

ambiguity, it might have been led to invoke the rule of lenity — according to which the Court would construe the ambiguity in Dixon’s favor — and presume that the mens rea required the absence of duress.<sup>64</sup>

The *Dixon* Court gave unsatisfactory treatment to two concepts — the scope of the *Winship* rule and the definition of willfulness — that bore on the constitutional component of its holding. As a result, the Court had no choice but to engage in the treacherous and imprecise task of bringing meaning to a statutory omission.<sup>65</sup> Had the Court paused to refine its *Winship* jurisprudence, it would have been spared some of this challenging and disagreement-provoking task.<sup>66</sup> It is thus unfortunate that the Court chose to dodge two constitutionally significant ambiguities and to permit the formalistic *Winship* rule to persist. It is equally unfortunate that the Court chose instead to introduce conflicting interpretations of indeterminate statutory silence in four opinions proffering four approaches for construing that silence.

### C. Patent

*Availability of Injunctive Relief.* — Courts have traditionally issued permanent injunctions against future infringement as a matter of course upon finding that a defendant infringed a patent.<sup>1</sup> However,

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L. No. 109-177, tit. III, § 310, 120 Stat. 233, 242 (2006). Specifically, willfulness *includes* knowledge under the *Bryan-Dixon* definition, and willfulness *is* knowledge under the Model Penal Code definition. The Court’s oft-repeated presumption against surplusage would seem to counsel against either definition. See, e.g., *Ratzlaf*, 510 U.S. at 140–41 (“The trial judge . . . treated [the] ‘willfulness’ requirement essentially as surplusage — as words of no consequence. Judges should hesitate so to treat statutory terms in any setting, and resistance should be heightened when the words describe an element of a criminal offense.” (footnote omitted)).

<sup>64</sup> See *Bryan*, 524 U.S. at 200–01 (Scalia, J., dissenting).

<sup>65</sup> Justice Frankfurter remarked that the Court “walk[s] on quicksand when [it] tr[ies] to find in the absence of corrective legislation a controlling legal principle,” *Helvering v. Hallock*, 309 U.S. 106, 121 (1940), a rhetorical flourish that Professor Laurence Tribe noted in his article on the topic of legislative silence, Laurence H. Tribe, *Toward a Syntax of the Unsaid: Construing the Sounds of Congressional and Constitutional Silence*, 57 IND. L.J. 515, 518 (1982).

<sup>66</sup> The procedural interpretation of *Winship* would of course obviate any requirement of statutory interpretation. Under the substantive interpretation, the precise meaning of willfulness — in particular, whether it is negated by duress — would lose its constitutional significance and therefore would become unnecessary to resolve. The subconstitutional questions regarding the allocation of the burden of proof of duress and whether the defense existed at all would remain only if their resolution would not invade the constitutionally protected sphere of innocence.

<sup>1</sup> 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, absent a sound reason for denying it.”); *W.L. Gore & Assocs., Inc. v. Garlock, Inc.*, 842 F.2d 1275, 1281 (Fed. Cir. 1988) (“Although the district court’s grant or denial of injunction is discretionary depending on the facts of the infringement case, injunctive relief against an adjudged infringer is usually granted.” (citation omitted)); see also George M. Sirilla et al., *Will eBay Bring Down the Curtain on Automatic Injunctions in Patent Cases?*, 15 FED. CIR. B.J. 587, 598 (2006) (“After a patent is held infringed and not invalid, courts rarely refuse to issue a permanent injunction.”); Note, *The*

concerns over “patent trolls”<sup>2</sup> and a rise in patent litigation have prompted commentators and lawmakers to reconsider whether injunctions should be the presumptive remedy upon a finding of infringement.<sup>3</sup> Last Term, in *eBay Inc. v. MercExchange, L.L.C.*,<sup>4</sup> the Supreme Court rejected the Federal Circuit’s rule that an injunction will automatically issue upon a finding of patent infringement unless there is a good reason for denying one. Instead, the Court held that for an injunction to issue in their favor, patent plaintiffs must meet equity’s traditional four-factor test for determining whether a plaintiff is entitled to an injunction.<sup>5</sup> Although *eBay* should not be read to endorse the widespread abandonment of the injunctive remedy, it raises questions about the degree to which the nature of a patent as a right to exclude may still inform the choice of remedy upon its infringement.

