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Erin V. Klewin

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RECONCILING FEDERAL CIRCUIT CHOICE OF LAW WITH *EBAY V. MERCEXCHANGE*'S ABROGATION OF THE PRESUMPTION OF IRREPARABLE HARM IN COPYRIGHT PRELIMINARY INJUNCTIONS

*Erin V. Klewin**

In 2006, the U.S. Supreme Court's decision in eBay, Inc. v. MercExchange, L.L.C. *did more than establish the four-factor test that courts must utilize when determining whether to grant permanent injunctions for patent infringement. It also spawned a movement among lower courts to abandon the judicially created and sometimes-criticized practice of presuming the most important factor of the injunction analysis—irreparable harm—upon a showing of patent or copyright infringement. Over the past several decades, presuming such harm routinely permitted courts to automatically grant preliminary injunctions once a plaintiff proved a likelihood of success on the merits. This practice contrasted sharply with the historical nature of preliminary injunctions as "extraordinary" relief, which rested the burden of proof on the plaintiff.*

In Jacobsen v. Katzer*, the Federal Circuit became the first circuit to directly address* eBay*'s potential application to preliminary injunctions in the copyright context. The* Jacobsen *court declined to invoke* eBay*'s standards, and instead applied the Ninth Circuit's pre-*eBay *presumption of irreparable harm, as Federal Circuit precedent requires application of regional circuit law to copyright matters. This ruling contrasted with every circuit to subsequently confront the issue, including the Ninth Circuit, which effectively overruled the very presumption that the* Jacobsen *court utilized. This Note posits that the* Jacobsen *court erred in enforcing the presumption in a post-*eBay *landscape to begin with, as* eBay *indeed abrogated the presumption of irreparable harm as applied to copyright preliminary injunctions. Further, it urges the Federal Circuit to apply* eBay's *holding in future copyright cases where the regional circuit has not directly addressed the presumption's post-*eBay *vitality.*

* J.D. Candidate, 2013, Fordham University School of Law; B.A., 2007, Boston College. I would like to thank my faculty advisor, Professor Ron Lazebnik, for his guidance and encouragement in writing this Note. I would also like to thank my family and friends for their unwavering encouragement, love, and support throughout this process, especially my parents, Janine and Greg Klewin, and everyone who reviewed drafts for me.

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INTRODUCTION

The preliminary injunction has long been touted as an "extraordinary" measure that no person has an automatic right to receive.[1] To obtain preliminary injunctive relief, the moving party has the burden of proving four factors,[2] the most important being that irreparable harm will occur absent an injunction.[3] However, over the past several decades, courts have routinely granted such extraordinary relief in the patent and copyright contexts by presuming irreparable harm once a plaintiff proved the first factor, a likelihood of success on the merits,[4] rather than requiring the plaintiff to prove such harm. Although this sometimes-criticized[5] judicial practice contrasted with the historically "extraordinary" nature of preliminary injunctions,[6] courts justified copyright and patent's special treatment by pointing to the nature of intangible property: the holder's fundamental right to exclude made any infringement of this right not compensable by money damages, and thus automatically caused irreparable

1. *See infra* notes 87–89 and accompanying text.

2. These factors are: (1) the likelihood of success on the merits, (2) the likelihood of irreparable harm if injunctive relief is not granted, (3) the balance of the harms between plaintiff and defendant, and (4) whether an injunction is in the public interest. *See* Winter v. Natural Res. Def. Council, Inc., 555 U.S. 7, 20 (citing Munaf v. Green, 553 U.S. 674, 679–80 (2008); Amoco Prod. Co. v. Vill. of Gambell, 480 U.S. 531, 542 (1987); Weinberger v. Romero-Barcelo, 456 U.S. 305, 311–12 (1982)).

3. *See infra* notes 82–83 and accompanying text; *see also Weinberger*, 456 U.S. at 312 ("The Court has repeatedly held that the basis for injunctive relief in the federal courts has always been irreparable injury and the inadequacy of legal remedies."). Irreparable harm results when a party cannot be made whole by monetary damages. *See infra* notes 84–86 and accompanying text.

4. *See infra* notes 101–13, 114, 121–23 and accompanying text; *see also* Sole v. Wyner, 551 U.S. 74, 84 (2007) ("At the preliminary injunction stage, the court is called upon to assess the probability of the plaintiff's ultimate success on the merits."). In copyright and patent law, a likelihood of success on the merits, or prima facie infringement, is established by a clear showing of patent or copyright validity and infringement. *See, e.g.*, Entm't Research Grp., Inc. v. Genesis Creative Grp., Inc., 122 F.3d 1211, 1217 (9th Cir. 1997) (copyright); Polymer Techs., Inc. v. Bridwell, 103 F.3d 970, 973 (Fed. Cir. 1996) (patent).

5. *See* 6 WILLIAM F. PATRY, PATRY ON COPYRIGHT § 22:44 (2011) (describing the presumption as a "lamentable feature of copyright law" that has been "profoundly misunderstood and misapplied").

6. *See infra* notes 87–89 and accompanying text. *Compare* Mazurek v. Armstrong, 520 U.S. 968, 972 (1997) ("[A] preliminary injunction is an extraordinary and drastic remedy, one that should not be granted unless the movant, *by a clear showing*, carries the burden of persuasion."), *with* BLACK'S LAW DICTIONARY 1304 (9th ed. 2009) ("A presumption shifts the burden of . . . persuasion to the opposing party, who can then attempt to overcome the presumption.").

harm.[7] The U.S. Supreme Court, however, recently cast such reasoning into serious doubt in *eBay, Inc. v. MercExchange, L.L.C.*,[8] in which it reversed the Federal Circuit's practice of automatically granting permanent injunctions[9] upon a finding of patent infringement.[10] Rather, the *eBay* Court held that plaintiffs seeking such relief must instead prove each element of a similar four-factor test.[11]

District courts disagreed over whether *eBay*'s standard and its effect on the presumption of irreparable harm applied to the grant of preliminary injunctions in the copyright context.[12] In *Jacobsen v. Katzer*,[13] the Federal Circuit had the opportunity to address this issue directly. Although three circuit courts had previously applied *eBay*'s factors to permanent injunctions for copyright infringement,[14] the Federal Circuit disregarded *eBay* and directed the district court to apply the Ninth Circuit's pre-*eBay* presumption of irreparable harm to its determination of whether to issue preliminary injunctive relief.[15] While the *Jacobsen* court's professed application of regional circuit law to non-patent issues appeared to follow standard Federal Circuit choice-of-law precedent,[16] this case was anything but standard: intervening Supreme Court precedent in *eBay* was irreconcilable with regional circuit law, and the Federal Circuit did not adequately address it.

After the *Jacobsen* ruling, the death of the presumption of irreparable harm in the copyright preliminary injunction context became increasingly apparent. First, the Supreme Court established in *Winter v. Natural Resources Defense Council, Inc.*[17] that, in accordance with traditional equitable principles, plaintiffs must prove a "likelihood" of irreparable injury to obtain preliminary injunctive relief, declaring that a "possibility" of such harm was insufficient.[18] *Winter* essentially clarified that the principles set forth in *eBay* also applied to preliminary injunctions, and

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7. *See infra* notes 111–12 and accompanying text.

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

9. Permanent injunctions are granted after a final hearing on the merits, and require the plaintiff to prove actual success, as opposed to a likelihood of success on the merits. *See infra* note 80 and accompanying text.

10. *See eBay*, 547 U.S. at 393–94.

11. *Id.* at 391 ("A plaintiff must demonstrate: (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."); *cf. supra* note 2 and accompanying text (describing the traditional four-factor test for preliminary injunctions).

12. *See infra* Part II.C.2.

13. 535 F.3d 1373 (Fed. Cir. 2008).

14. *See* CoxCom, Inc. v. Chaffee, 536 F.3d 101, 112 (1st Cir. 2008); Peter Letterese & Assocs., Inc. v. World Inst. of Scientology Enters., Int'l, 533 F.3d 1287, 1323 (11th Cir. 2008); Christopher Phelps & Assoc., LLC v. Galloway, 492 F.3d 532, 543 (4th Cir. 2007).

15. *See Jacobsen*, 535 F.3d at 1378, 1383.

16. The Federal Circuit lacks subject matter jurisdiction over copyright claims, and established precedent requires application of the law of the regional circuit from which the copyright claim originates. *See infra* Part I.A.2.

17. 555 U.S. 7 (2008).

18. *Id.* at 22.

shifted the burden of persuasion squarely back on the plaintiff.[19] Following *Winter*, three circuit courts not only applied *eBay*'s four factors to preliminary injunctions in the copyright context, but also explicitly held that courts should not presume irreparable harm once a plaintiff has demonstrated prima facie infringement.[20] Ironically, one of these circuits was the Ninth Circuit, which effectively overruled the very presumption upon which *Jacobsen* had relied.[21]

Numerous scholars have posited that the presumption of irreparable harm does not survive *eBay* in the copyright preliminary injunction context.[22] However, none have addressed how the Federal Circuit, with its unique choice-of-law rules applying regional circuit law to copyright matters,[23] should confront *eBay*'s effect on the presumption in cases where the regional circuit has not directly spoken on the issue. This Note addresses whether the Federal Circuit in *Jacobsen* should have applied *eBay* to the copyright preliminary injunction motion at hand and rejected the presumption of irreparable harm. Despite uncertainty with respect to *eBay*'s appropriate application at the time of *Jacobsen*,[24] the passage of time has significantly clarified *eBay*'s abrogation of the presumption in the copyright preliminary injunction context.[25] The Federal Circuit should no longer apply the outdated presumption in the spirit of unwaveringly following regional circuit precedent when intervening Supreme Court law is clearly irreconcilable with such precedent.[26] Therefore, this Note urges the Federal Circuit to construe unsettled regional circuit law as rejecting the presumption of irreparable harm in the copyright preliminary injunction

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19. *See infra* Part III.B.1.

20. *See* Bethesda Softworks, L.L.C. v. Interplay Entm't Corp., No. 11-1860, 2011 WL 5084587, at *2–3 (4th Cir. Oct. 26, 2011) (per curiam); Flexible Lifeline Sys., Inc., v. Precision Lift, Inc., 654 F.3d 989, 998 (9th Cir. 2011) (per curiam); Perfect 10, Inc. v. Google, Inc. (*Perfect 10 III*), 653 F.3d 976, 981 (9th Cir. 2011), *cert. denied*, 80 U.S.L.W. 3366 (U.S. Mar. 5, 2012) (No. 11-704); Salinger v. Colting, 607 F.3d 68, 82 (2d. Cir. 2010).

21. *See Flexible Lifeline*, 654 F.3d at 998; *Perfect 10 III*, 653 F.3d at 981; *cf. Jacobsen*, 535 F.3d at 1378.

22. *See, e.g.*, 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT, § 14.06[A][5][a][ii] (2011); 6 PATRY, *supra* note 5, § 22:44; Richard Dannay, *Copyright Injunctions and Fair Use: Enter* Ebay*—Four-Factor Fatigue or Four-Factor Freedom?*, 55 J. COPYRIGHT SOC'Y U.S.A. 449, 460 (2008); Pamela Samuelson & Krzysztof Bebenek, *Why Plaintiffs Should Have to Prove Irreparable Harm in Copyright Preliminary Injunction Cases*, 6 I/S: J.L. & POL'Y INFO. SOC'Y 67 (2010); John M. Newman, Note, *Raising the Bar and the Public Interest: On Prior Restraints, "Traditional Contours," and Constitutionalizing Preliminary Injunctions in Copyright Law*, 10 VA. SPORTS & ENT. L.J. 323, 359 (2011). *Contra* Aaron T. Dozeman, Note, Salinger *and* Ebay*: When Equitable Considerations Undermine Exclusivity*, 21 DEPAUL J. ART, TECH. & INTELL. PROP. L. 323, 324 (2011); Andrew F. Spillane, Comment, *The Continuing Vitality of the Presumption of Irreparable Harm in Copyright Cases*, 15 MARQ. INTELL. PROP. L. REV. 257, 259 (2011).

23. *See infra* Part I.A.1.

24. *See infra* Part II.C.1–2.

25. *See infra* Part III.B.1–2.

26. *See* 13 CHARLES ALAN WRIGHT ET AL., FEDERAL PRACTICE AND PROCEDURE § 3506 (3d ed. 2008) (explaining general circuit court practice that circuits are not bound by previous decisions when "an intervening decision by the Supreme Court . . . casts doubt on the prior ruling or perhaps if newly emergent authority, even though not directly controlling, offers a convincing reason for believing that the earlier panel would change its course").

context where the regional circuit has not directly addressed the presumption's vitality after *eBay*.

Part I of this Note provides a foundation on Federal Circuit jurisdiction, and describes patent and copyright preliminary injunctions. Part II analyzes *eBay* and its effect on patent and copyright injunctions leading up to the Federal Circuit's *Jacobsen* decision. Part III then focuses on *Jacobsen* and courts' subsequent rejection of the presumption of irreparable harm in a variety of contexts. Finally, Part IV contends that the *Jacobsen* court erroneously failed to apply the *eBay* standard to copyright preliminary injunctions, and offers guidance to the Federal Circuit on addressing the presumption in future copyright cases.

This Note concludes that, if faced with a copyright preliminary injunction case in a circuit that previously applied the presumption but that has not directly addressed its continuing vitality after *eBay*, the Federal Circuit should interpret such unsettled regional law by reasonably predicting that the circuit will reject the presumption as inconsistent with *eBay*. Such a holding aligns with relevant case law and advances important policy goals, including efficient utilization of court resources, avoidance of intercircuit conflict, and preservation of the extraordinary nature of preliminary injunctive relief.

I. FEDERAL CIRCUIT JURISDICTION AND AN OVERVIEW OF PATENT AND COPYRIGHT INJUNCTIONS PRIOR TO *EBAY*

Part I begins by discussing the unique subject matter jurisdiction of the Federal Circuit, which permits jurisdiction over copyright matters that are attached to patent claims, and a choice-of-law policy that applies regional circuit law to these pendent copyright matters. Next, it provides background on preliminary injunctive relief, focusing on its historical nature as an extraordinary remedy. It concludes by examining courts' widespread practice, in the copyright and patent injunction context, of presuming irreparable harm once a plaintiff showed a likelihood of success on the merits, a presumption that *eBay* called into doubt.

A. The Federal Circuit: Copyright Jurisdiction and Choice-of-Law Rules

In 1982, Congress enacted the Federal Courts Improvement Act[27] (FCIA), which created a thirteenth federal appellate court—the Federal Circuit. This court functions similarly to its twelve sister circuits, except for one important difference: its jurisdiction is based on subject matter rather than geography.[28] This includes sole jurisdiction over patent appeals,[29] but also exclusive jurisdiction over pendent matters attached to a

27. Pub. L. No. 97-164, 96 Stat. 25 (codified as amended in scattered sections of 28 U.S.C.).

28. S. REP. NO. 97-275, at 3 (1981), *reprinted in* 1982 U.S.C.C.A.N. 11, 13; H.R. REP. NO. 97-312, at 18 (1981).

29. *See* S. REP. NO. 97-275, at 7 (noting consolidation of the Court of Claim and Court of Customs and Patent Appeals); H.R. REP. NO. 97-312, at 20. The Federal Circuit also exercises exclusive appellate jurisdiction in several other areas that this Note will not

patent claim.[30] While this permits the Federal Circuit to hear appeals of pendent copyright claims, such as the one in *Jacobsen* discussed later in this Note, the circuit has adopted a policy of applying regional circuit law to such matters. This section examines the jurisdiction and choice-of-law rules governing copyright matters in the Federal Circuit.

1. Jurisdiction over Pendent Copyright Claims

The FCIA designated the Federal Circuit as the sole court for patent appeals in a congressional effort to achieve uniformity in substantive patent law administration.[31] Congress sought to unify patent appellate jurisdiction within one court in response to a perception of inefficient management of patent law in the courts.[32] Congress's main purposes in allocating sole jurisdiction over patent issues to the Federal Circuit was thus to develop clearer patent doctrine and prevent forum shopping among the regional circuits.[33] Its patent jurisdiction includes appeals from the U.S. Patent & Trademark Office and district court cases arising under the patent laws, and comprises almost half of its caseload.[34] Its jurisdiction is not restricted to appeals of final decisions, but extends to interlocutory appeals from district courts.[35]

The Federal Circuit has established exclusive jurisdiction over pendent matters that are attached to a patent claim, including copyright claims.[36] Through September 16, 2011, 28 U.S.C. § 1295(a)(1) stated that the Federal Circuit should exercise this jurisdiction where district court jurisdiction was based at least in part on patent or plant variety protection laws.[37] Thus, as

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address. *See* CRAIG ALLEN NARD & R. POLK WAGNER, PATENT LAW 31 (2008) (noting at least sixteen other areas, including government contracts and federal takings cases); Paul R. Gugliuzza, *Rethinking Federal Circuit Jurisdiction*, 100 GEO. L.J. (forthcoming 2012) (manuscript at 26–27), *available at* http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1945039.

