WITHHOLDING INJUNCTIONS IN COPYRIGHT CASES: IMPACTS OF EBAY

PAMELA SAMUELSON*

ABSTRACT

Before the Supreme Court’s 2006 decision in eBay Inc. v. MercExchange, L.L.C., which ruled that courts should exercise equitable discretion when considering whether to issue permanent injunctions in patent infringement cases, courts routinely granted injunctions in copyright cases when plaintiffs proved that defendants had infringed or had likely infringed copyrights. Such findings triggered presumptions of irreparable harm, which were almost never rebutted. Only rarely would courts consider a balancing of hardships or effects of injunctions on public interests.

In the first several years after eBay, commentators reported that eBay had had little impact on the availability of injunctive relief in copyright cases. However, after a key Second Circuit ruling in 2010 concluded that eBay requires plaintiffs to prove all four factors and that eBay had overturned presumptions of irreparable harm, courts have dutifully followed the dictates of eBay and have more frequently denied injunctions in four types of cases: (1) when copyright owners failed to offer persuasive evidence of irreparable harm and/or inadequacy of legal remedies, (2) when a balance of hardships favored defendants, (3) when public interests would be better served by denying the requested injunctions, and (4) when the plaintiff was

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seeking to vindicate non-copyright interests. While injunctions are still quite common in simple piracy cases, eBay has radically changed the injunctive relief calculus for copyright plaintiffs.

Although numerous private law scholars have criticized eBay for its departures from traditional principles of equity, this Article explains why the post-eBay copyright rulings comport with those principles. It concludes that the eBay four-factor test has had, by and large, salutary effects on the exercise of equitable discretion in considering injunctions in copyright infringement cases. eBay notwithstanding, there are numerous reasons why courts in copyright cases continue to be reluctant to grant damage-only awards. After eBay, courts have eschewed categorical pro-injunction rules and induced them to carefully tailor copyright infringement remedies.
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INTRODUCTION

The Supreme Court’s 2006 *eBay Inc. v. MercExchange, L.L.C.* ruling has had transformative effects on the availability of injunctive relief for intellectual property (IP) infringements.\(^1\) That decision held that courts should deny injunctions in patent infringement cases unless plaintiffs have shown that (1) without an injunction, they would suffer irreparable harm; (2) compensatory remedies at law would be inadequate; (3) a balance of hardships tips in their favor; and (4) “the public interest would not be disserved by” the issuance of an injunction.\(^2\) The Court rejected the Federal Circuit’s

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2. *eBay*, 547 U.S. at 391. The eBay decision misstated the first factor by saying that plaintiffs must show that they “ha[ve] suffered” irreparable harm. *Id.* Remedies scholar Douglas Laycock criticized eBay for this focus on past rather than future harm. DOUGLAS LAYCOCK, *MODERN AMERICAN REMEDIES: CASES AND MATERIALS* 428 (4th ed. 2010). Later Supreme Court decisions have clarified that injunctions are forward-looking, that is, they aim to prevent future irreparable harm. See, e.g., Winter v. Nat. Res. Def. Council, Inc., 555 U.S. 7, 20 (2008). I have taken the liberty of restating the eBay test with the proper phrasing.
“categorical rule” that injunctions should virtually always issue upon a finding of infringement. In addition to pointing out that both the patent and copyright statutes provide that courts “may” issue injunctions, not that they must, the Court relied on three of its copyright precedents for the proposition that injunctions need not always be issued in IP cases. Note 10 of *Campbell v. Acuff-Rose Music, Inc.* said that the public interest is not always served by injunctive relief when defendants raise plausible fair use defenses. This Article assesses how the *Campbell* footnote and the *eBay* four-factor test have affected the availability of injunctions as a remedy for copyright infringement in the decades that followed.

Part I shows that prior to the *Campbell* decision, courts routinely issued permanent injunctions when plaintiffs had proven that defendants infringed copyrights and preliminary injunctions when plaintiffs showed a likelihood of success on the merits, although courts sometimes denied injunctions because of unreasonable delay or a plaintiff’s unclean hands. Courts occasionally decided that

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3. *eBay*, 547 U.S. at 393-94.
4. *Id.* at 392 (citing 35 U.S.C. § 283); see also 17 U.S.C. § 502(a).
6. 510 U.S. at 578 n.10.
7. Some early articles concluded that *eBay* had had little impact on the availability of injunctions in copyright infringement cases. See, e.g., Jiarui Liu, *Copyright Injunctions After eBay: An Empirical Study*, 16 LEWIS & CLARK L. REV. 215, 218 (2012); Jake Phillips, Note, *eBay’s Effect on Copyright Injunctions: When Property Rules Give Way to Liability Rules*, 24 BERKELEY TECH. L.J. 405, 407 (2009). Liu’s study focused on the first four years of cases after *eBay*, and Phillips’s study focused on the more immediate aftermath of *eBay*. Liu, supra, at 28; Phillips, supra, at 419. In the past decade, however, courts have taken the *eBay* decision more seriously, especially after the Second and Ninth Circuits, which are the leading copyright jurisdictions, ruled that *eBay* had changed the injunction rules in copyright cases. See infra Part III.B-D; see also Sag & Samuelson, *supra* note 1, at 19 (showing statistically significant lower injunction grant rates in past decade of copyright infringement cases).
8. See, e.g., 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 14.06[A][2][a], [B][1][a] (Matthew Bender, rev. ed. 2021). The Copyright Act of 1976 (1976 Act) authorizes the grant of “temporary and final” injunctions. 17 U.S.C. § 502(a). This Article conforms to the more widely used terms of “preliminary” and “permanent” injunctions.
9. Laches is an equitable defense that typically depends on a judge’s determination that the plaintiff unreasonably delayed in filing suit which resulted in prejudice to the defendant (for example, because of stale evidence or change of position). See, e.g., Petrella v. Metro-Goldwyn-Mayer, Inc., 572 U.S. 663, 667-68 (2014); see also *infra* notes 81-86 and accompanying text for an example of unclean hands as a rationale for withholding injunctive relief in a copyright case.
unusual circumstances warranted denying injunctive relief, as when harm was trivial,\(^{10}\) when the infringement was of small parts of larger works,\(^{11}\) and when injunctive relief would be too difficult to tailor or administer.\(^{12}\) Judges had mixed opinions about whether withholding injunctive relief was appropriate in close but ultimately unsuccessful fair use cases.\(^{13}\)

Part II explains that the Court’s *Campbell* decision transformed fair use jurisprudence by recognizing that parodies and other transformative uses of copyrighted works favored fair use defenses. Yet, its endorsement of withholding injunctions in close fair use cases was rarely followed. Several withholding injunctive relief cases in the post-*Campbell*, pre-*eBay* period involved architectural works in which the courts decided that the balance of hardships tipped toward infringers or that the requested injunction would have negative impacts on third parties (such as innocent tenants). In one high-profile technology case, courts denied a requested preliminary injunction because they viewed the dispute as more about the parties’ contractual obligations than about copyright infringement.\(^{14}\)

Part III suggests that courts took several years before they began taking seriously that *eBay* had much, if any, relevance in deciding whether to grant injunctions in copyright cases. Since 2010, courts have more frequently denied injunctions in four types of cases: (1) when copyright owners fail to offer persuasive evidence of irreparable harm and/or when courts perceive legal remedies to be adequate, (2) when the balance of hardships favors defendants, (3) when the public interest would be better served by denying the requested injunctions, and (4) when the plaintiff seeks to vindicate non-copyright interests. While injunctions are still quite common in simple piracy cases, *eBay* has radically changed the injunctive relief calculus for copyright plaintiffs in cases in which defendants had plausible defenses.\(^{15}\) In the past decade, courts have generally been

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\(^{12}\) *See*, e.g., Universal City Studios, Inc. v. Sony Corp. of Am., 659 F.2d 963, 976 (9th Cir. 1981), rev’d, 464 U.S. 417 (1984).

\(^{13}\) *See infra* Part I.D.


\(^{15}\) *See*, e.g., 4 Nimmer & Nimmer, *supra* note 8, § 14.06[A][3][a] (describing *eBay* as
dutifully analyzing each of the eBay factors and seem to be granting injunctions less frequently now than before eBay.\textsuperscript{16}

Part IV.A considers how the post-eBay copyright rulings comport with traditional principles of equity. Although private law and remedies scholars have lodged several criticisms against eBay,\textsuperscript{17} this Article concludes that the eBay four-factor test has had, by and large, salutary effects on judicial decisions as to whether to issue injunctions in copyright infringement cases. Part IV.B speculates about why eBay has not caused courts to withhold injunctions more frequently.

\section*{I. Pre-CAMPBELL Case Law on Injunctive Relief}

Prior to the Supreme Court’s decision in Campbell, courts routinely granted injunctive relief when plaintiffs had either proven copyright infringement or shown a likelihood of success on the merits.\textsuperscript{18} Some courts went so far as to say that plaintiffs in such cases were “entitled” to injunctive relief.\textsuperscript{19} These decisions were consistent with the conception of copyright’s exclusive rights as creating an entitlement to an exclusionary remedy (that is, an injunction).\textsuperscript{20} In the pre-Campbell and pre-eBay periods, courts effecting a “sea change” in copyright cases with respect to equitable discretion to issue injunctions). The Goldstein treatise states that eBay “unsettled long-accepted standards for copyright injunctions, both temporary and permanent.” 3 PAUL GOLDSTEIN, GOLDSTEIN ON COPYRIGHT § 13.1.2.2 (3d ed. 2019). Yet, it relies upon Liu’s 2012 empirical study, supra note 7, as evidence that eBay has, in fact, had little impact on the grant of injunctions in copyright infringement cases. Id. § 13.2.1.1. This Article’s analysis, as well as empirical data from Sag & Samuelson, supra note 1, suggest that Liu’s conclusion was premature.

\textsuperscript{16} Sag & Samuelson, supra note 1, at 26-27 (showing a decline in grant rates for both preliminary and permanent injunctions).

\textsuperscript{17} See, e.g., Gergen et al., supra note 1, at 211 (noting that eBay’s four factors “operate[ ] as a doctrinal straitjacket”).