In 2001, MercExchange filed suit in the United States District Court for the Eastern District of Virginia, alleging that eBay, Half.com, and ReturnBuy willfully infringed patents assigned to MercExchange.<sup>6</sup> A jury found that eBay and Half.com had infringed Merc-

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*Enforcement of Rights Against Patent Infringers*, 72 HARV. L. REV. 328, 342 (1958) (“Once the issues [in a patent infringement case] have finally been adjudicated in the plaintiff’s favor, a permanent injunction is usually granted as a matter of course.”). Only in rare instances, such as when there was an important public need for the invention, did courts decline to issue an injunction upon finding infringement. See, e.g., *City of Milwaukee v. Activated Sludge, Inc.*, 69 F.2d 577, 593 (7th Cir. 1934) (declining to issue a permanent injunction that would “leav[e] the entire [City of Milwaukee] without any means for the disposal of raw sewage other than running it into Lake Michigan, thereby polluting its waters and endangering the health and lives of that and other adjoining communities”).

<sup>2</sup> Although there is no consensus regarding how to define a patent troll, the phrase is often used to describe patent holders that do not invent or market their own inventions, but rather purchase the patent rights to others’ inventions and enforce those rights against manufacturers. See, e.g., Robert P. Merges, *Introductory Note to Brief of Amicus Curiae in eBay v. MercExchange*, 21 BERKELEY TECH. L.J. 997, 997 (2006) (defining patent trolls as “non-producing, non-research and development (R&D) performing patent holders”). Often, manufacturers settle with patent trolls regardless of the merits of infringement suits to avoid the heavy costs of litigation and the risks associated with jury verdicts. See Brief of Amicus Curiae Yahoo! Inc. in Support of Petitioner at 12–13, *eBay Inc. v. MercExchange, L.L.C.*, 126 S. Ct. 1837 (2006) (No. 05-130), 2006 WL 218988.

<sup>3</sup> See, e.g., Patent Reform Act of 2005, H.R. 2795, 109th Cong. § 7 (2005) (proposing an amendment to the patent laws that would decrease the availability of injunctive relief); Dan L. Burk & Mark A. Lemley, *Policy Levers in Patent Law*, 89 VA. L. REV. 1575, 1665–68 (2003) (describing circumstances in which injunctive relief for patent infringement would be inappropriate).

<sup>4</sup> 126 S. Ct. 1837.

<sup>5</sup> *Id.* at 1838–39.

<sup>6</sup> *MercExchange, L.L.C. v. eBay, Inc.*, 401 F.3d 1323, 1325 (Fed. Cir. 2005).

Exchange's patents<sup>7</sup> and held them liable for a total of \$35 million in damages.<sup>8</sup>

The district court held, however, that MercExchange was not entitled to permanent injunctive relief because it failed the traditional four-factor test for determining whether a plaintiff is entitled to a permanent injunction. This well-traveled test considers "(i) whether the plaintiff would face irreparable injury if the injunction did not issue, (ii) whether the plaintiff has an adequate remedy at law, (iii) whether granting the injunction is in the public interest, and (iv) whether the balance of the hardships tips in the plaintiff's favor."<sup>9</sup> With respect to the first and second factors, the court found that because MercExchange "d[id] not practice its inventions and exist[ed] merely to license its patented technology to others,"<sup>10</sup> and because it "has indicated its willingness to license the patents to the defendants," it would not suffer irreparable harm absent an injunction, and monetary damages would be an adequate remedy.<sup>11</sup> With respect to the third factor, the court noted that "growing concern over the issuance of business-method patents" indicated that an injunction would not be in the public interest.<sup>12</sup> Finally, the court determined that the balance of hardships tipped in the defendants' favor, finding it significant that MercExchange existed only to enforce patents in litigation.<sup>13</sup>