30. *See infra* Part I.A.1.

31. ROBERT L. HARMON ET AL., PATENTS AND THE FEDERAL CIRCUIT 1294 (10th ed. 2011); *accord* S. REP. NO. 97-275, at 2; H.R. REP. NO. 97-312, at 20–23.

32. H.R. REP. NO. 97-312, at 22; *accord* NARD & WAGNER, *supra* note 29, at 33–34 (describing how varying treatment of patent cases by regional circuits led to forum shopping, and noting the Supreme Court's disinterest in managing patent cases due to large dockets and confusing technological issues).

33. S. REP. NO. 97-275, at 5; *accord* H.R. REP. NO. 97-312, at 20–22 (explaining that due to patent law's history of producing differing results in different courts, "some circuit courts are regarded as 'pro-patent' and other 'anti-patent,' and much time and money is expended in 'shopping' for a favorable venue").

34. *See* HARMON ET AL., *supra* note 31, at 1311–12; Gugliuzza, *supra* note 29 (manuscript at 26).

35. *See* 28 U.S.C. § 1292(c) (2006) (stating that the Federal Circuit shall have exclusive jurisdiction over "an appeal from an interlocutory order or decree described in subsection (a) or (b) of this section in any case over which the court would have jurisdiction of an appeal under section 1295").

36. HARMON ET AL., *supra* note 31, at 1308 (citing Panduit Corp. v. All States Plastic Mfg. Co., 744 F.2d 1564, 1572 n.9 (Fed. Cir. 1984) (per curiam)).

37. 28 U.S.C. § 1295(a)(1), *amended by* Leahy-Smith America Invents Act, Pub. L. No. 112-29, § 19(b), 125 Stat. 284, 331–32 (2011) (providing for Federal Circuit jurisdiction over appeals from a final decision of a district court if (1) "the jurisdiction of that court was

the path of appeal was determined by the basis of jurisdiction in the district court, the Federal Circuit exercised jurisdiction over pendent copyright claims attached to a patent claim.[38] Indeed, this jurisdiction is not nullified even when the attached patent claims are dismissed with prejudice at the district court level; if the complaint contained patent infringement claims, the district court's jurisdiction arose in part under the patent laws and the Federal Circuit retains exclusive jurisdiction over all pendent claims.[39] As discussed in Part III, this permitted the Federal Circuit to exercise jurisdiction over the copyright infringement claim in *Jacobsen* because the original complaint also alleged the required patent issue—a claim for declaratory judgment of non-infringement of a patent.[40]

The Federal Circuit first declared exclusive jurisdiction over an interlocutory appeal of a copyright preliminary injunction order in *Atari, Inc. v. JS & A Group, Inc.*,[41] where the court identified several additional congressional intentions that informed Federal Circuit jurisdiction over a dispute of this manner.[42] The court noted Congress's goal of avoiding bifurcated appeals,[43] forum shopping,[44] specialization of the court,[45] and the Federal Circuit's appropriation of elements of law not specifically assigned to it.[46] While Congress amended § 1295(a)(1) in 2011 to confer exclusive Federal Circuit jurisdiction over appeals of a district court final decision "in any civil action arising under . . . any Act of Congress relating

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based, in whole or in part, on section 1338 of this title" and (2) the case was not "a case involving a claim arising under any Act of Congress relating to copyrights, exclusive rights in mask works, or trademarks and no other claims under section 1338(a)"). Section 1338(a) states that "district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trademarks." *Id.* § 1338(a).

38. *See* Atari, Inc. v. JS & A Grp., 747 F.2d 1422, 1429–30 (Fed. Cir. 1984) (discussing the subject matter jurisdiction of the Federal Court over pendent copyright claims), *overruled in part by* Nobelpharma AB v. Implant Innovations, Inc., 141 F.3d 1059 (Fed. Cir. 1998); *accord Panduit*, 744 F.2d at 1572 n.9.

39. Chamberlain Grp., Inc. v. Skylink Techs., Inc., 381 F.3d 1178, 1189–90 (Fed. Cir. 2004); *accord* Zenith Elecs. Corp. v. Exzec, Inc., 182 F.3d 1340, 1346 (Fed. Cir. 1999); HARMON ET AL., *supra* note 31, at 1308–09 (discussing in detail the Federal Circuit's exclusive jurisdiction to review pendent matters, including copyright, "as long as the case involves a bona fide patent claim").

40. *See infra* notes 196–97 and accompanying text.

41. 747 F.2d 1422.

42. *See id.* at 1434–35.

43. *See id.* at 1435–36 ("Congress specifically rejected [the] suggestion that this court should have only 'issue' jurisdiction and that appeals involving patent and non-patent *issues* should be bifurcated. . . . Congress' statement that 'cases' will be within the jurisdiction of this court, and its statement that [Federal Circuit] jurisdiction should be *contrasted* with the bifurcated appellate jurisdiction set forth in *Coastal States Marketing* . . . reflects the intent of Congress to avoid bifurcation of appeals to this court." (construing H.R. REP. NO. 97-275, at 41 (1981))).

44. *See id.* at 1437–38.

45. *See id.* at 1436–37 ("'The proposed new court is not a specialized court.'" (quoting H.R. REP. NO. 97-275, at 19)).

46. *See id.* at 1438 (describing how Congress's passage of the FCIA despite concerns that the Federal Circuit might appropriate non-patent issues attached to patent claims was proof of its faith that the Federal Circuit would not exceed its mandate to rule on substantive patent law).

to patents,"[47] it is likely that the amended statute's language does not change the Federal Circuit's jurisdiction to hear non-patent issues so long as they are attached to a patent claim.[48]

2. Choice-of-Law Approach: Applying Regional Circuit Law to Copyright Claims

While the Federal Circuit exercised clear jurisdiction over pendent copyright claims attached to a patent claim, it recognized that a question remained as to what law should apply to such fields not within the court's exclusive subject matter jurisdiction.[49] In *Panduit Corp. v. All States Plastic Manufacturing Co.*,[50] the Federal Circuit first articulated its policy of applying regional circuit law to pendent non-patent issues,[51] including copyright claims.[52] This choice-of-law approach led the Federal Circuit to apply regional circuit law specifically to the issuance of preliminary injunctions in copyright cases,[53] as will be discussed in connection with the *Jacobsen* decision.[54]

Although not statutorily required to do so, the Federal Circuit has applied these choice-of-law rules in order "to avoid exacerbating the problem of

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47. Leahy-Smith America Invents Act, Pub. L. No. 112-29, § 19(b), 125 Stat. 284 (2011) (to be codified at 28 U.S.C. § 1295(a)(1)) (providing Federal Circuit jurisdiction "of an appeal from a final decision of a district court of the United States . . . in any civil action arising under, or in any civil action in which a party has asserted a compulsory counterclaim arising under, any Act of Congress relating to patents or plant variety protection").

48. *Compare id.*, *with* 28 U.S.C § 1295(a)(1) (2006) (conferring Federal Circuit jurisdiction over appeals of civil actions in which district court jurisdiction was based at least in part on patent or plant variety protection laws). It is unclear if the removal of the language "in whole or in part" has any significance on whether the Federal Circuit can hear non-patent issues, as, for example, an action for copyright and patent infringement still arises *in part* under the patent laws. Because this amendment is new and has not yet been clarified by the courts, this Note will assume that the Federal Circuit can still hear non-patent issues over which the district courts have original jurisdiction, so long as the action arose in part under patent law. This reading is in line with historical Federal Circuit precedent. *See, e.g.*, Panduit Corp. v. All States Plastic Mfg. Co., 744 F.2d 1564, 1572 n.9 (Fed. Cir. 1984) (per curiam). Further, it seems the amendment was enacted to permit parties to bring compulsory counterclaims arising under patent law in the Federal Circuit as a response to the Supreme Court's decision in *Holmes Group v. Vornado Air Circulation Systems, Inc*. 535 U.S. 826 (2002) (holding that the Federal Circuit did not have appellate jurisdiction over a case in which the complaint did not allege a claim arising under federal patent law, but the answer contained a patent-law counterclaim).

49. *See* Bandag, Inc. v. Al Bolser's Tire Stores, Inc., 750 F.2d 903, 909 (Fed. Cir. 1984) ("As to nonpatent matters . . . a significant choice of law question inherently arises.").

50. 744 F.2d 1564.

51. *Id.* at 1574–75; *accord* Atari Games Corp. v. Nintendo of Am., Inc., 897 F.2d 1572, 1575 (Fed. Cir. 1990) ("When the questions on appeal involve law and precedent on subjects not exclusively assigned to the Federal Circuit, the court applies the law which would be applied by the regional circuit."); *Bandag*, 750 F.2d at 909.

52. *See, e.g.*, Amini Innovation Corp. v. Anthony Cal., Inc. 439 F.3d 1365, 1368 (Fed. Cir. 2006).

53. *See, e.g.*, Chamberlain Grp., Inc. v. Skylink Techs., Inc., 381 F.3d 1178, 1191 (Fed. Cir. 2004); *Atari*, 897 F.2d at 1575.

54. *See supra* note 198 and accompanying text.

intercircuit conflicts in non-patent areas"[55] and to save district courts from the confusion of "serving two masters."[56] It also sought to minimize parties' incentives to forum shop on non-patent claims,[57] in accordance with congressional intent.[58] Because Congress never imposed any requirement upon the Federal Circuit to clear up intercircuit conflicts with respect to non-patent matters, the court found this reasoning appropriate.[59] Additionally, in *Atari*, the court held that applying regional circuit law to non-patent matters allowed it to satisfy congressional intention to avoid Federal Circuit appropriation of legal fields not exclusively assigned to it.[60] However, the court recognized that regional circuit law may not always be clear, and held that the Federal Circuit should "decide non-patent matters in light of the problems faced by the district court . . . including the law there applicable" and "to the extent it can be discerned."[61] Further, where a regional circuit has not directly spoken on a particular issue, the Federal Circuit held that it must "reasonably predict how that court would decide the issue" in light of issues such as the circuit's district court decisions and public policy.[62]

Despite this limiting holding, the Federal Circuit has expanded the realm to which it applies its own law beyond purely substantive patent issues. In *Midwest Industries, Inc. v. Karavan Trailers, Inc.*,[63] the court held en banc[64] that it would no longer apply regional circuit law to issues involving the interplay between patent and non-patent law.[65] The court confirmed

55. *Bandag*, 750 F.2d at 909; *accord* Panduit, 744 F.2d at 1574 ("[W]e must resolve this choice of law question by considering the general policy of minimizing confusion and conflicts in the federal judicial system.").

56. *See* Atari, Inc. v. JS & A Grp., Inc., 747 F.2d 1422, 1439 (Fed. Cir. 1984) ("It would be at best unfair to hold in this case that the district court, at risk of error, should have 'served two masters', or that it should have looked, Janus-like, in two directions in its conduct of that judicial process."), *overruled in part by* Nobelpharma AB v. Implant Innovations, Inc., 141 F.3d 1059 (Fed. Cir. 1998).

57. Midwest Indus., Inc., v. Karavan Trailers, Inc., 175 F.3d 1356, 1359 (Fed. Cir. 1999) (en banc); *accord Atari*, 747 F.2d at 1439.

58. *See* S. REP. NO. 97-275, at 19–20 (1981), *reprinted in* 1982 U.S.C.C.A.N. 11, 29–30 ("[The Federal Circuit's exclusive jurisdiction over patent claims] is intended to alleviate the serious problems of forums [sic] shopping among the regional courts of appeals on patent claims . . . . It is not intended to create forum shopping opportunities between the Federal Circuit and the regional courts of appeals on other claims.").

59. *Bandag*, 750 F.2d at 909 ("No mandate to unify intercircuit conflicts regarding [nonpatent] matters was given to this court by Congress in its passage of our enabling legislation . . . .").

60. *Atari*, 747 F.2d at 1438.

61. *Id.* at 1439 (quoting *Bandag*, 750 F.2d at 909); *see id*. at 1440 ("[T]he task remains a challenge, for the path to the established law of the involved circuit may or may not be easily discernible and clearly marked.").

62. TechSearch, L.L.C. v. Intel Corp., 286 F.3d 1360, 1378 (Fed. Cir. 2002); Panduit Corp. v. All States Plastic Mfg. Co., 744 F.2d 1564, 1575–76 (Fed. Cir. 1984) (per curiam).

63. 175 F.3d 1356 (Fed. Cir. 1999) (en banc).

64. To overrule precedent, the Federal Circuit must rule en banc. *See* George E. Warren Corp. v. United States, 341 F.3d 1348, 1351–52 (Fed. Cir. 2003).

65. *Midwest*, 175 F.3d at 1358–60 ("[We] conclude that we should abandon our practice of applying regional circuit law in resolving questions involving the relationship between

that Federal Circuit law extends beyond substantive patent law to non-patent issues that are "affected by the special circumstances of the patent law setting in which those issues arise."[66] Applying its own law to such issues, it asserted, would help fulfill its obligation of promoting uniformity within patent law, prevent inconsistent lines of authority, and provide other courts with the benefit of Federal Circuit patent law analysis.[67] The court thus overruled previous decisions by the Federal Circuit[68] in which it had applied regional circuit law to patent-related issues that were not substantive patent law.[69] The circuit now routinely applies its own law to procedural issues pertaining to patent law,[70] including questions of personal jurisdiction in patent law cases,[71] non-mutual issue preclusion in patent cases,[72] and whether a plaintiff has the right to both permanent[73] and preliminary injunctive relief for patent infringement.[74] As the Federal Circuit began to apply its own law to the grant of injunctive relief for patent infringement, it adopted standards from its sister circuits.[75] Indeed, it almost always granted such relief upon a finding of infringement, borrowing a theory from copyright known as the presumption of irreparable harm.[76]

B. Copyright and Patent Law: The Presumption of Irreparable Harm Before eBay

This section outlines circuit courts' legal standards for granting copyright and patent injunctions before *eBay*, including the common judicial practice of presuming irreparable harm once a plaintiff proved a likelihood of success on the merits. This practice, however, contrasted sharply with the traditional view of the preliminary injunction as an extraordinary remedy that no party had an automatic right to receive.[77]

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patent law and other federal and state law rights. Henceforth, we will apply our own law to such questions.").

66. *Id.* at 1359–60 (holding that Federal Circuit law governs procedural issues not themselves of substantive patent law if "the issue pertains to patent law, if it bears an essential relationship to matters committed to our exclusive control by statute, or if it clearly implicates the jurisprudential responsibilities of this court in a field within its exclusive jurisdiction" (internal quotation marks and citations omitted)).

67. *See id.* at 1360–61.

68. *See, e.g.*, Cable Elec. Prods., Inc. v. Genmark, Inc., 770 F.2d 1015, 1032 (Fed. Cir. 1985) (holding that regional circuit law applies in determining whether patent law preempts particular state law claims), *overruled by Midwest*, 175 F.3d 1356.

69. *Midwest*, 175 F.3d at 1359.

70. *See, e.g.*, Research Corp. Techs. v. Microsoft Corp., 536 F.3d 1247, 1255 (Fed. Cir. 2008).

71. *See* Hildenbrand v. Steck Mfg. Co., 279 F.3d 1351, 1354 (Fed. Cir. 2002).

72. *See* Abbott Labs. v. Andrx Pharm., Inc., 473 F.3d 1196, 1202–03 (Fed. Cir. 2007).

73. *See, e.g.*, Voda v. Cordis Corp., 536 F.3d 1311, 1319 (Fed. Cir. 2008).

74. *See, e.g.*, Abbott Labs. v. Sandoz, Inc., 544 F.3d 1341, 1368 (Fed. Cir. 2008); Hybritech Inc. v. Abbott Labs., 849 F.2d 1446, 1451 n.12 (Fed. Cir. 1988).

75. *See Sandoz*, 544 F.3d at 1368 (collecting cases to show how "Federal Circuit precedent [regarding issuing preliminary injunctions] developed to match the rest of the nation").

76. *See* NARD & WAGNER, *supra* note 29, at 205–06.

77. *See infra* notes 87–88 and accompanying text.

1. What Is a Preliminary Injunction?

An injunction is a court order directing a party to perform or prevent a specific action.[78] While permanent injunctions are granted at the end of a trial, temporary or "preliminary" injunctions are "issued before or during trial to prevent an irreparable injury from occurring before the court has a chance to decide the case."[79] The Supreme Court has emphasized that both forms of injunctive relief require similar analyses, except that the plaintiff requesting preliminary relief must also prove a likelihood of success on the merits of her claim.[80] The Court recently confirmed the traditional four-factor test that courts must apply in determining whether to issue a preliminary injunction: (1) the likelihood of success on the merits, (2) the likelihood of irreparable harm if injunctive relief is not granted, (3) the balance of the harms between plaintiff and defendant, and (4) whether an injunction is in the public interest.[81] The second factor, proof of irreparable harm, is the most important element of any grant of preliminary injunctive relief,[82] and is often considered a prerequisite to such a grant.[83] The movant has the burden of proving irreparable harm,[84] which results when the movant cannot be adequately compensated by monetary relief[85] and courts find it difficult to calculate losses.[86]

From its origins in the courts of equity, preliminary injunctions have long been viewed as providing relief in extraordinary cases,[87] and the Supreme

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78. *See* BLACK'S LAW DICTIONARY, *supra* note 6, at 855.

