INJURY, INEQUALITY, AND REMEDIES: DEVELOPMENTS IN INJUNCTIVE RELIEF AND DAMAGES IN INTELLECTUAL PROPERTY CASES

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I. Introduction

The copyright and patent systems are framed as rights to exclude others, while trade secrets and trademarks borrow their remedial structure from their federal statutory predecessors. Ongoing developments present owners of intellectual property (IP) with enforcement challenges, however. Principles of equity present difficult hurdles to protecting intellectual property, particularly when owners have small market shares, have offered license their rights to others, or face difficulties in providing evidence of the value of the disputed asset.

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1 See Hannibal Travis, Professor of Law, Remedies across IP Lines: Developments in Injunctive Relief and Damages with Attention to SMEs and NPEs, Presentation at the Miami IP Law Summit (2020), archived at https://perma.cc/R8FC-FUQS (discussing key differences between copyright and patent systems versus trade secrets and trademarks).

2 See id. (providing an overview of developments in the law governing intellectual property).

3 See William W. Fisher II & Felix Overholzer-Gee, Strategic Management of Intellectual Property: An Integrated Approach, 55 CAL. MGMT. REV. 157, 161 (2013) (stating that companies with larger market share receive stronger incentives). “To the extent that investments in the value of a market represent a public good—the company that makes the investment bears its full cost, but the
This Essay illustrates these complexities via an analysis of recent developments in the law governing injunctions, royalties, lost profits, and related matters. Specifically, it investigates the strategies utilized by IP owners to overcome challenging precedents issued in the wake of eBay v. MercExchange and Apple Inc. v. Samsung Electronics, Co., Ltd.

Injunctive relief is rare even in the copyright and patent areas. In eBay Inc. v. MercExchange, L.L.C., the United States returns to the investment spill over to other firms—companies with a larger market share have stronger incentives to contribute to the public good.”

4 See Doris Hines & J. Preston Long, The Continuing (R)evolution of Injunctive Relief in the District Courts and the International Trade Commission, FINNEGAN (Feb. 2013), archived at https://perma.cc/T8AD-DVJK (noting that circumstances have changed, however, and they are continuing to change). “Although the patent owner may still choose its preferred remedy and advocate for that remedy, nothing guarantees that a court will order it, especially if it is injunctive relief.”

5 See eBay Inc. v. MercExchange, L.L.C., 547 U.S. 388, 395 (2006) [hereinafter eBay] (holding that the decision whether to grant or deny injunctive relief rests within the equitable discretion of the district courts, and that such discretion must be exercised consistent with traditional principles of equity, in patent disputes no less than in other cases governed by such standard); Apple Inc. v. Samsung Elecs. Co., Ltd., 839 F.3d 1034, 1089 (ruling that “[a] determination of whether a patent claim is invalid as obvious under § 103 requires consideration of all four Graham factors, and it is error to reach a conclusion of obviousness until all those factors are considered.”).

6 See Jorge Contreras, Injunctive Relief in U.S. Patent Cases, INJUNCTIONS IN PATENT LAW ch. 1 (Rafal Sikorski, ed., 2018) (noting that “[i]n studies of the thousands of patent infringement cases filed from 2000 through 2013 or 2014, fewer than about two percent of them even resulted in a court issuing an injunction, or dozens per year out of about 4,000 patent case terminations annually.”). See also Ryan T. Holte, The Misinterpretation of eBay v. MercExchange and Why: An Analysis of the Case History, Precedent, and Parties, 18 CHAP. L. REV. 677, 679, 719 (2015) (noting that there were fewer than 31 contested injunction motions granted per year in the six and a half years following eBay, and 217 granted motions in contested cases from mid-2006 to late 2013). Copyright injunctions are somewhat more common, with a decision on such an injunction issuing at a rate of about 100 per year in the 2006–2011-time frame, but that is out of about 2,400 copyright cases filed each year. Id. See also Jiarui Liu, Copyright Injunctions After eBay: An Empirical Study, 16 LEWIS & CLARK L. REV. 215 (2012) (noting that evidence indicates that “majority of post-eBay decisions continue to grant copyright injunctions to the plaintiffs that have prevailed on the merits of copyright claims”); Matthew Sag, Empirical Studies of Copyright Litigation, RESEARCH HANDBOOK ON THE ECONOMICS OF INTELLECTUAL PROPERTY LAW, 24 (Ben Depoorter, Peter Menell and David Schwartz eds., 2019) (citing Liu, supra) (expanding upon Liu’s exploration of the significant US Supreme Court decisions); Lex Machina, Lex Machina Publishes Copyright Litigation Report (Aug. 11,
Supreme Court held that the traditional four-factor test for permanent injunctive relief applies to disputes arising under the Patent Act.\(^7\) Such a test requires a plaintiff to 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.\(^8\)

The economic and policy-based considerations that drive remedial decisions tend to favor the larger, repeat players in each industry.\(^9\) This trend surfaces in at least three areas of remedial doctrine.\(^10\) First, “implementer” or “practicing” patent owners along with many copyright and trademark owners may enjoy a presumption in favor of injunctive relief absent extraordinary circumstances, or at least do not suffer from the virtual per se rule that non-practicing entities have no right to exclude.\(^11\) By virtue of conceptual shortcuts that help drive equitable relief decisions, they might find it easier to establish irreparable injury and no adequate remedy at law, even when they may be entitled to a windfall in statutory or treble damages.\(^12\) Second, the balance of hardships and public interest factors do not appear to aid small or medium-sized enterprises striving to level the playing field with well-funded, litigious infringers, as one might expect from “equity.”\(^13\) And lastly, firms

\(^7\) See eBay, supra note 5, at 394–95 (holding that a decision to grant injunctive relief is within the discretion of district courts which is applied in patent disputes); Roberts, C.J., concurring (emphasizing that the discretion standard is historical in practice).

\(^8\) See id. at 391 (listing the four-factor test required for plaintiff seeking permanent injunction).

\(^9\) See generally Liu, supra note 6, at 267 (Citing the potential for prohibitive costs and undue hardships imposed on plaintiffs).

\(^10\) See Holte, supra note 6, at 681 (Introducing three areas of the eBay case explored by Holte).

\(^11\) See, e.g., id. at 720 (right to exclude “almost completely destroyed by the eBay decision” for non-manufacturing patentees).

\(^12\) See id. at 718–19 (noting the courts’ prior presumption that irreparable injury in intellectual property cases is complex and difficult to measure). The precedent set by eBay, it is more difficult for plaintiffs to receive an injunction in any area of law. Id. at 720–21.

\(^13\) See Liu, supra note 6, at 276–77 (citing three different implications of assessing the hardship factors and how they could impact legitimate businesses in proving intellectual property claims against larger, better funded defendants). See also
with lucrative existing intellectual-property licensing or exploitation arrangements are better situated to show the incremental contribution of the infringed right to the respective revenue or anticipated profits of the parties. This is critical to the remedial balance of power in an infringement action, and not only when courts calibrate lost-profits or reasonable-royalty awards, but also when they decide whether an infringement causes irreparable injury.

II. Irreparable Injury

The United States Courts of Appeals for the Ninth Circuit, the Eleventh Circuit, and the Federal Circuit have held that the MercExchange factors are actually elements whose existence the proponent of permanent injunctive relief must establish. When determining whether a plaintiff suffered an irreparable injury in cases involving complex products, questions arise concerning the contribution of the patented invention to the product’s success and the patentee’s alleged harm. Injunctive relief might be denied simply because of this proportionality problem: “where the accused product includes many features of which only one (or a small minority) infringe, a finding that the patentee will be at risk of

Holte, supra note 6, at 692 (indicating how abusive litigation will overburden courts and undermine the goal of promoting innovation).

See Holte, supra note 6, at 702 (quoting FTC report on corporations profiting off of intellectual property litigation)

An industry has developed in which firms use patents not as a basis for producing and selling goods but, instead, primarily for obtaining licensing fees . . . For these firms, an injunction, and the potentially serious sanctions arising from its violation, can be employed as a bargaining tool to charge exorbitant fees to companies that seek to buy licenses to practice the patent.

Id.

See generally Liu, supra note 6, at 242–53 (stating broadly the subfactors of the irreparable injury element).

See Caputo v. Monge, 737 Fed. Appx. 312, 315 (9th Cir. 2018) (confirming that all four factors need to be met); Apple Inc. v. Samsung Electronics Co., Ltd., 809 F.3d 633, 639 (Fed. Cir. 2015) (outlining the four factors that need to be satisfied); Broad. Music, Inc. v. Evie’s Tavern Ellenton, Inc., 772 F.3d 1254, 1262 (11th Cir. 2014) (affirming district court’s decision to satisfy all four factors).