The Federal Circuit reversed the district court's denial of an injunction.<sup>14</sup> Delivering the opinion for the unanimous panel, Judge Bryson<sup>15</sup> wrote that "[b]ecause the 'right to exclude recognized in a patent is but the essence of the concept of property,' the general rule is that a permanent injunction will issue once infringement and validity have been adjudged."<sup>16</sup> Only "in rare instances" should courts "deny injunctive relief in order to protect the public interest."<sup>17</sup> The court also noted that a "general concern regarding business-method pat-

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<sup>7</sup> *MercExchange, L.L.C. v. eBay, Inc.*, 275 F. Supp. 2d 695, 698–99 (E.D. Va. 2003). Both patents were for business processes. One pertained to a system for selling goods through an electric network of consignment stores, *MercExchange*, 401 F.3d at 1327, and the other pertained to a method for searching multiple electronic markets, *id.* at 1333.

<sup>8</sup> *MercExchange*, 275 F. Supp. 2d at 698.

<sup>9</sup> *Id.* at 711. For a more extensive discussion of the components of the four-factor test, see *Weinberger v. Romero-Barcelo*, 456 U.S. 305, 311–13 (1982).

<sup>10</sup> *MercExchange*, 275 F. Supp. 2d at 712.

<sup>11</sup> *Id.* at 713.

<sup>12</sup> *Id.* at 713–14 (citing Business Method Patent Infringement Act of 2001, H.R. 1332, 107th Cong. (2001), and expert testimony from trial).

<sup>13</sup> See *id.* at 714–15.

<sup>14</sup> *MercExchange, L.L.C. v. eBay, Inc.*, 401 F.3d 1323, 1339 (Fed. Cir. 2005).

<sup>15</sup> Chief Judge Michel and Judge Clevenger joined Judge Bryson's opinion.

<sup>16</sup> *MercExchange*, 401 F.3d at 1338 (quoting *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1246 (Fed. Cir. 1989) (internal quotation marks omitted)).

<sup>17</sup> *Id.* (quoting *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1547 (Fed. Cir. 1995) (en banc) (internal quotation mark omitted)).

ents . . . is not the type of public need that justifies the unusual step of denying injunctive relief.”<sup>18</sup> Addressing the district court’s concern that MercExchange did not practice the patent and wished merely to license it, the Federal Circuit stressed that the injunctive remedy is equally available to all inventors, regardless of whether they practice their inventions or choose to license their patents to others.<sup>19</sup>

In a brief opinion, the Supreme Court vacated and remanded, rejecting the “general rule” that a party whose patent has been infringed is presumptively entitled to an injunction against future infringement.<sup>20</sup> Justice Thomas, writing for the unanimous Court,<sup>21</sup> held that patentees must instead meet the traditional four-factor test governing the decision whether to issue an injunction.<sup>22</sup> Attacking the Federal Circuit’s reasoning that the “statutory right to exclude alone justifies [the] general rule in favor of permanent injunctive relief,” Justice Thomas noted that “the creation of a right is distinct from the provision of remedies for violations of that right.”<sup>23</sup> Although he agreed with the district court’s decision to use the four-factor test, Justice Thomas admonished the district court for incorrectly applying it and thereby adopting “expansive principles suggesting that injunctive relief could not issue in a broad swath of cases.”<sup>24</sup> Specifically, he took exception to the district court’s conclusion that MercExchange’s “willingness to license its patents,” as well as “its lack of commercial activity in practicing the patents,” established that it will not suffer irreparable harm in the absence of an injunction.<sup>25</sup> Such broad classifications, he observed, are contrary to traditional equitable principles.<sup>26</sup> Justice Thomas expressed concern that such classifications would discourage or even prevent courts from granting injunctive relief to university researchers and self-made inventors who might otherwise satisfy the traditional four-factor test.<sup>27</sup>

Chief Justice Roberts concurred.<sup>28</sup> While agreeing that the traditional four-factor test rather than a “general rule” should govern in the

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<sup>18</sup> *Id.* at 1339.