\textsuperscript{18} See 4 NIMMER & NIMMER, supra note 8, § 14.06[A][2][a], [B][1][a]; Mark A. Lemley & Eugene Volokh, \textit{Freedom of Speech and Injunctions in Intellectual Property Cases}, 48 DUKE L.J. 147, 159 (1998) (criticizing the “collapse[,]” of the four-factor test for preliminary injunctions into one focused only on the likelihood of success on merits).


typically presumed that plaintiffs would suffer irreparable injury based on a finding of infringement or a showing of a likelihood of success on the merits. Only rarely were other factors, such as a balance of hardships as between the plaintiff or defendant and the public interest, taken into account. However, a long delay in seeking injunctive relief and insignificant harm sometimes influenced courts to deny requested injunctions. In addition, courts sometimes denied injunctions when the defendant had made significant investments in creating their works and the infringing element constituted a relatively small part of a larger work. More mixed, however, were judicial views about whether injunctive relief was appropriate in close but ultimately unsuccessful fair use cases.

21. Prior to eBay, courts in all circuits except the Fifth Circuit presumed irreparable harm once plaintiffs showed likely or actual success on the merits. See 6 WILLIAM F. PATRY, PATRY ON COPYRIGHT § 22:44 (2021). Indeed, courts commonly presumed irreparable harm once plaintiffs presented a prima facie case of infringement. See 4 NIMMER & NIMMER, supra note 8, § 14.06[A][2][b]; Rushton v. Vitale, 218 F.2d 434, 436 (2d Cir. 1955). But see Lemley & Volokh, supra note 18, at 154-58 (noting that early American copyright cases were reluctant to grant preliminary injunctions, and tracing the evolution of the presumption of irreparable injury in the twentieth century); EATON S. DRONE, A TREATISE ON THE LAW OF PROPERTY IN INTELLECTUAL PRODUCTIONS IN GREAT BRITAIN AND THE UNITED STATES 515-18, 521-27 (Boston, Little, Brown & Co. 1879) (discussing temporary and permanent injunctions). Drone said nothing about presuming irreparable harm upon a showing of likely or actual infringement. See id. Some modern cases before eBay rejected the idea that defendants could rebut the presumption of irreparable harm by showing sufficiency of compensatory relief. See, e.g., Cadence Design Sys., Inc. v. Avant! Corp., 125 F.3d 824, 827 (9th Cir. 1997). The Patry treatise criticized Cadence on this point. 6 PATRY, supra, § 22:52 ("Contrary to Cadence and Nimmer, denial of a preliminary injunction on the ground that damages can be calculated is the precise reason preliminary injunction requests have been denied for over 400 years."). But see H. Tomás Gómez-Arostegui, What History Teaches Us About Copyright Injunctions and the Inadequate-Remedy-At-Law Requirement, 81 S. CAL. L. REV. 1197, 1200-01 (2008) (asserting that Cadence is correct on this issue). The eBay decision has made courts more receptive to compensatory remedies as an alternative to injunctive relief. See infra Part III.C-D.

22. See Abend v. MCA, Inc., 863 F.2d 1465, 1478-79 (9th Cir. 1988) (finding balance of hardships favored defendant), aff’d sub nom. Stewart v. Abend, 495 U.S. 207 (1990); Apple Barrel Prods., Inc. v. Beard, 730 F.2d 384, 389 (5th Cir. 1984) (denying a preliminary injunction because of hardship to defendant). For further discussion of Abend, see infra text accompanying notes 45-60. Courts in equity in the nineteenth century sometimes considered hardships to defendants. DRONE, supra note 21, at 524-25.

23. See infra Part I.A.

24. See infra Part I.B.

25. See infra Part I.D.
A. Unreasonable Delay and Triviality Defenses to Injunctive Relief

The most common basis for judicial denials of injunctive relief in the pre-Campbell era was a plaintiff’s unreasonable delay in seeking relief. In Love v. Kwitny, for instance, the court denied Love’s request for a permanent injunction, even though the court was convinced that Kwitny had unlawfully copied eleven pages of Love’s unpublished manuscript. Yet, because Love had failed to seek a preliminary injunction during six years of litigation, the court found his claim of imminent, irreparable injury unpersuasive. Commercial interest in Kwitny’s book had, moreover, waned over time, so any future injury to Love from further sales of Kwitny’s book was too “trifling” to justify issuance of an injunction.

Another case denying a motion for a preliminary injunction because the infringement caused only trivial harm was Consumers Union of United States, Inc. v. Hobart Manufacturing Co. Consumers Union had wanted to stop Hobart from quoting from a Consumer Reports (CR) review of its dishwashers in a bulletin to its sales force. Hobart copied the passages to inform its distributors about the positive parts of the CR review and to explain why Hobart thought it should have gotten the top billing. Even if the Union...
was correct that this copying infringed its copyright, the court calculated that the maximum actual damage suffered from the infringement was forty-eight dollars, which was too trivial to justify an injunction. The court was also unpersuaded by the Union’s theory of irreparable injury that Hobart’s use of this content in its sales bulletins would undermine “the confidence of its subscribers in its impartiality.” This was not a type of harm that copyright law was designed to prevent.

B. Substantial Investments in Non-Infringing Elements

In a few pre-Campbell cases, courts denied injunctions because the defendants had made significant investments in producing new works whose value principally lay in their non-infringing parts. An early example is the Supreme Court’s 1908 decision in 

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Dun v. Lumbermen’s Credit Ass’n. Dun charged that Lumbermen’s Credit Association (LCA) infringed copyright by copying numerous entries from its directory of data about North American businesses in LCA’s similar directory focused on lumber-related businesses. Because LCA had expended considerable effort in obtaining data about lumbering businesses independent of Dun’s directory, the Court affirmed dismissal of Dun’s suit in equity which sought to enjoin

33. Id. The court did not say there was an adequate remedy at law, but perhaps this was implied. See id. at 279.
35. But see Consumers Union of U.S., Inc. v. Theodore Hamm Brewing Co., 314 F. Supp. 697, 700 (D. Conn. 1970) (granting preliminary injunction against quoting from CR in an advertisement, in part because of irreparable harm to Consumer Union’s reputation for impartiality). In the post-eBay case law, courts have denied injunctions aimed at preventing non-copyright harms, even those that are irreparable. See infra Part III.F.
36. 209 U.S. 20 (1908). The Supreme Court cited Dun in eBay in support of its ruling that injunctions need not issue in copyright infringement cases. eBay Inc. v. MercExchange, LLC, 547 U.S. 388, 392-93 (2006); see also DRONE, supra note 21, at 525-27 (discussing cases in which courts denied injunctions when the infringing part was a small part of otherwise non-infringing works).
LCA’s directory.\textsuperscript{38} Although the Court accepted that LCA had copied some elements from Dun’s directory, it agreed with the circuit court’s conclusion that issuing an injunction would be “unconscionable” given the defendant’s considerable investment in gathering and adding new information to its directory.\textsuperscript{39} Dun could, however, seek damages for the infringement in a court of law.\textsuperscript{40}

A more recent example is \textit{Belushi v. Woodward}, which denied the plaintiff’s request for a temporary restraining order (TRO) to stop further distribution of copies of Bob Woodward’s book about John Belushi that included a photograph of the actor in which Belushi’s widow claimed copyright.\textsuperscript{41} Because a TRO would significantly disrupt the publisher’s marketing strategy, the balance of hardships tipped to Woodward.\textsuperscript{42} While protecting copyrights is in the public interest, the court noted that “there is a competing public interest in this case: the promotion of free expression and robust debate.”\textsuperscript{43} It mattered that the photograph constituted a very small part of Woodward’s book.\textsuperscript{44}

In \textit{Abend v. MCA, Inc.}, the Ninth Circuit gave considerable weight to significant investments MCA had made in creating a valuable derivative work having many non-infringing elements.\textsuperscript{45} MCA made the classic film “Rear Window” in 1954 after acquiring the right to make a movie based on a Cornell Woolrich short story.\textsuperscript{46} Woolrich died before the renewal right vested, so he could not fulfill his contractual obligation to assign the renewal right to MCA.\textsuperscript{47} Woolrich bequeathed his property, including his copyrights, to Columbia University.\textsuperscript{48} On behalf of the university, an executor assigned the motion picture renewal right to Abend for 650 dollars

\begin{itemize}
\item[38.] Id. at 23-24.
\item[39.] Id. A number of post-\textit{eBay} cases have treated the small-infringement-of-a-larger-work within the adequate remedy at law or balance of hardships factors. \textit{See infra} Part III.C.1-2.
\item[40.] See \textit{Dun}, 209 U.S. at 24.
\item[41.] 598 F. Supp. 36, 36-37 (D.D.C. 1984). The court doubted that Belushi had suffered irreparable harm. \textit{Id.} at 37.
\item[42.] \textit{Id.} at 37.
\item[43.] \textit{Id.}
\item[44.] \textit{See id.}
\item[45.] 863 F.2d 1465, 1478 (9th Cir. 1988), \textit{aff’d} \textit{sub nom.} Stewart v. Abend, 495 U.S. 207 (1990).
\item[46.] \textit{Id.} at 1467.
\item[47.] \textit{Id.} at 1472.
\item[48.] \textit{Id.} at 1467.
\end{itemize}
and 10 percent of any proceeds Abend could procure from exercising that right.49

After MCA authorized television broadcasts of “Rear Window” in the 1970s, Abend sued MCA for copyright infringement in New York, a litigation that ended with a $25,000 settlement.50 In 1977, the Second Circuit resolved a similar renewal rights dispute by holding that equitable considerations favored allowing the author of an authorized derivative work to continue to exploit it.51 Relying on that precedent, MCA resumed authorizing public performances of “Rear Window.”52 Abend challenged this as copyright infringement in a California district court.53 The trial judge agreed with the Second Circuit’s decision and granted MCA’s motion for summary judgment.54 On appeal, the Ninth Circuit disagreed with the Second Circuit’s analysis and held that MCA’s acts infringed Abend’s copyright, which the Supreme Court affirmed.55

The Ninth Circuit was, however, mindful of MCA’s concerns about the hardships it would suffer if Abend obtained an injunction.56 The court attributed the “tremendous success” of the movie to its many non-infringing elements.57 Enjoining exhibition of that film “would cause a great injustice” as it would not only “effectively foreclose [MCA] from enjoying legitimate profits derived from exploitation of the ‘new matter’ comprising the derivative work,” but would also “cause public injury by denying the public the opportunity to view a classic film for many years to come.”58 Monetary compensation for MCA’s continued exploitation of the film would, the court opined,

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49. Id. Woolrich died in 1968 before his renewal right vested, so the right vested in his estate, free from his contractual commitment to convey the renewal copyright to the defendants. Id.
50. Id. at 1467-68.
51. Rohauer v. Killiam Shows, Inc., 551 F.2d 484, 493 (2d Cir. 1977) (“[A] person who with the consent of the author has created an opera or a motion picture film will often have made contributions literary, musical and economic, as great as or greater than the original author.”).
52. Abend, 863 F.2d at 1467-68.
53. Id. at 1468.
54. Id.
55. Id. at 1473-79; Stewart v. Abend, 495 U.S. 207, 238 (1990).
56. Abend, 863 F.2d at 1479.
57. Id. at 1478.
58. Id. at 1479.
be an adequate remedy at law for Abend.\textsuperscript{59} Granting injunctive relief in this case would be contrary to copyright law’s dissemination objectives and encourage rights holders to make “exorbitant” demands, such as Abend’s “demand for 50% of [MCA’s] future gross proceeds.”\textsuperscript{60} In today’s parlance, Abend might be characterized as a copyright troll.