79. *Id.*

80. *See* Winter v. Natural Res. Def. Council, Inc., 555 U.S. 7, 32–33 (2008); Amoco Prod. Co. v. Vill. of Gambell, 480 U.S. 531, 546 n.12 (1987) ("The standard for a preliminary injunction is essentially the same as for a permanent injunction with the exception that the plaintiff must show a likelihood of success on the merits rather than actual success."). Permanent injunctions are granted after the plaintiff has already prevailed on the merits of its claim. *See* 42 AM. JUR. 2D *Injunctions* § 11 (2010).

81. *Winter*, 555 U.S. at 20 (citing Munaf v. Green, 553 U.S. 674, 679–80 (2008); *Amoco*, 480 U.S. at 542; Weinberger v. Romero-Barcelo, 456 U.S. 305, 311–12 (1982)); *see also* KIRSTIN STOLL-DEBELL ET AL., INJUNCTIVE RELIEF: TEMPORARY RESTRAINING ORDERS & PRELIMINARY INJUNCTIONS 20 (2009) (noting the test's origins in equity).

82. *See* 6 PATRY, *supra* note 5, § 22:33 n.1 (collecting numerous cases in support).

83. *See* Weinberger v. Romero-Barcelo, 456 U.S. 305, 312 (1987) (The Court has repeatedly held that the basis for injunctive relief in the federal courts has always been irreparable injury and the inadequacy of legal remedies."); *see also* 6 PATRY, *supra* note 5, § 22:33 ("The absence of an adequate remedy at law is a precondition to equitable relief." (quoting Roland Mach. Co. v. Dresser Indus., Inc., 749 F.2d 380, 386 (7th Cir. 1984))); *accord* Freedom Holdings, Inc. v. Spitzer, 408 F.3d 112, 114 (2d Cir. 2005) (stating that irreparable harm is the "single most important prerequisite for issuance of a preliminary injunction").

84. 6 PATRY, *supra* note 5, § 22:35.

85. *Id.* § 22:33.

86. *Id.* § 22:34.

87. *See* 4 NIMMER, *supra* note 22, § 14.06[A][1][b] n.14 (collecting cases referring to preliminary injunctive relief as "extraordinary"); 6 PATRY, *supra* note 5, § 22.10 (collecting cases to describe how the drastic remedy of injunctive relief should be the exception, and not the rule); STOLL-DEBELL ET AL., *supra* note 81, at 4–5 (describing the narrow limitations originally put on injunctions in accordance with English law, and U.S. congressional efforts to limit the use of injunctive relief to extraordinary cases).

Court has continuously underscored this notion.[88] The importance of this remedy cannot be overstated; as an interlocutory order granting preliminary injunctive relief frequently puts an end to litigation, it is often the most important decision in a case.[89] Further, as this remedy is granted when the factual record is often incomplete,[90] commentators have noted that such relief can potentially lead to erroneous rulings and should not be taken lightly.[91]

Nevertheless, courts are given wide discretion in crafting preliminary injunctive relief, and a district court's grant or denial will remain undisturbed unless there was a clear abuse of discretion.[92] Less than scrupulous adherence to traditional equitable principles, including the tendency of courts to presume irreparable harm upon a showing of likelihood of success of a copyright or patent infringement claim, has made such "extraordinary" relief much more obtainable in intellectual property cases over the past several decades.[93]

2. Copyright Preliminary Injunctions Before *eBay*

Copyright law owes its origins to the Intellectual Property Clause of the Constitution, which grants to Congress the power "[t]o promote the

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88. *See, e.g.*, Mazurek v. Armstrong, 520 U.S. 968, 972 (1997) ("'It frequently is observed that a preliminary injunction is an extraordinary and drastic remedy, one that should not be granted unless the movant, *by a clear showing*, carries the burden of persuasion.'" (quoting 11A CHARLES ALAN WRIGHT ET AL., FEDERAL PRACTICE AND PROCEDURE § 2948 (2d ed. 1995))); Amoco Prod. Co. v. Vill. of Gambell, 480 U.S. 531, 542 (1987) ("[A]n injunction is an equitable remedy that does not issue as of course."); *Weinberger*, 456 U.S 305, 311–12 (1982) (collecting cases); City of Harrisonville v. W.S. Dickey Clay Mfg. Co., 289 U.S. 334, 337–38 (1933) ("[A]n injunction is not a remedy which issues as of course."); Cavanaugh v. Looney, 248 U.S. 453, 456 (1919) ("[An injunction] should be exercised only where intervention is essential in order effectually to protect property rights against injuries otherwise irremediable."); Consol. Canal Co. v. Mesa Canal Co., 177 U.S. 296, 302 (1900) ("[I]t is familiar law that injunction will not issue to enforce a right that is doubtful, or to restrain an act the injurious consequences of which are merely trifling.").

89. 6 PATRY, *supra* note 5, § 22:7.

90. *See* Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd., 518 F. Supp. 2d 1197, 1212 (C.D. Cal. 2007) ("Preliminary injunctions are typically requested when a lawsuit's factual development is limited."); 6 PATRY, *supra* note 5, § 22:7; Newman, *supra* note 22, at 325.

91. *See* 4 NIMMER, *supra* note 22, § 14.06[A][6][c]; 6 PATRY, *supra* note 5, § 22:7; Samuelson & Bebenek, *supra* note 22, at 79; Newman, *supra* note 22, at 354–55 (citing Mark A. Lemley & Eugene Volokh, *Freedom of Speech and Injunctions in Intellectual Property Cases*, 48 DUKE L.J. 147, 150 (1998)). *But cf.* Lennon v. Premise Media Corp., 556 F. Supp. 2d 310, 319 n.1 (S.D.N.Y. 2008) ("A presumption temporarily removing the need to prove irreparable harm may serve the ends of equity at this early stage of the litigation even if it would be inappropriate where the record is complete.").

92. 6 PATRY, *supra* note 5, § 22:8. Such abuse occurs when a district court bases its decision on an erroneous legal standard or clearly erroneous facts. *See, e.g.*, Am. Trucking Ass'ns v. Los Angeles, 559 F.3d 1046, 1052 (9th Cir. 2009).

93. 6 PATRY, *supra* note 5, § 22:13; STOLL-DEBELL ET AL., *supra* note 81, at 10; *accord* 4 NIMMER, *supra* note 22, § 14.06[A][1][b]; *see also* Lemley & Volokh, *supra* note 91, at 150 ("In copyright cases . . . preliminary injunctions are granted pretty much as a matter of course.").

Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."[94] Congress enacted the Copyright Act with the utilitarian purpose of incentivizing the production of new works by granting authors monopolies on their original works for a limited time.[95] The Act grants copyright holders the exclusive rights to reproduce, adapt, distribute, perform, and display their works;[96] the holder's right to exclude others from using the work has been deemed "fundamental and beyond dispute."[97]

The current Copyright Act of 1976 authorizes a court to grant preliminary and permanent injunctions to prevent infringement "on such terms as it may deem reasonable."[98] Courts have held that the main purpose of preliminary injunctive relief in the copyright context is to maintain the status quo until the court can reach a final adjudication on the merits of the claim.[99] What constitutes irreparable harm for copyright infringement is vague at best, but courts have found factors such as the fleeting market life of a work, imminent financial ruin, and loss of reputation to satisfy this opaque requirement.[100]

Prior to *eBay*, most circuits utilized the traditional four-factor test with minor variations.[101] The Second and Ninth Circuits differed from their sister circuits in adopting similar two-part tests.[102] The Ninth Circuit's test, in particular, represented points on a continuum where the required

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94. U.S. CONST. art. I, § 8, cl. 8.

95. *See* JULIE E. COHEN ET AL., COPYRIGHT IN A GLOBAL INFORMATION ECONOMY 4, 7 (3d ed. 2010).

96. 17 U.S.C. § 106 (2006).

97. Authors Guild v. Google Inc., 770 F. Supp. 2d 666, 681 (S.D.N.Y. 2011) (citing Fox Film Corp. v. Doyal, 286 U.S. 123, 127 (1932)).

98. 17 U.S.C. § 502(a) (2006) ("Any court having jurisdiction . . . may . . . grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a copyright.").

99. *See, e.g.*, 4 NIMMER, *supra* note 22, § 14.06[A][1][a] (quoting Warner Bros. v. Dae Rim Trading, Inc., 877 F.2d 1120, 1125 (2d Cir. 1989)); *accord* 6 PATRY, *supra* note 5, § 22:10 n.5 (collecting cases). *But see id.* § 22:10 (explaining that preservation of the status quo is "at best aspirational," and courts should instead "seek . . . to preserve their ability to render a meaningful judgment at trial").

100. *See* 6 PATRY, *supra* note 5, § 22:37–41.

101. *See id.* § 22:21 & n.2 (collecting cases from each circuit); STOLL-DEBELL ET AL., *supra* note 81, at 22–30 (citing each circuit's test for preliminary injunctions).

102. *Compare* MyWebGrocer, LLC v. Hometown Info, Inc., 375 F.3d 190, 192 (2d Cir. 2004) ("A party . . . must demonstrate (1) irreparable harm in the absence of the injunction and (2) either (a) a likelihood of success on the merits or (b) sufficiently serious questions going to the merits to make them a fair ground for litigation and a balance of hardships tipping decidedly in the movant's favor."), *with* LGS Architects, Inc. v. Concordia Homes of Nev., 434 F.3d 1150, 1155 (9th Cir. 2006) ("[R]elief is available to a party who demonstrates either: (1) a combination of probable success on the merits and the possibility of irreparable harm; or (2) that serious questions are raised and the balance of hardships tips in its favor."). Both tests eliminate the public interest factor and balance the remaining three elements, with a stronger showing of probable success on the merits reducing the required showing of irreparable harm or balancing of the hardships. Lemley & Volokh, *supra* note 91, at 159 n.49.

irreparable harm increased as the likelihood of success decreased.[103] One commentator coined the two-part formulation the "predominant test" for issuance of a copyright preliminary injunction, despite its usage in only two circuits.[104] This is unsurprising, given that the Second and Ninth Circuits are considered leaders in the copyright field, as they house the entertainment and publishing capitals of the country,[105] and account for nearly half of all copyright infringement appeals.[106] The majority of the circuits granted copyright preliminary injunctions without analyzing all the factors; in fact, once a likelihood of success was established, courts normally presumed irreparable harm.[107]

The copyright presumption of irreparable harm, which is usually rebuttable by the defendant,[108] first surfaced in a 1968 Second Circuit decision[109] and was adopted gradually by other circuits over the next two decades.[110] Courts justified this presumption by pointing to the intangible nature of copyright and the inherent difficulty of calculating monetary

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103. *LGS Architects*, 434 F.3d at 1155 (quoting A&M Records, Inc. v. Napster, Inc., 239 F.3d 1004, 1013 (9th Cir. 2001)).

104. *See* 4 NIMMER, *supra* note 22, § 14.06[A][2][a].

105. *See* COHEN ET AL., *supra* note 95, at 309; Lemley & Volokh, *supra* note 91, at 161.

106. Newman, *supra* note 22, at 356 n.198 (describing a recent Westlaw search revealing that nearly forty-six percent of copyright infringement cases were brought in the Second and Ninth Circuits, with the remainder being initiated in the other eleven circuits).

107. *See, e.g.*, LGS Architects, Inc. v. Concordia Homes of Nev., 434 F.3d 1150, 1155–56 (9th Cir. 2006); MyWebGrocer, LLC v. Hometown Info, Inc., 375 F.3d 190, 192–93 (2d Cir. 2004); Video Pipeline, Inc. v. Buena Vista Home Entm't, Inc., 342 F.3d 191, 206 (3d Cir. 2003); Taylor Corp. v. Four Seasons Greetings, LLC, 315 F.3d 1039, 1041–42 (8th Cir. 2003); Country Kids 'N City Slicks, Inc. v. Sheen, 77 F.3d 1280, 1288–89 (10th Cir. 1996); Serv. & Training, Inc. v. Data Gen. Corp., 963 F.2d 680, 690 (4th Cir. 1992); Concrete Mach. Co. v. Classic Lawn Ornaments, Inc., 843 F.2d 600, 611–12 (1st Cir. 1988); Forry, Inc. v. Neundorfer, Inc., 837 F.2d 259, 267 (6th Cir. 1988); Atari, Inc. v. N. Am. Philips Consumer Elecs. Corp., 672 F.2d 607, 620 (7th Cir. 1982); *see also* 4 NIMMER, *supra* note 22, § 14.06[A][2][b] & n.51 (collecting cases); 6 PATRY, *supra* note 5, § 22:44 & nn.5–6 (collecting cases). The District of Columbia Circuit has never approved the presumption, but several trial courts within the circuit have applied it. *See, e.g.*, Health Ins. Ass'n of Am. v. Novelli, 211 F. Supp. 2d 23, 28 (D.D.C. 2002). In contrast, the Fifth Circuit has expressly refused to presume irreparable harm upon prima facie infringement, and has required plaintiffs to prove each element of the test. *See, e.g.*, Plains Cotton Coop. Ass'n of Lubbock, Tex. v. Goodpasture Computer Serv., Inc., 807 F.2d 1256, 1261 (5th Cir. 1987). For a thorough history of copyright preliminary injunctions in the United States, see also Lemley & Volokh, *supra* note 91, at 154–65.

108. *See, e.g.*, Suntrust Bank v. Houghton Mifflin Co., 268 F.3d 1257, 1265 (11th Cir. 2001) (presumption to be rebutted by a fair use defense); Cadence Design Sys., Inc. v. Avant! Corp., 125 F.3d 824, 829 (9th Cir. 1997) ("[T]he presumption is rebutted where the plaintiff has not been harmed, where any harm is *de minimis*, or where the defendant acted with innocent intent, relying on lack of copyright notice."); Richard Feiner & Co. v. Turner Entm't Co., 98 F.3d 33, 35 (2d Cir. 1996) (presumption rebutted by plaintiff's undue delay in bringing the action). *But see Cadence*, 125 F.3d at 827 (9th Cir. 1997) (holding that the adequacy of monetary damages can never rebut the presumption).

109. Am. Metro. Enters. of N.Y., Inc. v. Warner Bros. Records, Inc., 389 F.2d 903, 905 (2d Cir. 1968) ("A copyright holder in the ordinary case may be presumed to suffer irreparable harm when his right to the exclusive use of the copyrighted material is invaded.").

110. *See* 6 PATRY, *supra* note 5, § 22:49 (noting when the presumption was adopted by each court).

damages in copyright cases.[111] Due to an infringement's invasion of the copyright holder's right to exclude, the belief was that combating infringement required injunctive relief to prevent destruction of the property's value.[112] The practice of presuming harm often collapsed the four-factor test to one factor: whether the plaintiff demonstrated a likelihood of success on the merits.[113] In the Second and Ninth Circuits, presuming irreparable harm essentially reduced each two-part test to one factor as well, resulting in the issuance of preliminary injunctions in the leading copyright circuits upon a mere showing of prima facie infringement.[114]

3. Patent Preliminary Injunctions Before *eBay*

Copyright law is not the only field that has adopted the presumption of irreparable harm in the injunction context. The Federal Circuit also adopted this presumption with respect to patent law, which serves a similar utilitarian function to that of copyright: it seeks to stimulate innovation among society by granting temporary monopolies to inventors.[115] As with copyright, patent owners are granted a property right in their discoveries by Congress under its constitutionally granted power in the Intellectual Property Clause.[116] The Patent Act authorizes patent holders the exclusive rights to make, use, offer to sell, or sell their inventions.[117] The Act states that a court "may" grant an injunction "on such terms as the court deems reasonable."[118]

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111. *Id.* § 22:50; *see, e.g.*, *Country Kids*, 77 F.3d at 1288 ("[T]he financial impact of copyright infringement is hard to measure and often involves intangible qualities."); *Concrete Mach. Co.*, 843 F.2d at 611 (explaining how the commercial value of this intangible interest is "often fleeting" and "may be lost by the time litigation on the claim is complete."). *But cf.* 6 PATRY, *supra* note 5, § 22:50 (opining that this rationale "merely stat[es] a conclusion for the presumption," and identifies a lack of reasoning over why copyright's intangible nature makes calculations of damages difficult).

112. *See, e.g.*, Fashion Victim Ltd. v. Sunrise Turquoise, Inc., 785 F. Supp. 1302, 1307 (N.D. Ill. 1992).

113. 4 NIMMER, *supra* note 22, § 14.06[A][2][c] (noting that in many cases, courts failed to invoke the balancing of the harms and public interest factors, making a likelihood of success on the merits the determinative factor); *accord* Lemley & Volokh, *supra* note 91, at 158–64. Analysis of the balancing of the harms and public interest factors are beyond the scope of this Note.

