-factor test, which requires, among other things, a finding of irreparable harm.

The Supreme Court granted certiorari to determine the appropriateness of the "general rule that courts will issue permanent injunctions against patent infringement absent exceptional circumstances."²⁴ The case attracted widespread attention and numerous briefs from amici. For instance, pharmaceutical companies, universities, and the American Bar Association favored the application of the "general rule." Electronics manufacturers, financial associations, and intellectual property professors tended to favor a more rigorous application of the traditional four-factor test.

¹⁷ *Id.* at 712.

¹⁸ *Id.* at 712-13.

¹⁹ *Id.* at 712.

²⁰ The Federal Circuit held the '176 patent invalid for anticipation. *MercExchange, L.L.C. v. eBay, Inc.*, 401 F.3d 1323 (Fed. Cir. 2005).

²¹ *Id.* at 1326.

²² *Id.* at 1338.

²³ *Id.* at 1339.

²⁴ *eBay*, 126 S. Ct. at 1839 (quoting *MercExchange*, 401 F.3d at 1339).

On May 15, 2006, the Supreme Court issued its unanimous opinion and reversed the decision of the Federal Circuit, remanding the case back to the Federal Circuit for further consideration in light of the Court's decision.²⁵ The common thread in the lead opinion and two concurring opinions is that the Supreme Court is not willing to recognize a presumptive "general rule" in patent cases that trumps the traditional four-factor test for demonstrating an entitlement to injunctive relief.²⁶

The lead opinion held that because patents have the attributes of personal property, injunctive relief may only issue "in accordance with the principles of equity."²⁷ Therefore, following "well-established principles of equity," the Court held that the patent holder had to demonstrate that the factors of the traditional four-factor test applied:

(1) that it has suffered an irreparable injury; (2) that remedies available at law, such as monetary damages, are inadequate to compensate for that injury; (3) that, considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a permanent injunction.²⁸

²⁵ *Id.* at 1841. In turn, on July 6, 2006, the Federal Circuit remanded the case back to the Eastern District of Virginia. *MercExchange, L.L.C. v. eBay, Inc.*, 188 Fed. Appx. 993 (Fed. Cir. 2006). Currently, the district court is considering two motions: eBay's Motion to Stay Further Proceedings in View of Ongoing Patent Office Reexamination Proceedings, and MercExchange's Motion for Permanent Injunction. Motion to Stay Further Proceedings in View of Ongoing Patent Office Reexamination Proceedings, *MercExchange, L.L.C. v. eBay, Inc.*, 275 F. Supp. 2d 695 (E.D. Va. filed Sept. 26, 2001) (No. 2:01-cv-00736) (arguing that a stay avoids potentially "unnecessary litigation of claims the Patent Office may void"); Motion for Permanent Injunction, *MercExchange, L.L.C. v. eBay, Inc.*, 275 F. Supp. 2d 695 (E.D. Va. filed Sept. 26, 2001) (No. 2:01-cv-00736) (arguing that without an injunction, MercExchange will not be able to maximize the value of its patents through exclusive licenses, and that such value is unquantifiable). The court heard arguments on June 12, 2007, and as of the date this article was written, has not yet ruled on these motions.

²⁶ *eBay*, 126 S. Ct. at 1841 ("[T]he decision whether to grant or deny injunctive relief rests within the equitable discretion of the district courts, and that such discretion must be exercised consistent with traditional principles of equity, in patent disputes no less than in other cases governed by such standards.").

²⁷ *Id.* at 1840.

²⁸ *Id.* at 1839 (citations omitted).

According to the Court, neither the trial court nor the Federal Circuit properly applied the four-factor test.²⁹

Although the district court cited the four-factor test, the Supreme Court faulted the district court for adopting “expansive principles suggesting that injunctive relief could not issue in a broad swath of cases” such as when the patent holder is willing to license its patents or lacks commercial activity in practicing its patents.³⁰ The Supreme Court noted that certain patent holders, such as university researchers and self-made inventors, may choose to license their patents instead of securing the financing to bring the works to market themselves, and, in some cases, may be able to satisfy the four-factor test.³¹ Presumptively denying these patentees injunctive relief would be contrary to the principles of equity adopted by Congress and inconsistent with prior Supreme Court case law that rejected “the contention that a court of equity has no jurisdiction to grant injunctive relief to a patent holder who has unreasonably declined to use the patent.”³²

The Supreme Court also critiqued the Federal Circuit for not applying the four-factor test, and instead using a “general rule, unique to patent disputes,” that a permanent injunction will issue once infringement and validity have been adjudged, denying this remedy only in the “unusual case, under exceptional circumstances and in rare instances to protect the public interest.”³³ Because neither court properly applied the traditional four-factor test, the Supreme Court vacated the Federal Circuit’s judgment to allow the district court to properly apply the test in the first instance.³⁴

The concurring opinions, however, differ with regard to how the traditional four-factors should be applied in the context of patent infringement. One concurrence, written by Chief Justice Roberts and joined by Justices Scalia and Ginsburg, like the majority opinion, rejected the “general rule” favoring the award of injunctive relief. In doing so, the opinion acknowledged the large body of case law awarding injunctions in patent cases.³⁵ It also embraced the idea that the power to exclude goes to the heart of the rights conferred by a patent.³⁶ While not formulating how the four-factor test should

²⁹ *Id.* at 1840-41.

³⁰ *Id.* at 1840.

³¹ *Id.*

³² *Id.* at 1840-41 (citing *Cont’l Paper Bag Co. v. E. Paper Bag Co.*, 210 U.S. 405, 422-30 (1908)).

³³ *Id.* at 1841 (quotation marks omitted).

³⁴ *Id.*

³⁵ *Id.* (Roberts, J., concurring).

³⁶ *Id.*

be applied in this context, the Roberts concurrence cautioned courts that they are not writing on a clean slate in this heavily litigated area and that precedent should continue to play an important role in the determination of whether a permanent injunction should issue.³⁷ The opinion seems to provide tacit support for the general presumption that permanent injunctions should be liberally granted and implicitly recognizes the lead opinion's discussion of why a permanent injunction may still be appropriate in cases where a patent holder does not practice, but instead licenses, its patent portfolio.