<sup>19</sup> *Id.*

<sup>20</sup> *EBay*, 126 S. Ct. at 1841 (quoting *MercExchange*, 401 F.3d at 1338) (internal quotation marks omitted).

<sup>21</sup> Chief Justice Roberts and Justices Stevens, Scalia, Kennedy, Souter, Ginsburg, and Breyer joined the opinion. Justice Alito, who had not been confirmed by the date of oral argument, did not participate.

<sup>22</sup> *EBay*, 126 S. Ct. at 1841.

<sup>23</sup> *Id.* at 1840.

<sup>24</sup> *Id.*

<sup>25</sup> *Id.* (quoting *MercExchange, L.L.C. v. eBay, Inc.*, 275 F. Supp. 2d 695, 712 (E.D. Va. 2003)) (internal quotation marks omitted).

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

<sup>28</sup> Justices Scalia and Ginsburg joined the Chief Justice’s concurrence.

patent infringement context, the Chief Justice emphasized that courts applying the test should be mindful that “[f]rom at least the early 19th century, courts have granted injunctive relief upon a finding of infringement in the vast majority of patent cases.”<sup>29</sup> Furthermore, he observed, “[t]his ‘long tradition of equity practice’ is not surprising, given the difficulty of protecting a right to exclude through monetary remedies that allow an infringer to use an invention against the patentee’s wishes.”<sup>30</sup> Quoting Justice Holmes, Chief Justice Roberts instructed courts that, when applying the traditional test, “a page of history is worth a volume of logic.”<sup>31</sup>

In another concurrence, Justice Kennedy cautioned against inferring a mandate to grant broad injunctive relief in the present from the broad availability of the injunctive remedy in the past.<sup>32</sup> He argued that historical practice serves as the best guide when a current controversy closely parallels historical ones.<sup>33</sup> Today, however, “the nature of the patent being enforced and the economic function of the patent holder present considerations quite unlike earlier cases.”<sup>34</sup> Justice Kennedy offered two examples of present-day considerations that may militate in favor of damages rather than an injunction. First, he suggested that damages may be the appropriate remedy when “firms [that] use patents not as a basis for producing and selling goods but, instead, primarily for obtaining licensing fees” own a patent covering a small component of an infringing product.<sup>35</sup> In such cases, he claimed, “the threat of an injunction is employed simply for undue leverage in negotiations.”<sup>36</sup> Second, he opined that the ordinary “calculus under the four-factor test” may differ for infringement lawsuits that concern business method patents, which “were not of much economic and legal

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<sup>29</sup> *EBay*, 126 S. Ct. at 1841 (Roberts, C.J., concurring).

<sup>30</sup> *Id.* (emphases omitted).

<sup>31</sup> *Id.* at 1842 (quoting *N.Y. Trust Co. v. Eisner*, 256 U.S. 345, 349 (1921)) (internal quotation marks omitted).

<sup>32</sup> *See id.* (Kennedy, J., concurring). Justices Stevens, Souter, and Breyer joined Justice Kennedy’s concurrence.

<sup>33</sup> *See id.*

<sup>34</sup> *Id.*

<sup>35</sup> *Id.* Justice Kennedy was presumably referring to the much-maligned practice of patent trolling.