See Apple Inc. v. Samsung Electronics Co., Ltd., 695 F.3d 1370, 1406 (Fed. Cir. 2012) (noting that two factors to consider are irreparable harm and likelihood of success).
irreparable harm does not alone justify injunctive relief.”18 Thus, to satisfy the element that a patentee suffered an irreparable injury, a patentee must establish two requirements: (1) that absent an injunction, it will suffer irreparable harm, and (2) that a sufficiently strong causal nexus relates the alleged harm to the alleged infringement.”19 A number of cases reject injunctive relief based on irreparable injury alone.20

Inequality in remedies has often been the rule since eBay disrupted the courts’ interpretation of the Patent Act, and since the process of calculating a royalty rate and royalty base has been tightened up by a series of post-eBay cases.21 Christopher Seaman has observed that prior to eBay, “injunctions were granted to prevailing patentees in almost all cases” (in which they were sought).22 The Federal Circuit looked to the Patent Act’s identification of a patent right as a right to exclude others from a property, which often still prevails in copyright.23 In eBay’s wake,

18 See id. at 1374 (explaining how a risk of irreparable harm in and of itself is not enough to guarantee injunctive relief).
19 See id. (outlining how to prove that a patentee suffered irreparable harm).
20 See infra note 38 (citing Genentech); see also infra note 55 (citing Cloanto).
21 See, e.g., Exmark Mfg. Co. v. Briggs & Stratton Power Prods., 879 F.3d 1332, 1348-50 (Fed. Cir. 2018) (holding that royalty base must apportion value across patented and unpatented features and that royalty rate may not simply speculate that unpatented components have no value and do not affect the royalty rate); Mentor Graphics Corp. v. Eve-USA, Inc., 851 F.3d 1275, 1287–88 (Fed. Cir. 2017) (stating that both reasonable royalty and lost profits awards must carefully apportion value of patented technology and resulting profit from value and profit contributed by unpatented features of accused device(s)) (citing VirnetX, Inc. v. Cisco Sys., Inc., 767 F.3d 1308, 1326 (Fed. Cir. 2014)); Carnegie Mellon Univ. v. Marvell Tech. Gp., Ltd., 807 F.3d 1283, 1304 (Fed. Cir. 2015) (reasoning that “[p]ast licensing practices of the parties and licenses for similar technology in the industry may be useful evidence. But such evidentiary use must take careful account of any economically relevant differences between the circumstances of those licenses and the circumstances of the matter in litigation.”); Apple, Inc. v. Motorola, Inc., 757 F.3d 1286, 1327–28 (Fed. Cir. 2014) (holding that licenses used to estimate reasonable royalty must “clearly reflect the economic value of the patented technology in the marketplace” and that district courts remain “free to award a low, perhaps nominal, royalty, as long as that royalty is supported by the record.”).
23 See Richardson v. Suzuki Motor Co., 868 F.2d 1226, 1246–47 (Fed. Cir. 1989) (referencing that “Infringement having been established, it is contrary to the laws of property, of which the patent law partakes, to deny the patentee’s right to exclude others from use of his property.”) (citing 35 U.S.C. § 261); W.L. Gore &
some district courts have stated that the typical scenario in which injunctions are issued to implementers who compete directly with the alleged infringer. Thus: “In most cases involving non-practicing entities the second factor is decisive: a firm that is not practicing it patents has only one expectation of profit, and that is royalties, for which damages are an adequate substitute.”

24 See, e.g., Douglas Dynamics, LLC v. Buyers Prod. Co., 717 F.3d 1336, 1345 (Fed. Cir. 2013) (holding “where two companies are in competition against one another, the patentee suffers the harm - often irreparable - of being forced to compete against products that incorporate and infringe its own patented inventions”); Bio-rad Labs., Inc. v. 10X Genomics, Inc., No. 15CV152RGA, at ¶ II.A. (D. Del. Mar. 17, 2019) (affirming the district court’s finding that 10X and Bio-Rad are direct competitors, and Bio-Rad would suffer irreparable competitive harm absent an injunction because 10X and Bio-Rad directly compete); Advanced Cardiovascular Sys., Inc. v. Medtronic Vascular, Inc., 579 F. Supp. 2d 554, 558 (D. Del. 2008) (applying the standard that permanent injunctions in patent cases must be based on a case-by-case assessment of the traditional equitable factors governing injunctions). See also Edwards Lifesciences AG v. CoreValve, Inc., 699 F. 3d 1305, 1314–15 (Fed. Cir. 2012) (vacating denial of injunction to practicing patentee after citing this typical scenario from Medtronic); Presidio Components Inc. v. American Tech. Ceramics Corp., 723 F. Supp. 2d 1284, 1336 (S.D. Cal. 2010) (denying injunction where parties were only sometimes competitors, citing Medtronic).

25 See Erik Hovenkamp & Herbert Hovenkamp, Buying Monopoly: Antitrust Limits on Damages for Externally Acquired Patents, 25 TEX. INTELL. PROP. L.J. 54, 62 (2017) (noting that for most cases involving non-practicing entities the second factor of equity law’s traditional four-factor test is decisive). See also Brian Pomper, A Step Forward for the STRONGER Patents Act, IP WATCHDOG (Sept. 17, 2019), archived at https://perma.cc/75RV-7LB6 (positing the eBay decision has been misapplied by many lower courts as a categorical rule against injunctions for inventors who license their patents).
The idea that nonpracticing inventors or owners of patents are different and should not obtain injunctive relief attracted only three votes in 2006, in eBay. Still, in upholding an issuance of injunctive relief for the benefit of a software company, the Federal Circuit emphasized that it practiced its patent and had lost goodwill. The Federal Circuit, in 2012, notably vacated and remanded a decision denying an injunction to the patentee after noting that its subsidiary may have been a direct competitor of the infringer.

While eBay rejected a presumptive or automatic entitlement to injunctive relief as an incident of exclusive rights, a revised version of the presumption might return if direct market competition tends to result in irreparable injury and if the public interest and hardship factors are discounted. Direct competitors in the market may also be treated differently for purposes of assessing irreparable harm. In TEK Global, S.R.L. v. Sealant Systems Int’l, Inc., the Federal Circuit observed that “head-to-head competition and lost market share” support a contention that irreparable injury is being inflicted. This assumption seems to bestow an advantage on those

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26 See eBay, supra note 5 (Kennedy, A., concurring) (expressing the view that the nature of patent being enforced in modern patent cases and the economic function of the modern patent holder present considerations that are unlike those in earlier cases and the equitable discretion over injunctions was well suited to allow courts to adapt to the rapid technological and legal developments). See generally Holte, supra note 6 (discussing Justice Kennedy’s concurring opinion, joined by Justices Souter and Breyer, regarding non-practicing patent owners and injunctive relief).
27 See i4i Ltd. P’ship. v. Microsoft Corp., 598 F.3d 831, 861–62 (Fed. Cir. 2010) (affirming the permanent injunction given that the Plaintiff, a small company, was practicing its patent, suffered a loss of market share, brand recognition, and customer goodwill as the result of the Microsoft’s infringing acts).
28 See Whitserve LLC v. Comput. Packages, Inc., 694 F.3d 10, 35–36 (Fed. Cir. 2012) (holding the trial court did not address whether WhitServe was a direct competitor with NetDocket, therefore it was impossible to conclude that trial court properly exercised its discretion in granting injunctive relief).
29 See eBay, supra note 5, at 394 (holding that decision to grant or deny injunctive relief is rests within the equitable discretion of the district court). Accordingly, the Court vacated the judgment of the Court of Appeals and remanded the case for further review to be consistent with traditional principles of equity, “in patent disputes no less than in other cases governed by such standards.” Id.
30 See Ryan Holte, The Misinterpretation of eBay v. MercExchange and Why: An Analysis of the Case History, Precedent, and Parties, 18 CHAP. L. REV. 677, 720 (2015) (articulating that competition in the marketplace is a crucial consideration when deciding whether a patentee should receive an injunction). For example, when courts find no direct competition between the patentee and the infringer, the patentees were more often than not denied permanent injunctions. Id.
rightsholders who are best equipped to show lost profits or an enhanced reasonable royalty. In 2019, a district court distinguished competition with licensees under the patent and market share lost to licenses, and held that taking sales or revenue away from the licensees does not tend to inflict irreparable injury on the patentee.

Impacts on an intellectual property owner’s sales and/or prices can be irreparable. “Irreparable injury encompasses different types of losses that are difficult to quantify, including lost sales and

evidence irreparable harm.”) (citing Broadcom Corp. v. Emulex Corp., 732 F.3d 1325, 1338 (Fed. Cir. 2013)).

See id. at 790 (reiterating that “manufacturing and marketing capability to exploit the demand for the patented product” is an element of the required showing to obtain lost profits damages); Deere & Co. v. Int’l Harvester Co., 710 F.2d 1551, 1559 (Fed. Cir. 1983) (holding that reasonable royalty may reflect impact of competition between products of patentee and infringer, because “worth of contested patent cannot be realistically divorced from the value [the parties] placed on their respective shares” in market in which devices utilize patented apparatus or improvement thereupon); Schwendimann v. Arkwright Advanced Coating, Inc., No. 11-820 (JRT), 2018 WL 3621206, at VII C (D. Minn. July 30, 2018) (nothing that although patentee recovered reasonable royalty for past infringement, in part using evidence of profitability of products to both parties, it was entitled to permanent injunction and court would not order it to negotiate an ongoing royalty under Paice LLC v. Toyota Motor Corp., 504 F.3d 1295, 1315 (Fed. Cir. 2007)); Rite-Hite Corp. v. Kelley Co., Inc., 774 F. Supp. 1514, 1543 (E.D. Wis. 1991) (“The reasonable royalty should also be higher in this case because Rite-Hite had a policy of not licensing its competitors … [and] should take into account the profits that the licensor would have foregone both on the lost sales of the product in competition with the licensed product and on unpatented products [as well].”), aff’d, 56 F.3d 1538, 1555-56 (Fed. Cir. 1995).

See Verinata Health, Inc. v. Ariosa Diagnostics, Inc., 809 F. App’x 965, 976 (Fed. Cir. 2020) (rejecting plaintiff’s argument that sales lost to the defendant as a result of alleged infringement caused irreparable injury to the Plaintiff). See ActiveVideo Networks, Inc. v. Verizon Communications, Inc., 694 F.3d 1312 (Fed. Cir. 2012) (holding that a lack of direct competition is a substantial basis for finding no irreparable harm). The Court “reversed the injunction because the defendant (Verizon) competed with ActiveVideo’s third-party licensees but not with the patentee (ActiveVideo). Id. The harm to ActiveVideo was therefore indirect, and ActiveVideo’s loss was a “[s]traightforward monetary harm” and “certainly not irreparable.” Id.