The second concurring opinion by Justice Kennedy, joined by Justices Stevens, Souter, and Breyer, embraced a clear departure from existing case law by focusing on the challenges posed by entities that own patents but do not practice them or manufacture any products.³⁸ Certain non-practicing entities, sometimes referred to as "patent trolls,"³⁹ use litigation as a tool in licensing campaigns and have traditionally found that the threat of a permanent injunction provides powerful leverage in extracting high settlements. Given that purpose, Kennedy's concurrence suggests such entities may not be able to establish irreparable harm. For these patent holders, legal damages—money—may be the more appropriate relief. If so, the concurrence suggests that courts should eliminate the possibility that these entities will use the threat of a permanent injunction to extract unreasonable fees from infringers.⁴⁰

Justice Kennedy's concurrence, however, ignores the lead opinion's discussion that some patent holders who do not practice their patents (*i.e.*, universities and individual inventors) might still be entitled to injunctive relief.⁴¹ The difference between Justice Roberts' and Justice Kennedy's concurring opinions brings into stark focus the thorny question of how to treat universities and other entities that obtain patents but do not practice them.

Justice Kennedy's concurrence also asks courts to look to whether "the patented invention is but a small component of the product the companies seek to produce and the threat of an injunction is

³⁷ *Id.* at 1841-42 (arguing that "[w]hen it comes to discerning and applying standards, in this area as others, 'a page of history is worth a volume of logic.'" (quoting *New York Trust Co. v. Eisner*, 256 U.S. 34534 (1921))).

³⁸ *Id.* at 1842 (Kennedy, J., concurring).

³⁹ *See, e.g.*, Robert E. Thomas, *Vanquishing Copyright Pirates and Patent Trolls: The Divergent Evolution of Copyright and Patent Laws*, 43 Am. Bus. L.J. 689, 692 (Winter 2006).

⁴⁰ *See eBay*, 126 S. Ct. at 1842 (Kennedy, J., concurring).

⁴¹ *Id.* at 1840 (majority opinion).

employed simply for undue leverage in negotiations[.]”⁴² In those cases, Justice Kennedy suggests that legal remedies are adequate and an injunction does not serve the public interest.⁴³

THE DISTRICT COURTS’ INTERPRETATION OF EBAY

A little more than a year after the *eBay* decision, it is too early to fully assess the impact of the ruling on district courts. A survey of all post-*eBay* cases at the district court level reveals 30 issued decisions on the question of whether to grant permanent injunctions.⁴⁴ In 23 of these 30 decisions, permanent injunctions were granted.⁴⁵ In all but one case,⁴⁶ the infringer was a direct horizontal

⁴² *Id.* at 1842 (Kennedy, J., concurring).

⁴³ *Id.*

⁴⁴ See Appendix for a chart listing all post-*eBay* district court cases that were available on Lexis and Westlaw as of April 12, 2007.

⁴⁵ *Sanofi-Synthelabo v. Apotex Inc.*, No. 02 Civ. 2255, 2007 U.S. Dist. LEXIS 44033 (S.D.N.Y. June 19, 2007); *Commonwealth Scientific and Indus. Research Org. v. Buffalo Tech., Inc.*, No. 6:06-CV-324, 2007 U.S. Dist. LEXIS 43832 (E.D. Tex. June 15, 2007); *Brooktrout, Inc. v. Eicon Networks Corp.*, No. 2:03-CV-59, 2007 U.S. Dist. LEXIS 43107 (E.D. Tex. June 14, 2007); *MGM Well Servs., Inc. v. Mega Lift Sys.*, No. H-05-1634, 2007 U.S. Dist. LEXIS 30536 (S.D. Tex. Apr. 25, 2007); *800 Adept, Inc. v. Murex Sec., Ltd.*, No. 6:02-cv-1354-Orl-28DAB, 2007 U.S. Dist. LEXIS 27051 (M.D. Fla. Apr. 12, 2007); *O2 Micro Int’l Ltd. v. Beyond Innovation Tech. Co.*, No. 2-04-CV-32, 2007 U.S. Dist. LEXIS 25948 (E.D. Tex. Mar. 21, 2007); *Ortho-McNeil Pharm., Inc. v. Mylan Labs. Inc.*, No. 04-1689, 2007 U.S. Dist. LEXIS 19494 (D.N.J. Mar. 20, 2007); *Novozymes A/S v. Genencor Int’l, Inc.*, No. 05-160, 2007 U.S. Dist. LEXIS 10577 (D. Del. Feb. 16, 2007); *MPT, Inc. v. Marathon Labels, Inc.*, No. 1:04-cv-2357, 2007 U.S. Dist. LEXIS 3992 (N.D. Ohio Jan. 19, 2007); *Innogenetics, N.V. v. Abbott Labs.*, No. 05-C-0575-C, 2007 U.S. Dist. LEXIS 3148 (W.D. Wis. Jan. 12, 2007); *Transocean Offshore Deepwater Drilling, Inc. v. GlobalSantaFe Corp.*, No. H-03-2910, 2006 U.S. Dist. LEXIS 93408 (S.D. Tex. Dec. 27, 2006); *Visto Corp. v. Seven Networks, Inc.*, No. 2:03-CV-333, 2006 U.S. Dist. LEXIS 91453 (E.D. Tex. Dec. 19, 2006); *Black & Decker Inc. v. Robert Bosch Tool Corp.*, No. 04-C-7955, 2006 U.S. Dist. LEXIS 86990 (N.D. Ill. Nov. 29, 2006); *Rosco, Inc. v. Mirror Lite Co.*, No. CV-96-5658, 2006 U.S. Dist. LEXIS 73366 (E.D.N.Y. Sept. 28, 2006); *Smith & Nephew, Inc. v. Synthes*, 466 F. Supp. 2d 978 (W.D. Tenn. 2006); *3M Innovative Proprs. Co. v. Avery Dennison Corp.*, No. 01-1781, 2006 U.S. Dist. LEXIS 70263 (D. Minn. Sept. 25, 2006); *Litecubes, L.L.C. v. N. Light Prods.*, 2006 U.S. Dist. LEXIS 60575 (E.D. Mo. Aug. 25, 2006); *Floe Int’l, Inc. v. Newmans’ Mfg. Inc.*, No. 04-5120, 2006 U.S. Dist. LEXIS 59872 (D. Minn. Aug. 23, 2006); *Am. Seating Co. v. USSC Group, Inc.* No. 01-00578, 2006 U.S. Dist. LEXIS 59212 (W.D. Mich. Aug. 22, 2006); *TiVo Inc. v. Echostar Communs. Corp.*, 446 F. Supp. 2d 664 (E.D. Tex. 2006); *Telequip Corp. v. The Change Exch.*, No. 5:01-CV-1748, 2006 U.S. Dist. LEXIS 61469 (N.D.N.Y. Aug. 15, 2006); *Wald v. Mudhopper Oilfield Servs., Inc.*, No. CIV-04-1693-C, 2006 U.S. Dist. LEXIS 51669 (W.D. Okla. July 27, 2006); *KEG Techs., Inc. v. Reinhart Laimer*, No. 1:04-CV-0253 (N.D. Ga. July 24, 2006) (consent order for permanent injunction).