<sup>36</sup> *Id.* at 1842. In this scenario, a patentee is able to “charge exorbitant [licensing] fees,” *id.*, because an injunction prohibiting an infringer from using the small piece in effect prevents it from selling the entire product. Accordingly, the patent holder can capture the value of the entire product rather than merely the value of the small part that is the subject of the patent. *See, e.g.,* Maggie Shiels, *Technology Industry Hits Out at “Patent Trolls,”* BBC NEWS, June 2, 2004, <http://news.bbc.co.uk/1/hi/business/3722509.stm> (discussing a case in which a patent troll “claimed a patent [it] had bought for about \$50,000 was infringed by all of Intel’s microprocessors from the Pentium II onwards” and was seeking \$7 billion in damages).

significance in earlier times” and are sometimes “vague[] and [of] suspect validity.”<sup>37</sup>

The *eBay* decision brings the test for issuing a permanent injunction in the patent context into harmony with the test employed in other areas of the law. Unfortunately, however, *eBay* raises more questions about the grant of permanent injunctions than it answers. On a practical level, the opinion leaves patent holders to speculate whether fewer permanent injunctions against infringers will issue in a post-*eBay* world. On a more theoretical level, Justice Thomas’s seeming divorce of the right to exclude from the remedy for a violation of that right calls into question whether judges may continue to hold that the nature of the patent right as a right to exclude<sup>38</sup> militates in favor of an injunction. In the vast majority of cases, however, courts should be reluctant to read *eBay* as counseling for the denial of injunctions. Additionally, although the nature of the right to exclude may no longer, without more, justify an injunction, *eBay* suggests that courts still may consider the nature of the right to exclude as militating in favor of an injunctive remedy.

Although the majority opinion was silent regarding how the four-factor test should affect the availability of injunctive relief, the *eBay* concurrences suggest that courts should be reluctant to read the case as counseling widespread abandonment of the injunctive remedy. Both concurrences — together garnering the support of seven Justices — expressed support for the wisdom of the free grant of injunctions in the past.<sup>39</sup> To the extent that Justice Kennedy’s concurrence suggests that fewer injunctions should issue in a post-*eBay* world, that result was prompted by what he believed to be the entry of new entities into the patent system: patent licensing companies and business method patents. It would thus appear that, outside of the narrow categories of cases that Justice Kennedy mentioned, there is agreement on the Court that the logic supporting an injunction upon a finding of infringement still stands.

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<sup>37</sup> *eBay*, 126 S. Ct. at 1842 (Kennedy, J., concurring).

<sup>38</sup> See 35 U.S.C. § 154(a)(1) (2000 & Supp. III 2003) (“Every patent shall contain . . . a grant to the patentee, his heirs or assigns, of the right to *exclude* others from making, using, offering for sale, or selling the invention . . .” (emphasis added)).

<sup>39</sup> Chief Justice Roberts’s concurrence expressed clear support for the historical practice of granting an injunction upon a finding of infringement: he noted that lower courts, in their implementation of the four-factor test, should take note of the fact that “[f]rom at least the early 19th century, courts have granted injunctive relief upon a finding of infringement in the vast majority of patent cases.” *eBay*, 126 S. Ct. at 1841 (Roberts, C.J., concurring). Justice Kennedy also acknowledged that “history may be instructive in applying this test” and supported the “lesson of historical practice” — namely, that an injunction should generally be granted upon a finding of infringement — when “the circumstances of a case bear substantial parallels to litigation the courts have confronted before.” *Id.* at 1842 (Kennedy, J., concurring).

Nevertheless, *eBay* stands to inject great uncertainty into the remedial framework for patent infringement for two primary reasons. First, the only clear guidance offered to lower courts by *eBay* is that they cannot adopt categorical rules for determining whether to issue an injunction. This result is troublesome because in the wake of *eBay*, lower courts may attempt to cloak their reasoning, lest their recitation of the factors that led them to grant or deny an injunction be seen on appeal as their adoption of a categorical rule. By steering clear of strong statements regarding what led to the grant or denial of an injunction, future courts may reduce the number of useful precedents to guide potential litigants. Second, the broad, unguided discretion that *eBay* gives to lower courts may undermine the Federal Circuit's congressional mission to bring consistency to patent law.<sup>40</sup> The fact that *eBay* provides district courts with broad discretion to consider a wide range of factors, combined with the fact that district court application of the four-factor test will be reviewable only under the deferential abuse of discretion standard,<sup>41</sup> may effectively insulate these courts from Federal Circuit review and thereby create a patchwork in which some courts freely grant injunctions and others freely award damages. To the extent that adoption of the four-factor test was motivated by a desire to curb trolling behavior, the indeterminacy created by *eBay* may undermine that goal. After all, it is uncertainty regarding whether a patent troll will be able to obtain an injunction against an infringer that leads defendants to settle with trolls for what Justice Kennedy described as "exorbitant" licensing fees.