\textbf{C. Difficulty in Fashioning an Appropriate Remedy}

\textit{Abend} was not the first case in which the Ninth Circuit considered the possibility of a compensatory remedy for copyright infringement as an alternative to injunctive relief. Several years earlier, it did so in \textit{Universal City Studios, Inc. v. Sony Corp. of America}.\textsuperscript{61} That decision reversed a trial court ruling that Sony was not liable for contributory infringement for making and selling Betamax videotape recorders that it knew consumers would use to make unauthorized copies of their favorite television programs, including movies that Universal had licensed for network television broadcasts.\textsuperscript{62} The Ninth Circuit concluded that Sony was indirectly liable for these acts of infringement and disagreed with the lower court’s ruling that consumers’ copying of programs for time-shifting purposes was fair use.\textsuperscript{63}

The Ninth Circuit’s \textit{Sony} decision acknowledged that “[t]he relief question is exceedingly complex” and suggested that “the difficulty in fashioning relief may well have influenced the district court’s evaluation of the liability issue.”\textsuperscript{64} That difficulty should not, “however, dissuade the federal courts from affording appropriate relief to those whose rights have been infringed.”\textsuperscript{65} Ordinarily, Universal would be entitled to a permanent injunction for such

\textsuperscript{59} Id. at 1479-80.
\textsuperscript{60} Id. at 964, 969.
\textsuperscript{61} Id. at 976.
\textsuperscript{62} Id. at 974.
\textsuperscript{63} Id. at 976.
\textsuperscript{64} Id. at 976.
\textsuperscript{65} Id.
However, the Ninth Circuit accepted that *Sony* might be a case in which a damage award or a continuing royalty might be a more suitable remedy given the substantial public injury that would result from an injunction. 67

Unlike the trial court, the Ninth Circuit in *Sony* did not address Universal’s demand for a permanent injunction that would have forbidden Sony from selling further Betamax machines and required it to recall machines already sold, or forced it to redesign these machines to render them incapable of recording television programs. 68 The trial court was reluctant to issue such an order, even if home copying of television programs did infringe, given that Universal had stipulated that it had suffered no actual harm from Betamax copying and proffered only speculations about future harms. 69 That court recognized that such an injunction would affect not only Sony, but also members of the public who might want to make copies of programs as well as copyright owners who did not object to time-shift copies. 70 The court concluded that “[a]n injunction against the Betamax would be inefficient and unwise” because “[i]ts enforcement would be nearly impossible and in any event highly intrusive.” 71 If the court ordered Sony to recall Betamax machines, as Universal requested, “this order would be unenforceable without extensive inquiry into the activities of Betamax owners in their homes.” 72

The Ninth Circuit did not address the potential impacts of an injunction on home copiers. However, it was unsympathetic to concerns about the impact of a remedial order on Sony: “A defendant has no right to expect a return on investment from activities which violate the copyright laws. Once a determination has been made that an infringement is involved, the continued profitability of [Sony’s] businesses is of secondary concern.” 73 By the barest of

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66. Id.
67. Id.
69. Id. at 468-69.
70. Id. at 468.
71. Id.
72. Id.
majorities, the Supreme Court reversed the Ninth Circuit’s decision on the fair use issue, making a discussion of remedies unnecessary.  

D. Mixed Views About Injunctions in Close Fair Use Cases

Sony was not the only close fair use case in the pre-Campbell era in which judges were disinclined to issue injunctive relief. In Rosemont Enterprises, Inc. v. Random House, Inc., the Second Circuit vacated a preliminary injunction that forbade publication of a biography of Howard Hughes because Random House had a strong fair use defense and could answer in damages if an eventual trial resulted in a finding of infringement. Although the biography copied numerous elements from three Look magazine articles about Hughes’s life, the Second Circuit expressed doubts that the portions copied were “material and substantial portion[s]” of the articles. It criticized the trial court for taking an unduly narrow view of fair use as available only to scholarly works of scientific or educational value and for giving too much weight to Random House’s commercial motive in publishing a book aimed at a popular audience. It added that the injunction would deprive the public of “an opportunity to become acquainted with the life of a person endowed with extraordinary talents who, by exercising these talents, made substantial contributions in the fields to which he chose to devote his unique abilities.” Moreover, the court noted that Cowles Media, which sold its copyrights in the Look articles to Rosemont, had done nothing with them in the dozen years since the articles’ publication, and there was no indication

74. Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 456 (1984). The majority held that making time-shift copies of TV programs was fair use. See id. Because Betamax machines had substantial non-infringing use, Sony was not contributorily liable. Id. The dissenters agreed with the Ninth Circuit that time-shifting was unfair and that monetary compensation might be an adequate remedy. See id. at 499-500 (Blackmun, J., dissenting).

75. See, e.g., Monster Commc’ns, Inc. v. Turner Broad. Sys., Inc., 935 F. Supp. 490, 491, 496-97 (S.D.N.Y. 1996) (denying preliminary injunction to stop broadcast of documentary that included forty-one seconds to two minutes from Monster’s film as it was likely fair use).

76. 366 F.2d 303, 306, 311 (2d Cir. 1966).

77. Id. at 306.

78. Id. at 304, 306-07.

79. Id. at 309.
that the defendant’s biography competed with or lessened the articles’ value.  

A concurring opinion offered an additional reason to withhold injunctive relief: Rosemont had come to equity with unclean hands. The firm had been formed “principally for the purpose of suppressing the biography of Hughes.” The concurrence observed that “[i]t has never been the purpose of the copyright laws to restrict the dissemination of information about persons in the public eye even though those concerned may not welcome the resulting publicity.” Moreover, “[i]t would be contrary to the public interest to permit any man to buy up the copyright to anything written about himself and to use his copyright ownership to restrain others from publishing biographical material concerning him.” The concurrence invoked “[t]he spirit of the First Amendment” to admonish courts to construe copyright law to thwart “any attempted interference with the public's right to be informed regarding matters of general interest.” Indeed, no one should be able to assert copyrights to suppress critical commentary, for the law “was designed to protect interests of quite a different nature.”

A turning point in the law of fair use, as well as on the availability of injunctive relief in copyright cases, transpired in *New Era Publications International, ApS v. Henry Holt & Co.*, as various judges within the Second Circuit considered another copyright claim that, as in *Rosemont*, aimed to suppress publication of a critical commentary. As the owner of copyrights in the writings of the Church of Scientology founder L. Ron Hubbard, New Era sued Holt

80. *Id.* at 310-11.
81. *Id.* at 313 (Lumbard, C.J., concurring).
82. *Id.* at 311. Hughes granted Rosemont the exclusive right to publish Hughes’s story. *Id.* at 312. Rosemont had attempted to squelch not only the Random House book, but other books as well. *Id.* at 312-13.
83. *Id.* at 311.
84. *Id.*
85. *Id.*
86. *Id.*
88. See *New Era II*, 695 F. Supp. at 1497.
to stop it from distributing copies of Russell Miller’s highly critical biography, *Bare-Faced Messiah: The True Story of L. Ron Hubbard*, which quoted extensively from Hubbard’s published and unpublished writings. Judge Leval ruled that Holt had a viable fair use defense for the quotations from Hubbard’s published works and for some but not all of the quotations from his unpublished works (such as diaries and letters). However, Judge Leval declined to issue a permanent injunction largely because of the legitimate public interest in getting access to this “interesting and valuable historical study.”

Judge Leval’s fair use analysis in *New Era* was noticeably constrained by a Second Circuit precedent case, *Salinger v. Random House, Inc.*, that had overturned another of his rulings that upheld a biographer’s fair use defense for quoting from its subject’s unpublished letters. The Second Circuit in *Salinger* agreed with Judge Leval that the biographer’s research purpose favored his fair use defense; however, it disagreed with his analysis of the other three fair use factors.

Invoking the Supreme Court’s decision in *Harper & Row Publishers, Inc. v. Nation Enterprises*, the Second Circuit panel in *Salinger* noted that “the tenor of the Court’s entire discussion of unpublished works conveys the idea that such works normally enjoy complete protection against copying any protected expression.” Although the Court had not entirely ruled out the possibility that fair use could be made of unpublished works, the *Salinger* decision opined that it had “diminished [the] likelihood that copying will be fair use when

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89. *New Era* produced a sixty-five-page table of quotations from the book and passages from Hubbard’s writings, forty-three of which featured quotations from Hubbard’s unpublished works. *Id.* at 1498.

90. *Id.* at 1497, 1527-28.

91. *Id.* at 1525-28 (discussing the rationale for denying injunctive relief).


94. 471 U.S. 539, 564 (1985) (holding that verbatim copying of three hundred words from Gerald Ford’s unpublished memoir in news magazine was unfair).