competitor of the patentee. Of those cases, one court stayed the injunction to sanction the patentee for sharing confidential documents with its patent prosecution attorney and violating the protective order.⁴⁷ In another case, the adjudicated infringer stipulated to a permanent injunction but requested a stay to allow it to sell its existing infringing inventory.⁴⁸ The patent holder agreed that the infringer could have a “reasonable amount of time” to sell the remaining stock and the court ordered the parties to submit a joint letter setting forth the terms of the injunction and its effective date.⁴⁹ Of the seven remaining cases where no permanent injunction was granted, courts have taken different approaches to determine how best to award post-verdict damages ranging from doing nothing, to extrapolating damages for past infringement into the future, and crafting compulsory licenses.⁵⁰

Following *eBay*, the district courts granting permanent injunctions have looked at the four factors and determined that they weigh in favor of the patentee. The bulk of the courts’ analysis focuses on the irreparable injury factor. Typically, courts look to the loss of market share as demonstrating the type of irreparable injury that justifies a permanent injunction.⁵¹ This analysis is more acute when

In an unreported case that does not appear in the Appendix to this article, a court has taken a unique approach in allowing an adjudicated infringer to continue its infringing activity but enjoining it from servicing new customers. See Brief of Defendants-Appellants at 1-2, *Verizon Servs. Corp. v. Vonage Holdings Corp.*, No. 2007-1240, -1251 (Fed. Cir. Apr. 6, 2007). The Federal Circuit has stayed the injunction pending a hearing. *Verizon Servs. Corp. v. Vonage Holdings Corp.*, No. 2007-1240, -1251 (Fed. Cir. Apr. 6, 2007) (order granting temporary stay of injunction). The Federal Circuit held a hearing on June 25, 2007, but has not issued a decision at the time this article was written.

⁴⁶ *Commonwealth Scientific and Indus. Research Org. v. Buffalo Tech., Inc.*, No. 6:06-CV-324, 2007 U.S. Dist. LEXIS 43832 (E.D. Tex. June 15, 2007).

⁴⁷ *Visto Corp. v. Seven Networks, Inc.*, No. 2:03-CV-333, 2006 U.S. Dist. LEXIS 91453, at *23 (E.D. Tex. Dec. 19, 2006).

⁴⁸ *Floe Int’l, Inc. v. Newmans’ Mfg. Inc.*, No 04-5120, 2006 U.S. Dist. LEXIS 59872, at *24-25 (D. Minn. Aug. 23, 2006).

⁴⁹ *Id.*

⁵⁰ See “The Aftermath of *eBay*: Prospective Relief after the Denial of an Injunction” for a complete discussion of these alternatives and a chart detailing all the reported post-*eBay* cases where a permanent injunction was denied.

⁵¹ *Black & Decker Inc. v. Robert Bosch Tool Corp.*, No. 04-C-7955, 2006 U.S. Dist. LEXIS 86990, at *12-13 (N.D. Ill. Nov. 29, 2006) (“Accordingly, Black & Decker’s loss of market share weighs in favor of granting its motion [for permanent injunction].”). See also *Smith & Nephew, Inc. v. Synthes*, 466 F.

looking at nascent markets, such as the digital video recorder (“DVR”) market.⁵² In these emerging markets, customers are “sticky” and tend to remain loyal to the company they purchase their first DVR from.⁵³ Patent holders in these types of markets argue they would suffer irreparable injury because they will never have the same opportunity to capture customers once the market matures.⁵⁴ Courts also have found irreparable injury based on the harm to a company’s reputation and goodwill that may result from consumer confusion due to infringing and competing products in the marketplace.⁵⁵

After finding that continued infringement would irreparably harm the patentee, some courts have used this same analysis to show that monetary damages would not be adequate. For example, the loss of goodwill and other intangibles resulting from continued infringement cannot be calculated with certainty, and even if they could, “monetary damages alone would not meet the ends of justice here because this remedy would allow the infringement to continue.”⁵⁶ Courts have also repeated this analysis when considering the balance of hardships factor.⁵⁷ Monetary damages have been found to be insufficient to compensate a patentee in an emerging market with “sticky” customers, because continued infringement may result in long-term customer loss from which the patentee can never recover.⁵⁸

Supp. 2d 978, 983 (W.D. Tenn. 2006) (“The loss of market share and the resulting lost profits and loss of brand name recognition [due to the] . . . continued sale of the infringing products constitute injuries that are both incalculable and irreparable.”).

⁵² *TiVo Inc. v. Echostar Communs. Corp.*, 446 F. Supp. 2d 664, 669-70 (E.D. Tex. 2006).

⁵³ *Id.* at 670.

⁵⁴ *Id.* See also *Transocean Offshore Deepwater Drilling, Inc. v. GlobalSantaFe Corp.*, 2006 U.S. Dist. LEXIS 93408, at *13 (“[A]bsent a permanent injunction[,] the infringer, . . . will be able to continue using the patented invention to compete against the patent holder, . . . for business in a developing market with a small customer base.”) (citation omitted).

⁵⁵ See, e.g., *Black & Decker Inc.*, 2006 U.S. Dist. LEXIS 86990, at *11-12.

⁵⁶ *Smith & Nephew, Inc.*, 466 F. Supp. 2d at 984.