See Douglas Dynamics, LLC v. Buyers Products Co., 717 F.3d 1336, 1345 (Fed. Cir. 2013) (holding that, “where two companies are in competition against one another, the patentee suffers the harm—often irreparable—of being forced to compete against products that incorporate and infringe its own patented inventions.”).
erosion in reputation and brand distinction.” 35 Perceptual harm could also qualify as irreparable harm. 36 A party with an exclusive license to practice its licensed patent in an exclusive field of use can enjoin designs that create a perception of non-exclusivity. 37 The party would “suffer harm merely by virtue of [its] customers’ perception that it no longer hold[s] an exclusive . . . license.” 38

In Genentech, Inc. v. Amgen Inc., the owner of 10 patents sought a preliminary injunction against a competitor’s sale or use of dosage ranges of a monoclonal antibody and one of its biosimilars. 39 The district court concluded that the patentee’s pattern of granting licenses to the patented dosing methods resulted in a lack of irreparable injury. 40 The Federal Circuit affirmed. 41

Licensing others or seeking a reasonable royalty does not always fatally undermine an assertion of irreparable injury. 42 The Federal Circuit has affirmed a permanent injunction despite the patent owner granting licenses to other entities, because “[a]dding a new competitor to the market may create an irreparable harm that the

35 See id. at 1344 (stating that irreparable injury includes different types of losses, one of which being lost sales); see also Canon, Inc. v. Color Imaging, Inc., No. , 292 F. Supp. 3d 1339, 1344-45 (N. D. Ga. 2018) (reiterating the variety of business losses encompassed by irreparable injury).

36 See Macom Technology Solutions Holdings, Inc. v. Infineon Techs. AG, 881 F.3d 1323, 1331 (Fed. Cir. 2018) (agreeing with district court’s conclusion that a plaintiff could suffer harm merely from customer’s perception that its license was not exclusive).

37 See id. (contending that a plaintiff could “suffer harm merely by virtue of [its] customers’ perception that [it] no longer hold[s] an exclusive . . . license.”). The district court’s findings were not entirely erroneous. Id. The Court concluded that a sufficient causal nexus existed between Infineon’s termination of the Agreement and the harm to Macom that the district court identified. Id.

38 See id. at 1331 (quoting the district court’s holding). The Federal Circuit observed that the district court considered this employee’s testimony, and ultimately agreed that Macom would “suffer harm merely by virtue of [its] customers’ perception that [it] no longer hold[s] an exclusive . . . license.” Id. The court found that “[s]uch harm will occur even if [Infineon] is not practicing a patent within Macom’s exclusive use.” Id.


40 See id. (stating the district court’s conclusion).


42 See Acumed L.L.C. v. Stryker Corp., 551 F.3d 1323, 1328 (Fed. Cir. 2008) (reasoning that past licensing is only one factor considered by courts and does not necessarily prohibit a party from seeking reasonable royalties).
prior licenses did not.43 A royalty may be the most appropriate remedy for past infringement, because it measures those harms which are reliably measurable.44 However, there are the “hard-to-measure harms, such as impaired goodwill and competitive position, that can justify injunctions to prevent them before they occur (precisely because they are hard to quantify later).”45 Thus, a patentee’s request for relief in the form of a reasonable royalty is relevant, but it is not conclusive without further analysis.46 In addition to an owner’s request for reasonable royalty as compensation for past infringement, a court must consider other hard-to-measure harms such as impaired goodwill and competitive position.47

The nature or extent of competitive injury that may be “irreparable” may be difficult to establish clearly in some cases.48 In one case, evidence that a patentee would likely need to lower its prices to compete with the infringer, whose offering was 20% cheaper, was not adequate evidence of irreparable harm because the patentee also used to sell at a lower price point.49 Even if the patentee feels pressure to cut advertising and other investments to remain profitable in order to compete, that may not be enough to

43 See id. at 1329 (noting how new competition can create irreparable harm).
44 See Texas Advanced Optoelectronic Solutions, Inc. v. Renesas Electronics Americas, Inc., 895 F.3d 1304, 1331 (Fed. Cir. 2018) (paraphrasing the court’s findings that royalties may be an appropriate remedy for past infringements because they are reliably measurable).
45 See id. (citing i4i Ltd. Partnership v. Microsoft Corp., 598 F.3d 831 (Fed. Cir. 2010)). (Summarizing the court’s discussion of hard to measures harms).
46 See id. (paraphrasing how a request for relief is not conclusive and requires additional analysis).
47 See id. (citing the hard-to-measure harms that must be considered by the court).
A patentee may find a royalty to be the most appropriate remedy for past infringement: it may best measure those harms which are reliably measurable. That does not mean, however, that there do not exist the kinds of hard-to-measure harms, such as impaired goodwill and competitive position, that can justify injunctions to prevent them before they occur (precisely because they are hard to quantify later).

Id. See also Schweindimann, supra note 32, at § III.A.2., VII.C. (citing the multiple factors that the court must consider and how irreparable damage can be inflicted through the hard-to-measure impacts of infringement).
49 See id. at *10 (citing lower profits due to the necessity of lowering prices to compete with the patent infringer is not irreparable harm).
establish irreparable harm. The court acknowledged that irreparable harm can be found if there is price erosion given the same sales, channels of trade, and other contextual facts.

A plaintiff does not necessarily have to prove that specific sales were lost to prove irreparable harm. Under the Federal Circuit’s approach in *i4i Ltd. Partnership v. Microsoft Corp.*: “Past harm to a patentee’s market share, revenues, and brand recognition is relevant for determining whether the patentee has suffered an irreparable injury.” In that case, *i4i* was not required to prove that its specific customers stopped using its products because they switched to the infringing product. The loss of goodwill, negotiating leverage, and non-monetary terms are also relevant for determining irreparable harm. The same principle, that a plaintiff need not prove specific sales were lost to prove irreparable injury, applies to trademark cases. In 2019, a court applied this principle to hold that significant delays and disruption to a major project of the defendant did not justify denial of injunctive relief in a copyright case in view of the plaintiff’s potential loss of negotiating leverage and goodwill.

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50 *See id.* (finding loss of marketing budget due to downstream loss does not constitute irreparable harm). To constitute irreparable harm, SoClean needed to demonstrate a “clear showing” monetary damages would not make it whole. *Id.*

51 *See id.* at 11 (contrasting how price erosion is a valid claim for irreparable harm, while claims of market loss or lost profits are invalid).

52 *See i4i Ltd. Partnership v. Microsoft Corp.,* 598 F.3d 831, 862 (Fed. Cir. 2010) (stating that *i4i* does not need to provide specific losses to prove irreparable harm); *see also So Clean,* supra note 48 (stating that, “evidence of potential lost sales alone does not demonstrate irreparable harm.” (quoting Metalcraft of Mayville, Inc. v. The Toro Co, 848 F.3d 1358, 1368 (Fed. Cir. 2017))).

53 *See i4i Ltd. Partnership,* 598 F.3d at 861 (explaining relevant factors in determining irreparable harm). The plaintiff may demonstrate irreparable harm successfully by evidencing harm to market share, revenue, and brand recognition. *Id.* at 861.

54 *See id.* at 862 (finding that based on the evidence, the district court did not abuse its discretion).

55 *See Disney Enterprises, Inc. v. VidAngel, Inc.,* 869 F.3d 848, 866 (9th Cir. 2017) (listing additional factors that cannot readily be remedied with damages to determine irreparable harm). Loss of goodwill, negotiating leverage, and non-monetary terms in a license cannot be remedied easily with damages. *Id.*

56 *See Cloanto Corp. v. Hyperion Entmt. CVBA,* No. 2:18-cv-00381-RSM, 2019 WL 1489185 at *3 (W. D. Wash. 2019) (showing that speculative and vague evidence is insufficient to prove irreparable harm). Witness testimony based on actual knowledge may be essential element in demonstrating irreparable harm. *Id.*

57 *See, e.g., Synopsys, Inc. v. AzurEngine Techs., Inc.,* 401 F. Supp. 3d 1068, 1074–75 (S.D. Cal. 2019) (rejecting the argument that major delays and missed
A patentee’s unwillingness to license is a plus factor for determining irreputable harm.\textsuperscript{58} Another factor taken into consideration is the loss of a plaintiff’s distinctiveness and market lure.\textsuperscript{59} In one case, the court held:

The combined effect of these market conditions--direct, two-player competition, [Plaintiff’s] lost sales and market share to Defendants, and [Plaintiff’s] unwillingness to license its patents to Defendants or anyone else--as well as the harm to [Plaintiff’s] reputation in the market, taken altogether, strongly supports the conclusion that [Plaintiff] will suffer irreparable harm in the future absent a permanent injunction.\textsuperscript{60}

Confusion itself may be capable of demonstrating irreparable harm.\textsuperscript{61} If consumers are likely to be misled, confused, or disappointed by the counterfeit and infringing products bearing a plaintiff’s trademarks, that may be sufficient to demonstrate that immediate and irreparable loss, damage, and injury would result to plaintiff.\textsuperscript{62} Similarly, if the goods promoted, advertised, offered for sale, and sold by a defendant are nearly identical to a plaintiff’s genuine products, and consumers

\textsuperscript{58} See Eagle View Techs., Inc. v. Xactware Solutions, Inc., No. 1:15-cv-07025, 2019 WL 5304067, at *2 (D.N.J. Oct. 18, 2019) (outlining the factors the court uses to determine whether the patentee will suffer irreparable harm (quoting Presidio Components, Inc. v. Am. Tech. ceramics Corp., 875 F.3d 1369, 1383 (Fed. Cir. 2017))). To find irreparable harm, the plaintiff must assert: 1) absent an injunction, it will suffer irreparable harm; 2) a “sufficiently strong causal nexus” connects the irreparable harm to the infringement. \textit{Id.}

\textsuperscript{59} See \textit{id.} at 5 (stating Eagle View’s loss of distinctiveness and market lure as a result of infringement).