95. *Salinger*, 811 F.2d at 97. Unlike the yet-to-be-published Ford memoirs in *Harper & Row*, the Salinger letters were available to the public in university libraries. See *id.* at 93.
the copyrighted material is unpublished.” The court also concluded that the biographer had taken too much from the letters. Because the biography copied “virtually all of the most interesting passages of the letters, including several highly expressive insights about writing and literary criticism,” it was likely to undercut the market for an authorized collection of Salinger’s letters. The Second Circuit directed Judge Leval to enjoin publication of the Salinger biography.

In New Era II, New Era argued that the Harper & Row and Salinger rulings meant that fair use defenses were never, or almost never, available as to unpublished works; hence, the nature-of-the-work factor was “virtually determinative” against Holt’s defense. Judge Leval conceded that the scope of fair use was narrower as to unpublished works. To succeed with a fair use defense, he thought a biographer needed to show that the quoted material was “reasonably necessary to the communication and demonstration of significant points being made about the subject and must have no significant adverse effect on the market for the copyrighted work.” He worried that public figures such as Hubbard could otherwise use copyright law “as an aggressive weapon to prevent the publication of embarrassing revelations and to obstruct criticism.”

This concern was especially pertinent in New Era II because Miller’s thesis was that “Hubbard was dishonest, pretentious, boastful, paranoid, cowardly, cruel, disloyal, aggressive, bizarre, and finally even insane in his pseudoscientific fantasies and his obsessions.” Judge Leval noted that “[o]ften it is the words used by the public figure (or the particular manner of expression) that are the

96. Id. at 97.
97. Id. at 98-99. Approximately 40 percent of the book consisted of quotations or paraphrases from Salinger’s letters. Id.
98. Id. at 99.
99. Id. Because Salinger was a notoriously private person who did not want any biography to be written in his lifetime and objected to every single quotation and paraphrase of his words in the book at issue, it was highly unlikely that Salinger would have authorized publication of a compilation of his letters.
100. Id. at 100.
102. Id. at 1503.
103. Id. at 1504.
104. Id. at 1502.
105. Id. at 1498 (footnote omitted).
facts calling for comment.” Judge Leval thought that Miller had generally taken only “insignificant fragment[s]” from Hubbard’s unpublished works. The only market harm that Judge Leval foresaw from publication of these quotes was the prospect that some readers would lose interest in buying Hubbard’s works after learning how “dishonest, conniving, opportunistic and insane” Hubbard was. This was not the kind of harm to markets that copyright law was designed to protect.

Yet, because Miller had not justified all of his quotes from Hubbard’s unpublished writings, Judge Leval concluded that the book infringed New Era’s copyrights to some extent. He recognized that injunctions routinely issue in copyright cases involving exact or near-exact copying because harm from infringement may be difficult to measure and incentives to create would be eroded unless infringements were enjoined. However, he perceived New Era as a “drastically different” type of case, having “nothing in common with such opportunistic free riding.” Because Miller had mostly quoted Hubbard’s writings “to substantiate the argument of a laboriously researched, well-constructed biography,” Judge Leval concluded that it was “a valuable commentary on a subject of public importance.”

According to Judge Leval, granting an injunction “would diminish public knowledge. It would suppress an interesting, well-researched, provocative study of a figure who, claiming both scientific and religious credentials, has wielded enormous influence over millions of people.” Enjoining publication of a book when only small parts infringed “implicates concerns of the First Amendment,” which

106. Id. at 1502.
107. Id. at 1508-20.
108. Id. at 1520.
109. Id. at 1523.
110. Id. at 1524-25.
111. Id. at 1525.
112. Id.
113. Id.
114. Id.
abhors prior restraints.\footnote{115} This principle “is so powerful a force in shaping so many areas of our law, it would be anomalous to presume casually its appropriateness for all cases of copyright infringement.”\footnote{116} Money damages, he concluded, could suffice as a remedy.\footnote{117} Judge Leval perceived New Era, like Rosemont, to be trying to suppress publication of an unauthorized biography, not trying to protect the kinds of economic interests for which Congress has made copyright protection available.\footnote{118}

As in Salinger, the Second Circuit in New Era III agreed with Judge Leval that the purpose factor weighed in favor of Holt’s defense.\footnote{119} But as in Salinger, the panel viewed the unpublished nature of many quotations as weighing heavily against fair use.\footnote{120} In its view, unpublished works “normally enjoy complete protection,” adding that there is a “strong presumption” against the fairness of appropriating expression from unpublished works.\footnote{121} Because New Era planned to authorize a Hubbard biography and to make his unpublished works available to that biographer, the panel thought the harm factor also cut against Holt’s fair use defense.\footnote{122}

The New Era III panel opined that courts should issue an injunction whenever a defendant copied more than a minimal amount of expression from unpublished works.\footnote{123} It disagreed that the public interest favored withholding injunctive relief or that a conflict existed between copyright and the First Amendment that would justify denying an injunction.\footnote{124} Nevertheless, the Second Circuit affirmed the lower court’s denial of a permanent injunction because of New Era’s unjustified delay in bringing the lawsuit.\footnote{125}

\footnote{115. Id.}
\footnote{116. Id.}
\footnote{117. Id. at 1527.}
\footnote{118. Id. at 1527 n.14.}
\footnote{119. 873 F.2d 576, 583 (2d Cir. 1989).}
\footnote{120. Id.}
\footnote{121. Id.}
\footnote{122. Id.}
\footnote{123. Id. at 584.}
\footnote{124. Id.}
\footnote{125. Id. By the time New Era sought a temporary restraining order, Holt had printed 12,000 copies of the book, 9,000 of which Holt had shipped to distributors. Id. at 577. Judge Leval concluded that granting the TRO would “subject [Holt] to very great harm and loss that would have been altogether avoidable if [New Era] had moved more promptly.” New Era I, 684 F. Supp. 808, 809 (S.D.N.Y. 1988).}
A concurring opinion expressed considerable support for Judge Leval’s fair use analysis as well as his reasoning about injunctive relief.\textsuperscript{126} It identified four rationales for withholding a permanent injunction in \textit{New Era}: First, the economic purpose of issuing injunctions would be ill-served when the use would not cause demonstrable harm to the future market value of the works being quoted.\textsuperscript{127} Second, there is a public interest in the availability of critical biographies of public figures.\textsuperscript{128} Third, awarding money damages was a better way to balance the copyright and First Amendment interests at stake in cases such as \textit{New Era}.\textsuperscript{129} Fourth, \textit{New Era’s} delay in bringing the lawsuit was a significant factor weighing against the grant of an injunction.\textsuperscript{130}

The Second Circuit denied Holt’s petition for a rehearing en banc.\textsuperscript{131} Judge Newman wrote a strong dissent criticizing the \textit{New Era III} panel decision for taking an unduly narrow view of fair use as applied to unpublished works, saying that the decision “risks deterring [authors and publishers] from entirely lawful writings in the fields of scholarly research, biography, and journalism.”\textsuperscript{132} He argued that copying unpublished expression should be lawful when necessary to report facts accurately.\textsuperscript{133} He contended that neither the fair use nor the injunctive relief analyses in \textit{New Era III} should represent the Second Circuit’s positions.\textsuperscript{134} Judge Miner, who authored the \textit{New Era III} decision, wrote a short defense of the rehearing denial and of the views expressed in the panel’s decision.\textsuperscript{135} Perhaps because of the deep split among the Second Circuit judges in \textit{New Era}, Holt petitioned the Supreme Court to review the fair use ruling, but the Court declined to review it.\textsuperscript{136}

\textsuperscript{126.} \textit{New Era III}, 873 F.2d at 591-98 (Oakes, C.J., concurring).
\textsuperscript{127.} \textit{Id.} at 596-97.
\textsuperscript{128.} \textit{Id.}
\textsuperscript{129.} \textit{Id.}
\textsuperscript{130.} \textit{Id.}
\textsuperscript{131.} \textit{New Era IV}, 884 F.2d 659, 660 (2d Cir. 1989).
\textsuperscript{132.} \textit{Id.} at 662 (Newman, J., dissenting). Three judges joined Newman’s dissent. \textit{Id.}
\textsuperscript{133.} \textit{Id.} at 663-64.
\textsuperscript{134.} \textit{Id.}
\textsuperscript{135.} \textit{Id.} at 660-62 (Miner, J., concurring).
E. Aftermath of the New Era Decision

A year after *New Era IV*, yet another unpublished-work fair use case reached the Second Circuit in *Wright v. Warner Books, Inc.* The widow of the novelist Richard Wright sued the publisher of a biography of Wright because the book included several quotes and close paraphrases from the novelist’s journal and letters. The district court granted the publisher’s motion for summary judgment, finding that all four fair use factors weighed in its favor.

A Second Circuit panel affirmed the district court’s ruling, although criticizing it for giving insufficient weight to the unpublished nature of the quotations and paraphrases. The appellate court may have been influenced by amicus curiae briefs filed in support of Warner’s fair use defense by the Association of American Publishers, PEN American Center, the Authors Guild, and several scholarly societies.

Not content with the relatively narrow fair use victory in *Wright*, representatives of publisher, author, and scholarly organizations lobbied Congress for an amendment to the fair use provision that would repudiate *New Era*’s “strong presumption” against fair use in cases involving unpublished works. The *Salinger* and *New Era* decisions were, they said, having chilling effects on their work and impeding fulfillment of the constitutional purpose of copyright law.

Shortly thereafter, Congress amended the 1976 Act by adding a sentence to the end of the fair use provision: “The fact that

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137. 953 F.2d 731 (2d Cir. 1991).
138. Id. at 734.
139. Wright v. Warner Books, Inc., 748 F. Supp. 105 (S.D.N.Y. 1990), aff’d, 953 F.2d 731 (2d Cir. 1991). As in *Salinger*, the unpublished materials were available to the public in a university library collection. Id. at 110.
140. Wright, 953 F.2d at 737-38. One judge would have given less weight to the unpublished nature of the excerpts from Wright’s writings. Id. at 743 (Van Graafeiland, J., concurring).
141. Id. at 733 (list of attorneys and law firms).
142. H.R. REP.NO. 102-836, at 4-6 (1992) (explaining concerns about the *Salinger* and *New Era* decisions).
a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all of the above factors.”