One thing *eBay* did make clear is that consideration of the nature of the patent right itself — apart from the factual circumstances of a particular infringement case — must play a reduced role in the justification for the grant of injunctions. Before *eBay*, courts and commentators often viewed injunctions as justified by the nature of the right invaded by infringement: the right to exclude.<sup>42</sup> In this pre-*eBay*

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<sup>40</sup> See Matthew D. Henry & John L. Turner, *The Court of Appeals for the Federal Circuit's Impact on Patent Litigation*, 35 J. LEGAL STUD. 85, 86 (2006) (explaining that Congress established the Federal Circuit because of the inconsistency with which the regional circuit courts of appeals upheld the validity of patents).

<sup>41</sup> See *eBay*, 126 S. Ct. at 1840 ("The decision to grant or deny permanent injunctive relief is an act of equitable discretion by the district court, reviewable on appeal for abuse of discretion.")

<sup>42</sup> See, e.g., *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 522 (1972) ("The [statutory right to exclude] in turn provides the basis for affording the patentee an injunction against direct, induced, and contributory infringement . . ."); *Cont'l Paper Bag Co. v. E. Paper Bag Co.*, 210 U.S. 405, 430 (1908) ("From the character of the right of the patentee we may judge of his remedies. It hardly needs to be pointed out that the right can only retain its attribute of exclusiveness by a prevention of its violation. Anything but prevention takes away the privilege which the law confers upon the patentee."); *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1246-47 (Fed. Cir. 1989) ("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 the use of his property.");

framework, the remedy flowed directly from the nature of the right invaded,<sup>43</sup> and the fact that the patentee's right to exclude was violated was given great and often dispositive weight in favor of an injunctive as opposed to a monetary remedy. This framework was even evident in decisions in which courts employed a four-factor test prior to *eBay*. These courts often gave great weight to the nature of the right invaded, finding that a violation of the right to exclude naturally gives rise to irreparability<sup>44</sup> and inadequacy of damages.<sup>45</sup>

*eBay*, however, makes it clear that the nature of the right invaded does not, by itself, justify an injunction for the invasion of that right.<sup>46</sup> Rather, injunctions may issue only when the patentee meets the requisite four-factor test. *eBay* leaves open the question whether, and to what extent, judges may continue to consider the nature of the patent right as militating in favor of an injunctive remedy. At one extreme, the nature of the right invaded can be given great weight in the four-factor calculus: the argument can be made that one is irreparably harmed by deprivation of the right to exclude, that monetary damages

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H.H. Robertson, Co. v. United Steel Deck, Inc., 820 F.2d 384, 390 (Fed. Cir. 1987) (“The nature of the patent grant . . . 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.”); 4 JOHN GLADSTONE MILLS III ET AL., PATENT LAW FUNDAMENTALS § 20:65, at 20-226 (2d ed. 2006) (“[I]t is only by means of injunctive relief that a patentee can realize ‘the right to exclude others’ . . . .”); Frank H. Easterbrook, *Intellectual Property Is Still Property*, 13 HARV. J.L. & PUB. POL’Y 108, 109 (1990) (“Patents give a right to exclude, just as the law of trespass does with real property. Intellectual property is intangible, but the right to exclude is no different in principle from General Motors’ right to exclude Ford from using its assembly line . . . .”); Sirilla et al., *supra* note 1, at 594 (noting that the general rule of granting an injunction upon a finding of infringement “reflects the long-held belief that the right to exclude is inherent in a patent”); *cf.* Polymer Techs., Inc. v. Bridwell, 103 F.3d 970, 975 (Fed. Cir. 1996) (noting, in the context of a preliminary injunction, that “[b]ecause of the very nature of a patent, which provides the right to exclude, infringement of a valid patent inherently causes irreparable harm in the absence of . . . exceptions” (citation omitted)).