\textsuperscript{60} See \textit{id.} (entitling plaintiff to injunctive relief due to harm fostered by market conditions and license inaccessibility).

\textsuperscript{61} See Chanel, Inc. v. 8creplicachanel.com, No. 19-61719-CIV, 2019 WL 3410007, at *3 (S.D. Fla. Aug. 28, 2019) (explaining that if consumers are likely to be confused, irreparable harm may be suffered by seller of the genuine products).

\textsuperscript{62} See \textit{id.} (noting that the confusion of consumers may cause an unnatural erosion of the legitimate marketplace in which the plaintiff operates, thereby resulting in irreparable harm).
would confuse the defendant’s counterfeit goods for the plaintiff’s genuine products, that is enough for a finding of irreparable harm.\textsuperscript{63} Even very direct competition may be inadequate basis to find irreparable harm where the patentee delays seeking injunctive relief.\textsuperscript{64} \textit{Apple Inc. v. Samsung Electronics, Co., Ltd.} famously denied a preliminary injunction in the iPhone/Samsung Galaxy case due in part to a delay in seeking it of between five months (from issuance of one of Apple’s design patent to release of the Galaxy S 4G) and several years (from Samsung beginning to copy Apple’s trade dress to release of the Infuse 4G).\textsuperscript{65} Under even more equivocal facts, the court in \textit{Genentech, Inc. v. Amgen, Inc.}, denied a motion for preliminary injunction filed only one month after Amgen obtained FDA approval to launch an infringing antibody but up to 14 months after Genentech obtained notice that Amgen may have been using infringing compositions and related treatment or purification/manufacturing methods in view of the impending launch.\textsuperscript{66}

In trademark law, courts continued to move away in 2019 from a presumption, formal or informal, that competitive infringement should be enjoined as creating irreparable harm.\textsuperscript{67} In a case against Amazon.com for buying keyword advertisements for terms such as “Comphy,” which the plaintiff had trademarked, resulting in search ads being displayed with taglines (such as “Comphy Company Sheets at Amazon” or “Comphy Sheets Queen”) that the plaintiff viewed as confusing, the court stated, after doubting the claim:

\begin{quote}
As pertains to Plaintiff’s trademarks, reputation, and goodwill, the Court finds that Plaintiff merely asks this Court to presume that irreparable harm is
\end{quote}

\textsuperscript{63} See \textit{Chanel, Inc. v. Replicachanelbag}, 362 F. Supp. 3d 1256, 1263–64 (S.D. Fla. 2019) (stating that if counterfeit product can be mistaken for original product by consumer it can cause irreparable harm to the plaintiff).

\textsuperscript{64} See \textit{Apple Inc. v. Samsung Electronics, Co., Ltd.} 678 F.3d 1314, 1320 (Fed. Cir. 2012) (noting that Apple failed to establish a, “nexus between Apple’s harm of lost customers and loss in market share and Samsung’s allegedly infringing conduct.

\textsuperscript{65} See \textit{id.} at 1324–25 (finding that Apple failed to establish the likelihood of irreparable harm).


imminent. But misuse of a trademark no longer results in a presumption of irreparable harm. *Herb Reed*, 736 F.3d at 1250 (evidence of customer confusion does not necessarily imply irreparable harm). Plaintiff presents evidence of consumer confusion and dissatisfaction. Evidence of consumer confusion alone goes primarily to Plaintiff’s likelihood of success. *Id.* When combined with consumer dissatisfaction that may be attributed to Plaintiff’s brand, the harm is cognizable but still must be presumed on the record before the Court. Further, Plaintiff does not explain why final remedies cannot adequately remedy any harm to Plaintiff’s trademarks, reputation, and goodwill. Indeed, this case appears quite distinct from prior cases where interaction with confused consumers cannot be remedied because those consumers are unknown to the parties. Here, there seems to be a much higher chance that, if liable, Defendant could contact almost every purchaser of the allegedly inferior products and seek to repair any damage that may have been done to Plaintiff’s brand.68

A disparity arises between patent holders and trademark holders as courts presume that confusion itself—the touchstone of trademark infringement liability—is capable of demonstrating irreparable harm.69 Yet the Lanham Act did not refer to a right to exclude or to

69 See Chanel, Inc. v. 8creplicachanel.com, *supra* note 61, at 3 (holding that “the balance of potential harm to Defendants in restraining their trade in counterfeit and infringing branded goods if a temporary restraining order is issued is far outweighed by the potential harm to Plaintiff, its reputation, and its goodwill as a manufacturer and distributor of quality products if such relief is not issued”); see generally Chanel, Inc. v. ReplicaChanelBag, *supra* note 63, at 1263 (referencing previous case law pertaining to injunctive relief); see Tim Hortons USA, Inc. v. Tims Milner LLC, No. 18-cv-24152-GAYLES, slip op. at § II.B.2. (S.D. Fla. June 17, 2019) (holding that the plaintiff demonstrated a lack of control over the reputation of its brand and therefore established that the defendant had caused irreparable harm); see Ready for the World Inc. v. Riley, No. 19-10063, slip op. at 3 (E.D. Mich. Jan. 22, 2019) (holding that plaintiff proved irreparable harm had occurred by using “various flyers, advertisements, and social media postings that support a finding of confusion”).
personal property in the same way that the Patent Act did. This is particularly perverse in counterfeiting cases, in which statutory damages may be presumed at some high level, avoiding some of the difficulties that nonpracticing patent owners experience in utilizing their supposedly adequate legal remedy of a reasonable royalty award. Indeed, it is increasingly clear that statutory damages in copyright cases may present an adequate remedy at law for the plaintiff.

The “causal nexus” element of irreparable harm, taken from Apple v. Samsung, can still be satisfied when an infringer sells or uses only a component of an invention. A plaintiff need not show that the patented component is the exclusive reason for consumer demand, but may use a variety of ways to show the causal nexus between the infringed feature and the demand for such feature. This causal nexus element could be satisfied by a showing that a patented feature makes a product significantly more desirable.

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71 See Rachel L. Emsley, Copying Copyright’s Willful Infringement Standard: A Comparison of Enhanced Damages in Patent Law and Copyright Law, FINNEGAN (Nov. 25, 2008), archived at https://perma.cc/DQ77-G7JA (positing courts measure a patentee’s loss as lost profits attributable to the infringement or as a reasonable royalty during the infringement period). Although Congress has statutorily provided for discretionary enhanced damages, a judicially created threshold requires courts to find willful infringement before awarding enhanced damages. Id.
73 See, e.g., Canon, Inc. v. Color Imaging, Inc., 292 F. Supp. 3d 1339, 1351 (N.D. Ga. 2018) (reasoning where only a single element of a multiple-component product is accused of infringement, calculating a royalty on the entire product carries a considerable risk that the patentee will be improperly compensated for non-infringing components of that product). See Apple Inc. v. Samsung Electronics, Co., Ltd. 678 F.3d 1314, 1320 (Fed. Cir. 2012) (holding Apple failed to establish a nexus between Apple’s harm of lost customers and loss in market share and Samsung’s allegedly infringing conduct).
74 See Canon, 292 F. Supp. 3d at 1350 (granting the injunction and discrediting the defendant’s argument attacking the “causal nexus” element of irreparable). The defendants contended that the plaintiff’s characterization of the sealing member of the toner bottle as a “key feature” of the invention is incorrect and that plaintiff offered no evidence showing this feature influenced demand for defendants’ products. Id.
75 See id. (considering the feature’s desirability among consumers). The inventor of the ‘012 patent, testified that the plaintiff came up with an entirely new type of
However, other cases have held that for a party to be liable for contributory infringement, a plaintiff must establish: (1) “there is direct infringement,” (2) “the accused infringer had knowledge of the patent,” (3) “the component has no substantial noninfringing uses,” and (4) “the component is a material part of the invention.”

The Federal Circuit established a markedly lower bar for showing the “causal nexus” between irreparable harm and the alleged infringement, in *Tek Global SRL v. Sealant Systems International.*

The court explained:

To establish causal nexus, the patentee must show that “the infringing feature drives consumer demand for the accused product”—in other words, that consumers bought the accused product because it was equipped with an apparatus claimed in the ‘110 patent. Apple Inc. v. Samsung Elecs. Co., 695 F.3d 1370, 1375-76 (Fed. Cir. 2012). Driving demand, however, does not require a patented feature to be the only basis of consumer demand. See Apple Inc., 735 F.3d at 1364. It was enough for TEK to show that a significant reason consumers bought its device was the presence of the patented features.

Testimony that General Motors desired the infringing feature of the product as a key customer of the alleged infringer sufficed to show that infringement “drove … demand.”

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78 See *id.* (affirming the patentee showed the the infringing feature drove consumer demand for the accused product).

79 See *id.* (stating that establishing a showing that a significant reason for consumers buying the device was due to the presence of the patented features is sufficient to satisfy the driving demand element).

80 See *id.* (supporting the finding that the infringing feature drove consumer demand).
III. No Adequate Remedy at Law

Direct competition could be a red herring in injunction rulings if lost profits or royalties are deemed adequate remedies at law. In 2020, the Federal Circuit concluded that an injunction could be denied even though the plaintiff focused on direct competition with the defendant and a likelihood of price erosion. It reiterated, however, that properly supported claims of price erosion due to sales of a competitive infringing product may establish irreparable injury. By contrast, other courts have indicated that loss of market share and price erosion are economic harms that are compensable by money.
This is critical because adequate remedies at law and irreparable injury are “inextricably intertwined.”

Accepting or requesting royalties from others for the same conduct alleged to infringe an intellectual property right is in tension with a claim that infringement of that right inflicts an irreparable injury. An earlier case had held that a theory of irreparable harm cannot be sustained when depressed royalty rates caused by a defendant’s infringement occurred in the past, because if the defendant were to continue its operations subject to an ongoing royalty, its license activities would not compel the plaintiff to grant any additional depressed royalty licenses. To the contrary, other courts have found that a supplemented damages award would not be an adequate remedy, because lost sales or harm to research and development would continue after the damages were awarded.