Another consequence in the aftermath of the *New Era* controversy was the publication of four law review articles by judges who participated in the *New Era* case. The most influential of these articles was Judge Leval’s *Toward a Fair Use Standard*, which argued that “transformative” uses of other authors’ works should weigh in favor of fair use because such works foster ongoing creativity and enrich society. Four years later, the Supreme Court heartily embraced Judge Leval’s conception of transformative fair uses in its *Campbell* decision.

One section of Judge Leval’s article focused on the “unfortunate tendencies” in copyright infringement cases to decide that a “rejection of a fair use defense necessarily implicates the grant of an injunction.” This was unfortunate not only for defendants whose contributions to knowledge were being suppressed, but also for the public, which would be denied the new knowledge the suppressed work would have revealed. Plaintiffs too might suffer because judges may be more inclined to find fair use in close cases to avoid issuing an injunction.

146. Leval, supra note 145, at 1111-12; see also Pierre N. Leval, *Fair Use or Foul? The Nineteenth Donald C. Brace Memorial Lecture*, 36 J. COPYRIGHT SOC’Y USA 167, 179 (1989) (“If an injunction would impoverish society, and the copyright owner can be appropriately protected by money damages, an injunction should not be granted.”); Lloyd L. Weinreb, *Fair’s Fair: A Comment on the Fair Use Doctrine*, 103 HARV. L. REV. 1137 (1990); Wanat, supra note 143, at 48 n.7 (citing articles).
149. Id. at 1131.
150. Id. Judge Leval thought this might explain his fair use ruling in *Salinger*. Id. at 1131 n.114. As the Ninth Circuit noted in *Universal City Studios, Inc. v. Sony Corp. of America*, 659 F.2d 963, 976 (9th Cir. 1981), rev’d, 464 U.S. 417 (1984), the difficulty of fashioning a remedy may influence a trial court’s fair use decision.
Judge Leval accepted that courts should presume irreparable injury in cases involving “simple piracy,” which was typical in the “vast majority” of copyright cases.\textsuperscript{151} Defendants who parasitically copy other authors’ works and sell cheap copies undermine copyright owners’ markets; courts should consequently enjoin these acts to preserve authorial incentives to create and disseminate copyrighted works.\textsuperscript{152} However, close fair use cases were “worlds apart” from piratical copying.\textsuperscript{153} Courts should recognize that historians and journalists, among others, need to quote from others’ writings in order to produce effective commentary about them.\textsuperscript{154} These authors may not be absolutely certain they have remained within fair use boundaries. When putative fair users inadvertently overstep these bounds, Leval suggested that courts carefully assess the need for injunctive relief because there may be a “strong public interest” in publication of their works.\textsuperscript{155} The statute, after all, says that courts “may” issue injunctions, not that they must.\textsuperscript{156}

Judge Leval’s article cited numerous commentaries urging courts to exercise discretion in issuing injunctions because sometimes money damages will adequately compensate copyright owners for uses beyond the bounds of fair use.\textsuperscript{157} The article concluded that injunctions should issue in close fair use cases only if necessary to preserve copyright incentives.\textsuperscript{158} Decisions about injunctive relief, like those about fair use, should be consistent with the “utilitarian, public-enriching objectives of copyright.”\textsuperscript{159}

\textsuperscript{151} Leval, supra note 145, at 1132. Judge Leval reported having decided between 150 and 200 copyright cases, all but about ten of which were, in his view, simple piracy cases. Id. at 1134 n.123.

\textsuperscript{152} Id. at 1132.

\textsuperscript{153} Id.

\textsuperscript{154} Id. Judge Leval reported self-censoring his Harvard article because of Salinger. An earlier draft quoted numerous passages from Bare-Faced Messiah to show that the best way to prove that Hubbard was a liar was by quoting from his writings. Reproducing those passages, even in a law review article, could have subjected him and Harvard Law Review to copyright liability under the standard set forth in the Salinger and New Era decisions. Id. at 1113 n.39.

\textsuperscript{155} Id. at 1132.

\textsuperscript{156} 17 U.S.C. § 502.

\textsuperscript{157} Leval, supra note 145, at 1131 n.112.

\textsuperscript{158} Id. at 1134.

\textsuperscript{159} Id. at 1135. In the article, Judge Leval “deliberately refrained from invoking the support of the first amendment’s opposition to prior restraints,” not because this consideration was irrelevant, but because this was “unnecessary and risk[ed] importing confusion” into the
II. THE EVOLUTION OF INJUNCTIVE RELIEF FROM CAMPBELL TO EBAY

The Supreme Court’s decision in *Campbell v. Acuff-Rose Music, Inc.* is justly famous for its profound influence on the evolution of substantive fair use law, due in no small part to its endorsement of the transformative character of a challenged use as favoring fair use.160 *Campbell* heartily embraced Judge Leval’s conception of fair use, quoting numerous passages from his article when explaining how and why transformativeness matters in fair use cases, not just with respect to the purpose and character of the use, but also in relation to the other factors.161 Yet, *Campbell* also notably quoted from Judge Leval’s article about the possibility that the public interest may be disserved by grants of injunctions in close fair use cases.162

Section A reviews the *Campbell* decision and its note 10. One might have expected the Court’s endorsement of withholding injunctions in close fair use cases to have considerable influence in the subsequent case law, but as Section B shows, the impact of this endorsement in the pre-*eBay* fair use case law was quite modest. Section C reviews several post-*Campbell*, pre-*eBay* cases in which judges denied injunctive relief in other types of infringement cases because of public interests and the likely impact of injunctions on third parties and/or hardships on defendants. Section D considers a high-profile case in which an appellate court overturned an injunction because it viewed copyright infringement claims as premised on breach of a license.

As one might expect, courts in the post-*Campbell*, pre-*eBay* period denied injunctive relief for the same conventional reasons as were

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160. 510 U.S. 569, 579 (1994). For a discussion of the influence of *Campbell* on fair use law, see, e.g., Pamela Samuelson, *Possible Futures of Fair Use*, 90 WASH. L. REV. 815, 818-24 (2015), identifying key contributions of *Campbell* beyond its endorsement of transformative purposes. The Supreme Court has recently reaffirmed *Campbell’s* endorsement of transformative purposes in fair use cases in *Google LLC v. Oracle Am., Inc.*, 141 S. Ct. 1183, 1202-04 (2021) (finding reuse of Java declarations in smartphone software transformative because of creativity this reuse enabled).
162. Id. at 578 n.10.
common in the pre-\textit{Campbell} era, including laches or unreasonable delay,\textsuperscript{163} a low risk of future infringement,\textsuperscript{164} and occasionally, the sufficiency of a damage award.\textsuperscript{165}

\textbf{A. The Campbell Decision and Its Note 10}

In \textit{Campbell}, the Court reversed a Sixth Circuit ruling that 2 Live Crew’s rap parody of “Pretty Woman” had made an unfair use of Roy Orbison’s song.\textsuperscript{166} The Sixth Circuit decided that none of the fair use factors weighed in favor of Campbell’s fair use defense.\textsuperscript{167} Because Campbell’s use of Orbison’s song had a commercial purpose, the court presumed the use was unfair and presumed that this commercial use would irreparably harm the market for Orbison’s work.\textsuperscript{168} It invoked the Supreme Court’s \textit{Sony} and \textit{Harper & Row} decisions as supporting these presumptions.\textsuperscript{169} Moreover, Campbell

\textsuperscript{163} See, e.g., Clonus Assocs. v. DreamWorks, LLC, 417 F. Supp. 2d 248 (S.D.N.Y. 2005) (finding allegedly infringing movie had already been widely disseminated, so harm had already occurred); Richard Feiner & Co. v. Turner Ent. Co., 98 F.3d 33, 34 (2d Cir. 1996) (“An unreasonable delay suggests that the plaintiff may have acquiesced in the infringing activity, or that any harm suffered by the plaintiff is not so severe as to be ‘irreparable.’”).


\textsuperscript{165} See, e.g., Sony Comput. Ent., Inc. v. Connectix Corp., 203 F.3d 596, 608 n.11 (9th Cir. 2000) (finding injunction inappropriate as damages would suffice (citing \textit{Campbell}, 510 U.S. at 578 n.10)); see also Silverstein v. Penguin Putnam, Inc., 368 F.3d 77, 84 (2d Cir. 2004) (quoting 4 \textsc{Nimmer & Nimmer}, supra note 8: “where great public injury would be worked by an injunction ... the courts could ... award damages or a continuing royalty instead of an injunction”).

\textsuperscript{166} \textit{Campbell}, 510 U.S. at 572.


\textsuperscript{168} \textit{Acuff-Rose}, 972 F.2d at 1437-39. The Sixth Circuit accepted the trial court’s finding that the 2 Live Crew song was a parody, even though it did not perceive Campbell’s song as a parody. \textit{Id.} at 1435 n.8.

had copied the “heart” of a creative work, which also disfavored Campbell’s fair use defense.\textsuperscript{170}

The Supreme Court disagreed with the Sixth Circuit on virtually every point. The purpose and character of a challenged use should, the Court ruled, be primarily focused on whether the defendant has “add[ed] something new, with a further purpose or different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is ‘transformative.’”\textsuperscript{171} Copyright’s overall goal, “to promote science and the arts, is generally furthered by the creation of transformative works,” which “lie at the heart of the fair use doctrine’s guarantee of breathing space within the confines of copyright.”\textsuperscript{172} The Court observed that “the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use.”\textsuperscript{173} It regarded transformative uses as posing less risk of supplanting demand for the original; hence, it was inappropriate to presume unfairness from this kind of commercial use.\textsuperscript{174} Parodies were transformative critical commentaries whose purpose will generally favor fair use.\textsuperscript{175}