<sup>43</sup> *Cf.* Daryl J. Levinson, *Rights Essentialism and Remedial Equilibration*, 99 COLUM. L. REV. 857, 857-58 (1999) (stating that, in the context of constitutional adjudication, it is “misleading” to “emphasiz[e] the priority of rights over remedies” and arguing that “[r]ights are dependent on remedies not just for their application to the real world, but for their scope, shape, and very existence”).

<sup>44</sup> *See, e.g.*, *Odetics, Inc. v. Storage Tech. Corp.*, 14 F. Supp. 2d 785, 795 (E.D. Va. 1998) (“[W]ere an injunction not to issue [the patentee] would suffer significant irreparable harm, namely the loss of its statutory right to license or not to license its patent to whomever it wishes.”).

<sup>45</sup> *See, e.g., id.* (“[D]amages, however measured, are nonetheless inadequate because limiting [the patentee] to damages does not allow it to exercise the monopoly power granted to it by the statute; an injunction is the only remedy that can achieve that goal.”); *Shiley, Inc. v. Bentley Labs, Inc.*, 601 F. Supp. 964, 970 (C.D. Cal. 1985) (“[M]onetary damages are generally considered to be inadequate. This inadequacy results from the nature of the patent right itself — the right to exclude others.”).

<sup>46</sup> *See eBay*, 126 S. Ct. at 1840 (“According to the Court of Appeals, th[e] statutory right to exclude alone justifies its general rule in favor of permanent injunctive relief. But the creation of a right is distinct from the provision of remedies for violations of that right.” (citation omitted)).

can never adequately compensate the loss of that right, and that the hardship inflicted by the loss of the right to exclude is invariably heavy.<sup>47</sup> At the other extreme, the nature of the right invaded may be given no consideration in determining the remedy for its violation. This second approach appears to have been adopted in the few district court decisions to date that have applied *eBay*.<sup>48</sup>

A close reading of *eBay* would suggest that neither extreme is correct. Courts may still consider the nature of the right invaded as militating in favor of an injunction for several reasons. First, as a logical matter, that the remedy is not dictated by the nature of the right violated need not imply that the nature of the right violated cannot inform selection of the proper remedy. Second, the *eBay* Court expressed clear support for *Continental Paper Bag Co. v. Eastern Paper Bag Co.*,<sup>49</sup> which unambiguously stated that the nature of the patentee's right suggests that an injunction is the proper remedy for its violation.<sup>50</sup> Third, the Court rested its decision to apply the traditional four-factor test on the proposition that "a major departure from the long tradition of equity practice should not be lightly implied," and it is certainly a "well-established principle[] of equity"<sup>51</sup> that the nature of the patentee's right militates in favor of an injunction. Fourth, Chief Justice Roberts's concurrence expressed clear support for the proposition that the nature of the right to exclude affects the remedy for its violation. Indeed, the Chief Justice noted that the long tradition of granting an injunction upon a finding of infringement "is not surprising, given the difficulty of protecting a right to *exclude* through

<sup>47</sup> The *Odetics* court essentially followed this line of analysis in its pre-*eBay* application of the four-factor test. See *Odetics*, 14 F. Supp. 2d at 794–97.