114. *See* 4 NIMMER, *supra* note 22, § 14.06[A][2][c].

115. *See* Kewanee Oil Co. v. Bicron Corp., 416 U.S. 470, 480 (1974). *Compare id.*, *with supra* text accompanying notes 95–97 (discussing the similar goals of copyright law).

116. U.S. CONST. art. I, § 8, cl. 8; *see* Roper Corp. v. Litton Sys., Inc., 757 F.2d 1266, 1272 (Fed. Cir. 1985); *see also supra* note 94 and accompanying text (noting copyright's origins in the Intellectual Property Clause).

117. *See* 35 U.S.C. § 271 (2006).

118. *Compare id.* § 283 ("The several courts . . . may grant injunctions in accordance with the principles of equity to prevent the violation of any right secured by *patent*, on such terms as the court deems reasonable." (emphasis added)), *with* 17 U.S.C. § 502(a) (2006) ("Any court having jurisdiction . . . may . . . grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a *copyright*." (emphasis added)).

In accordance with the majority of its sister circuits,[119] the Federal Circuit has applied the traditional four-part test in determining whether to grant a preliminary injunction for patent infringement.[120] The Federal Circuit first "lowered the bar"[121] for granting preliminary injunctions in patent cases in *Smith International Inc. v. Hughes Tool Co.*[122] by expressly holding that a likelihood of success on the merits raised a presumption of irreparable harm.[123] Similar to the reasoning courts employed to justify the presumption in copyright law,[124] the Federal Circuit based this policy on the patent holder's right to exclude.[125] Indeed, the *Smith* court acknowledged that it adopted this presumption from copyright doctrine,[126] and the circuit has specifically analogized the property rights of copyright law to patent law in support of such application.[127] The Federal Circuit also implicitly applied this presumption to permanent injunctions, and routinely granted the remedy upon a finding of infringement,[128] until the seminal case *eBay v. MercExchange*.

II. *EBAY* AND ITS PROGENY: CASTING DOUBT ON THE PRESUMPTION OF IRREPARABLE HARM

Part II first introduces the *eBay* decision, which ushered in a "sea change"[129] by holding that plaintiffs are not automatically entitled to permanent injunctions following a holding of patent infringement. Without express guidance from the Court regarding whether *eBay* explicitly abolished the presumption of irreparable harm—in addition to its broad language analogizing patent to copyright law—division emerged among lower courts prior to *Jacobsen* with respect to *eBay*'s extension to copyright

119. *See Abbott Labs. v. Sandoz, Inc.*, 544 F.3d 1341, 1368 (Fed. Cir. 2008) ("Federal Circuit precedent developed to match the rest of the nation.").

120. *See, e.g.*, Hybritech Inc. v. Abbott Labs., 849 F.2d 1446, 1451 (Fed. Cir. 1988) ("[T]o obtain a preliminary injunction . . . a party must establish a right thereto in light of four factors: (1) reasonable likelihood of success on the merits; (2) irreparable harm; (3) the balance of hardships tipping in its favor; and (4) the impact of the injunction on the public interest.").

121. STOLL-DEBELL ET AL., *supra* note 81, at 6.

122. 718 F.2d 1573 (Fed. Cir. 1983).

123. *Id.* at 1581 ("We hold that where validity and continuing infringement have been clearly established, as in this case, immediate irreparable harm is presumed.").

124. *See supra* notes 111–12 and accompanying text.

125. *See Smith*, 718 F.2d at 1581; *accord* H.H. Robertson, Co. v. United Steel Deck, Inc., 820 F.2d 384, 390 (Fed. Cir. 1987) ("This presumption derives in part from the finite term of the patent grant, for patent expiration is not suspended during litigation, and the passage of time can work irremediable harm. . . . The nature of the patent grant thus weighs against holding that monetary damages will always suffice to make the patentee whole, for the principal value of a patent is its statutory right to exclude.").

126. *Smith*, 718 F.2d at 1581 n.7 ("This is the rule in copyright cases.").

127. *See* Roper Corp. v. Litton Sys., Inc., 757 F.2d 1266, 1272 (Fed. Cir. 1985) ("[N]o warrant exists in law to distinguish the criteria for presuming irreparable injury to the property right created by letters patent from those available to protect the property right created by copyright.").

128. *See, e.g.*, Richardson v. Suzuki Motor Co., 868 F.2d 1226, 1247 (Fed. Cir. 1989) ("It is the general rule that an injunction will issue when infringement has been adjudged . . . .").

129. 4 NIMMER, *supra* note 22, § 14.06[A][3][a].

preliminary injunctions.[130] This part explores this division by analyzing the diverse application of *eBay* to both patent and copyright cases before the *Jacobsen* decision.

A. eBay v. MercExchange

In *eBay, Inc. v. MercExchange, L.L.C.*,[131] the Supreme Court unanimously held that permanent injunctions do not automatically follow a ruling of patent infringement,[132] and that traditional principles of equity apply equally to patent disputes.[133] In the case, MercExchange claimed that eBay infringed its patent in an electronic market business method.[134] After a jury found that eBay had infringed MercExchange's valid patent and awarded damages, the district court denied MercExchange's motion for a permanent injunction.[135] The denial was based on its categorical conclusion that irreparable harm could not occur due to factors including MercExchange's willingness to license patents, and the lack of commercial activity in using them.[136] On appeal, the Federal Circuit applied its own general rule that "a permanent injunction will issue once infringement and validity have been adjudged" absent "exceptional circumstances," and reversed the district court.[137]

The Supreme Court granted certiorari to address the Federal Circuit's general rule, and held that it did not conform to traditional principles of equity.[138] Citing to two previous decisions for support, including *Amoco Production Co. v. Village of Gambell*,[139] the Court stated that to meet these principles, a plaintiff "must demonstrate" the following four factors:

> (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.[140]

After reiterating that courts should not depart from traditional equitable principles without statutory direction,[141] the Court confirmed that these principles "apply with equal force" to patent disputes, as the Patent Act's

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130. *See infra* Parts II.B–C.
131. 547 U.S. 388 (2006).
132. *Id.* at 394.
133. *Id.* at 391.
134. *Id.* at 390.
135. *Id.* at 391.
136. *Id.* at 393.
137. *Id.* at 393–94 (quoting MercExchange, L.L.C. v. eBay, Inc., 401 F.3d 1323, 1338–39 (Fed. Cir. 2005)).
138. *Id.* at 393.
139. 480 U.S. 531 (1987) (rejecting the Ninth Circuit's application of the presumption of irreparable harm where plaintiffs sought preliminary injunctive relief due to defendant's violation of an environmental statute).
140. *eBay*, 547 U.S. at 391 (citing *Amoco*, 480 U.S. at 542; Weinberger v. Romero-Barcelo, 456 U.S. 305, 311–13 (1982)).
141. *Id.* ("As this Court has long recognized, 'a major departure from the long tradition of equity practice should not be lightly implied.'" (quoting *Weinberger*, 456 U.S. at 320)).

language expressly permits injunctions to issue "'in accordance with the principles of equity.'"[142] While the Court recognized a patent holder's fundamental right to exclude, it noted that "the creation of a right is distinct from the provision of remedies for violations of that right," and rejected the automatic grant of an injunction once infringement was found.[143]

The *eBay* Court then compared patent law with copyright law for additional support. First, it held that both copyright and patent law permit the right to exclude.[144] Further, both Acts provide that courts "may" grant injunctive relief on terms they deem reasonable to prevent infringement.[145] Finally, the Court held that because it had "consistently rejected invitations to replace traditional equitable considerations with a rule that an injunction automatically follows [copyright infringement]," rejection of the Federal Circuit's general rule in the patent law context was consistent with previous rulings.[146] As neither lower court had applied the correct four-factor test, the Court remanded the case to the district court to exercise discretion consistent with these equitable principles, "in patent disputes no less than in other cases governed by such standards." [147]

Chief Justice Roberts noted in his concurrence that courts' historical tendency to grant injunctive relief once patent infringement was found likely owed to the difficulty of protecting the right to exclude through monetary damages.[148] While this did not entitle a patent holder to a permanent injunction, he emphasized that "'a page of history is worth a volume of logic.'"[149] In a separate concurrence, Justice Kennedy agreed that history is instructive in applying the four-factor test, but believed that the practice of frequently issuing injunctions merely reflected the result of applying the four-factor test in historical contexts.[150] He stated that the current rise of an industry where patent holders threaten injunctions to seek high licensing fees presents an economically novel situation where monetary damages may sufficiently compensate for infringement, and "may affect calculus under the four-factor test."[151] According to Justice Kennedy, courts should therefore use their equitable discretion to determine whether past practice fits with the circumstances of their cases.[152]

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142. *Id.* at 391–92 (quoting 35 U.S.C. § 283 (2006)).
143. *Id.* at 392.
144. *Id.*
145. *Id.*; *see also supra* note 118 and accompanying text.
146. *eBay*, 547 U.S. at 392–93 (citing N.Y. Times Co. v. Tasini, 533 U.S. 483, 505 (2001); Dun v. Lumbermen's Credit Ass'n, 209 U.S. 20, 23–24 (1908)). In *Tasini*, the Court quoted *Campbell v. Acuff-Rose Music Inc.* for the proposition that the "goals of copyright law 'are not always best served by automatically granting injunctive relief.'" *Tasini*, 533 U.S. at 505 (quoting Campbell v. Acuff-Rose Music Inc., 510 U.S 569, 578 n.10 (1994)). The *Dun* Court held that in cases where "an injunction would be unconscionable . . . the copyright owner should be remitted to his remedy at law." *Dun*, 209 U.S. at 23.
147. *eBay*, 547 U.S. at 394.
148. *Id.* at 395 (Roberts, C.J., concurring).
149. *Id.* (quoting N.Y. Trust Co. v. Eisner, 256 U.S. 345, 349 (1921) (Holmes, J.)).
150. *See id.* at 395–96 (Kennedy, J., concurring).
151. *Id.* at 397.
152. *Id.*

B. eBay*'s Effect on the Presumption in the Patent Context*

Without specific guidance from the *eBay* Court as to whether the presumption of irreparable harm survived its decision, district courts reached various conclusions. Although most courts agreed that *eBay* dismissed the presumption as applied to patent law, some continued to apply it. However, by refusing to address the issue directly, the Federal Circuit did little to clarify the confusion. This section examines these interpretations of *eBay*'s effect on the presumption in the patent realm prior to *Jacobsen*.

In the first few years after *eBay*, the Federal Circuit did not provide guidance as to the presumption's continuing vitality. First, in *Abbott Laboratories v. Andrx Pharmaceuticals, Inc.*,[153] the court assumed without deciding that the presumption of irreparable harm still applied to preliminary injunctions.[154] The court later had two more direct opportunities to address *eBay*'s effect on the presumption, once in a case involving a preliminary injunction,[155] and in another relating to permanent injunctive relief.[156] In discussions confined entirely to footnotes in both cases, the Federal Circuit declined to address the contention, finding it unnecessary to do so to resolve either case.[157]

This lack of express guidance forced district courts to make sense of the seemingly inconsistent presumption in a post-*eBay* landscape. The majority of district courts interpreted *eBay* as doing away with the presumption of irreparable harm. The *eBay* district court reached this conclusion on remand, and found the presumption to be inconsistent with the Supreme Court's requirement that the burden be on the plaintiff to prove irreparable harm.[158] Most notably, the *eBay* district court pointed to *Amoco*, wherein the Supreme Court had held that the "presumption [of irreparable harm] is contrary to traditional equitable principles."[159] Other district courts reached the same conclusion, holding that requiring a plaintiff to prove irreparable

153. 452 F.3d 1331 (Fed. Cir. 2006).

154. *Id.* at 1347 ("[W]e conclude that Abbott has not established a likelihood of success on the merits. As a result, Abbott is no longer entitled to a presumption of irreparable harm.").

155. Sanofi-Synthelabo v. Apotex, Inc., 470 F.3d 1368 (Fed. Cir. 2006).

156. Amado v. Microsoft Corp., 517 F.3d 1353 (Fed. Cir. 2008).

157. *See id.* at 1359 n.1 ("We find it unnecessary to reach this argument, however, because regardless of whether there remains a rebuttable presumption of irreparable harm following *eBay*, the district court was within its discretion to find an *absence* of irreparable harm based on the evidence presented at trial."); *Sanofi*, 470 F.3d at 1383 n.9 ("Because we conclude that the district court did not clearly err in finding that Sanofi established several kinds of irreparable harm . . . we need not address this contention [that *eBay* rejects the presumption].").

158. *See* MercExchange, L.L.C. v. eBay, Inc., 500 F. Supp. 2d 556, 569 (E.D. Va. 2007) ("[A] presumption of irreparable harm is inconsistent with the Supreme Court's instruction that traditional equitable principles require *the plaintiff* to demonstrate that it has suffered an irreparable injury . . . .").

159. Amoco Prod. Co. v. Vill. of Gambell, 480 U.S. 531, 545 (1987) (reversing Ninth Circuit precedent presuming irreparable harm "when an agency fails to evaluate thoroughly the environmental impact of a proposed action"); *see supra* note 139 and accompanying text.

harm could not be squared with a presumption of such harm.[160] Additionally, several courts also found that *eBay*'s holding was not limited to permanent injunctions, and held that the presumption did not survive in the preliminary injunction context either.[161] Some courts, however, held that despite *eBay*, the presumption still applied in the context of preliminary injunctive relief.[162]

C. eBay*'s Effect on the Presumption in the Copyright Context*

The uncertainty plaguing district courts with respect to *eBay*'s effect on the longstanding presumption of irreparable harm was even more prevalent in the copyright context. The *eBay* Court's analogy of patent to copyright led many courts to apply *eBay*'s four-factor test to injunctions in the copyright context, but there was little agreement on how far *eBay* cast its net. This section analyzes courts' application of *eBay* to copyright injunctions prior to *Jacobsen*, including its effect on copyright's

160. *See, e.g.*, IMX, Inc. v. LendingTree, LLC, 469 F. Supp. 2d 203, 224 (D. Del. 2007) (noting the "now-overturned presumption that a patent holder is irreparably harmed upon a finding of infringement"); Smith & Nephew, Inc. v. Synthes (U.S.A.), 466 F. Supp. 2d 978, 982 (W.D. Tenn. 2006) ("The [*eBay*] Court thus rejected the traditional rebuttable presumption that a permanent injunction is to be automatically awarded to the plaintiff upon a showing of the validity and infringement of the patent."), *appeal dismissed*, 269 F. App'x 972 (Fed. Cir. 2008); Paice LLC v. Toyota Motor Corp., No. 2:04-CV-211, 2006 WL 2385139, 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."), *aff'd in part, vacated in part*, 504 F.3d 1293 (Fed. Cir. 2007); z4 Techs., Inc. v. Microsoft Corp., 434 F. Supp. 2d 437, 440 (E.D. Tex. 2006) (holding that the presumption of irreparable harm "is not in line with the Supreme Court's holding" in *eBay*).

161. *See, e.g.*, Tiber Labs., LLC v. Hawthorn Pharm., Inc., 527 F Supp. 2d 1373, 1380 (N.D. Ga. 2007) ("*eBay* does not leave room for a presumption of irreparable injury in patent cases, whether raised at the preliminary or permanent injunction phase."); Novartis Pharm. Corp. v. Teva Pharm. USA, Inc., No. 05-CV-1887, 2007 WL 2669338, at *13 (D.N.J. Sept. 6, 2007) (relying on "*eBay's* broader holding that, on motions for injunctions, courts should not apply categorical rules and presumptions"), *aff'd* 280 F. App'x 996 (Fed. Cir. 2008); *Sun Optics, Inc. v. FGX Int'l, Inc.*, No. 07-137, 2007 WL 2228569, at *1 (D. Del. Aug. 2, 2007) (holding that allowing a presumption of irreparable harm following a showing of likelihood of success on the merits seems inconsistent with *eBay*), *appeal dismissed*, 275 F. App'x 967 (Fed. Cir. 2008); Torspo Hockey Int'l, Inc. v. Kor Hockey Ltd., 491 F. Supp. 2d 871, 881 (D. Minn. 2007) (explaining that although *eBay* addressed permanent injunctions, "*eBay*'s logic forbids courts to categorically presume irreparable harm in the preliminary-injunction context, even if a patentee has established that it will likely succeed on the merits"); Erico Int'l Corp. v. Doc's Mktg. Inc., No. 1:05-CV-2924, 2007 WL 108450, at *7 (N.D. Ohio Jan. 9, 2007) ("While *Ebay* involved a permanent injunction specifically, the Court did not limit its holding to that context; the Court's reasoning likely applies with even greater force at the preliminary injunction stage."), *vacated sub nom.* Erico Int'l Corp. v. Vutec Corp., 516 F.3d 1350 (Fed. Cir. 2008).