\textit{Campbell} renounced “bright-line rules” in fair use cases, saying that there must always be a case-by-case assessment about whether a challenged use was fair or unfair.\textsuperscript{176} In addition, courts should not treat each factor in isolation, and no one factor should be dispositive.\textsuperscript{177} All factors must be considered and should be weighed in light of each other.\textsuperscript{178} Moreover, according to \textit{Campbell}, if a use is transformative, courts should consider whether the amount taken was reasonable in light of the user’s purpose.\textsuperscript{179} Courts should not presume market harm in transformative use cases, but should

\begin{itemize}
\item \textsuperscript{170} Id. at 1437-38.
\item \textsuperscript{171} \textit{Campbell}, 510 U.S. at 579 (citing Leval, \textit{supra} note 145, at 1111).
\item \textsuperscript{172} Id.
\item \textsuperscript{173} Id.
\item \textsuperscript{174} Id. at 579, 584-85.
\item \textsuperscript{175} Id. at 579-82. The Court concluded that Campbell’s song “reasonably could be perceived” as a parody. \textit{Id.} at 583.
\item \textsuperscript{176} Id. at 577.
\item \textsuperscript{177} Id. at 578.
\item \textsuperscript{178} Id.
\item \textsuperscript{179} Id. at 588-89. The Court recognized that to be effective, parodies must copy enough to “conjure up” the original. \textit{Id.} at 588.
\end{itemize}
conclude this factor disfavors fair use only when there is a substantial likelihood that the challenged work would supplant demand for the original.180

Campbell’s fair use analysis has been very influential in the subsequent case law.181 By embracing Judge Leval’s conception of fair use as an important limit on copyright law that provides breathing room for new creations, and by abjuring presumptions about unfairness and market harm in commercial-use cases, the Campbell decision has emboldened follow-on creators to engage in many types of transformative uses.182

For purposes of this Article, Campbell is mainly of interest because of its endorsement of judicial discretion to withhold injunctions in close fair use cases.183 Here is note 10 in full:

Because the fair use enquiry often requires close questions of judgment as to the extent of permissible borrowing in cases involving parodies (or other critical works), courts may also wish to bear in mind that the goals of the copyright law, “to stimulate the creation and publication of edifying matter,” Leval 1134, are not always best served by automatically granting injunctive relief when parodists are found to have gone beyond the bounds of fair use. See 17 U.S.C. §502(a) (court “may ... grant ... injunctions on such terms as it may deem reasonable to prevent or restrain infringement”) (emphasis added); Leval 1132 (while in the “vast majority of cases, [an injunctive] remedy is justified because most infringements are simple piracy,” such cases are

180. Id. at 590-92. The Court recognized that a parody might harm markets for the parodied work because its criticism was effective, but this is not the type of harm that copyright law aims to avert. Id. at 591-92. It noted that Campbell had not presented evidence about possible harms to the market for rap derivatives of songs such as Orbison’s. Id. at 590.


182. See, e.g., Authors Guild v. Google, Inc., 804 F.3d 202 (2d Cir. 2015) (holding that digitizing books to index their contents and make snippets available was transformative); Kelly v. Arriba Soft Corp., 336 F.3d 811 (9th Cir. 2003) (holding that search engine copying of images for purposes of making them more accessible was transformative); Sony Comput. Ent., Inc. v. Connectix Corp., 203 F.3d 596 (9th Cir. 2000) (holding that reverse engineering software to discern interface information was transformative).

“worlds apart from many of those raising reasonable contentions of fair use” where “there may be a strong public interest in the publication of the secondary work [and] the copyright owner’s interest may be adequately protected by an award of damages for whatever infringement is found”); Abend v. MCA, Inc., 863 F. 2d 1465, 1479 (CA9 1988) (finding “special circumstances” that would cause “great injustice” to defendants and “public injury” were injunction to issue), aff’d sub nom. Stewart v. Abend, 495 U.S. 207 (1990).184

If upon remand the trial court found that Campbell took too much or caused harm to the market for rap derivative works,185 the Court’s note 10 opened the door to a compensatory award rather than injunctive relief.

B. The Modest Impact of Campbell’s Note 10 on the Availability of Injunctive Relief Before eBay

In the first dozen years after the Campbell decision, courts withheld injunctive relief on account of plausible or strong fair use defenses in only three cases that cited to Campbell’s note 10.186

Campbell’s conception of transformative fair uses and of injunctive relief in close fair use cases made the most profound difference in Suntrust Bank v. Houghton Mifflin Co.187 Suntrust held the copyright in Margaret Mitchell’s novel Gone with the Wind (GWTW).188 It sued Houghton Mifflin for copyright infringement because Alice Randall’s forthcoming book, The Wind Done Done

184. Campbell, 510 U.S. at 578 n.10.
185. Id. at 593-94 (remanding for further fact-finding on possible harms to that market).
186. See Suntrust Bank v. Houghton Mifflin Co., 268 F.3d 1257 (11th Cir. 2001); Am. Geophysical Union v. Texaco, Inc., 60 F.3d 913, 932 n.19 (2d Cir. 1994) (finding Texaco researchers’ photocopying of journal articles likely unfair use, but noting “[t]hough neither the limited trial nor this appeal requires consideration of the publishers’ remedy if infringement is ultimately found, we note that the context of this dispute appears to make ill- advised an injunction, which, in any event, has not been sought. If the dispute is not now settled, this appears to be an appropriate case for exploration of the possibility of a court-imposed compulsory license.”); Hofheinz v. AMC Prods., Inc., 147 F. Supp. 2d 127 (E.D.N.Y. 2001) (denying preliminary injunction because documentary’s use of clips from movies was likely fair use).
187. 268 F.3d at 1276-77 (holding trial court should not have issued a preliminary injunction to stop the book’s publication).
188. Id. at 1259.
(TWDG), drew heavily from GWTW.\textsuperscript{189} It told much the same story, albeit from the vantage point of an enslaved person rather than slaveholders.\textsuperscript{190} Randall appropriated characters, major plot elements, and several scenes from GWTW, as well as some verbatim dialogue and descriptions.\textsuperscript{191}

Because the taking from GWTW was so substantial, the trial court ruled that Suntrust had established a likelihood of success on the merits, which triggered a presumption of irreparable harm, and so it ordered Houghton Mifflin to discontinue its planned publication of TWDG.\textsuperscript{192} The Eleventh Circuit vacated the preliminary injunction, characterizing it as an “unlawful prior restraint in violation of the First Amendment.”\textsuperscript{193} In a subsequent opinion, the court declared that injunctive relief was inappropriate because Houghton Mifflin raised a plausible fair use defense.\textsuperscript{194}

Channeling Campbell, the Eleventh Circuit characterized TWDG as a “parody,” saying this term included works whose “aim is to comment upon or criticize a prior work by appropriating elements of the original in creating a new artistic, as opposed to scholarly or journalistic, work.”\textsuperscript{195} The court characterized Randall’s book as “highly transformative,” for it was “not a general commentary upon the Civil-War-era American South, but a specific criticism of and rejoinder to the depiction of slavery and the relationships between blacks and whites” as presented in GWTW; its goal was to “explode the romantic, idealized portrait of the antebellum South during and after the Civil War.”\textsuperscript{196} To parody a work such as GWTW, as Randall did, it was necessary to copy enough from that work to make the parody effective.\textsuperscript{197} Although Suntrust argued that

\begin{quote}
\textsuperscript{189.} Id.
\textsuperscript{190.} Id. at 1259, 1267, 1270.
\textsuperscript{191.} Id. at 1259, 1266-67.
\textsuperscript{192.} Suntrust Bank v. Houghton Mifflin Co., 136 F. Supp. 2d 1357, 1383-84, 1386 (N.D. Ga. 2001). The trial court presumed irreparable harm from plaintiff’s prima facie showing of infringement. Id. at 1384. Although that court cited to Campbell’s note 10 regarding injunctive relief, id. at 1371, it concluded that on balance, copyright interests in the first work outweighed public access to the second work, id. at 1385.
\textsuperscript{194.} Suntrust, 268 F.3d at 1276-77 (citing Campbell, 510 U.S. at 578 n.10).
\textsuperscript{195.} Id. at 1268-69. TWDG is a critical commentary on GWTW, not a parody.
\textsuperscript{196.} Id. at 1269-70.
\textsuperscript{197.} Id. at 1270, 1273-74.
\end{quote}
Randall’s book would negatively impact the market value of licenses it had granted or could grant to create derivative works, it had proffered little evidence that TWDG would supplant demand for the types of derivative works Suntrust was willing to license.198 Nor had Suntrust otherwise proven it would suffer irreparable harm absent an injunction.199 The Eleventh Circuit concluded that any harm to Suntrust’s copyright interests could be adequately compensated by a monetary award.200

Further channeling Campbell, the court noted that Campbell had recognized that the public interest is not always served by the issuance of an injunction.201 Going beyond Campbell, the Eleventh Circuit stated “that the public interest is always served in promoting First Amendment values and in preserving the public domain from encroachment.”202 Given that Houghton Mifflin had a plausible fair use defense, the lower court’s injunction was “a prior restraint on speech because the public had not had access to Randall’s ideas or viewpoint in the form of expression that she chose.”203 Had Acuff-Rose prevailed in Campbell, the Eleventh Circuit would likely have had a much less favorable view of Houghton Mifflin’s fair use defense.

Much stronger and more conventional was the fair use defense in Hofheinz v. AMC Productions, Inc.204 AMC had paid Hofheinz $36,000 for rights to use several clips from her late husband’s films

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198. Id. at 1275. Judge Marcus’s concurrence pointed out that Suntrust would not have authorized Randall’s book because it featured miscegenation and homosexuality, of which Suntrust disapproved. Id. at 1277, 1282 (Marcus, J., concurring).

199. Id. at 1276 (majority opinion). The Eleventh Circuit criticized the district court for presuming irreparable injury. Id. (citing Campbell, 510 U.S. at 578 n.10).

200. Id. at 1277.

201. Id. at 1276-77.

202. Id. at 1276.

203. Id. at 1277. Judge Marcus’s concurrence stated that Suntrust “may not use copyright to shield [GWTW] from unwelcome comment, a policy that would extend intellectual property protection ‘into the precincts of censorship.’” Id. at 1283 (Marcus, J., concurring) (quoting Pat Conroy, id. at 1282 n.6, an author whom Suntrust had once considered as a candidate to write a GWTW sequel). The Suntrust case later settled. See David D. Kirkpatrick, Mitchell Estate Settles “Gone With the Wind” Suit, N.Y. TIMES (May 10, 2002), https://www.nytimes.com/2002/05/10/business/mitchell-estate-settles-gone-with-the-wind-suit.html [https://perma.cc/69LU-7MDZ]. Randall has since written and published five additional novels to date. About, ALICE RANDALL, https://www.alicerandall.com/about [https://perma.cc/2PWF-B67J].