⁵⁷ See, e.g., *Visto Corp. v. Seven Networks, Inc.*, No. 2:03-CV-333, 2006 U.S. Dist. LEXIS 91453, at *14 (E.D. Tex. Dec. 19, 2006) (“The court agrees with [the patentee] Visto that if no permanent injunction is entered, Visto will lose goodwill, potential revenue, and the very right to exclude that is the essence of the intellectual property at issue. Although [infringer] Seven will be harmed by an injunction, the balance of hardships favors Visto[.]”).

⁵⁸ *TiVo Inc.*, 446 F. Supp. 2d at 669-70.

One court found that monetary damages would be inadequate because if it did not enter a permanent injunction, it would instead be forced to craft a compulsory license without considering the business factors that a typical licensor would.⁵⁹ The court observed that a patent license usually includes terms that allow the patentee to “control its technology or limit encroachment on its market share.”⁶⁰ Recognizing that it was not in the best position to craft this type of license, the court held that any monetary relief it would fashion would not adequately compensate the patentee, and concluded that this factor weighs in favor of a permanent injunction.⁶¹ This case stands in stark contrast to those where a court denies a permanent injunction, and instead, grants a compulsory license.⁶²

Judge Ward’s analysis of the inadequacy of monetary damages in *O2 Micro International Ltd. v. Beyond Innovation Technology Co.* is of particular importance to corporations residing outside of the United States.⁶³ In that case, Judge Ward of the Eastern District of Texas agreed with the patentee’s argument that because all of the defendants were foreign corporations, there was little assurance it could collect any monetary damages.⁶⁴ Therefore, in Judge Ward’s view, monetary damages would be an insufficient remedy.⁶⁵

District courts find that the public interest factor typically weighs in favor of a permanent injunction: “In general, public policy favors the enforcement of patent rights.”⁶⁶ Therefore, unless the infringing

⁵⁹ *Transocean Offshore Deepwater Drilling, Inc.*, 2006 U.S. Dist. LEXIS 93408, at *19.

⁶⁰ *Id.*

⁶¹ *Id.*

⁶² *See, e.g., Finisar Corp. v. DirecTV Group*, No. 1:05-CV-264, 2006 U.S. Dist. LEXIS 76380, at *4 (E.D. Tex. July 7, 2006) (“[T]he Court denied Plaintiff’s motion for injunctive relief and granted a compulsory license.”).

⁶³ No. 2-04-CV-32, 2007 U.S. Dist. LEXIS 25948 (E.D. Tex. Mar. 21, 2007).

⁶⁴ *Id.* at *9.

⁶⁵ *Id.*

⁶⁶ *Black & Decker Inc. v. Robert Bosch Tool Corp.*, No. 04-C-7955, 2006 U.S. Dist. LEXIS 86990, at *13-14 (N.D. Ill. Nov. 29, 2006). *See also, e.g., Smith & Nephew, Inc. v. Synthes*, 466 F. Supp. 2d 978, 985 (W.D. Tenn. 2006) (“As a general matter, the public maintains an interest in protecting the rights of patent holders, and injunctions serve that interest.”).

product concerns public health or safety, courts will likely find that the public interest is not disserved by a permanent injunction.⁶⁷

In five of the six cases where the patentee was merely a licensor or was in a vertical market relationship with the infringer, and not a direct horizontal competitor of the infringer, no permanent injunction issued.⁶⁸ The courts denied a permanent injunction in these cases, first, because the patentee “failed to demonstrate either irreparable injury or that monetary damages are inadequate.”⁶⁹ In addition, some courts noted that the patentee sought to license the infringer, thus demonstrating the adequacy of legal remedies.⁷⁰ A third consideration voiced by some district courts in denying an injunction is that the patented invention only covers a component of the infringer’s product, a factor Justice Kennedy identified in his concurrence.⁷¹

⁶⁷ See, e.g., *3M Innovative Props. Co. v. Avery Dennison Corp.*, No. 01-1781, 2006 U.S. Dist. LEXIS 70263, at *6 (D. Minn. Sept. 25, 2006) (finding enjoining products relating to commercial graphics used for advertising does not disserve the public interest); *MPT, Inc. v. Marathon Labels, Inc.*, No. 1:04-cv-2357, 2007 U.S. Dist. LEXIS 3992, at *51 (N.D. Ohio Jan. 19, 2007)¹ (finding enjoining products relating to placards does not disserve the public interest).

⁶⁸ *Sundance, Inc. v. DeMonte Fabricating, Ltd.*, No. 02-73543, 2007 U.S. Dist. LEXIS 158 (E.D. Mich. Jan. 4, 2007); *Voda v. Cordis Corp.*, No. CIV-03-1512-L, 2006 U.S. Dist. LEXIS 63623 (W.D. Okla. Sept. 5, 2006); *Paice L.L.C. v. Toyota Motor Corp.*, No. 2:04-CV-211, 2006 U.S. Dist. LEXIS 61600 (E.D. Tex. Aug. 16, 2006); *Finisar Corp. v. DirecTV Group*, No. 1:05-CV-264, 2006 U.S. Dist. LEXIS 76380 (E.D. Tex. July 7, 2006); *z4 Tech. Inc. v. Microsoft Corp.*, 434 F. Supp. 2d 437 (E.D. Tex. 2006) (parties were in a vertical relationship).

⁶⁹ *Voda*, 2006 U.S. Dist. LEXIS 63623, at *18.

⁷⁰ *Sundance, Inc.*, 2007 U.S. Dist. LEXIS 158, at *8-9 (“Indeed, Sundance licenses the ’109 patent to others, and offered to license it to DeMonte prior to filing suit against it, thus demonstrating that money damages are adequate. Their conduct against DeMonte . . . indicates an interest only in obtaining money damages.”). See also *Paice L.L.C.*, 2006 U.S. Dist. LEXIS 61600 (“It is also of note that Plaintiff, throughout post-trial motions, has extended Defendants an offer to license its technology.”).

⁷¹ *z4 Tech. Inc.*, 434 F. Supp. 2d at 441 (“The infringing product activation component of the software is in no way related to the core functionality for which the software is purchased by consumers. Accordingly, Justice Kennedy’s comments support the conclusion that monetary damages would be sufficient to compensate z4 for any future infringement by Microsoft.”). See also *Sundance, Inc.*, 2007 U.S. Dist. LEXIS 158, at *7-8 (“Moreover, as DeMonte points out, the segmented cover is but one feature of its Quick Draw system. Thus, it cannot be said that Sundance’s licensees are losing sales to DeMonte expressly because of its infringement of the segmented cover.”).