162. *See* Pass & Seymour, Inc. v. Hubbell, Inc., 532 F. Supp. 2d 418, 432 (N.D.N.Y. 2007) (noting *eBay*'s applicability to permanent injunctions but continuing to cite the presumption for preliminary injunctions); PHG Techs., LLC v. TimeMed Labeling Sys., Inc., No. 3:05-1091, 2006 WL 2670967, at *18 (M.D. Tenn. Sept. 18, 2006) (citing the presumption in a preliminary injunction motion without referencing *eBay*), *appeal dismissed*, 225 F. App'x 897 (Fed. Cir. 2007); Christiana Indus. v. Empire Elecs., Inc., 443 F. Supp. 2d 870, 884 (E.D. Mich. 2006) (holding that "*eBay* did not invalidate the presumption" because "the *eBay* Court addressed the proper analysis for *permanent* injunctive relief"), *appeal dismissed*, 219 F. App'x 987 (Fed. Cir. 2007).

presumption of irreparable harm. After first discussing circuit courts' adoption of *eBay* in the context of permanent injunctive relief, this section then explores district courts' conflicting conclusions concerning whether, in light of *eBay*, harm could still be presumed following probable success of copyright infringement.

1. Circuit Courts Apply *eBay* to Permanent Injunctions

Prior to *Jacobsen*, three circuit courts held that *eBay* applied to the grant of a permanent injunction for copyright infringement.[163] In *Christopher Phelps & Associates, LLC v. Galloway*,[164] the Fourth Circuit rejected the view that a copyright holder is *entitled* to permanent injunctive relief after infringement is proven.[165] In *Galloway*, the plaintiff argued entitlement to injunctive relief, despite recovery of damages, based on past infringement and a threat of continuing infringement.[166] The court rejected this contention, emphasizing that *eBay* "reaffirmed the traditional showing that a plaintiff must make to obtain a permanent injunction in any type of case, including a patent or copyright case."[167] The Eleventh Circuit reached a similar conclusion in *Peter Letterese & Associates, Inc. v. World Institute of Scientology Enterprises, International*,[168] where the court held that *eBay*'s principles applied to permanent injunctions in the copyright context, noting that "a permanent injunction does not automatically issue upon a finding of copyright infringement."[169] The court cited language from the *eBay* decision analogizing the Copyright Act to the Patent Act to support its application of *eBay* to copyright infringement cases.[170] Finally, the First Circuit joined the Fourth and Eleventh Circuits in *CoxCom, Inc. v. Chaffee*,[171] citing *eBay* for the proposition that "[a] plaintiff seeking a permanent injunction is traditionally required to satisfy a four-factor

163. CoxCom, Inc. v. Chaffee, 536 F.3d 101, 112 (1st Cir. 2008); Peter Letterese & Assocs., Inc. v. World Inst. of Scientology Enters., Int'l, 533 F.3d 1287, 1323 (11th Cir. 2008); Christopher Phelps & Assocs., LLC v. Galloway, 492 F.3d 532, 543 (4th Cir. 2007). *But see* Bridgeport Music, Inc. v. Justin Combs Publ'g, 507 F.3d 470, 492 (6th Cir. 2007) (holding, without any discussion of *eBay*, that a plaintiff is entitled to a permanent injunction once past copyright infringement has been established and there is a threat of continuing infringement); Universal Furniture Int'l, Inc. v. Collezione Europa USA, Inc., 196 F. App'x 166, 169–70 (4th Cir. 2006) (per curiam) (citing the presumption as applied to preliminary injunctions without any mention of *eBay*, but finding it rebutted by evidence defeating plaintiff's prima facie infringement claim).

164. 492 F.3d 532 (4th Cir. 2007).

165. *See id.* at 543.

166. *See id.*

167. *Id.*

168. 533 F.3d 1287 (11th Cir. 2008).

169. *Id.* at 1323.

170. *Id.* at 1323 ("'Like the Patent Act, the Copyright Act provides that courts may grant injunctive relief on such terms as it may deem reasonable to prevent or restrain infringement of a copyright.'" (quoting eBay, Inc. v. MercExchange, L.L.C., 547 U.S. 388, 392 (2006))).

171. 536 F.3d 101 (1st Cir. 2008).

test."[172] However, none of the circuits addressed *eBay*'s potential effect on the presumption of irreparable harm.[173]

2. District Courts Reach Conflicting Conclusions

With no clear direction from either the Supreme Court or the circuit courts regarding *eBay*'s effect on copyright law's presumption of irreparable harm, district courts applied *eBay* in the copyright context prior to *Jacobsen* in myriad ways. While several courts applied *eBay*'s four factors to the copyright permanent injunction analysis,[174] some of them continued to presume irreparable harm upon a showing of probable success on the merits.[175] Other courts held that *eBay* did not apply to preliminary injunctions and continued to apply the presumption of irreparable harm to such relief,[176] while at least one claimed to apply *eBay* to preliminary injunctions and yet continued to enforce the presumption once a likelihood of success was established.[177] The confusion that troubled district courts concerning the presumption's continuing vitality in copyright preliminary injunctions was aptly illustrated by the U.S. District Court for the Western

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172. *Id.* at 112 (citing *eBay*, 547 U.S. at 391 (2006)).

173. While the Fourth Circuit did not state that it was presuming irreparable harm upon liability, it based its finding that irreparable harm had been suffered purely on copyright's intangible nature, and required no further proof from the plaintiff. *See* Christopher Phelps & Assocs., LLC v. Galloway, 492 F.3d 532, 544 (4th Cir. 2007) ("Irreparable injury often derives from the nature of copyright violations, which deprive the copyright holder of intangible exclusive rights.").

174. *See, e.g.*, Propet USA, Inc. v. Shugart, No. C06-0186, 2007 WL 4376204, at *2 (W.D. Wash. Dec. 13, 2007) (holding that *eBay* applies in the copyright context because the *eBay* Court stated its approach to patent cases was consistent with injunction treatment under the Copyright Act); Litecubes, L.L.C. v. N. Light Prods., Inc., No. 4:04CV00485, 2006 WL 5700252, at *10 (E.D. Mo. Aug. 25, 2006) (holding that the similarity of language between the Patent and Copyright Acts demonstrates that federal courts have similar authority to grant permanent injunctions to copyright and patent holders), *aff'd on other grounds*, 523 F.3d 1353 (Fed. Cir. 2008).

175. *See* Idearc Media Corp. v. Nw. Directories, Inc., 623 F. Supp. 2d 1223, 1234 (D. Or. 2008) (explaining that it was "mindful" of the *eBay* decision and applying the *eBay* factors to its permanent injunction analysis, but also presuming irreparable harm in accordance with precedent); Warner Bros. Entm't, Inc. v. Carsagno, No. 06 CV 2676, 2007 WL 1655666, at *4–5 (E.D.N.Y. June 4, 2007) (holding that while the plaintiff must meet *eBay*'s four factors to obtain permanent injunctive relief, including that it has suffered an irreparable injury, such harm was demonstrated by a prima facie case of infringement).

176. *See, e.g.*, Lennon v. Premise Media Corp., 556 F. Supp. 2d 310, 319 n.1 (S.D.N.Y. 2008) (stating that *eBay* did not abrogate the presumption in the copyright preliminary injunction context because *eBay* involved only the Patent Act and permanent relief); Advance Magazine Publishers, Inc. v. Leach, 466 F. Supp. 2d 628, 638 (D. Md. 2006) (applying pre-*eBay* Fourth Circuit precedent presuming irreparable harm in preliminary injunction motions once the plaintiff establishes prima facie copyright infringement, but noting that it would apply the *eBay* factors when determining permanent injunctive relief).

177. *See* Wireless TV Studios, Inc. v. Digital Dispatch Sys., Inc., No. 07 CV 5103, 2008 WL 2474626, at *3 (E.D.N.Y. June 19, 2008) (citing *eBay* for the traditional equitable principles governing injunctive relief, yet holding that the presumption of irreparable harm failed only because plaintiff did not establish the required likelihood of success on the merits).

District of North Carolina's treatment of the issue, where two divisions of the same district court reached opposite conclusions.[178]

The clearest rejection of the presumption came from the U.S. District Court for the Central District of California in *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*[179] The court held the *eBay* test to be directly applicable to permanent injunctions for copyright infringement,[180] and rejected the Ninth Circuit's pre-*eBay* presumption of irreparable harm in light of *eBay*'s emphasis on the plaintiffs' burden of proof in establishing such harm.[181] While the court ruled on a permanent injunction, it also opined that the presumption as applied to preliminary injunctive relief "may *itself* have to be reevaluated in light of *eBay*," due in part to *eBay*'s favorable citation of *Amoco*.[182] The *Grokster* court first noted that this demonstrated that *Amoco*'s holding that "a presumption of irreparable harm for a preliminary injunction is 'contrary to traditional equitable principles'" was relevant to intellectual property cases.[183] Further, the court believed that *eBay*'s reliance on *Amoco*, a preliminary injunction case, as support for the four-factor test indicated the Court's belief that permanent and preliminary injunctions should be treated similarly.[184] Ultimately, the court read *eBay* and *Amoco* in conjunction to establish that a court should not depart from the traditional equitable analysis unless statutorily directed,[185] and concluded that nothing in the Copyright Act permitted such a departure

178. *Compare* Nat'l League of Junior Cotillions v. Porter, No. 3:06-cv-508, 2007 WL 2316823, at *5–6 (W.D.N.C. Aug. 9, 2007) (continuing to apply the precedential presumption of irreparable harm in light of the lack of clarification from the Fourth Circuit and the "slight record," but making clear "it [did] not rest any conclusion that the plaintiff has suffered irreparable harm solely on the presumption"), *aff'd on other grounds*, 280 F. App'x 322 (4th Cir. 2008), *with* Allora, LLC v. Brownstone, Inc., No. 1:07CV87, 2007 WL 1246448, at *5 (W.D.N.C Apr. 27, 2007) (refusing to follow Fourth Circuit pre-*eBay* precedent presuming irreparable harm upon a prima facie showing of copyright infringement without further Fourth Circuit guidance).

179. 518 F. Supp. 2d 1197 (C.D. Cal. 2007).

180. *Id.* at 1209 (stating that *eBay* established that permanent injunctions should be treated the same under the Copyright Act as the Patent Act and "[b]y implication, the four *eBay* factors are the only relevant considerations for purposes of Plaintiffs' instant motion under the Copyright Act").

181. *Id.* ("This Court can identify no place for a separate and distinct two-part . . . test or 'general rule' that could circumvent *eBay*."). The court also cited several patent infringement decisions finding that *eBay* did away with the presumption of irreparable harm as related to permanent injunctions. *See id.* at 1209–10 (collecting cases); *see also supra* note 160 (collecting cases).

182. *Id.* at 1212–13. *But see id.* at 1212 (arguing that it might also be sensible to permit the presumption in preliminary injunction motions due to the temporary status of such relief).

183. *Id.* at 1212–14 (quoting Amoco Prod. Co. v. Vill. of Gambell, 480 U.S. 531, 545 (1987)) (noting that prior to *eBay*, the *Amoco* decision seemed limited to its holding regarding the Alaska National Interest Lands Conservation Act).

184. *See id.* at 1214; *see also supra* note 80 and accompanying text.

185. *See Grokster*, 518 F. Supp. 2d at 1214.

to presume irreparable harm in either the preliminary or permanent injunction contexts.[186]

III. *JACOBSEN V. KATZER* AND THE SUBSEQUENT DEATH OF THE COPYRIGHT PRESUMPTION

As discussed in Part II, lack of Supreme Court clarification as to whether *eBay* abrogated the longstanding presumption of irreparable harm resulted in a multitude of conflicting district court applications of *eBay* to copyright injunctions.[187] Against this backdrop, the Federal Circuit decided *Jacobsen v. Katzer*,[188] in which it addressed the presumption of irreparable harm as applied to copyright preliminary injunctions.[189] Part III first explores *Jacobsen*'s reaffirmation of the pre-*eBay* presumption. It then chronicles how subsequent case law has rejected the Federal Circuit's logic and spelled the death of the presumption in the context of copyright injunctions.

A. Jacobsen v. Katzer*: Applying a Pre-*eBay *Standard to a Post-*eBay *Case*

In *Jacobsen*, the plaintiff appealed from an order denying him preliminary injunctive relief for copyright infringement.[190] Robert Jacobsen owned a copyright in a software code, which he made available for free downloading on the internet pursuant to an open-source license.[191] Jacobsen accused the defendants of incorporating his code into their products without abiding by the license.[192] Jacobsen moved for a preliminary injunction in the U.S. District Court for the Northern District of California, arguing that he was entitled to a presumption of irreparable harm under Ninth Circuit law once he demonstrated prima facie copyright infringement.[193] The court concluded that the defendants had breached a nonexclusive license, and only breach of contract violations—and not copyright infringement—existed.[194] Because a breach of contract created no presumption of irreparable harm, the court denied injunctive relief, and Jacobsen appealed to the Federal Circuit for reversal of the interlocutory order denying the preliminary injunction.[195]

In addressing its appellate jurisdiction over the copyright case, the Federal Circuit found that Jacobsen's complaint arose in part under the patent laws, because Jacobsen also sought a declaratory judgment that he

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186. *See id.* (emphasizing that the Copyright Act merely states that a court "'may . . . grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a copyright'" (quoting 17 U.S.C. § 502(a) (2006))).

187. *See supra* Part II.C.2.

188. 535 F.3d 1373 (Fed. Cir. 2008).

189. *See id.* at 1377.

190. *See id.*

191. *See id.* at 1376 (defining an open-source license as a "public license" through which Jacobsen made his software "available for free public download from a website without a financial fee").

192. *See id.*

193. *See id.* at 1377.

194. *See id.*

195. *See id.*

did not infringe a patent owned by the defendant.[196] Therefore, the court exercised exclusive jurisdiction over the appeal of the interlocutory order denying Jacobsen's request for a preliminary injunction.[197] In determining choice of law, the court stated that established Federal Circuit precedent required it to apply regional circuit law to issues not exclusively assigned to it—in this case, Ninth Circuit law with respect to preliminary injunction standards for copyright infringement.[198] At the time, the Ninth Circuit had applied its standard two-part test for issuing copyright preliminary injunctions[199] in one post-*eBay* case, *Perfect 10, Inc. v. Amazon.com, Inc.* (*Perfect 10 II*),[200] where it had not addressed *eBay*. The Ninth Circuit had not addressed the presumption of irreparable harm since *eBay* was decided.[201]

The *Jacobsen* court cited *Perfect 10 II* in applying the Ninth Circuit's two-part test for issuing a preliminary injunction,[202] and also applied the Ninth Circuit's pre-*eBay* presumption of irreparable harm when the copyright holder has shown a likelihood of success on the merits.[203] It did so even as it recognized that *eBay* may have altered the landscape; the court expressly addressed the *eBay* decision and its potential impact on Ninth Circuit law in a passing citation to *Grokster*,[204] but did not afford this decision any weight in its analysis. Instead, the court concluded that the

196. *Id.* ("'[I]n the context of a complaint seeking a declaration of noninfringement, the action threatened by the declaratory defendant . . . would be an action for patent infringement,' and '[s]uch an action clearly arises under the patent laws.'" (quoting Golan v. Pingel Enter., Inc., 310 F.3d 1360, 1367 (Fed. Cir. 2002))).

197. *Id.*; *see also supra* notes 37–39 and accompanying text (describing the relevant law conferring Federal Circuit jurisdiction over pendent non-patent claims).

198. *Jacobsen*, 535 F.3d at 1377–78; *see also supra* Part I.A.2.

199. *See supra* notes 102–03 and accompanying text.

200. 487 F.3d 701, 713–14 (9th Cir. 2007), *amended by* 508 F.3d 1146 (9th Cir. 2007).

201. *Perfect 10 II*, the only Ninth Circuit case at the time of the *Jacobsen* ruling that involved a copyright preliminary injunction post-*eBay*, refrained from addressing the presumption of irreparable harm. *See id.* at 733 ("[W]e do not address the parties' dispute over whether the district court abused its discretion in determining that Perfect 10 satisfied the irreparable harm element of a preliminary injunction.").

202. *See Jacobsen*, 535 F.3d at 1378 ("[T]he Ninth Circuit requires demonstration of (1) a combination of probability of success on the merits and the possibility of irreparable harm; or (2) serious questions going to the merits where the balance of hardships tips sharply in the moving party's favor." (citing *Perfect 10 II*, 487 F.3d at 713–14)). Such a decision without analysis of *eBay* was not, however, binding Ninth Circuit precedent regarding *eBay*'s application to copyright preliminary injunctions. *See* Thacker v. FCC (*In re* Magnacom Wireless, LLC), 503 F.3d 984, 993–94 (9th Cir. 2007) ("[S]tatements made in passing, without analysis, are not binding precedent."); United States v. Johnson, 256 F.3d 895, 915 (9th Cir. 2001) ("Where it is clear that a statement is made casually and without analysis, where the statement is uttered in passing without due consideration of the alternatives . . . it may be appropriate to re-visit the issue in a later case."); *cf.* Flexible Lifeline Sys., Inc. v. Precision Lift, Inc., 654 F.3d 989, 997 (9th Cir. 2011) ("[S]ummary treatment of the presumption without consideration of the effect of *eBay* and *Winter* does not bind this panel or constitute an affirmation of the presumption's continued vitality.").