204. 147 F. Supp. 2d 127 (E.D.N.Y. 2001).
in a documentary.\footnote{Id. at 130-31.} To qualify for an Academy Award, AMC had to show the documentary for seven days in theatres, a type of public performance not contemplated in the original agreement.\footnote{Id. at 131.} Even though AMC paid her an additional sum, Hofheinz claimed that the final film’s use of the clips went beyond the licensed uses.\footnote{Id. at 133.}

The court concluded that AMC’s use was transformative and that the challenged uses were “too few, too short, and too small in relation to the whole’ to undercut the market” for Hofheinz’s works.\footnote{Id. at 140 (quoting Monster Commc’ns, Inc. v. Turner Broad. Sys., Inc., 935 F. Supp. 490, 495 (S.D.N.Y. 1996)).} Because Hofheinz had not proven a likelihood of success on the merits or irreparable harm, the court denied her request for a preliminary injunction.\footnote{Id. at 141.} The public’s interest in being able to see the documentary weighed against Hofheinz’s infringement claim.\footnote{Id.} The court cited to Campbell’s note 10 in support of this proposition, although Hofheinz was not really a close fair use case.\footnote{Id.}

Another close fair use case, albeit one in which that defense failed, was Elvis Presley Enterprises, Inc. v. Passport Video.\footnote{349 F.3d 622 (9th Cir. 2003).} Passport spent more than $2 million to prepare a sixteen-hour video documentary about the life of Elvis Presley with sixteen episodes, each on a different theme.\footnote{Id. at 624-27.} Passport interviewed 200 people on various aspects of Elvis’s life, often using photographs or video clips from television programs to illustrate its points without clearing rights to them.\footnote{Id. at 625.} The video clips were generally a few seconds to thirty seconds long.\footnote{Id.} The trial court concluded that the plaintiffs had shown a likelihood of success on the merits because of the commerciality of Passport’s project, the creativity of the plaintiff’s works, and the frequency with which clips permeated the documentary,

\[\text{\footnote{Id. The court cited to Campbell’s note 10 because an injunction would, on balance, cause irreparable harm to the defendant, whereas plaintiff could be fully compensated with monetary damages. Id. at 141 n.13.}}\]
often showing the “heart” of the works.216 Hence, the trial court preliminarily enjoined distribution of the documentary.217

Although the Ninth Circuit viewed Passport Video as a close case, a panel majority ruled that the trial court had not abused its discretion in rejecting Passport’s fair use defense and granting a preliminary injunction.218 The panel was unconvinced by Passport’s argument that the First Amendment was a separate basis for withholding preliminary injunctions in close fair use cases.219 It quickly disposed of that argument by saying that any First Amendment concerns had been subsumed by the fair use analysis.220

Judge Noonan’s dissent chastised the trial court for its “demonstrably wrong” analysis of Passport’s fair use defense as well as for its inattention to the public interest and balance of hardship factors.221 Because the case involved “the biography of a man with an immense following,” Judge Noonan thought that the trial court should have “keep[pt] in mind that injunctions are a device of equity and are to be used equitably, and that a court suppressing speech must be aware that it is trenching on a zone made sacred by the First Amendment.”222 The Noonan dissent did not invoke Campbell’s note 10 as a basis for withholding injunctive relief, relying instead on the Ninth Circuit’s earlier endorsement of a compensatory remedy in Abend.223

216. Id. at 625-30.
217. Id. at 626.
218. Id. at 628-31. The majority mentioned Campbell in relation to the significance of transformativeness in fair use cases, but not in relation to injunctions. Id. at 628. The Ninth Circuit later “proclaim[ed] that the ‘King’ is dead, referring to Elvis Presley the case—to the extent it supported the use of a presumption of irreparable harm in issuing injunctive relief.” Flexible Lifeline Sys., Inc. v. Precision Lift, Inc., 654 F.3d 989, 995 (9th Cir. 2011).
219. Passport Video, 349 F.3d at 626.
220. Id.
221. Id. at 631-34 (Noonan, J., dissenting). Judge Noonan later filed an amended dissent. See Elvis Presley Enters., Inc. v. Passport Video, 357 F.3d 896, 897-99 (9th Cir. 2004).
222. Id. at 899 (citing Lemley & Volokh, supra note 18).
223. Id. at 899 (citing Abend v. MCA, Inc., 863 F.2d 1465, 1479 (9th Cir. 1988)); see supra text accompanying notes 45-60 (discussing Abend); see also Richard Feiner & Co. v. Turner Ent. Co., 98 F.3d 33, 35 n.3 (2d Cir. 1996) (suggesting that trial court should consider compensation instead of injunctive relief for Turner’s failure to get renewal license for Laurel and Hardy videos in its film, as in Abend).
C. Other Public Interest and Balance of Hardships Rationales for Withholding Injunctions Pre-eBay

Close fair use cases were not the only post-\textit{Campbell}, pre-\textit{eBay} litigations in which courts considered denying injunctive relief, despite findings of infringement, when this would be contrary to the public interest or when injunctions would have detrimental effects on third parties.

The Supreme Court itself heeded a public interest concern when considering the prospect of injunctive relief in its affirmance of a Second Circuit ruling that the \textit{New York Times} had infringed copyrights in freelancer articles by licensing their articles to online databases without getting permission in \textit{New York Times Co. v. Tasini}.\textsuperscript{224} The \textit{Times'}s main argument was that it had the right to license freelancers’ stories to online databases under the re-publication privilege established in 17 U.S.C. § 201(c).\textsuperscript{225} But it also argued that the grant of an injunction following an infringement ruling would have “devastating” consequences for preservation of the historical record of news events because the databases would have to delete the freelancers’ stories.\textsuperscript{226}

Invoking \textit{Campbell}’s note 10, the Court in \textit{Tasini} observed that “it hardly follows from today’s decision that an injunction against the inclusion of these Articles in the Databases (much less all freelance articles in any databases) must issue.”\textsuperscript{227} Because the freelancers

\textsuperscript{224} 533 U.S. 483 (2001). It was rare, but not unknown, for post-\textit{Campbell}, pre-\textit{eBay} decisions to invoke access-to-information interests when denying injunctions. See Prac. Mgmt. Info. Corp. v. Am. Med. Ass’n, 121 F.3d 516, 519 (9th Cir. 1997), \textit{as amended}, 133 F.3d 1140 (9th Cir. 1998) (citing \textit{Abend} for the proposition that trial court could order PMIC to pay reasonable royalty for use of the AMA copyrighted codes instead of granting an injunction, given that federal regulations required use of AMA codes).

\textsuperscript{225} Under § 201(c), owners of copyrights in collective works (for example, newspapers) have the right to “reprodu[ce] and distribut[e] the contribution [to a collective work] as part of that particular collective work, any revision of that collective work, and any later collective work in the same series.” 17 U.S.C. § 201(c). Because the freelancer articles were not arranged in databases as they had been in the printed newspapers, the Court held that the § 201(c) privilege did not apply. \textit{Tasini}, 533 U.S. at 504.

\textsuperscript{226} \textit{Tasini}, 533 U.S. at 504. Documentary filmmaker Ken Burns, among others, filed an amicus curiae brief in support of the \textit{Times} on this ground. \textit{Id.} at 505. Justice Stevens also expressed concern about preserving the public record of historical events. See \textit{id.} at 520 (Stevens, J., dissenting).

\textsuperscript{227} \textit{Id.} at 505 (quoting \textit{Campbell}’s note 10 for the proposition that the goals of copyright law are “not always best served by automatically granting injunctive relief”). The Court also
would have an interest in having their work kept available to the public, the Court surmised that the litigants should be able to reach an agreement retaining the articles in the databases.\footnote{228} Failing this, the lower court could decide on a compensatory remedy.\footnote{229} The Court observed that “speculation about future harms is no basis for this Court to shrink authorial rights.”\footnote{230}

*Campbell* had no influence, though, in several architectural work cases in the pre-*eBay* case law in which courts denied injunctive relief that would have stopped or required modifications of construction projects. Prior to 1990, no comparable cases existed because architectural works were ineligible for U.S. copyright protection.\footnote{231} Courts sometimes found defendants liable for infringing copyrighted architectural plans, but limited injunctive relief to ordering defendants to make no further use of infringing plans.\footnote{232} Courts could not enjoin the construction of buildings.\footnote{233}

After the passage of the Architectural Work Copyright Protection Act of 1990,\footnote{234} courts now had authorization to enjoin the construction of infringing buildings.\footnote{235} For projects that had yet to start or

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\footnote{228. See *Tasini v. N.Y. Times Co.*, 184 F. Supp. 2d 350 (S.D.N.Y. 2002) (granting the Times’s motion to dismiss because Tasini did not sign the waiver, so he lacked standing to sue).}

\footnote{229. Id. Ironically, it was the *New York Times*, not the freelancers, that proposed to delete the infringing articles from the online databases. The newspaper said it would do this unless the freelancers signed a waiver of claims against it. *See* Tasini v. N.Y. Times Co., 184 F. Supp. 2d 350 (S.D.N.Y. 2002) (granting the Times’s motion to dismiss because Tasini did not sign the waiver, so he lacked standing to sue).}

\footnote{230. *Tasini*, 533 U.S. at 505-06.}

\footnote{231. Prior to 1990, buildings were considered “useful articles” lacking aesthetic elements separable from their utilitarian aspects. *See* David E. Shipley, *The Architectural Works Copyright Protection Act at Twenty: Has Full Protection Made a Difference?*, 18 J. INTELL. PROP. L. 1, 3 (2010). Prior to enactment of the Architectural Work Copyright Protection Act of 1990 (AWCPA), some buildings could be protected by copyright law as sculptures if monumental and nonfunctional. *See* H.R. REP. NO. 101-735, at 20 n.43 (1990); *see also* Circular 41: *Copyright Registration of Architectural Works*, U.S COPYRIGHT OFF., https://www.copyright.gov/circs/circ41.pdf [https://perma.cc/6FP5-6LGJ].}

\footnote{232. See Shipley, *supra* note 231, at 3.}


\footnote{235. One early bill would have made injunctions available only when construction of the allegedly infringing building had not yet begun. H.R. 3990, 101st Cong. (1990). At a congressional hearing, some recommended that Congress not limit the availability of injunctions. *See* Architectural Design Protection: Hearing on H.R. 3998 and H.R. 3991 Before
were in early stages, courts have indeed issued injunctions to stop constructions that would infringe copyrights in the buildings’ designs. However, courts have been reluctant to enjoin projects that were quite far along or nearing completion. Sometimes this was because of the effects an injunction would have on third parties, a balance of hardships tipped in the defendants’ favor, or a public interest supporting denial of injunctive relief.