There are also two reported cases—representing the most severe departure from pre-*eBay* precedent—where district courts did not grant an injunction even though the infringer competed to some extent with the patentee: *IMX, Inc. v. LendingTree, L.L.C.*⁷² and *Praxair, Inc. v. ATMI, Inc.*⁷³ In *LendingTree*, the district court appeared unconvinced that the parties were *direct* horizontal competitors as it was unclear whether their products were available and used by the same “public.”⁷⁴ The court in *LendingTree* also cited the patentee’s willingness to license the patent to others as a factor in determining that monetary remedies were adequate.⁷⁵ The court, however, did not want to be in the position of effectively imposing a ten-year compulsory license.⁷⁶ Nor did it want to make a determination based solely on the record before it.⁷⁷ Because the briefing had been done prior to *eBay*, the court invited the patentee to provide additional evidence to aid the court in determining whether a permanent injunction should issue.⁷⁸

In *Praxair*, a “direct and head-to-head” competitor was denied a permanent injunction against an infringer.⁷⁹ The court faulted the patentee for failing to meet its *eBay* burden of providing sufficient proof of irreparable injury.⁸⁰ Instead, the patentee only provided the court with conclusory allegations that it would “likely lose additional market share, profits, and goodwill” but gave no details as to how this was so. Absent this showing, the court held that “Praxair has not demonstrated that it is entitled, at this time, to the broad scope of injunctive it has requested.”⁸¹ The court did however invite Praxair to renew its motion for injunctive relief following appellate review of the verdict.⁸²

⁷² No. 03-1067, 2007 U.S. Dist. LEXIS 1972 (D. Del. Jan 10, 2007).

⁷³ No. 03-1158, 2007 U.S. Dist. LEXIS 21589 (D. Del. Mar. 27, 2007).

⁷⁴ *Id.* at *58.

⁷⁵ *Id.* at *56.

⁷⁶ *Id.* at *59.

⁷⁷ *Id.*

⁷⁸ *Id.* at *59-60.

⁷⁹ *Praxair, Inc. v. ATMI, Inc.*, No. 03-1158, 2007 U.S. Dist. LEXIS 21589, at *6 (D. Del. Mar. 27, 2007).

⁸⁰ *Id.* at *9-10.

⁸¹ *Id.* at *12.

⁸² *Id.* at *13.

Thus, in general, the bulk of post-*eBay* district court cases appear to follow Justice Kennedy's concurring opinion and grant permanent injunctions only when the patentee is in competition with the defendant. With the notable exception discussed below, patentees who merely license patents have not received the benefit of a permanent injunction.

INJUNCTIONS AND NON-PRACTICING PATENTEE

One court has granted a non-practicing patentee a permanent injunction.⁸³ In that case, the patentee, Commonwealth Scientific and Industrial Research Organization ("CSIRO"), the principal scientific research organization of the Australian Federal Government, had obtained a patent⁸⁴ on wireless networking technology and had agreed with a standard setting organization to offer licenses to the patent on reasonable and non-discriminatory ("RAND") terms once the patent was incorporated into several wireless networking standards.⁸⁵ However, no potential licensees accepted CSIRO's offer to license its patent.⁸⁶ Shortly after, CSIRO brought suit against Buffalo Technology, Inc. and Buffalo, Inc. (collectively, "Buffalo"), who sold network cards that incorporated the standards.⁸⁷ On summary judgment, CSIRO's patent was found to be valid and infringed by Buffalo, and the court later granted CSIRO's request for a permanent injunction.⁸⁸

Judge Davis' decision emphasized the innovative nature of CSIRO's work in inventing the subject matter of the patent in suit, the scope of its charter to conduct research and development for the public good, and its sponsorship by the Australian government.⁸⁹ The court likened CSIRO to the U.S. National Science Foundation (the "NSF") and the National Institute of Health (the "NIH").⁹⁰ Although not explicitly stated, this discussion appears to be an attempt to distinguish CSIRO from a "patent troll" that merely acquires patents for the purpose of licensing them but does not itself invent the subject matter of the patent. The same analysis would apply to patent holders such as universities or other entities that engage in research and development leading to patented

⁸³ *Commonwealth Sci. and Indus. Research Org. v. Buffalo Tech., Inc.*, No. 6:06-CV-324, 2007 U.S. Dist. LEXIS 43832 (E.D. Tex. June 15, 2007) (Davis, J.).

⁸⁴ U.S. Patent No. 5,487,069 (filed Nov. 23, 1993) (the "'069 patent").

⁸⁵ *Commonwealth Sci. and Indus. Research Org.*, 2007 U.S. Dist. LEXIS 43832, at *3-5.

⁸⁶ *Id.* at *5.

⁸⁷ *Id.* at *5.

⁸⁸ *Id.* at *6, *22.

⁸⁹ *Id.* at *1-3.

⁹⁰ *Id.* at *2.

inventions. Significantly, the court recognized that CSIRO's business model was to license its patents and that CSIRO had entered into an agreement with the applicable standard setting body, the IEEE, to license the patent in suit to anyone using the standard on RAND terms.⁹¹ The court noted further that CSIRO was willing to license the patent in suit but neither Buffalo nor others practicing the standard incorporating CSIRO's patent were willing to take a license.⁹²

The CSIRO court rejected Buffalo's argument that post-*eBay* jurisprudence established a rule that injunctions should only be awarded to entities that practice the patent and are in direct competition with the infringer.⁹³ The court was not persuaded that this trend should form the basis of a categorical *per se* rule, discussing and quoting the Supreme Court's reasoning that certain non-practicing entities, such as university researchers and self-made inventors, might be able to satisfy the traditional four-factor test, and thus, there is "no basis for categorically denying them the opportunity to do so."⁹⁴

Having rejected any *per se* rule, the court proceeded to apply the traditional four factor test for injunctive relief. The analysis used by the court suffers from logical inconsistencies internally and with past precedent that underscores how courts are struggling to apply the four factor test.