203. *Jacobsen*, 535 F.3d at 1378 ("In cases involving copyright claims, where a copyright holder has shown a likelihood of success on the merits of a copyright infringement claim, the Ninth Circuit has held that irreparable harm is presumed." (citing LGS Architects, Inc. v. Concordia Homes of Nev., 434 F.3d 1150, 1155–56 (9th Cir. 2006))).

204. *See id.*

plaintiff must show "a likelihood of success on the merits . . . from which irreparable harm is *presumed*."[205] Finding that the open-source license terms were enforceable copyright conditions, the court remanded to the district court to determine whether the two-part standard, including presumption, was met.[206]

B. Jacobsen*'s Aftermath*

Shortly after the *Jacobsen* court directed the district court to presume irreparable harm upon a finding of prima facie copyright infringement, courts continued to chip away at the presumption as applied to copyright preliminary injunctions. First, the Supreme Court in *Winter* rejected the Ninth Circuit's "possibility of irreparable harm" standard for preliminary injunctive relief. Next, three circuits explicitly abandoned the presumption for purposes of obtaining copyright preliminary injunctions, ruling that the doctrine was inconsistent with both *eBay* and *Winter*. Finally, the Federal Circuit has recently cited agreement with its sister circuits in abandoning the presumption in the patent context. This section examines each of these opinions.

1. *Winter v. Natural Resources Defense Council, Inc.*

Three months after *Jacobsen*, the Supreme Court handed down *Winter v. Natural Resources Defense Council, Inc.*,[207] where plaintiffs sought a preliminary injunction to prevent the Navy from employing a sonar-training program that it felt harmed marine animals.[208] After the Ninth Circuit upheld the injunction, the Supreme Court reversed.[209] The Court rejected the Ninth Circuit's standard that a preliminary injunction may issue based on a "possibility" of irreparable harm if the plaintiff demonstrated a strong likelihood of success on the merits.[210] The Court held that this standard was "too lenient" and inconsistent with the "extraordinary remedy" of injunctive relief, which requires a clear showing by the plaintiff that she is entitled to this remedy.[211] Rather, the Court required plaintiffs to establish a *likelihood* of irreparable injury.[212]

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205. *Id.* (emphasis added). The court continued that in the alternative, Jacobsen must demonstrate the other option provided by the Ninth Circuit's test, "a fair chance of success on the merits and a clear disparity in the relative hardships that tips sharply in his favor." *Id.*

206. *See id.* at 1382–83 ("[W]e remand to enable the District Court to determine whether Jacobsen has demonstrated (1) a likelihood of success on the merits and either a presumption of irreparable harm or a demonstration of irreparable harm; or (2) a fair chance of success on the merits and a clear disparity in the relative hardships and tipping in his favor.").

207. 555 U.S. 7 (2008).

208. *Id.* at 12.

209. *Id.*

210. *Id.* at 22.

211. *Id.* (citing Mazurek v. Armstrong, 520 U.S. 968, 972 (1997) (per curiam)).

212. *See id.* (citing several cases for the proposition that this standard has been "frequently reiterated").

In reaching this conclusion, the Court emphasized that preliminary injunctive relief is "an extraordinary remedy never awarded as of right,"[213] and confirmed the four-factor test that must be employed in all preliminary injunction cases: "A plaintiff seeking a preliminary injunction must establish that he is likely to succeed on the merits, that he is likely to suffer irreparable harm in the absence of preliminary relief, that the balance of equities tips in his favor, and that an injunction is in the public interest."[214] The *Winter* Court also reiterated that such an analysis, which paralleled the principles articulated in *eBay*,[215] also applied to permanent injunctions.[216]

2. Circuits Abandon the Presumption for Copyright Preliminary Injunctions

Although *Winter*, like *eBay*, did not explicitly reject the presumption of irreparable harm in cases concerning copyright injunctions, it had far reaching implications. While the *Jacobsen* court had instructed the Northern District of California on remand to apply the Ninth Circuit's two-part test and presume irreparable harm upon a showing of likelihood of success,[217] the district court did not comply. Instead, it held that *Winter* had changed the injunction landscape and abandoned the presumption of irreparable harm upon which the Federal Circuit had relied.[218] Because the Supreme Court's intervening authority bound the district court, the Northern District of California held that a plaintiff must meet each element of *Winter*'s four-factor test before the court could issue a preliminary injunction.[219] Most other district courts that addressed the question similarly held that the presumption did not survive both *Winter* and *eBay* in the copyright context.[220]

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213. *Id.* at 24.

214. *Id.* at 20.

215. *See supra* note 140 and accompanying text.

216. *See Winter*, 555 U.S. at 33 (citing Amoco Prod. Co. v. Vill. of Gambell, 480 U.S. 531, 546 n.12 (1987)); *id.* at 33 ("[O]ur analysis of the propriety of preliminary relief is applicable to any permanent injunction as well.").

217. *See supra* notes 205–06 and accompanying text.

218. *See* Jacobsen v. Katzer, 609 F. Supp. 2d 925, 936 (N.D. Cal. 2009).

219. *See id.* at 937.

220. *See, e.g.*, Credit Bureau Connection, Inc. v. Pardini, 726 F. Supp. 2d 1107, 1122–23 (E.D. Cal. 2010) (holding that *Winter* and *eBay* support the proposition that the presumption for irreparable harm does not exist "even in intellectual property cases"); Aurora World, Inc. v. Ty Inc., 719 F. Supp. 2d 1115, 1166–69 (C.D. Cal. 2009) (holding that because *eBay* is not limited to patent cases or permanent injunctions, "[the plaintiff] is not entitled to invoke a presumption of irreparable harm"); Momento, Inc. v. Seccion Amarilla USA, No. C 09-1223, 2009 WL 1974798, at *3 (N.D. Cal. July 8, 2009) ("The Court agrees . . . that it should not automatically presume a demonstration of irreparable harm in copyright cases since the Supreme Court's decision in *eBay*."). *But see* Salinger v. Colting, 641 F. Supp. 2d 250, 268–69 (S.D.N.Y. 2009) ("[*eBay*] dealt only with the presumption of irreparable harm in the patent law context, and thus is not controlling . . . in the copyright context."), *vacated*, 607 F.3d 68 (2d Cir. 2010); RDI of Mich., LLC v. Mich. Coin-Op Vending, Inc., 631 F. Supp. 2d 868, 874 (E.D. Mich. 2008) (applying the Sixth Circuit's pre-*eBay* presumption in a copyright preliminary injunction case without mentioning *eBay*).

Circuit courts also responded to the changed landscape following *eBay* and *Winter*. The Second, Ninth, and Fourth Circuits have held that *eBay*'s four-factor test is applicable to preliminary injunction determinations in the copyright context,[221] and that a likelihood of success on the merits no longer raises a presumption of irreparable harm.[222]

a. The Second Circuit

The Second Circuit's decision in *Salinger v. Colting*[223] marked the first time that any circuit court had squarely addressed whether *eBay* abrogated the presumption of irreparable harm.[224] In *Salinger*, the court held that *eBay* had abrogated two of the circuit's rules: (1) its longstanding two-part test for issuing a preliminary injunction in the copyright context, and (2) its standard of presuming irreparable harm once a plaintiff establishes a likelihood of success on the merits.[225] The case involved a suit by J.D. Salinger, who alleged that Fredrik Colting's purported sequel to Salinger's novel *Catcher in the Rye* constituted copyright infringement.[226] The U.S. District Court for the Southern District of New York applied the Second Circuit's two-part test for issuing preliminary injunctions, and, having found that plaintiff Salinger established a prima facie case of copyright infringement, "presumed irreparable harm without discussion."[227]

The Second Circuit vacated and remanded for consideration of traditional equitable principles, holding that *eBay* applied to both copyright infringement and preliminary injunctive relief.[228] Indeed, while the court limited its holding to copyright, it indicated a belief that *eBay*'s principles extended to the grant of *any* type of injunction.[229] Regarding copyright, the court held that the *eBay* decision was not limited to patent cases,[230] and that by relying upon copyright cases, the *eBay* Court made "clear that [it] did

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221. The First and Eleventh Circuits have applied *eBay* to trademark infringement, but both have declined to decide whether the presumption of irreparable harm survived *eBay*. *See, e.g.*, Peoples Fed. Sav. Bank v. People's United Bank, No. 10-2053, 2012 WL 414251, at *6 n.11 (1st Cir. Feb. 10, 2012); N. Am. Med. Corp. v. Axiom Worldwide, Inc., 522 F.3d 1211, 1228 (11th Cir. 2008). Trademark infringement analysis is beyond the scope of this Note.

222. *See* Bethesda Softworks, L.L.C. v. Interplay Entm't Corp., No. 11-1860, 2011 WL 5084587, at *2–3 (4th Cir. Oct. 26, 2011) (per curiam); Flexible Lifeline Sys., Inc., v. Precision Lift, Inc., 654 F.3d 989, 998 (9th Cir. 2011) (per curiam); Perfect 10, Inc. v. Google, Inc. (*Perfect 10 III*), 653 F.3d 976, 981 (9th Cir. 2011), *cert. denied*, 80 U.S.L.W. 3366 (U.S. Mar. 5, 2012) (No. 11-704); Salinger v. Colting, 607 F.3d 68, 82 (2d Cir. 2010).

223. 607 F.3d 68 (2d Cir. 2010).

224. Newman, *supra* note 22, at 357.

225. *Salinger*, 607 F.3d at 74–75; *see also supra* note 102 and accompanying text.

226. *Salinger*, 607 F.3d at 72.

227. *Id.*; *see also* Salinger v. Colting, 641 F. Supp. 2d 250, 268–69 (S.D.N.Y. 2009), *vacated*, 607 F.3d 68.

228. *See id.* at 77.

229. *See id.* at 78 n.7.

230. *See id.* at 78 (construing *eBay*'s reasoning that the logic of other cases employing the traditional principles of equity (*Weinberger* & *Amoco*) should apply in the patent context to conclude that "'[t]hese familiar principles apply with equal force to disputes arising under the Patent Act'" (quoting eBay, Inc. v. MercExchange, L.L.C., 547 U.S. 388, 391 (2006))).

not view patent and copyright injunctions as different in kind, or as requiring different standards."[231] The Second Circuit also held that *eBay*'s application to preliminary injunctions was clear because the *eBay* Court relied upon *Amoco*, a preliminary injunction case, in articulating the traditional four-factor test.[232] Moreover, the *Winter* Court had "in fact applied *eBay* in a case involving a preliminary injunction."[233]

In light of the traditional equitable principles articulated in *Winter* and *eBay*, the Second Circuit formulated a new four-part test for copyright preliminary injunctions.[234] Regarding the second prong, irreparable harm, the court squarely rejected its long-held presumption standard, and held that "[a]fter *eBay*, . . . courts must not simply presume irreparable harm."[235] Rather, plaintiffs must now show that a lack of injunctive relief will "actually cause irreparable harm."[236] The Second Circuit upheld the district court's finding of infringement—the first factor—but remanded back to the Southern District of New York to apply the remaining three factors, including proof of irreparable harm.[237] Notably, the Second Circuit contrasted the Federal Circuit's decision in *Jacobsen* to its own in a footnote,[238] alluding to a possible circuit split regarding whether *eBay* abrogated the presumption of irreparable harm as applied to copyright cases.[239]

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231. *Id.* The Second Circuit mentioned the *eBay* Court's comparison of patent to copyright in noting that both Acts permit injunctive relief to be granted when the court deems reasonable, and both grant the owner a right to exclude. *Id.* (citing *eBay*, 547 U.S. at 392).

232. *See id.* at 78–79 (emphasizing that the *Amoco* Court equated the standards for granting preliminary and permanent injunctions).

233. *Id.* at 79. While the *Winter* Court never explicitly mentioned *eBay*, the Second Circuit pointed to the Court's "broad, unqualified language," *id.*, describing the preliminary injunction standard as "an extraordinary remedy never awarded as of right," and one in which "courts must balance the competing claims of injury," "must consider the effect on each party of the granting or withholding of the requested relief," and "pay particular regard for the public consequences," *id.* (quoting Winter v. Natural Res. Def. Council, Inc., 555 U.S. 7, 24 (2008)).

234. *See id.* at 79–80 (holding that (1) plaintiff must demonstrate "either a likelihood of success on the merits or . . . sufficiently serious questions going to the merits to make them a fair ground for litigation and a balance of hardships tipping decidedly in the plaintiff's favor," (2) "[plaintiff] is likely to suffer irreparable injury in the absence of an injunction," (3) "the balance of hardships between the plaintiff and defendant . . . [must] tip[] in the plaintiff's favor," and (4) "the court must ensure that the public interest would not be disserved by the issuance of a preliminary injunction." (internal quotations and citations omitted)).

235. *Id.* at 82; *see also id.* at 80 ("The court must not adopt a 'categorical' or 'general' rule or presume that the plaintiff will suffer irreparable harm." (quoting *eBay*, 547 U.S. at 391)).

236. *Id.* at 82.

237. *Id.* at 83.

238. *Id.* at 77 n.6 ("[T]he Federal Circuit has, without discussion, applied a pre-*eBay* standard in one post-*eBay* copyright case involving a preliminary injunction.").

239. *See Injunction in Salinger Case to be Reweighed in Light of Supreme Court's Holding in* eBay, 78 U.S.L.W. 1721 (May 18, 2010) ("The court noted a possible circuit split on whether the *eBay* standard applies to copyright cases, with the Federal Circuit apparently holding it does not.").

b. The Ninth Circuit

After the Second Circuit rejected the presumption as applied to copyright preliminary injunctions, the Ninth Circuit followed suit in two separate decisions. In *Perfect 10, Inc. v. Google, Inc. (Perfect 10 III)*, the Ninth Circuit applied *Winter*'s four-part preliminary injunction test and "effectively overruled" its longstanding precedent that a likelihood of success on the merits of a copyright claim raises a presumption of irreparable harm.[240] The case involved a lawsuit against Google and Amazon.com for infringement of Perfect 10's copyrighted images.[241] The district court denied Perfect 10's motion for a preliminary injunction on the grounds that it had failed to show a likelihood of irreparable harm.[242] Perfect 10 argued on appeal that the court must apply the precedential presumption of irreparable harm due to a strong showing of likelihood of success on the merits.[243]

However, the Ninth Circuit held that *eBay* abrogated this presumption.[244] Agreeing with the Second Circuit in *Salinger*, the court found that *eBay* clarified that the Copyright Act's permissive language[245] did not demonstrate a congressional intent to depart from traditional equitable principles to allow such a presumption.[246] Further, the court stated that Supreme Court precedent compelled the holding that *eBay*'s rule extends to preliminary injunctive relief, citing *Amoco* for the proposition that there is little difference between preliminary and permanent injunctions.[247] Ultimately, the court effectively overruled its precedent, holding the presumption of irreparable harm to be "clearly irreconcilable" with *eBay*'s reasoning.[248]

Several weeks later, another panel of the Ninth Circuit reached the same conclusion after a thorough analysis of the doctrine. In *Flexible Lifeline*

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240. 653 F.3d 976, 981 (9th Cir. 2011), *cert. denied*, 80 U.S.L.W. 3366 (U.S. Mar. 5, 2012) (No. 11-704) (quoting Miller v. Gammie, 335 F.3d 889, 893 (9th Cir. 2003) (en banc), for the proposition that where the reasoning of prior Ninth Circuit authority is clearly irreconcilable with intervening Supreme Court authority, a three-judge panel is bound by the later Supreme Court authority, and should reject prior circuit opinion as having been effectively overruled).

241. *See Perfect 10 III*, 653 F.3d at 978. This appeal marked the second time the Ninth Circuit dealt with Perfect 10's motion for a preliminary injunction against defendants Google and Amazon. *Id.* Interestingly, the first appeal, *Perfect 10 II*, was cited by the Federal Circuit in *Jacobsen* to enumerate the two-part test for preliminary injunctions in the Ninth Circuit. *See supra* note 202.

242. *See Perfect 10 III*, 653 F.3d at 977.

243. *See id.* at 980.

244. *See id.*

245. The Copyright Act states that a court "may" grant injunctive relief "on such terms as it may deem reasonable to prevent or restrain infringement of a copyright." 17 U.S.C. § 502(a) (2006); *Perfect 10 III*, 653 F.3d at 980 (citing eBay, Inc. v. MercExchange, L.L.C., 547 U.S. 388, 392 (2006)).

246. *Id.* at 980.

247. *Id.* at 981 (citing Amoco Prod. Co. v. Vill. of Gambell, 480 U.S. 531, 546 n.12 (1987)); *cf. supra* note 232 (noting the Second Circuit's identical reasoning).