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84 See Waters Corp. v. Agilent Techs. Inc., 410 F. Supp. 3d 702, 715–16 (D. Del. 2019) (even if court were to accept price erosion or lost market share theories of harm, complexity of quantifying these injuries did not mean that they were irreparable); Spark Connected, LLC v. Semtech Corp., No. 4:18-cv-748-ALM, slip op. (E.D. Tex. 2019) (suggesting that if Semtech lost their market share to Spark, then Semtech could recover monetary damages for irreparable harm); MD Helicopters, Inc. v. Aerometals, Inc., No. 2:16-cv-02249-TLN, 2018 WL 489102 (E.D. Cal. Jan. 18, 2018) (holding that proof of the occurrence of price erosion could be sufficient to suggest suffering an irreparable harm). But see Ilumina, Inc. v. BGI Genomics Co., No. 19-cv-03770-WHO, 2020 WL 3186921 (N.D. Cal. June 15, 2020) (finding that loss of market share and price erosion are “nonquantifiable harms that cannot be remedied by monetary damages”).


86 See id. at 1026–27. (discussing whether or not plaintiff is suffering an irreparable injury while receiving payment for use of that patent). But see Simo Holdings v. Hong Kong Ucloudlink Network Tech., 396 F. Supp. 3d 323, 343–46 (S.D.N.Y. 2019) (upholding and even supplementing jury verdict for infringement while finding continuing infringement by direct competitor to threaten irreparable injury via loss of sales to infringer).


88 See Simo Holdings, 396 F. Supp. 3d at 345–46 (concluding that money damages are not an appropriate remedy); Commonwealth Sci. and Indus. Res. Org. v. Buffalo Techn. Inc., 492 F. Supp. 2d 600, 605 (E.D. Tex. 2007) (finding that monetary damages do not adequately compensate the patent holder for their injury). For example, it does not take into account the patent holder’s good will or brand name recognition. Id.
A lost profits award from a direct competitor does not necessarily constitute an adequate remedy at law. A loss of market share, a loss of a patent covering a company’s main product, and a company’s loss of its namesake are all relevant for determining whether a patentee has suffered an irreparable injury.89 “Head-to-head competition and lost market share tend to evidence irreparable harm.”90 Even if a patent owner licenses the patent to non-direct competitors, monetary compensation to a direct competitor can be inadequate, because other losses that are “not merely financial.”91

Still, monetary damages may be a generous remedy in many cases, amounting to double the ordinary rate in some cases of an ongoing royalty in lieu of injunctive relief.92 As related to this point, and in addition to the above-cited patent case, a court found that competitive sales of copies of a book in violation of copyright could be compensable by money damages.93 The Eighth Circuit found in a 2019 case that loss of intellectual property in the form of business files could be compensated for by lost revenues or lost profits damages even though loss of some customers may be irreparable in theory.94 If a plaintiff is a trademark licensee, harm to goodwill does not necessarily support an injunction if lost revenue is alleged.95 That is because “the goodwill arising from a licensed brand belongs to the licensor, not the licensee.”96

89 See TEK Global, S.R.L. v. Sealant Systems Int’l, Inc., 920 F.3d 777, 793 (Fed. Cir. 2019) (noting that past harm, revenues, and brand recognition are relevant in determining whether there has been “irreparable injury” suffered).
90 See id. (explaining that factors such as competition and lost market share can demonstrate irreparable harm).
92 See, e.g., Opticurrent, L.L.C. v. Power Integrations, Inc., No. 17-cv-3597-EMC, slip op. at II.D (N.D. Cal. June 5, 2019) (citing Arctic Cat Inc. v. Bombardier Recreational Prods., Inc., 876 F.3d 1350 (Fed. Cir. 2017)), aff’d, No. 19-2141 (Fed. Cir. Aug. 6, 2020) (per curiam) (explaining that monetary damages can be a remedy even when no injunctive relief was granted).
94 See Management Registry, Inc. v. A.W. Cos., Inc., 920 F.3d 1181, 1183–85 (8th Cir. 2019) (determining that loss of goodwill can be an irreparable harm, but that monetary damages could still be awarded).
95 See id. (explaining that a loss of goodwill can constitute an irreparable harm).
A line of cases suggests that the possibility of lost profit awards may not represent an adequate remedy at law if an infringer is a foreign entity.97 A movant can show irreparable harm based on barriers to collectability after judgement, but vague claims that a defendant is a foreign company, and thus a plaintiff may encounter difficulties collecting monetary judgement, are insufficient for such a showing.98 “Such opaque assertions are insufficient to justify the strong medicine of injunctive relief.”99 However, courts have found a showing of irreparable harm based on a plaintiff’s inability to recover a monetary judgement against a foreign defendant with no presence in the United States.100 The fact that a defendant has no presence in the United States, and defaults or fails to participate in the action, exacerbates the concern that a money judgement will go unpaid, thus weighing in favor of injunctive relief being issued.101

IV. Balance of Hardships Between the Plaintiff and Defendant

Taking this element seriously and weighing the interests of the investors, employees, and vendors of the parties to a proposed injunction order might result in a denial of an injunction even if there

97 See Siemens Postal, Parcel & Airport Logistics L.L.C. v. Pteris Global (USA) Inc., No. 3:19-cv-00233, 2019 WL 6247898, at *5 (W.D.N.C. 2019) (identifying that a “movant may demonstrate irreparable harm ‘based on barriers to collectability after a judgment’” however, simply showing that an entity is foreign is not enough). The movant must demonstrate a “likelihood of irreparable injury” not simply a possibility. Id.

98 See id. (stressing that opaque claims that an entity is foreign and therefore difficult to collect a judgment from, is not enough to establish irreparable harm).

99 See id. (explaining that a movant needs more than “opaque assertions” to justify the awarding of injunctive relief).

100 See Las Vegas Sands Corp. v. Fan Yu Ming, 360 F. Supp. 3d 1072, 1081 (D. Nev. 2019) (noting that irreparable harm can be shown when an entity is not based in the United States and the identity of those representing the entity are unknown).

101 See id. (articulating that factors, such as a defendant not participating in the case, favor a finding of irreparable harm for the plaintiff).
was no adequate remedy at law for the infringement. A large corporation would seem to be able to bear infringement of its offerings with more equanimity and less disruption than a smaller, less diversified firm. It could simply recoup its lost royalties or profits after a trial to which it has ample financial and human resources to devote.

If a small or medium-sized enterprise (“SME”) infringes a giant multi-national corporation’s (“MNC”) patent, one might think that the balance of hardships weighs in favor of the SME, but this does not always seem to be a winning argument. In one case, a court held that “the companies’ relative sizes are not dispositive.” The defendant tried arguing that the balance of hardships tipped in its favor because the plaintiff’s size indicated a lack of substantial hardship due to infringement. The court did not agree, stating although the sales of the disputed toy cars were less than 1% of the plaintiff’s annual revenue, the defendant had not shown that a larger share of its revenue was linked to the allegedly infringing cars.

When an MNC infringes a trademark of an SME, some courts may find that the balance of hardships may weigh against an injunction even though the SME has nascent and fast-changing

102 See Supreme Court Watch: eBay, Inc. v. MercExchange LLC, MUCH (May 25, 2006), archived at https://perma.cc/DBE3-RQRZ (noting that after eBay future patent enforcement will likely be limited to disputes between large corporations fighting for market share, and smaller patentees can no longer rely on the threat of a permanent injunction).
103 See id. (explaining that large corporations have an advantage over smaller patentees when it comes to affording litigation).
104 See id. (noting that if the smaller company can prove damages, it will likely be limited to “a reasonable royalty”).
105 See Lawrence A. Kogan, Rediscovering the Value of Intellectual Property Rights: How Brazil’s Recognition and Protection of Foreign IPRs Can Stimulate Domestic Innovation and Generate Economic Growth , 8 INT’L J. OF ECON. DEVEL. 15, 241 (2006) (stating that “privately owned small and medium-size (SMEs), many of which possess significantly less sophisticated technical skills, know-how, and overall education than MNCs.”)
106 See Spin Master, Ltd. v. E. Mishan & Sons, Inc., No. 19cv9035 (DLC), 2019 WL 6681563, at *18 (S.D.N.Y. Dec. 6, 2019) (stating that the relative sizes of the companies will not bring a conclusive resolution to the exclusivity dispute).
107 See id. (stating that “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”).
108 See id. (stating that although the sales of the disputed toy cars were less than 1% of the plaintiff’s annual revenue, the defendant had not shown that a larger share of its revenue was linked to the allegedly infringing cars).
operations. As one court described it, “a preliminary injunction should not serve as a bazooka in the hands of a squirrel, used to extract from a more fearsome animal a bounty which the squirrel would never be able to gather by his own labors—at least not when the larger animal is mostly without sin.” A preliminary injunction can be problematic because it is based on a mere likelihood of success, and that raises a distinct possibility that the entry of a preliminary injunction will inflict great harm. It is particularly problematic when a small, regional plaintiff takes on a large national giant. As one court put it:

A broad, far-reaching injunction barring defendant[, a large company,] from selling shoes in any manner connected to [the plaintiff’s] mark would cost the defendant millions. So far as the evidence shows, on the other hand, plaintiff’s business would be virtually unaffected whether an injunction is granted or denied.

Inequality in the marketplace may generate inequality in injunctive outcomes, it seems.

V. Public Interest

“The touchstone of the public interest factor is whether an injunction, both in scope and effect, strikes a workable balance between protecting the patentee’s rights and protecting the public from the injunction’s adverse effects.” If the public interest is

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110 See id. at 1280 (stating the problem that arises regarding a preliminary injunction between a small, regional plaintiff and a large national company).