Irreparable Harm

The CSIRO court's basis for finding irreparable harm rests on two primary grounds: (1) CSIRO's inability to license the '069 patent caused it to lose revenue that, in turn, prevented CSIRO from engaging in its research and development work and (2) the fact that CSIRO had to sue and have the validity of its patents challenged in court impugned CSIRO's scientific reputation and, thus, its ability to recruit the world's top scientists and costs money, which further undermines its primary objectives as a research and development organization.⁹⁵ Both of these bases are seriously flawed.

As Buffalo unsuccessfully argued, money damages would fully compensate CSIRO for the loss of revenue that the court found would impair its ability to do new research.⁹⁶ Indeed, the very essence of this harm, the absence of money, by definition can be remedied by supplying money. Thus, it is

⁹¹ *Id.* at *4-5.

⁹² *Id.* at *5.

⁹³ *Id.* at *9-10.

⁹⁴ *Id.* at *9-10 (citation and quotation marks omitted).

⁹⁵ *Id.* at *10-13.

⁹⁶ *Id.* at *12.

difficult to find a reasoned basis for why, under these circumstances, money damages would not completely compensate CSIRO.

The second basis used by the court is not only unprecedented, but troubling. According to the court's reasoning, by having its patents challenged in court, "CSIRO's reputation as a leading scientific research entity [is not only impugned]" but it is also forced "to divert millions of dollars away from research and into litigation costs" which will delay funding and result in "lost research capabilities, lost opportunities to develop additional research capabilities, lost opportunities to accelerate existing projects or begin new projects."⁹⁷

By finding harm to CSIRO's reputation because its patent is being challenged in court, the court, in effect, recognizes a right not to have one's patent challenged in court. In so doing, the court ignores the right of any defendant to challenge the validity of a patent in litigation and the public good that is advanced in the process. The public does not benefit from the grant of a monopoly on technology that is already in the public domain or on a patent that is otherwise invalid. In light of these issues, it is difficult to support a result that penalizes a defendant that exercises its right to challenge the validity of a patent by enhancing the likelihood of that defendant being enjoined if its challenge is unsuccessful.

Inadequate Remedies at Law

The court's finding of inadequate remedy at law is based on three factors: (1) CSIRO's reputation as a research institution has been impugned (presumably by having to commence a patent infringement action and to defend the validity of its patent), (2) the '069 patent was not a small component of a large and complex product but rather the essence of the infringing wireless products and (3) any compulsory license would not adequately compensate CSIRO because the fee portion would be extrapolated from the jury's measure of past damages, which may not be adequate to compensate CSIRO for the value of its patent now.⁹⁸

The first and third of these reasons are also seriously flawed. The reputational harm, which the court did not elaborate on, suffers from the problems discussed above. The third basis, the inadequacy of a compulsory license, suffers from a number of problems. The court assumes that a compulsory license would have to be awarded.⁹⁹ Given CSIRO's RAND agreement, that might be a correct assumption for this case, as CSIRO had already committed to license any users of the IEEE

⁹⁷ *Id.* at *11-12.

⁹⁸ *Id.* at *13-17.

⁹⁹ *Id.* at *16.

standard. Indeed, in light of its agreement to license on RAND terms, it is arguable that the defendant had the right to compel a license, which would preclude injunctive relief.¹⁰⁰

However, in the absence of a RAND agreement, there is no basis to compel a license. The award of prospective damages is not the same thing as a compulsory license. An infringer who continues to infringe after a judgment of infringement and denial of a permanent injunction is not licensed; it is a willful infringer. As such the court is empowered to order enhanced damages, which may be up to three times the amount awarded for past infringement, for all future infringement. If, on the other hand, the court were to compel a license – a step for which, in the absence of a RAND agreement, there is no authority – the defendant would, by definition, not be an infringer going forward; it would be a licensee who would not be exposed to enhanced damages. Thus, the court could have denied an injunction without compelling a license. It could simply have provided for prospective damages, which could be enhanced.

The court also incorrectly assumes that it would have to extrapolate the jury's award for past royalty damages into the future, which may not adequately compensate CSIRO for the value of its patent at the time of trial.¹⁰¹ This assumption is, again, without basis. Although the Federal Circuit has not addressed the issue, at present, there is no requirement that the trial court project forward the jury's award for past damages in the event the court denies a permanent injunction and must address prospective damages. The court could simply determine, based upon evidence introduced by both parties, what a reasonable royalty should be measured as of the date of judgment.

The second basis for the court's finding of inadequate remedy at law – the patent is the essence of the infringing product – does have a basis in the concurring opinion of Justice Kennedy in *eBay* that when a patent covers only a small component of the infringing product, “the threat of an injunction [may be] employed simply for undue leverage in negotiations” and in those cases monetary damages “may well be sufficient to compensate for the infringement.”¹⁰² Judge Davis uses this line of analysis to distinguish a prior decision where he denied a permanent injunction by writing, in that

¹⁰⁰ See, e.g., *ESS Tech., Inc. v. PC-TEL, Inc.*, No. C-99-20292, 1999 U.S. Dist. LEXIS 23227, at *9-11 (N.D. Cal. Nov. 2, 1999) (denying patent-holder's motion to dismiss claim that would compel the grant of a patent license pursuant to a RAND agreement); see also Mark A. Lemley, *Intellectual Property Rights and Standard-Setting Organizations*, 90 Cal. L. Rev. 1889, 1906, 1923-26 (2002).

¹⁰¹ *Commonwealth Sci. and Indus. Research Org.*, 2007 U.S. Dist. LEXIS 43832, at *16 (“The royalty payment would be extrapolated from a determination of Buffalo's past sales, which may not adequately reflect the worth of the patent today to Buffalo.”).

¹⁰² *Id.* at *15 (quoting *eBay*, 126 S. Ct. at 1844 (Kennedy, J., concurring)).

case, “the infringing technology was a small component” of the overall sold product, whereas in this case, the product *was* the patented invention.¹⁰³

The one factor that appears to have driven the result in CSIRO more than any other is the court’s view of CSIRO as an entity. Putting CSIRO on a par with the NIH and NSF in this country is rarified company. It remains to be seen how other courts will treat entities that merely acquire patents from others for the purpose of monetizing their value, even where the patent at issue significantly contributes to the success of the accused product.