248. *Perfect 10 III*, 653 F.3d at 981 (quoting Miller v. Gammie, 335 F.3d 889, 893 (9th Cir. 2003) (en banc)).

Systems, Inc. v. Precision Lift, Inc., the plaintiff sued Precision Lift for copyright infringement of technical drawings of aircraft maintenance stands, and moved for a preliminary injunction.[249] The U.S. District Court for the District of Montana, finding that Flexible Lifeline was likely to succeed on its copyright infringement claim, granted the preliminary injunction based on the Ninth Circuit's precedential presumption of irreparable harm.[250]

The Ninth Circuit held that *eBay* applied to copyright cases as well as patent cases, and to preliminary as well as permanent injunctions.[251] The Ninth Circuit's reasoning paralleled that of the Second Circuit in *Salinger*, as the *Flexible Lifeline* court held that *eBay*'s extension to copyright is discernable from the comparison the Court drew between patent and copyright protection.[252] The Ninth Circuit also similarly held that *eBay* applies with equal force to preliminary injunctions due to *eBay*'s reliance on *Amoco*[253] and *Winter*'s reaffirmation of the four-factor test to a preliminary injunction.[254]

After reiterating the traditional four-part test cited in *Winter* for granting a preliminary injunction in any case,[255] the court effectively overruled its precedential presumption of irreparable harm, and preconditioned injunctive relief on the plaintiff's demonstration of irreparable harm.[256] The court then noted the agreement of other circuits and authorities in holding that the presumption did not survive *eBay* and *Winter*.[257] It vacated and remanded to the district court to make appropriate factual determinations concerning

249. 654 F.3d 989, 992 (9th Cir. 2011) (per curiam).

250. *Id.* at 993.

251. *Id.* at 996.

252. *Id.* at 995–96 (noting *eBay*'s comparison of patent to copyright and construing *eBay*'s emphasis on "consistently reject[ing] invitations to replace traditional equitable considerations with a rule that an injunction automatically follows [copyright infringement]" as proof that the presumption of irreparable harm is improper under *eBay* (quoting eBay, Inc. v. MercExchange, L.L.C., 547 U.S. 388, 392–93 (2006))); *cf. supra* note 231 and accompanying text (discussing the Second Circuit's similar reasoning in *Salinger*).

253. *Flexible Lifeline*, 654 F.3d at 996 (citing Amoco Prod. Co. v. Vill. of Gambell, 480 U.S. 531, 546 n.12 (1987)); *cf. supra* notes 232, 247 and accompanying text (discussing the identical reasoning of the Second Circuit in *Salinger* and the Ninth Circuit in *Perfect 10 III*).

254. *Flexible Lifeline*, 654 F.3d at 996–97 (detailing the *Winter* decision, which rejected as "too lenient" the Ninth Circuit's own holding requiring a possibility of irreparable harm (quoting Winter v. Natural Res. Def. Council, Inc., 555 U.S. 7, 22 (2008))). The *Flexible Lifeline* court stated, "If our past standard . . . is 'too lenient,' then surely a standard which presumes irreparable harm without requiring any showing at all is also 'too lenient.'" *Id.* at 997; *cf. supra* notes 232–33 and accompanying text (discussing the Second Circuit's identical reasoning in *Salinger*).

255. *Flexible Lifeline*, 654 F.3d at 994. The Ninth Circuit had previously held *Winter*'s four-part test controlling for all preliminary injunctions. *See* Am. Trucking Ass'ns, Inc. v. City of Los Angeles, 559 F.3d 1046, 1052 (9th Cir. 2009).

256. *Flexible Lifeline*, 654 F.3d at 998.

257. *Id.* at 998–1000 (citing *Perfect 10 III*, 653 F.3d at 981; Salinger v. Colting, 607 F.3d 68, 74–79 (2d Cir. 2010); CoxCom, Inc. v. Chaffee, 536 F.3d 101, 112 (1st Cir. 2008); Christopher Phelps & Assocs., LLC v. Galloway, 492 F.3d 532, 543 (4th Cir. 2007); 4 NIMMER, *supra* note 22, § 14.06[A][5]; William W. Schwarzer, A. Wallace Tashima & James M. Wagstaffe, CALIFORNIA PRACTICE GUIDE: FEDERAL CIVIL PROCEDURE BEFORE TRIAL, ¶¶ 13:58.25–26 (2011)).

irreparable harm, and its emphatic disposal of the presumption of irreparable harm could not ring more clearly.[258]

c. The Fourth Circuit

In *Bethesda Softworks, L.L.C. v. Interplay Entertainment Corp.*, the Fourth Circuit joined the Second and Ninth Circuits in declaring the presumption of irreparable harm no longer applicable in copyright cases.[259] There, the plaintiff sought a preliminary injunction to prevent the defendant from infringing plaintiff's copyrights in a video game series.[260] The U.S. District Court for the District of Maryland denied the motion due to plaintiff's failure to establish a likelihood of irreparable harm.[261] When the plaintiff argued that irreparable harm may be presumed upon a showing of likelihood of success on the merits, the Fourth Circuit held that in *eBay*, the "Supreme Court declared such presumptions inappropriate."[262]

The court found that *eBay* applies in the copyright context due to *eBay*'s analogizing of the approach under the Patent Act to the Copyright Act's scheme.[263] Further, the Fourth Circuit held that any differences between permanent and preliminary injunctive relief are insufficient to warrant applying the presumption to permanent, but not preliminary injunctions, noting the Second and Ninth Circuits' similar conclusions.[264] Finally, the court rejected the plaintiff's argument that the circuit's statement in *Galloway*, that "'[i]rreparable injury often derives from the [intangible] nature of copyright violations,'" supported a rebuttable presumption of irreparable harm.[265]

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258. *Id.* at 998 (likening the continued viability of the presumption to the catchphrase "*Elvis* has left the building," because the presumption was applied in *Elvis Presley Enterprises, Inc. v. Passport Video*, 349 F.3d 622, 627 (9th Cir. 2003)). In a humorous footnote, the court cites a long description of the result, including: "'the show's over, the curtain has fallen, the sun has set, that's all she wrote, the fat lady has sung'" and concludes that "[t]he same can be aptly said of the fate of the presumption of irreparable harm described in *Elvis Presley*." *Id.* at 998 n.5 (quoting Cecil Adams, *"Elvis Has Left the Building." Who Said It First?*, STRAIGHT DOPE (Dec. 27, 2002), http://straightdope.com/columns/read/2430/elvis-has-left-the-building-who-said-it-first).

259. 2011 WL 5084587, No. 11-1860, at *2 (4th Cir. Oct. 26, 2011) (per curiam) ("At one time . . . this circuit, presumed irreparable harm in copyright cases once the plaintiff established probable likelihood of success on the merits. . . . In 2006, the Supreme Court declared such presumptions inappropriate.").

260. *Id.* at *1.

261. *Id.*

262. *Id.* at *2.

263. *Id.*; *see also supra* note 146 and accompanying text.

264. *Bethesda*, 2011 WL 5084587, at *3 (citing *Amoco Prod. Co. v. Vill. of Gambell*, 480 U.S. 531, 544–46 & n.12 (1987) and *Winter v. Natural Res. Def. Council, Inc.*, 555 U.S. 7, 24 (2008), for the proposition that "the same equitable principles undergird courts' authority in each posture").

265. *Id.* (quoting Christopher Phelps & Assocs., LLC v. Galloway, 492 F.3d 532, 544 (4th Cir. 2007)) (explaining how such a reading of *Galloway* is "impermissibly broad" and would "lead to the very presumption that *eBay* prohibits"); *cf. supra* note 173 and accompanying text.

3. The Federal Circuit Abandons the Presumption for Patent Injunctions

While every circuit to address the issue concluded that *eBay* and *Winter* abrogated the presumption of irreparable harm as applied to copyright injunctions, uncertainty remained concerning the Federal Circuit's view of the presumption in the patent context in light of its prior evasiveness on the subject.[266] Confusion remained among lower courts: at least one district court continued to doubt *eBay*'s rejection of the presumption as applied to preliminary injunctions,[267] while another noted that "the presumption of irreparable harm is at best on life support."[268] The Federal Circuit removed all doubt in *Robert Bosch LLC v. Pylon Manufacturing Corp.*, where it declared that "*eBay* jettisoned the presumption of irreparable harm as it applies to determining the appropriateness of injunctive relief."[269] While the court specifically abolished the presumption as applied to patent infringement, the Federal Circuit's language was broad and unqualified, and stated agreement with the Second and Ninth circuits, which reached the same conclusion with respect to copyright law.[270] Though it abandoned the presumption, the Federal Circuit noted that it would still utilize the patentee's right to exclude as a useful, though not dispositive, tool in aiding its determination of irreparable harm.[271]

IV. THE FEDERAL CIRCUIT SHOULD REJECT THE PRESUMPTION IN FUTURE COPYRIGHT CASES

As discussed in Part III, the *Jacobsen* decision contrasted with that of every circuit to subsequently address the presumption's existence in a post-*eBay* world.[272] This included the Ninth Circuit, which overruled its own longstanding presumption of irreparable harm, precedent that the Federal Circuit had enforced in *Jacobsen*.[273] As the Federal Circuit is not bound by the decisions of other circuits,[274] *Jacobsen* technically remains good law. Yet its application of the presumption is likely moot, and the circuit split previously alluded to does not properly exist;[275] if another copyright injunction case were to come before the Federal Circuit from a district court

266. *See supra* notes 153–57 and accompanying text.

267. *See* Powell v. Home Depot U.S.A., Inc., No. 07-80435-CIV, 2009 WL 3855174, at *13 (S.D. Fla. Nov. 17, 2009) ("[T]he presumption of irreparable harm in the context of preliminary injunctions should survive *eBay*.").

268. Red Bend Ltd. v. Google, Inc., No. 09-cv-11813, 2011 WL 1288503, at *18 (D. Mass. Mar. 31, 2011).

269. Robert Bosch LLC v. Pylon Mfg. Corp., 659 F.3d 1142, 1149 (Fed. Cir. 2011).

270. *Id.* at 1149; *see also supra* Part III.B.2.a–b.

271. *See Robert Bosch*, 659 F.3d at 1149–50 (citing eBay, Inc. v. MercExchange, L.L.C., 547 U.S. 388, 395 (2006) (Roberts, C.J., concurring); *id.* at 396–97 (Kennedy, J., concurring)).

272. *See supra* Part III.B.2.

273. *See supra* notes 203, 248, 257 and accompanying text.

274. *See* Amerikohl Mining, Inc. v. United States, 899 F.2d 1210, 1214 (Fed. Cir. 1990) ("[D]ecisions from other circuits are not binding on this court . . . ."); *see also* 21 C.J.S. *Courts* § 210 (2006) ("[O]ne circuit is not bound by a decision of another . . . .").

275. *See supra* note 239 and accompanying text.

in the Ninth Circuit, it would likely apply current Ninth Circuit law, require proof of each of the four *eBay* factors, and reject any presumption of irreparable harm. It is less clear, however, how the Federal Circuit would apply regional circuit law where the regional circuit has not addressed *eBay*'s effect on the copyright presumption.

This part first contends that although it may have been reasonable at the time to do so, the Federal Circuit erroneously declined to apply *eBay* to copyright preliminary injunctions in *Jacobsen*. It then urges the Federal Circuit to reject the presumption in future copyright cases when the regional circuit has not addressed the vitality of the presumption post-*eBay*. Finally, it proposes that such a ruling rejecting the presumption is ideal because it aligns with current case law and advances important policy goals.

A. The Jacobsen *Court's Error in Presuming Irreparable Harm After* eBay

This section begins by addressing why it was justifiable at the time for the *Jacobsen* court to apply the presumption of irreparable harm. First, uncertainty reasonably existed as to the Ninth Circuit's treatment of the presumption post-*eBay*, and second, *eBay* case law revealed conflicting interpretations of *eBay*'s application to copyright preliminary injunctions. Despite such apparent justifications, this section asserts that the Federal Circuit's application of the Ninth Circuit's pre-*eBay* standard in *Jacobsen* was erroneous, as *eBay*'s logic implicitly rejected the practice of presuming irreparable harm upon a showing of probable success on the merits of a copyright infringement claim. Had it applied *eBay*'s standards to the preliminary injunction at hand, the *Jacobsen* court could have avoided the application of a legal standard that would subsequently be overruled.

1. Rationales for the *Jacobsen* Court's Failure to Apply *eBay*

The Federal Circuit was potentially justified in declining to apply the *eBay* four-factor test to the copyright preliminary injunction motion at hand in *Jacobsen*. First, Ninth Circuit law was unclear concerning *eBay*'s effect on the presumption of irreparable harm as applied to copyright preliminary injunctions. Second, the few district courts that addressed *eBay*'s relevance to copyright preliminary injunctions reached conflicting conclusions, providing the Federal Circuit with little persuasive authority to guide it. For these reasons, it was not unreasonable for the Federal Circuit to predict that the Ninth Circuit would not apply *eBay* to preliminary injunctions.

Nothing in the Federal Circuit's enabling legislation (FCIA) restricts or, conversely, requires the Federal Circuit to apply its own law to non-patent matters.[276] The *Jacobsen* court, however, was bound by Federal Circuit precedent requiring application of regional circuit law to non-patent issues, precedent that originated from the policy goals of preventing intercircuit conflicts[277] and avoiding self-appropriation of law not assigned to it.[278]

276. *See supra* note 59 and accompanying text.
277. *See supra* notes 55–56 and accompanying text.
278. *See supra* note 53 and accompanying text.

While the Federal Circuit has expanded the realm of its own law in the past, this expansion has only been in the patent realm.[279] Even if the Federal Circuit had ordered a rehearing en banc,[280] to apply its own law to a field over which it has no subject matter jurisdiction over—the grant of a preliminary injunction for copyright infringement—would be taking Federal Circuit choice of law too far, as it would contradict congressional intent to discourage Federal Circuit appropriation of law not specifically assigned to it.[281]

Although required to apply Ninth Circuit law, this was unsettled at the time of *Jacobsen*, as the Ninth Circuit had yet to address *eBay*'s effect on its practice of presuming irreparable harm as applied to copyright preliminary injunctions.[282] In such situations, Federal Circuit choice-of-law precedent requires the court to "reasonably predict how [the regional circuit] would decide the issue."[283] It was reasonable for the *Jacobsen* court to express uncertainty as to *eBay*'s effect on the presumption, and therefore predict that the Ninth Circuit would *not* apply *eBay* in the copyright preliminary injunction context. At the time of *Jacobsen*, the Ninth Circuit had already addressed its standard for granting copyright preliminary injunctions in one post-*eBay* case, *Perfect 10 II*.[284] There, the Ninth Circuit applied its traditional two-part test, rather than *eBay*'s principles, to a copyright preliminary injunction in a decision that did not address *eBay*.[285] While *Perfect 10 II* did not address the presumption of irreparable harm,[286] it was reasonable for the Federal Circuit to believe that the Ninth Circuit considered *eBay* inapplicable to copyright preliminary injunctions, due to the *Perfect 10 II* court's failure to apply *eBay*'s traditional equitable principles to such an analysis. If the *eBay* decision did not apply, then the Ninth Circuit's presumption standard remained intact.

Moreover, relevant *eBay* case law had reached inconsistent and sometimes opposite conclusions regarding the status of the presumption. Support for *eBay*'s abrogation of the presumption in the copyright preliminary injunction context arose mainly from the *Grokster* court, which noted that *eBay* had twice referenced *Amoco*, a case concerning a preliminary injunction.[287] No circuits had addressed *eBay*'s effect on the presumption,[288] and the only circuits that addressed *eBay* in the copyright context applied *eBay*'s factors to permanent injunctions.[289] Little agreement existed among district courts regarding *eBay*'s appropriate

279. *See supra* notes 65–74 and accompanying text.
280. *See supra* note 64 and accompanying text.
281. *See supra* notes 46, 60 and accompanying text.
282. *See supra* note 201 and accompanying text.
283. TechSearch, L.L.C. v. Intel Corp., 286 F.3d 1360, 1378 (Fed. Cir. 2002); *accord* Panduit Corp. v. All States Plastic Mfg. Co., 744 F.2d 1564, 1575–76 (Fed. Cir. 1984) (per curiam).
284. *See supra* note 200 and accompanying text.
285. *See supra* note 200 and accompanying text.
286. *See supra* note 201 and accompanying text.
287. *See supra* notes 182–86 and accompanying text.
288. *See supra* note 173 and accompanying text.
289. *See supra* Part II.C.1.

extension to copyright law,[290] even within the same district,[291] with many concluding that *eBay* did not nullify the presumption as applied to preliminary injunctive relief.[292] Therefore, the *Jacobsen* court could not clearly assess whether *eBay* had, in fact, eliminated the presumption from the injunction analysis, or if its principles indeed extended to copyright preliminary injunctive relief.