111 See id. (describing the problem of a small, regional plaintiff taking on a large national company). “It is surely not the proper function of an equitable decree to give plaintiff’s mark an extortion value far beyond the value it possesses in plaintiff’s business. From this point of view, it may be questioned whether plaintiff should receive any injunction at all.” Id.

112 See id. (stating that there are problems when small plaintiffs take on large national defendants).

113 Id.

114 See id. (stating how an injunction would damage the defendant and bring a windfall profit to the plaintiff).

115 See TEK Global, supra note 31, at 793 (stating the benchmark of public interest is whether an injunction strikes a balance between protecting the patentee and protecting the public from “the injunction’s adverse effects”).
assumed to lie in favor of enforcement of statutes and valid rights, however, any apparent conflict is diminished.116 In one case, a court held that an injunction would serve the public interest, because “[r]educing sales of cheaper, infringing toy automobiles will not harm the public, and [defendant] does not suggest that it will.”117

Aside from the completeness of the defense argument, this conclusion seems to discount the public’s interest in maximizing competition and minimizing price hikes.118 Another court gave short shrift to whether it is in the interest of pharmaceutical consumers to award an ongoing royalty rather than an injunction to ensure affordable medications, instead citing a diffuse public interest in the enforcement of patents.119 The factor seems to have little bite.120

116 See id. (noting how an injunction that does not disserve the public’s interest mitigates any conflict).

117 See Spin Master, Ltd. v. E. Mishan & Sons, Inc., No. 19cv9035 (DLC), 2019 WL 6681563, at *19 (S.D.N.Y. Dec. 6, 2019) (holding that the injunction would not harm the public).

118 See id. (concluding that the final defense argument would go against public interest).


Defendants stand to lose the opportunity to earn on the order of $50 million collectively by not being able to compete over approximately the next year whereas Novartis will irreparably lose a market in which they sell approximately $1.8 billion of drugs [each] year. To me, that balance clearly favors Novartis under the circumstances. I also think that while consumers would, of course, benefit from lower prices, there may be a corresponding harm in this particular market given the possible adverse impact on MO services. Further, the public has an interest in protecting valid patent rights and in maintaining incentives for the massive investments required for drug development.

Id.

Trademark and copyright decisions also refer to the public’s interest in seeing those statutory regimes enforced. A somewhat unique public interest is implicated when the infringement is embodied in a creative or substantially original work in a copyright or a trademark case. As the Third Circuit stated in 2019:

[While the public has an interest in copyright encouraging the creation and diffusion of free expression] it hardly follows that the public interest always favors granting injunctive relief or that, in exercising its remedial discretion, a court must ignore whether an injunction would indefinitely preclude the public from accessing a work. To the contrary, the Supreme Court has recognized that injunctive relief does not always serve copyright’s goal of “stimulat[ing] the creation and publication of edifying matter.” Campbell [v. Acuff-Rose Music, Inc., 510 U.S. 569, 578 n.10 (1994)] (citation omitted). By discretion to deny injunctive relief in order to protect the public interest” such as when injunction may “stop supply of medical test kits that the patentee itself was not marketing”) (citing Hybritech, Inc. v. Abbott Labs., 4 U.S.P.Q.2d 1001, 1987 WL 123997 (C.D. Cal. 1987), aff’d, 849 F.2d 1446 (Fed. Cir. 1988)); Presidio Components Inc. v. Am. Tech. Ceramics Corp., 2013 U.S. Dist. LEXIS 113632, at 20 (S.D. Cal. Aug. 12, 2013) (public interest factor may weigh against injunction “where the product at issue is of unusual social benefit.”); Cordis Corp. v. Boston Sci. Corp., No. CIT. A 97-550-SLR, 2003 U.S. Dist. LEXIS 21338, 6 (D. Del. Nov. 21, 2003) (weighing the “obvious concern of depriving the public of the best and safest medical devices by limiting competition”); Advanced Cardiovascular Sys., Inc. v. Medtronic Vascular, Inc., 579 F. Supp. 2d 554, 560 (D. Del. 2008) (considering impact on cardiologists’ choice of supplies, along with other factors, in denying injunction).

121 See Synopsys, Inc. v. AzurEngine Techs., Inc., 401 F. Supp. 3d 1068, 1075 (S.D. Cal. 2019) (stating that “the public interest is also served by an injunction here”); Las Vegas Sands Corp. v. Fan Yu Ming, 360 F. Supp. 3d 1072, 1082 (D. Nev. 2019) (concluding that “given the strong public policy in favor of mitigating customer confusion coupled with Plaintiff’s strong showing of a likelihood of success on the merits, the Court finds that the public interest supports issuance of a preliminary injunction”); Night Owl SP, LLC v. Dongguan Auhua Elecs. CO., Ltd., No. 2: 19-cv-109-FtM, slip op., at *7 (M.D. Fla. Apr. 10, 2019) (recognizing that “[t]he public has an interest in not being misled about the source of trademarked products and in an accurate trademark registry.”).

122 See Night Owl SP, LLC v. Dongguan Auhua Elecs. CO., Ltd., No. 2: 19-cv-109-FtM, slip op., at *7 (M.D. Fla. Apr. 10, 2019) (noting that the public has an interest in the court stopping individuals from using unoriginal work). “An injunction would serve these public interests.” Id. at 7.
considering the public’s interest in accessing works, a court does not disturb copyright’s liability regime, . . . but rather exercises its centuries-old authority to choose between alternative “means of enforcing the statute.” . . .

Consistent with this view, the Supreme Court and other Courts of Appeals have emphasized the right of access to works of public interest. For example, in a case cited approvingly by the Supreme Court as an example of where the public interest opposed injunctive relief, see Campbell, 510 U.S. at 578 n.10, 114 S.Ct. 1164, the Ninth Circuit refused to enjoin the classic Hitchcock movie “The Rear Window” partly because “an injunction could cause public injury by denying the public the opportunity to view a classic film for many years to come,” . . . The Second Circuit likewise vacated an injunction enjoining a biography about Howard Hughes that allegedly infringed copyrights that Hughes had acquired to suppress the work, with a two-judge concurrence pointing out that the “spirit of the First Amendment” counsels against allowing anyone to use copyright to “interfere[ ] with the public’s right to be informed regarding matters of general interest.” Rosemont Enters., Inc. v. Random House, Inc., 366 F.2d 303, 311 (2d Cir. 1966); see also Suntrust Bank [v. Houghton Mifflin Co., 268 F.3d 1257, 1276 (11th Cir. 2001)] (stressing “the public interest is always served in promoting First Amendment values”).

VI. Enjoining Non-Parties

Generally courts may enjoin only a party before them, but there are two exceptions to this rule applicable to nonparties who receive notice of the injunction, one for aiders or abettors of the substantive violation or disregard of a court order, and another for privies of a party such as nonparty successors in interest. An
exclusive distributor may be in active concert or participation with the manufacturer or other producer, but a nonexclusive distributor may not be.\textsuperscript{125} Thus, a party that acts in some form of a close relationship with an enjoined party “may be subject to the strictures of an injunction.”\textsuperscript{126} This principle is codified in Federal Rule of Civil Procedure 65(d)(2)(C), which clarifies that an injunction “binds ‘other persons who are in active concert or participation with [the parties].’”\textsuperscript{127} Active concert or participation includes “both aiders and abettors of, and privies of, an enjoined party.”\textsuperscript{128} For example, flagrant or knowing assistance of the primary infringer in evading an injunction or judgment could constitute aiding and abetting and might justify liability in contempt under Rules 70 and 71.\textsuperscript{129}

In March of 2020, a judge in Utah denied including in a permanent injunction those related parties that perhaps unknowingly
facilitated infringement of BMW-related trademarks. In June, a magistrate judge in Hawai‘i recommended denial of a proposed injunctive order that would include the domain name registrar and cybersecurity/denial of service prevention vendor of the defendant alleged to infringe several movie copyrights.

A remedy that trademark holders might find to be quite effective would be an order directing nonparty domain name registrars to change the registrar of record to one of the plaintiff’s choosing. Courts have entered such orders after finding that websites engaged in the use of counterfeits and/or infringing distribution or performances of copyrighted works. In one notable case, a court granted a proposal by Cisco Systems and Cisco Technology for an order directed to the registrars as in the 2019 counterfeiting cases, but also to Google, Bing, Baidu, Yahoo! and other Internet search engines and web hosts, instructing them to delist and remove the defendants’ websites from their indices and to cease providing any sales- or advertising-related services to the defendant counterfeiters. In at least one prominent copyright case in 2015, the court entered a similar order directed to search engines, web hosts, domain name registrars, and domain name registries and

130 See BMW, slip op. at 18–19 (holding that even if domain name registrars, social media platforms, web hosts, ad vendors, and online marketplaces targeted in proposed provisions had notice of injunction, the “Plaintiffs have failed to show how any of these nonparty entities have affirmatively acted to ‘aid and abet’ the Defendants in evading a prior order or in committing the alleged underlying unlawful conduct.”).


133 See id. at 5 (claiming both counterfeiting and copyright infringement by advertising and distribution of copyrighted television programming); Chanel, Inc. v. 8creplicachanel.com, No. 19-61719-CIV-SMITH, slip op. at 4 (S.D. Fla. Aug. 28, 2019) (highlighting trademark infringement, counterfeiting, and cybersquatting via websites many of which used “Chanel” or “Louis Vuitton” trademarks in their domain names).

134 See Cisco Sys., Inc. v. Shenzhen Usource Tech. Co., No. 5:20-cv-4773-EJD, slip op. at 44 (N.D. Cal. July 20, 2020) (noting that upon receipt of the Order, “any Internet search engine, web host, sponsored search engine, or ad-word provider … shall deindex, delist, or otherwise remove from its index and search results any URL owned, controlled, or otherwise associated with any Restrained Party’s advertisement, offer for sale, or sale of Ciena-marked products and/or products advertised using the CIENA Marks”).
instructing them to cease facilitating access to an alleged large-scale copyright infringer, the research tool Sci-Hub.  