THE FEDERAL CIRCUIT HAS YET TO SPEAK

Currently, no reported cases from the Federal Circuit have considered an appeal from a post-*eBay* district court ruling. The four reported Federal Circuit cases decided since *eBay* that consider the award of permanent injunctions all merely vacate permanent injunctions granted prior to *eBay*, remanding the cases back to the district court for further proceedings in light of *eBay*.¹⁰⁴ The Federal Circuit has yet to take a position on how it believes the four-factor test for permanent injunctions should be applied in patent infringement cases. However, the Federal Circuit has emphasized that its role will be simply to review district court decisions for abuses of discretion.¹⁰⁵

Significantly, the Federal Circuit has long been a staunch supporter of permanent injunctions absent “exceptional circumstances.” It is quite possible that the Federal Circuit will look for—and find—language in the *eBay* opinions that supports an application of the four-factor test for permanent injunctions that embrace Justice Robert’s concurring opinion, which cautioned against a wholesale departure from the longstanding precedents granting injunctive relief.

In *eBay*, the full court recognized that some patentees, such as university researchers and self-made inventors, may not undertake the expense and effort required to bring an invention to market, and

¹⁰³ *Id.* at *15-16 (distinguishing *z4 Tech. Inc. v. Microsoft Corp.*, 434 F. Supp. 2d 437 (E.D. Tex. 2006) (Davis, J.) (quotation marks omitted)).

¹⁰⁴ *Acumed, L.L.C. v. Stryker Corp.*, 483 F.3d 800 (Fed. Cir. 2007); *Monsanto Co. v. Scruggs*, 459 F.3d 1328 (Fed. Cir. 2006); *Int’l Rectifier Corp. v. IXYS Corp.*, 188 Fed. Appx. 1001 (Fed. Cir. 2006); *MercExchange, L.L.C. v. eBay, Inc.*, 188 Fed. Appx. 993 (Fed. Cir. 2006).

¹⁰⁵ *See, e.g., Acumed*, 483 F.3d at 811 (“Acumed argues that the facts found by the district court can serve as independent support for the injunction, even without application of the old general rule. This court cannot express a position on that argument. If we were to weigh the evidence ourselves to reach a conclusion on injunctive relief, we would effectively be exercising our own discretion as if we were the first-line court of equity. That role belongs exclusively to the district court. Our task is solely to review the district court’s decisions for an abuse of discretion.”) (citation omitted).

instead, choose simply to license their inventions. The Court notes that these patent holders might be able to satisfy the four-part test even though they do not manufacture a product.¹⁰⁶ Moreover, Chief Justice Roberts' concurrence admonishes the lower courts not to ignore precedent and prior practice. The landscape is not "an entirely clean slate" and "a page of history is worth a volume of logic."¹⁰⁷ The Federal Circuit will closely analyze the basis used by the lower courts to deny injunctive relief. It is likely that the direct competitor distinction that seems to be the determinative factor in the lower courts will be diminished in significance as the court considers the impact on universities and individual inventors. If the Federal Circuit provides guidance on how the four-factor test should be applied in considering whether a successful patentee should be granted permanent injunctive relief, the extent to which *eBay* has really changed the law will become evident. If the Federal Circuit does not attempt to provide a more detailed basis for applying the four-factor test, the result could be more uncertainty regarding the availability of injunctive relief.

CONCLUSION

Although *eBay* suggested a significant departure from past practice in issuing permanent injunctions in patent cases, the cases to date show only trends and do not provide clear guidance regarding when an injunction is appropriately granted under the four-factor test. Many district courts have looked to Justice Kennedy's concurrence, and in particular the distinction he draws on the basis of the economic role played by the patentee, in determining whether to grant an injunction. As the *CSIRO* case demonstrates, some courts may even look at the economic function of non-competitors when deciding whether to grant a permanent injunction. If the Federal Circuit eventually refines the manner in which the four-factor test is applied in patent infringement litigation, however, patent infringers may well find that the landscape has not been dramatically changed by the *eBay* decision.

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¹⁰⁶ *eBay Inc. v. MercExchange, L.L.C.*, 126 S. Ct. 1837, 1840 (2006).

¹⁰⁷ *Id.* at 1841-42 (Roberts, J., concurring).

APPENDIX

POST-*eBAY* DISTRICT CASES ON PERMANENT INJUNCTIONS

CASE NAME	COMPETITOR	OUTCOME
1. <i>Sanofi-Synthelabo v. Apotex, Inc.</i> , No. 02 Civ. 2255, 2007 U.S. Dist. LEXIS 44033 (S.D.N.Y. June 19, 2007)	Yes	Injunction
2. <i>Commonwealth Scientific and Indus. Research Org. v. Buffalo Tech., Inc.</i> , No. 6:06-CV-324, 2007 U.S. Dist. LEXIS 43832 (E.D. Tex. June 15, 2007)	No	Injunction; Court held that because of CSIRO's unique role as a research institution, it suffered harm that could not be compensated adequately with monetary damages.
3. <i>Brooktrout, Inc. v. Eicon Networks Corp.</i> , No. 2:03-CV-59, 2007 U.S. Dist. LEXIS 43107 (E.D. Tex. June 14, 2007)	Yes	Injunction
4. <i>MGM Well Servs., Inc. v. Mega Lift Sys.</i> , No. H-05-1634, 2007 U.S. Dist. LEXIS 30536 (S.D. Tex. Apr. 25, 2007)	Yes	Injunction
5. <i>800 Adept, Inc. v. Murex Sec., Ltd.</i> , No. 6:02-cv-1354-Orl-28DAB, 2007 U.S. Dist. LEXIS 27051 (M.D. Fla. Apr. 12, 2007)	Yes	Injunction