<sup>48</sup> For example, in *z4 Technologies, Inc. v. Microsoft Corp.*, 434 F. Supp. 2d 437 (E.D. Tex. 2006), the patentee argued that "the right to exclude creates a presumption of irreparable harm," *id.* at 440, and that "money damages are not an adequate remedy because they cannot compensate [it] for the loss of its right to exclude," *id.* at 441. The court rejected these arguments and did not otherwise regard the nature of the right invaded as favoring an injunction in the context of any factor of the test. See *id.* at 439–44. Similarly, in *Paice LLC v. Toyota Motor Corp.*, No. 2:04-CV-211-DF, 2006 WL 2385139 (E.D. Tex. Aug. 16, 2006), the court did not consider the nature of the patent right as militating in favor of an injunction at any point within the four-factor test.

<sup>49</sup> 210 U.S. 405 (1908).

<sup>50</sup> See *id.* at 430 ("From the character of the right of the patentee we may judge of his remedies. . . . [T]he right can only retain its attribute of exclusiveness by a prevention of its violation. Anything but prevention takes away the privilege which the law confers upon the patentee."). The *eBay* Court remarked that the "categorical rule is . . . in tension with *Continental Paper Bag*." *eBay*, 126 S. Ct. at 1840. The Court's support for *Continental Paper Bag* should not be taken lightly: in granting certiorari, the Court directed the parties to address "[w]hether th[e] Court should reconsider its precedents, including *Continental Paper Bag Co. v. Eastern Paper Bag Co.*, on when it is appropriate to grant an injunction against a patent infringer." *eBay Inc. v. MercExchange, L.L.C.*, 126 S. Ct. 733, 733 (2005) (citation omitted) (internal quotation marks omitted).

<sup>51</sup> *eBay*, 126 S. Ct. at 1839 (quoting *Weinberger v. Romero-Barcelo*, 456 U.S. 305, 320 (1982)) (internal quotation marks omitted).

monetary remedies that allow an infringer to *use* an invention against the patentee's wishes."<sup>52</sup> Fifth, the Court's acknowledgment that a "patent holder who has unreasonably declined to use the patent" may nevertheless be entitled to an injunction<sup>53</sup> demonstrates that concern for the exclusionary nature of the patent right must continue to play a role in the determination of a remedy. Such a patentee does not license, practice, or otherwise advance its material position through the exercise of its patent and therefore will not suffer concrete injuries such as lost profits, market share, or goodwill when its patent is infringed. It is difficult to imagine how such a patentee could show that it has been irreparably harmed by infringement unless that harm consisted solely of the invasion of the right to exclude.

At the same time, it is apparent that the nature of the right to exclude cannot be given the great, injunction-justifying weight that it has enjoyed heretofore: a perfunctory recitation of how invasion of the right to exclude establishes an irreparable harm, the inadequacy of damages, a compelling public interest, and a balance of hardships favoring the plaintiff is little more than a wordier version of the "general rule" rejected in *eBay*. Additionally, Justice Kennedy's concurrence suggests that at least four Justices may not view the nature of the right to exclude as informing the selection of a remedy. This viewpoint is evident in Justice Kennedy's assertion that "the traditional practice of issuing injunctions against patent infringers does *not* seem to rest on 'the difficulty of protecting a right to *exclude* through monetary remedies'" but is merely the result of the four-factor test applied in the contexts then prevalent.<sup>54</sup>

The Court's endorsement of the traditional four-factor test could not have come at a more appropriate time. As the patent system faces new challenges in the form of trolling, the four-factor test will force judges to evaluate carefully whether the traditional reasons for granting injunctions to protect patent rights endure. Although the Court has certainly given district courts wider discretion to select remedies, courts should be careful not to smash the bridge of traditional patent practice when swatting the patent troll.

#### D. Religious Freedom Restoration Act

*Statutory Exemptions.* — Though religious accommodation has long divided people politically, in recent years it has also placed Congress at odds with the Supreme Court. The Court's 1990 opinion *Em-*

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<sup>52</sup> *Id.* at 1841 (Roberts, C.J., concurring).

<sup>53</sup> *Id.* at 1840–41 (majority opinion).

<sup>54</sup> *Id.* at 1842 (Kennedy, J., concurring) (first emphasis added) (quoting *id.* at 1841 (Roberts, C.J., concurring)).