2. Why the *Jacobsen* Court Ultimately Erred in Presuming Harm After *eBay*

Although there were reasonable procedural grounds for the *Jacobsen* court's failure to apply *eBay* to the copyright preliminary injunction at hand, *eBay*'s logic directly opposed the presumption of irreparable harm as applied to copyright injunctions. The *Jacobsen* court therefore erred in employing the Ninth Circuit's pre-*eBay* presumption, as *eBay* not only abrogated the presumption in patent cases, but extended to the copyright preliminary injunction context as well. Despite a mandatory adherence to Ninth Circuit law, the *Jacobsen* court could have circumvented procedural hurdles by construing unsettled Ninth Circuit law as rejecting the presumption in light of *eBay*.

Although district courts were not unanimous on the issue at the time *Jacobsen* was decided,[293] the *eBay* decision clearly rejected presuming irreparable harm in the patent context. When determining the grant of injunctive relief, *eBay* required courts to apply traditional equitable principles, one of which involves proof of irreparable harm.[294] While many courts had placed the burden on defendants to rebut the presumption, *eBay* shifted the burden from defendants back to plaintiffs in holding that plaintiffs "must demonstrate" the irreparable harm prong of the test.[295] It is thus inappropriate for courts to presume irreparable harm following *eBay*.[296] Several district courts indeed came to this exact conclusion.[297] *eBay*'s implicit rejection of the presumption is made clearer when one considers the Supreme Court's language in *Amoco* that the "presumption is contrary to traditional equitable principles."[298] As *eBay* specifically held that traditional equitable principles apply equally to patent disputes,[299] it is evident that *eBay* abrogated the presumption of irreparable harm with respect to patent law.

eBay's logic also extended beyond patent law and permanent injunctions to the realm of copyright law and preliminary injunctions. The *eBay* Court

290. *See supra* notes 174–77 and accompanying text.
291. *See supra* note 178 and accompanying text.
292. *See supra* notes 174–77 and accompanying text.
293. *See supra* Part II.B.
294. *See supra* text accompanying note 140.
295. *See supra* text accompanying note 140.
296. *See supra* text accompanying note 140.
297. *See supra* notes 158–61 and accompanying text.
298. Amoco Prod. Co. v. Vill. of Gambell, 480 U.S. 531, 545 (1987).
299. *See supra* notes 133, 141–42, 147 and accompanying text.

spent a significant portion of its decision comparing patent to copyright law.[300] It noted that both areas of law grant holders a fundamental right to exclude for a limited time, and that both permit courts to grant injunctions according to traditional equitable principles as they deem reasonable.[301] The *eBay* Court also pointed to prior copyright decisions to demonstrate consistent rejection of the rule that an injunction automatically follows a finding of infringement.[302] Further, in emphasizing that courts should exercise discretion consistent with traditional equitable principles "in patent disputes no less than in other cases governed by such standards,"[303] the Court clearly refused to limit its ruling to patent law, and extended it to any dispute governed by traditional equitable principles—of which copyright aptly applies.[304] Notably, the only three circuits to have squarely addressed *eBay*'s application to copyright at the time of the *Jacobsen* decision—the First, Fourth, and Eleventh Circuits—had already adopted the position that the *eBay* factors applied in the copyright context, albeit to permanent injunctive relief.[305]

Given the fact that the *eBay* Court cited *Amoco*, a preliminary injunction case where the Court stated that permanent and preliminary injunction standards were basically identical,[306] as support for its four-factor test,[307] *eBay* was clearly applicable to preliminary injunctive relief as well.[308] Ninth Circuit law holds that when prior circuit authority is irreconcilable with intervening higher authority, the circuit is bound by the higher authority.[309] Thus, the *Jacobsen* court should have construed *eBay* as abolishing the Ninth Circuit's presumption standard, and reasonably predicted that the Ninth Circuit would overrule the copyright presumption once it addressed *eBay*'s effect on the standard—as the Ninth Circuit in fact later did.[310] For all of these reasons, in conjunction with the fact that a Ninth Circuit district court had recently advocated *eBay*'s application to preliminary injunctions in *Grokster*,[311] *Jacobsen*'s failure to apply *eBay* was erroneous, and the court could have ultimately avoided the adoption of a legal standard that was subsequently overruled.

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300. *See supra* notes 144–46 and accompanying text.

301. *See supra* notes 144–45 and accompanying text.

302. *See supra* note 146 and accompanying text.

303. eBay, Inc. v. MercExchange, L.L.C., 547 U.S. 388, 394 (2006).

304. *See supra* note 145 (comparing patent and copyright law's similar standards for granting injunctive relief); *accord supra* note 230 and accompanying text (citing the Second Circuit's similar reasoning in *Salinger*).

305. *See supra* Part II.C.1.

306. *See supra* note 80 and accompanying text.

307. *See supra* notes 139–40 and accompanying text.

308. *Cf. supra* notes 232, 247, 253 and accompanying text (noting the similar reasoning of the Second and Ninth Circuits).

309. *See supra* note 240 and accompanying text; *see also supra* note 26 and accompanying text.

310. *See supra* Part III.B.2(b).

311. *See supra* notes 62, 179–86 and accompanying text (explaining how unsettled regional circuit law should be discerned in light of district court decisions in that circuit).

B. The Federal Circuit Should Construe Unsettled Regional Law as Applying eBay *to Copyright Preliminary Injunctions*

While *eBay*'s effect on the presumption of irreparable harm, and its application to copyright preliminary injunctions in particular, was ambiguous among the lower courts when the Federal Circuit decided *Jacobsen*, the passage of time has provided much needed clarity. It is possible that a case involving the grant of a preliminary injunction for copyright infringement may once again find its way to the Federal Circuit, in conjunction with a patent claim.[312] If this appeal is from a district court where the circuit presumed irreparable harm before *eBay*, but has not yet addressed whether *eBay* has eliminated this presumption,[313] the Federal Circuit should not mechanically apply outdated pre-*eBay* precedent in the name of strict adherence to regional law. Rather, in discerning regional circuit law where it is unclear, the Federal Circuit should predict that these circuits would hold that *eBay* abrogated the presumption. This section assesses how such a ruling would align with recent case law and advance important policy goals.

1. Harmonizing with Recent Case Law

As the Federal Circuit must apply regional circuit law in addressing the presumption's post-*eBay* vitality,[314] it may reasonably predict that these circuits will eliminate the presumption upon addressing the issue. This is because the uncertainty among courts regarding *eBay*'s application to copyright preliminary injunctions, although present when *Jacobsen* was decided,[315] has ceased to exist.

In *Winter*, the Supreme Court eliminated much of this uncertainty by confirming that *eBay* applied to preliminary injunctions. First, the Court applied the same traditional equitable principles set forth in *eBay* to preliminary injunctions: it reaffirmed the traditional equitable principles as applicable to preliminary injunctions, holding that courts must determine a likelihood of irreparable harm, balance the competing parties' claims of injury, and consider the public interest when granting a preliminary

312. *See supra* notes 36–48 and accompanying text.

313. These circuits include the First, Third, Sixth, Seventh, Eighth, Tenth, and Eleventh Circuits. The Second, Ninth, and Fourth Circuits have explicitly rejected the presumption as it applies to copyright preliminary injunctions. *See supra* Part III.B.2. The Fifth Circuit expressly rejected the presumption before *eBay*, and the D.C. Circuit has never expressly adopted it. *See supra* note 107. While the First and Eleventh Circuits have applied *eBay* to permanent injunctive relief, *see supra* Part II.C.1, these circuits have yet to specifically address *eBay*'s effect on the presumption of harm for preliminary injunctions, *see supra* note 173 and accompanying text.

314. As discussed in Part IV.B.2, *infra*, precedent requires application of regional circuit law to copyright claims, and overruling such precedent en banc would cut against congressional intent by causing Federal Circuit appropriation of law not exclusively assigned to it. If the Federal Circuit could apply its own law to copyright matters, it would most likely reject the presumption, as it recently confirmed that "*eBay* jettisoned the presumption of irreparable harm as it applies . . . to injunctive relief." Robert Bosch LLC v. Pylon Mfg. Corp., 659 F.3d 1142, 1149 (Fed. Cir. 2011).

315. *See supra* Part IV.A.2.

injunction.[316] Second, the Court emphasized that preliminary injunctive relief is an "extraordinary remedy never awarded as of right."[317] This analysis mirrored *eBay*'s rejection of categorical rules permitting injunctions to automatically follow findings of infringement.[318] Finally, the Court more overtly disapproved of the presumption of irreparable harm in the preliminary injunction context by clearly placing the burden of proof on the plaintiff to show that "irreparable injury is *likely*."[319] If issuance of a preliminary injunction based on a *possibility* of irreparable harm was too lenient for the Supreme Court,[320] then it logically follows that issuing an injunction upon a *presumption* of irreparable harm is even less consistent with the extraordinary nature of such relief.[321]

Additionally, all circuits that have spoken on the vitality of the copyright presumption of irreparable harm in a post-*eBay* world have emphatically rejected it in the context of preliminary injunctions.[322] The Second and Ninth Circuits have specifically held that *eBay* and *Winter* abrogated this presumption, and effectively overruled their precedents.[323] The Fourth Circuit also found the presumption inappropriate in light of *eBay*.[324] The Second and Ninth Circuits' abandonment of the presumption is particularly significant, due to the prominence of these circuits in promulgating copyright doctrine.[325] In predicting that circuits that have not yet addressed the presumption's post-*eBay* vitality would reject the presumption as inconsistent with *eBay* and *Winter*, the Federal Circuit would not only harmonize with all circuits that have addressed the issue, but would be in accord with the most important circuits in the field.

2. Advancing Public Policy

For purposes of discerning regional law, the Federal Circuit has stated that if the regional circuit has not directly addressed an issue, it must predict the applicable regional law in light of public policy considerations.[326] Several policies would be advanced if the Federal Circuit interpreted unsettled circuit law to reject the presumption of irreparable harm in copyright preliminary injunction cases after *eBay* and *Winter*. These include the efficient utilization of court resources, the avoidance of

316. *See supra* text accompanying note 214. The factor of likelihood of success on the merits is not pertinent to a determination of permanent injunctive relief because at that point, the plaintiff has already established success. *See supra* note 80 and accompanying text.

317. Winter v. Natural Res. Def. Council, Inc., 555 U.S. 7, 24 (2008).

318. *See supra* note 146 and accompanying text.

319. *Winter*, 555 U.S. at 22; *see also supra* text accompanying notes 210–12.

320. *See supra* text accompanying notes 211–12.

321. The Ninth Circuit notably reiterated this argument in *Flexible Lifeline*. *See supra* note 254 and accompanying text.

322. *See supra* Part III.B.2.

323. *See supra* notes 235, 240, 256 and accompanying text.

324. *See supra* note 262 and accompanying text.

325. *See supra* notes 105–06 and accompanying text.

326. Panduit Corp. v. All States Plastic Mfg. Co., 744 F.2d 1564, 1575–76 (Fed. Cir. 1984); *see also supra* note 62 and accompanying text.

intercircuit conflict, and preservation of the extraordinary nature of the preliminary injunction.

First, such application promotes an efficient use of court resources. Intervening Supreme Court law, which is controlling precedent, binds the circuits that have yet to address whether the presumption survives *eBay*.[327] As it is now clear that *eBay* and *Winter* are inconsistent with the presumption of irreparable harm in the copyright context,[328] the Federal Circuit should presume that unsettled circuits would reject the presumption once they are in a position to address the issue. Otherwise, the Federal Circuit would inefficiently utilize court resources by failing to apply intervening and controlling Supreme Court precedent that the regional circuit would be required to enforce subsequently.[329]

Interpreting regional circuit law in this way also implements the Federal Circuit's choice-of-law policy to avoid intercircuit conflicts in non-patent areas.[330] If the Federal Circuit were to apply, for example, the Third or Sixth Circuit's pre-*eBay* presumption of irreparable harm upon a showing of prima facie copyright infringement, it would conflict with all circuits—the Second, Ninth, and Fourth—that have ruled on the issue post-*eBay*.[331] Such a ruling would not aggravate existing intercircuit conflict on the issue, but instead would *create* a wholly new intercircuit conflict where application of outdated regional law is reaffirmed in sharp contrast with the current law of other circuits. While Congress never required the Federal Circuit to clear up intercircuit conflict,[332] it likely never intended that the circuit create such conflict either. Additionally, in applying at least Eighth and Tenth Circuit law, ruling that the copyright presumption is inconsistent with *eBay* and *Winter* would also advance circuit policy that a sister circuit's decision deserves to be given great weight and precedential value.[333]

Finally, aside from implementing congressional intent, perhaps the most important policy reason for abolishing the presumption as applied to copyright preliminary injunctions follows from the nature of the record at the preliminary injunction stage. Preliminary injunctive relief has historically been viewed as an extraordinary remedy that courts should never award automatically,[334] and one which wields incredible power, as it often results in the end of litigation.[335] Presuming irreparable harm, the

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327. *See supra* note 26 and accompanying text.

328. *See supra* Part IV.A.1.

329. *See* United States v. Nachtigal, 507 U.S. 1, 5 (1993) ("We hold that the Court of Appeals was wrong in refusing to recognize that this case was controlled by our opinion . . . rather than by its previous opinion . . . .").

330. *See supra* notes 55–56 and accompanying text.

331. *See supra* note 322 and accompanying text.

332. *See supra* note 59 and accompanying text.

333. *See* 21 C.J.S. *Courts* § 210. The Eighth and Tenth Circuits adhere to this policy. *See, e.g.*, Wedelstedt v. Wiley, 477 F.3d 1160, 1165 (10th Cir. 2007); *In re* Miller, 276 F.3d 424, 428–29 (8th Cir. 2002).

334. *See supra* notes 87–88 and accompanying text.

335. *See supra* note 89 and accompanying text.

most important factor of the injunction analysis,[336] upon a mere showing of probable success of infringement thus runs counter to the nature of the preliminary injunction, and can lead to the over-issuance of a remedy that should not be granted unless the plaintiff, "*by a clear showing*, carries the burden of persuasion."[337] Additionally, as the factual record is often incomplete at this stage in the proceedings, the court may issue erroneous findings regarding a plaintiff's likelihood of success on the merits.[338] Presuming irreparable harm in such cases could lead to the erroneous grant of preliminary injunctions, opposing the "familiar law that injunctions will not issue to enforce a right that is doubtful."[339] Therefore, there is danger in presuming that the plaintiff will suffer irreparable harm upon a finding that the plaintiff will likely succeed on its infringement claim when this finding is made on an incomplete record without the benefit of a full trial to ascertain the merits of the plaintiff's claim. Requiring the plaintiff to prove irreparable harm is merely another safeguard against the erroneous grant of such an important, and indeed extraordinary, remedy.

CONCLUSION

The *eBay v. MercExchange* decision is clearly inconsistent with the formerly common judicial practice of presuming irreparable harm once a plaintiff proves a likelihood of success on the merits of its copyright infringement claim. The Federal Circuit in *Jacobsen v. Katzer* therefore erred in enforcing the Ninth Circuit's pre-*eBay* presumption of irreparable harm upon a showing of prima facie infringement, and in failing to hold that *eBay* abrogated this presumption in the copyright preliminary injunction context. While *Jacobsen*'s failure to apply *eBay* at the time was justifiable in light of difficulty perceiving Ninth Circuit law concerning *eBay*'s effect on the presumption, as well as inconsistent *eBay* case law that revealed conflicting interpretations as to *eBay*'s application, such justifications are no longer valid. The last four years have confirmed the death of the presumption of irreparable harm as applied to copyright preliminary injunctions. This progression away from the presumption began with the Supreme Court's application of *eBay*'s principles to preliminary injunctions in *Winter*, continued with circuits' consistent rulings that *eBay* indeed abolished the presumption, and was reinforced by the Federal Circuit's own explicit abandonment of the presumption in the patent context.

Therefore, it is evident that if the Federal Circuit is again faced with a copyright preliminary injunction motion from a circuit that has not addressed the continuing vitality of the presumption post-*eBay*, the Federal Circuit should not mechanically apply the regional circuit's pre-*eBay*

336. *See supra* notes 82–83 and accompanying text.

337. Mazurek v. Armstrong, 520 U.S. 968, 972 (1997); *see also supra* note 88 and accompanying text.

338. *See supra* notes 90–91 and accompanying text.

339. Consol. Canal Co. v. Mesa Canal Co., 117 U.S. 296, 301 (1900); *see also supra* note 88 and accompanying text.

practice of presuming irreparable harm upon a finding of prima facie infringement. Rather, the court should construe such unsettled law by predicting that the circuit would abandon the presumption as inconsistent with *eBay* and *Winter*. This ruling will harmonize with the law of all circuits that have spoken on the issue—including the leading copyright circuits—and will advance the important public policies of efficiently utilizing court resources and avoiding intercircuit conflict. Perhaps most significantly, in holding that the presumption as applied to copyright preliminary injunctions does not survive *eBay*, the Federal Circuit will aid in safeguarding the extraordinary nature of this remedy from excessive grants by requiring adherence to the traditional equitable principles that courts have espoused since injunctions' origins in equity.