CASE NAME	COMPETITOR	OUTCOME
6. <i>Praxair, Inc. v. ATMI, Inc.</i> , No. 03-1158, 2007 U.S. Dist. LEXIS 21589 (D. Del. Mar. 27, 2007)	Yes	No injunction; Praxair failed to show irreparable injury and inadequacy of legal remedies. Invited to renew motion after appellate review of jury verdict.
7. <i>O2 Micro Int'l Ltd. v. Beyond Innovation Tech. Co.</i> , No. 2-04-CV-32, 2007 U.S. Dist. LEXIS 25948 (E.D. Tex. Mar. 21, 2007)	Yes	Injunction
8. <i>Ortho-McNeil Pharm., Inc. v. Mylan Labs. Inc.</i> , No. 04-1689, 2007 U.S. Dist. LEXIS 19494 (D.N.J. Mar. 20, 2007)	Yes	Injunction
9. <i>Novozymes A/S v. Genencor Int'l, Inc.</i> , No. 05-160, 2007 U.S. Dist. LEXIS 10577 (D. Del. Feb. 16, 2007)	Yes	Injunction
10. <i>MPT, Inc. v. Marathon Labels, Inc.</i> , No. 1:04-cv-2357, 2007 U.S. Dist. LEXIS 3992 (N.D. Ohio Jan. 19, 2007)	Yes	Injunction
11. <i>Innogenetics, N.V. v. Abbott Labs.</i> , No. 05-C-0575-C, 2007 U.S. Dist. LEXIS 3148 (W.D. Wis. Jan. 12, 2007)	Yes	Injunction

CASE NAME	COMPETITOR	OUTCOME
12. <i>IMX, Inc. v. LendingTree, L.L.C.</i> , No. 03-1067, 2007 U.S. Dist. LEXIS 1972 (D. Del. Jan. 10, 2007)	Yes	No injunction; IMX licensing to others demonstrates a willingness to accept monetary relief; court also unclear that both parties' products are targeted to the same "public." Invited IMX to introduce additional evidence to determine whether four-factor test satisfied. Absent more information, court declines to impose a 10-year compulsory license on D.
13. <i>Sundance, Inc. v. DeMonte Fabricating, Ltd.</i> , No. 02-73543, 2007 U.S. Dist. LEXIS 158 (E.D. Mich. Jan. 4, 2007)	No	No injunction; Sundance's licensing to others demonstrates a willingness to accept monetary relief; the infringement is a small component of the product sought to be enjoined.
14. <i>Transocean Offshore Deepwater Drilling, Inc. v. GlobalSantaFe Corp.</i> , No. H-03-2910, 2006 U.S. Dist. LEXIS 93408 (S.D. Tex. Dec. 27, 2006)	Yes	Injunction
15. <i>Visto Corp. v. Seven Networks, Inc.</i> , No. 2:03-CV-333, 2006 U.S. Dist. LEXIS 91453 (E.D. Tex. Dec. 19, 2006)	Yes	Injunction (stayed due to Visto's violations of the protective order by sharing confidential documents with its patent prosecution counsel)

CASE NAME	COMPETITOR	OUTCOME
16. <i>Black & Decker Inc. v. Robert Bosch Tool Corp.</i> , No. 04-C-7955, 2006 U.S. Dist. LEXIS 86990 (N.D. Ill. Nov. 29, 2006)	Yes	Injunction
17. <i>Rosco, Inc. v. Mirror Lite Co.</i> , No. CV-96-5658, 2006 U.S. Dist. LEXIS 73366 (E.D.N.Y. Sept. 28, 2006)	Yes	Injunction
18. <i>Smith & Nephew, Inc. v. Synthes</i> , 466 F. Supp. 2d 978 (W.D. Tenn. 2006)	Yes	Injunction
19. <i>3M Innovative Proprs. Co. v. Avery Dennison Corp.</i> , No. 01-1781, 2006 U.S. Dist. LEXIS 70263 (D. Minn. Sept. 25, 2006)	Yes	Injunction
20. <i>Voda v. Cordis Corp.</i> , No. CIV-03-1512-L, 2006 U.S. Dist. LEXIS 63623 (W.D. Okla. Sept. 5, 2006)	No	No injunction; Voda fails to demonstrate either irreparable injury or that monetary damages are inadequate. Used reasonable royalty rate determined by jury.
21. <i>Litecubes, L.L.C. v. N. Light Prods.</i> , 2006 U.S. Dist. LEXIS 60575 (E.D. Mo. Aug. 25, 2006)	Yes	Injunction
22. <i>Floe Int'l, Inc. v. Newmans' Mfg. Inc.</i> , No. 04-5120, 2006 U.S. Dist. LEXIS 59872 (D. Minn. Aug. 23, 2006)	Yes	Injunction (both parties stipulated to temporarily stay the injunction and allow all remaining infringing inventory to be sold)
23. <i>Am. Seating Co. v. USSC Group, Inc.</i> , No. 01-00578, 2006 U.S. Dist. LEXIS 59212 (W.D. Mich. Aug. 22, 2006)	Yes	Injunction

CASE NAME	COMPETITOR	OUTCOME
24. <i>TiVo Inc. v. Echostar Communs. Corp.</i> , 446 F. Supp. 2d 664 (E.D. Tex. 2006)	Yes	Injunction
25. <i>Paice L.L.C. v. Toyota Motor Corp.</i> , No. 2:04-CV-211, 2006 U.S. Dist. LEXIS 61600 (E.D. Tex. Aug. 16, 2006)	No	No injunction; Paice's losses can be remedied via monetary damages in accordance with the reasonable royalty set by the jury.
26. <i>Telequip Corp. v. The Change Exch.</i> , No. 5:01-CV-1748, 2006 U.S. Dist. LEXIS 61469 (N.D.N.Y. Aug. 15, 2006)	Yes	Injunction
27. <i>Wald v. Mudhopper Oilfield Seros., Inc.</i> , No. CIV-04-1693-C, 2006 U.S. Dist. LEXIS 51669 (W.D. Okla. July 27, 2006)	Yes	Injunction
28. <i>KEG Techs., Inc. v. Reinhart Laimer</i> , No. 1:04-CV-0253 (N.D. Ga. July 24, 2006) (consent order for permanent injunction)	Yes	Injunction
29. <i>Finisar Corp. v. DirecTV Group</i> , No. 1:05-CV-264, 2006 U.S. Dist. LEXIS 76380 (E.D. Tex. July 7, 2006)	No	No injunction; no analysis provided. Granted a compulsory license.

CASE NAME	COMPETITOR	OUTCOME
30. <i>z4 Tech. Inc. v. Microsoft Corp.</i> , 434 F. Supp. 2d 437 (E.D. Tex. 2006)	No	No injunction; z4 will not be irreparably harmed as it can license to others; the infringement is a small component of the product sought to be enjoined. Used reasonable royalty rate determined by jury.