On the other hand, several cases and recent scholarly analyses indicate that only parties and their privies or co-participants in the IP violation should be named in an injunctive order, and that such extra paragraphs instructing third parties how to act with respect to their transactions with a party are improper. As one court stated in a case involving a company affiliated with the late Stan Lee’s superhero trademarks, even an injunction directed to a party’s “affiliates” would be overbroad by naming a nonparty:

“[W]hether a particular person or firm is among the parties’ officers, agents, servants, employees, and attorneys; [or] other persons in active concert or participation with them is a decision that may be made only after the person in question is given notice and an opportunity to be heard.” .... That is so even where a court is “confident” that a third party is acting in concert with a party to the lawsuit, ... for “even a third-party aider and abettor must have her day in court.”

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136 See Zenith Radio Corp. v. Hazeltine Research, Inc., 395 U.S. 100, 110-11 (1969) (holding that parties and coparticipants in an IP violation should not be named in an injunctive order together); Lake Shore Asset Mgmt. Ltd. v. Commodity Fut. Trading Comm’n., 511 F.3d 762, 766–67 (7th Cir. 2007) (finding that a litigant affiliates may not be named in an injunction); United States v. Kirschenbaum, 156 F.3d 784, 794 (7th Cir. 1998) (quoting “a district court may not enjoin non-parties who are neither acting in concert with the enjoined party nor are in the capacity of agents, employees, officers, etc. of the enjoined party.”); Righthaven, LLC v. Dibiase, No. 2:10-cv-01343-RLH-PAL, 2011 WL 2473531 slip op., at *1 (D. Nev. Apr. 15, 2011) (determining that a plaintiff lacks standing to sue a defendant over a copyright issue); Annemarie Bridy, Three Notice Failures in Copyright Law, 96 B.U. L. REV. 777, 819 (2016) (describing two exceptions where a nonparty in active concert or participation with can be bound by an injunction against that defendant); Hannibal Travis, Enjoining the Cloud: Equity, Irreparability, and Remedies, 64 VILL. L. REV. 393, 401–02 (2019) (describing how cloud services may be served with injunctions that vary in scope).
Applying these principles to Pow’s proposed injunction, it becomes clear that the paragraphs directed to third parties cannot be entered. The injunction must be addressed solely to the defendants Pow has named and served.\textsuperscript{137}

**VII. Developments in Damages and Other Forms of Monetary Relief**

In 2019, the median patent damages award continued a brisk recovery from the post-AIA, post-	extit{Alice} plunge of 2013-2016.\textsuperscript{138} The trend is uneven, however, with the District of Silicon Valley (the N.D. Cal.) seeing median awards down by a third from 2018 to 2019.\textsuperscript{139}

Several defendants have attempted in recent years to avoid a new trial or win on summary judgment because the patentee’s principal damages theory has been thrown out for some defect such as failure to apportion a royalty to infringing features.\textsuperscript{140} The courts

\textsuperscript{137} See Pow! Entm’t., LLC v. Individuals, Corps., Limited Liability Cos., Partnerships, & Unincorporated Ass’ns Identified on Schedule A Hereto, No. 20 CV 1324, slip op. at 6 (N.D. Ill. Aug. 26, 2020) (noting that the court added: “This court would be amenable to including language intended to wind down the TRO and preliminary injunction. For example, it would likely be permissible to direct Amazon, PayPal, and eBay to turn over the contents of defendants’ frozen accounts.”).


\textsuperscript{139} See Bijal Vakil, Henry Huang & Andres Ivan Navedo, Silicon Valley’s Home Court: Patent Trends in the Northern District of California, WHITE & CASE (Mar. 18, 2020), archived at https://perma.cc/2M5V-DDKV (outlining the 2019 trends in patent litigation from the Northern District of California, being the prominent jurisdiction for technological advancement).

\textsuperscript{140} See Apportionment in Determining Reasonable Royalty Damages: Legal Principles, Practical Considerations and Countervailing Viewpoints, IPO (Dec. 18, 2018), archived at https://perma.cc/A76L-TF7M (noting the Federal Circuit has remanded cases for improperly apportioning a royalty base that included patented and unpatented features). This has been the new interpretation of the law supported by powerful policy considerations. Id. In fact, the Federal Circuit recently held that:
have often found insufficient evidence in the record on the basis of which they could award more than a royalty of zero or a nominal amount, citing Federal Circuit law.\footnote{141}

\textit{Apple Inc. v. Motorola, Inc.} made a nominal royalty difficult to obtain by requiring that where the defendant assigned no value to the patent the patentee must also have been willing to accept no compensation for its use at the time of the infringement.\footnote{142} Thus, in.

When the product contains multiple valuable features, it is not enough to merely show that the patented feature is viewed as essential, that a product would not be commercially viable without the patented feature, or that consumers would not purchase the product without the patented feature. When the product contains other valuable features, the patentee must prove that those other features do not cause consumers to purchase the product.

\textit{Id.}

\footnote{141}{See, e.g., Mondis Tech. Ltd. v. LG Elecs., Inc., Civil Action No. 15-4431 (SRC) (S.D.N.Y. Apr. 22, 2020) (concluding that there was insufficient evidence from which the jury could reasonably award some amount of damages); Vaporstream, Inc. v. Snap Inc., No. 2:17-cv-00220-MLH (KSx), 2018 WL 1116530 (C.D. Cal. Feb. 28, 2020) (holding that “the patentee’s damages expert’s proposed royalty rate should have been excluded by the district court because it lacked sufficient ties to the facts of the case.”); Hollister Inc. v. Zassi Holdings, Inc., No. 3:13-cv-132-J-32PDB, 2016 WL 7157526 (M.D. Fla. Dec. 8, 2016) (declining to revisit ruling that award of zero damages was supported by the record, where there was no evidence to support patentee’s theory that millions in damages would be reasonable as a royalty; “Hollister did not present record evidence from which the amount of damages could be determined.”). \textit{But see} Graco Children’s Prods. Inc. v. Kids II, Inc., No. 1:13-CV-1183-TWT, 2018 WL 1509192, (N.D. Ga. Mar. 26, 2018) (holding that the defendant is not entitled to summary judgment as to damages). See generally Power Integrations, Inc. v. Fairchild Semiconductor Int’l, Inc., 904 F.3d 965, 980 (Fed. Cir. 2018) (stating that “because the evidence presented by appellee was insufficient as a matter of law to invoke the entire market value rule, the award of damages was vacated and the matter was remanded for a new trial.”); Finjan, Inc. v. Blue Coat Sys., 879 F.3d 1299, 1311 (Fed. Cir. 2018) (holding that an $8-per-user royalty rate was unsupported by substantial evidence); Info-Hold, Inc. v. Muzak LLC, 783 F.3d 1365, 1372 (Fed. Cir. 2015) (concluding that there was other evidence for the court to consider on issuing a royalty, therefore the court’s grant of summary judgment had to be reversed); Apple Inc. v. Motorola, Inc., 757 F.3d 1286, 1327–29 (Fed. Cir. 2014) (holding that there was an error in the court’s decision denying the patentee’s requests for damages.); Lindemann Maschinenfabrik v. American Hoist & Derrick Co., 895 F.2d 1403, 1407 (Fed. Cir. 1990) (suggesting that where there is a failure to submit admissible evidence of a reasonable royalty, a zero or nominal royalty may be awarded).

\footnote{142}{See \textit{Apple}, 757 F.3d at 1328 (discussing the difficulty of awarding damages to the patentee). “Indeed, if the record evidence does not fully support either party’s
Core Wireless Licensing SARL v. LG Electronics, Inc., the district court threw out a $3.5 million jury verdict, concluding that the plaintiff’s expert testimony that ten cents per infringing Android smartphone would be reasonable did not properly apportion the royalty specifically to the incremental profit associated with the infringing functionality. Instead, the expert had used another (Windows) operating system that did not infringe and that was not necessarily “economically comparable,” and compounded the error by basing the royalty on the value of the entire phone which was not the smallest salable unit for purposes of the entire market value rule. The district court ordered a new trial, however, which resulted in another $3.5 million verdict for the plaintiff. In SRI International, Inc. v. Cisco Systems, Inc., the district court rejected the defense argument that the only reasonable royalty that a jury might award was a lump-sum royalty. The court held that the jury was entitled to rely on the plaintiff’s expert testimony that several existing licensing agreements and other Georgia-Pacific factors supported a 7.5% running royalty rate, which resulted in nearly $51 million over more than half a decade. On appeal, the alleged infringer Cisco argued that it had “redesigned” its products and services post-verdict should not be subject to the same rate, and the Federal Circuit concluded that to the extent that products and services had not been accused and litigated already, Cisco could provide royalty estimate, the fact finder must still determine what constitutes a reasonable royalty from the record evidence.”

144 See id. at 14 (finding that the ten-cent royalty rate was arbitrary and lacked proper justification or evidence for adjusting the royalty rate by increments of five cents).
145 See id. at 13 (noting that the witness failed to account for any economic or technological differences between the products).
146 See Russ August & Kabat Wins Retrial on Damages for Core Wireless Licensing S.A.R.L. in Jury Trial Against LG Electronics, Inc. March 2019, RUSS AUGUST & KABAT (Nov. 30, 2020), archived at https://perma.cc/78EC-7NMK (explaining that the patentee successfully proposed a rate of four to five cents per unit per patent, while the defendant proposed a reasonable royalty as low as a lump sum of $80,000).
147 See SRI Int’l., Inc. v. Cisco Sys., 254 F. Supp. 3d 680, 710 (D. Del. 2017) (holding that the jury was free to make up its own mind as to whether the accept the lump sum or running royalty testimony).
148 See id. at 714 (holding that Cisco failed to prove that the jury’s award was unreasonable).
149 See id. at 719–20 (concluding that Cisco waived its argument for correcting the Georgia-Pacific jury instruction).
evidence that they were “colorably different” to avoid or reduce the running royalty.  

The determination of the amount of royalty per unit, per dollar, or payable as a lump sum that would qualify as “reasonable” has bedeviled generations of federal judges, who still cling to an unwieldy 50-year old methodology that uses 15 broad-ranging factors that attempt to reconstruct a hypothetical situation in which the alleged infringer had approached the patentee and negotiated for the right to utilize the invention. In 2019, the court in Qualcomm Inc. v. Apple Inc. rejected a proposed “burdensome requirement” that a patentee expert on the royalty rate analyze the patent claims across all features of the accused device and apportion the value of the patented and unpatented features respectively, the principal feature at issue being improved smartphone battery life.

Another interesting decision involved the question whether the jury should have been instructed to find that a specific number paid immediately “in cash” would reasonably compensate Samsung for past and future infringement of a patent on a virtual file system. The court found that no such instruction on a “running royalty” was required and that the patentee’s expert properly testified as to the impact of the patented feature on the accused products’ performance as well as their price, and as to revenue Samsung would have lost due to dissatisfaction had the feature been missing. Like the Apple

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150 See SRI Int’l., Inc. v. Cisco Systems, Inc., 930 F.3d 1295, 1311–12 (Fed. Cir. 2019) (explaining that “the jury [had] awarded SRI a 3.5% reasonable royalty for a total of $23,660,000 in compensatory damages.”).  
153 See id. at *14–15 (rejecting Apple’s suggestion that “this process of apportionment requires valuing the claimed features ‘relative to all unpatented features.’”).  
155 See id. at 609 (finding a “running royalty” for past infringement was not required). The court denied Samsung’s argument that Papst’s expert testified as to the performance and the price. Id. at 607. The court supports Papst’s expert’s
court, the *Samsung* court found that the objections went to the weight rather than to the admissibility of the reasonable royalty theories.\(^{156}\)

Despite the occasional interruption of the globalization process, international trade is ever more relevant to the practice of intellectual property law.\(^{157}\) Merchandise exports from so-called “IP-intensive industries” exceeded $800 billion in 2014.\(^{158}\) In *WesternGeco LLC v. Ion Geophysical Corp.*, the Supreme Court held that a U.S. patentee could recover profits lost overseas as a result of infringing devices made or used in the United States and then sent overseas for use in competition with the patentee.\(^{159}\) On remand, the Federal Circuit addressed the subsequent invalidation of four of the five claims underpinning the lost profits award and held that the award could stand if the remaining claim covered the operations on which it was based.\(^{160}\)

A computer or smartphone operating system is among the most complex infringing products or services that one might imagine.\(^{161}\) Oracle is hoping for an $8 billion award in a future trial in its case against Google for copying the declaring code in Java for the Android smartphone operating system.\(^{162}\) *Oracle v. Google* is of customer dissatisfaction component because it does not rely on the entire value market rule and properly relies on survey data. *Id.* at 606.

\(^{156}\) See *id.* at 607 (emphasizing that “Samsung’s criticisms of the comparability of the four settlement licenses to the hypothetical license go [to] the weight and not admissibility of the agreements.”); compare Qualcomm Inc. v. Apple Inc., at 15 (explaining that Apple’s arguments regarding Dr. Prince’s survey results speak to their weight, rather than their admissibility). Therefore, the Court denied Apple’s motion to exclude the survey results. *Qualcomm Inc. v. Apple Inc., supra* note 153, at *15.


\(^{158}\) See *id.* (highlighting that merchandise exports increased from $775 to $842 billion between 2010 and 2014).

\(^{159}\) See *WesternGeco LLC v. Ion Geophysical Corp.*, 138 S. Ct. 2129, 2134 (2018) (holding that a patent owner can recover for lost foreign profits).

\(^{160}\) See *WesternGeco LLC v. Ion Geophysical Corp.*, 913 F.3d 1067, 1075 (Fed. Cir. 2019) (articulating that to sustain the lost profits award, the record must indicate that there was no dispute that the technology covered by the claim was required to perform the survey at issue). The issue was remanded to district court to determine whether a new trial on lost profit damages was required. *Id.*


\(^{162}\) See Greg Stohr, *Google, Oracle and Trump Put on Supreme Court Hold By Virus*, BLOOMBERG (Mar. 27, 2020), archived at https://perma.cc/RZ47-WYS5
the largest copyright disputes in history, measured in potential damages claimed by one party.\textsuperscript{163} While most academic opinion weighed in on the case on the side of the unprotectability of the copied material and/or Google having made a fair use, some professors of copyright law submitted observations to the Supreme Court that may support a remand for the damages phase of the case.\textsuperscript{164}

The decision with the most lasting impact may be Romag Fasteners, Inc. v. Fossil, Inc.\textsuperscript{165} In a victory for thousands of trademark holders, the opinion of the Court rejected a rigid requirement of willfulness or bad faith for the recovery of defendant’s profits in trademark cases, which some circuits had developed, although it does not literally appear in the statute.\textsuperscript{166} The

\textsuperscript{163} See Oracle Am. Inc. v. Google LLC, 886 F.3d 1179, 1188 (Fed. Cir. 2018) (detailing Oracle’s claims against Google that were grounds for recovering damages); Stohr, supra note 162 (indicating that Oracle believes they are entitled to over $8 billion in damages from Google).


\textsuperscript{165} See Romag Fasteners, Inc. v. Fossil, Inc., 140 S. Ct. 1492 (2020) (providing that damages could be awarded without a previous requirement of willingness and bad faith).

\textsuperscript{166} See id. (explaining the irrelevance of the “willingness” and “bad faith requirement”). See also 15 U.S.C. § 1117(a) (2014).
decision might raise the stakes for jury trials in which the plaintiff seeks accounting and disgorgement under the Lanham Act, but the Eleventh Circuit joined two other circuits to hold that this is an equitable remedy not triable by jury under the Seventh Amendment, even though the Supreme Court stated in 1961 that a request for money damages via an accounting in a trademark and contract case raised a “legal” question.\textsuperscript{167} In another noteworthy Lanham Act case, the court addressed reasonable royalty theories in a context other than breach of a franchise agreement, where the royalty established in the parties’ agreement is a more typical remedy post-breach:

“While not explicitly provided for in the Lanham Act, [the Fifth Circuit has] permitted trademark infringement damages on the basis of the royalty rate normally charged for licensing the unauthorized use of the mark, on the logic the plaintiff sustained damages equal to the profit they could have made from such a license . . . . Usually, when the courts have awarded a royalty for past acts of infringement, it was for continued use of a mark after a license ended and damages were measured by the royalty rate the parties had agreed on.”

Defendants argue that a reasonable royalty is not permissible here because the parties had no licensing agreement nor negotiations for one. Doc. 73, Defs.’ Br., 32. But that is not a rule in this circuit. See Choice Hotels Int’l, Inc. v. Goldmark Hosp., LLC, 2014 WL 642731, at *14 (N.D. Tex. Feb. 19, 2014) (holding that a prior licensing agreement between the parties was not a prerequisite to a claim for reasonable royalty damages for trademark infringement) . . . .

Defendants also argue that a royalty-based reward is not appropriate because Plaintiff has not suffered actual damages. However, as stated above, the

\textsuperscript{1114} of this title, and subject to the principles of equity, to recover (1) defendant’s profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action.

\textit{Id.} \textit{See also} Brief for Int’l Trademark Ass’n as Amicus Curiae Supporting Neither Party, Romag Fasteners, Inc. v. Fossil, Inc., 140 S. Ct. 1492 (2020) (No. 18-1233) (supporting the position that the “willingness” and “bad faith” requirement is outdated).

\textsuperscript{167} \textit{See} Hard Candy, LLC v. Anastasia Beverly Hills, Inc., 921 F.3d 1343 (11th Cir. 2019) (asserting that when a plaintiff requests an award for damages though a jury trial, the possible legality of it seems questionable).
damages for a royalty award are based on “the logic that the plaintiff sustained damages equal to the profit they could have made from such a license.” . . . Here . . . Plaintiff’s expert has tied his opined royalty rate to Defendants’ financials and to the portion of their profit attributable to the allegedly infringing conduct. Doc. 96-2, Pl.’s App., 607-09. While these figures are based on the assumption that Defendants operate as a single economic entity, the Court does not resolve that fact issue here. Nor does the Court opine on whether the expert’s estimation is appropriate. The Court simply holds that summary judgment is not warranted on Plaintiff’s claim for royalty-based damages.\footnote{Firebirds Int’l, LLC v. Firebird Restaurant Group, 397 F. Supp. 3d 847, 872 (N.D. Tex. 2019) (evaluating the level of appropriateness of royalty-based rewards).}

VIII. Conclusion

Intellectual property owners frequently occupy delicate market positions and look to IP remedies to restore and salvage their prospects. Congress intended there to be adequate compensation and exclusive rights for certain IP owners. It has bolstered IP remedies on several occasions to fill loopholes or deal with emerging threats to creators and inventors.

The courts continue to grapple with requests for generous remedies and arguments by alleged infringers that plaintiffs are seeking more than they needed or deserved. Not every IP asset is being treated equally, and perhaps rightfully so. Subsidiary rules for applying the broad standards governing injunctive relief and royalties do much of the work in this area. It has been increasingly difficult for certain types of plaintiffs to obtain the remedy that would make them whole, and sometimes any remedy at all. SMEs are particularly aggrieved by this trend, particularly in the current environment of mass business closures. Where it was once said that for the redress of every wrong there is a remedy, there are now degrees of wrong, and thus of remedy.