An exemplary third-party effects case was *Balsamo/Olson Group, Inc. v. Bradley Place Ltd. Partnership*. Bradley infringed Balsamo’s copyright by using the architects’ design to construct sixty units of affordable housing for senior citizens. Fifty-four units had been completed and certificates for their occupancy had been granted. Bradley did not object to being enjoined against future infringements, but opposed Balsamo’s requested injunction that would have forbidden Bradley from completing the last six units in the complex, which were more than 95 percent finished.

The court was persuaded that Balsamo had proven irreparable harm from the infringement and that the public interest favored protecting copyrighted works. Yet it recognized that the requested injunction would have adverse effects “on nonparties who have a significant interest in the completion of the low income senior housing,” including “senior citizens who have signed leases and who expect to occupy the units within a few days” as well as the interests of “institutional investors upon whose financial backs this housing program for needy senior citizens depends.” The balance

`237. 966 F. Supp. 757 (C.D. Ill. 1996); see also Flying J, Inc. v. Cent. CA Kenworth, 45 F. App’x 763, 767 (9th Cir. 2002) (denying permanent injunction against further operation of the infringing truck stop in part because of prejudice to nonparty competing franchisor).`
`239. Id. at 760.`
`240. Id. at 760. The impacts of an injunction on third parties should be considered under the public interest factor. The balance of hardships factor typically focuses on the relative impacts of an injunction on the litigants.`
`241. Id. at 763-64. The court noted that completing the units might enable Balsamo to collect damages from Bradley. Id.`
`242. Id. at 764. The court noted that completing the units might enable Balsamo to collect damages from Bradley. Id. `
of hardships consequently weighed against an injunction to stop completion of the units.243

*Trueblood v. Davis* was an architectural work infringement case from this period in which the court denied an injunction that would have required the defendant to modify the design of a house under construction so that it would not infringe.244 Trueblood contracted with the Raper family to design a distinctive house, granting them the exclusive right to control construction of houses of that design within a one-hundred-mile radius to ensure the uniqueness of their home.245 The Davis family managed to obtain a copy of the Raper floor plans which the Davises used to construct a nearly identical home within the one-hundred-mile zone.246 Both Trueblood and the Rapers sued the Davises for infringement.247

The main question in *Trueblood* was what, if any, injunctive relief to order.248 The plaintiffs recognized that it would be unreasonable to ask the court to order the Davis house to be destroyed, but they wanted the court to order the Davises to modify the design of their nearly completed home so that it would no longer infringe.249 Because the requested modifications would cost $298,000, the court concluded this hardship to the Davises outweighed the irreparable injury to the Rapers of lost uniqueness.250

More mixed was the outcome of an architecture infringement lawsuit in *Palmetto Builders & Designers, Inc. v. Unireal, Inc.*251 Palmetto owned exclusive rights to build houses of certain

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243. *Id.* at 764-65.
244. No. 2:97-CV-125, 1997 WL 34611647, at *3-5 (M.D.N.C. June 12, 1997); *see also* Bonner v. Dawson, No. Civ.A. 502CV00065, 2003 WL 22432941, at *8 (W.D. Va. Oct. 14, 2003) (rejecting request for permanent injunction to destroy or require modifications to the infringing building, as there was an adequate remedy at law).
246. *See id.* at *2.
247. *Id.* at *1.
248. *Id.*
249. *Id.* at *4 n.3; *see 17 U.S.C. § 503(b)* (authorizing the destruction of infringing copies).
designs.\textsuperscript{252} Palmetto showed some of these designs to two prospective clients who then took Palmetto’s plans to Unireal and arranged for that firm to build houses of those designs instead of hiring Palmetto.\textsuperscript{253} Because one of the houses was nearing completion and the homeowners were getting ready to move in, the court refused to enjoin Unireal from finishing that construction project.\textsuperscript{254} However, the court enjoined it from further construction on the other infringing house until the design was modified to be non-infringing.\textsuperscript{255}

As against the homeowners whose home design infringed, the court in \textit{Palmetto} decided that “because the constructed homes constitute infringing copies of the Plaintiff’s copyrighted works, they cannot be lawfully resold without the Plaintiff’s permission.”\textsuperscript{256} The court reasoned that the right to resell one’s copy of a copyrighted work is statutorily limited to owners of “lawfully made” copies.\textsuperscript{257} The court emphasized that “[a]n infringing copy ... does not fit within the ‘first sale’ doctrine embodied in 17 U.S.C. § 109(a) and cannot be resold without the resale causing an additional act of infringement.”\textsuperscript{258} If the homeowners in \textit{Palmetto} sold their infringing houses, that would “constitute an act of infringement for which the copyright owner could bring suit.”\textsuperscript{259} The court, therefore, enjoined them from selling their home without Palmetto’s permission.\textsuperscript{260}

\begin{flushleft}
\textsuperscript{252} \textit{Id.} at 469.
\textsuperscript{253} \textit{Id.} at 470.
\textsuperscript{254} \textit{Id.} at 474.
\textsuperscript{255} \textit{Id.}
\textsuperscript{256} \textit{Id.} at 473. The owners of the home that the court ordered to be modified to avert infringement should be able to resell without Palmetto’s permission. See infra text accompanying notes 351-54 for further discussion of the resales of infringing house issue.
\textsuperscript{257} \textit{Palmetto}, 342 F. Supp. 2d at 473; see 17 U.S.C. § 109(a).
\textsuperscript{258} \textit{Palmetto}, 342 F. Supp. 2d at 473.
\textsuperscript{259} \textit{Id.} The court considered sale of an infringing house to be distribution of a copy under 17 U.S.C. § 106(3). \textit{Id.}
\textsuperscript{260} \textit{Id.} at 474. The court believed that any resale of the infringing house during the duration of the copyright term would infringe. \textit{Id.} at 473. It did not address whether purchasers of an infringing house would themselves infringe if they resold or rented that house. See \textit{id}. For an argument that such actions should not constitute infringement, see Shyamkrishna Balganesh, \textit{Copyright and Good Faith Purchasers}, 104 CALIF. L. REV. 269 (2016).
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D. Withholding Injunctions in Disputes Over License Agreements

Courts may be wary about granting an injunction when litigants have disagreements about the proper interpretation of a contract. This was tested in a lawsuit between Sun Microsystems, developer of Java technologies, and one of its licensees, Microsoft Corporation, over the latter’s failure to abide by its contractual commitment to distribute software that was compatible with the Java Native Interface (JNI). When Microsoft began distributing a “polluted” version of Java that broke Sun’s “write once, run everywhere” objective for Java technologies, Sun sued it for copyright and trademark infringement, as well as for breach of contract and unfair competition.261

Sun moved for a preliminary injunction to forbid Microsoft from distributing the incompatible version of Java in its software.262 It persuaded the district court that Microsoft’s distribution of incompatible software constituted copyright infringement.263 The court granted the injunction because Sun had shown a likelihood of success on the merits of this claim, hence it was proper to presume irreparable harm if an injunction did not issue.264 The order:

barred Microsoft from, among other things: (1) distributing any operating systems or internet browsers containing Java technology unless they supported JNI; (2) distributing any Java development tools unless they supported JNI and included a compiler with a default mode that disabled Microsoft’s incompatible modifications; (3) incorporating any additional Microsoft keyword extensions or compiler directives into its Java software development tools.265

261. Sun Microsystems, Inc. v. Microsoft Corp., 188 F.3d 1115, 1118-19 (9th Cir. 1999). In the post-\textit{eBay} period, it became more common for courts to deny injunctions in contract dispute cases. See infra Part III.D.2.

262. See Sun Microsystems, 188 F.3d at 1117.

263. See id.

264. Compare id., with Perfect 10, Inc. v. Google, Inc., 653 F.3d 976, 979-81 (9th Cir. 2011) (observing that cases such as \textit{Sun Microsystems} that relied on the presumption were effectively overruled by \textit{eBay}).

265. Sun Microsystems, 188 F.3d at 1118-19. Microsoft was also barred from conditioning its product or logo licenses on the exclusive use of either Microsoft’s Java virtual machine or Microsoft’s native code interfaces. Id. at 1119.
The Ninth Circuit vacated this injunction.266 Although agreeing with the district court that Sun was likely to succeed on the merits of its claim that Microsoft had not abided by the license’s compatibility requirements, the appellate court was not persuaded that these commitments were conditions of the license, breach of which constituted copyright infringement, rather than, as Microsoft insisted, a breach of license covenants.267 Because the district court had not addressed this issue when granting the preliminary injunction, the Ninth Circuit remanded for reconsideration of the preliminary injunction motion.268

On remand, the district court ruled that the compatibility provisions of Sun’s license with Microsoft were indeed covenants, the breach of which did not support Sun’s copyright claim; consequently, it denied Sun’s motion for reissuance of the preliminary injunction.269 However, that court later reissued a preliminary injunction against Microsoft’s distribution of Java-incompatible software under California unfair competition law.270

III. THE IMPACTS OF eBay ON INJUNCTIONS IN COPYRIGHT CASES

The Supreme Court’s statements in Campbell and Tasini that injunctions need not always issue in copyright infringement cases went “largely unheeded” until eBay “elevated the discussion from dicta and footnotes and incidental commentary, to full text and center stage.”271 eBay was, of course, a patent, not a copyright case.272 Yet, in eBay the Court relied on three of its copyright cases—Dun, Campbell, and Tasini—in support of its ruling that courts should exercise discretion in considering whether to issue injunctions in patent infringement cases.273 From this, it should

266. Id. at 1123.
267. Id. at 1121-22.
268. Id. at 1123-24.
272. eBay was also a permanent, not a preliminary, injunction case; this caused some courts to think it inapplicable to copyright preliminary injunctions. See infra note 308.
273. The Court’s invocation of copyright precedents in eBay on the discretionary nature of
have been obvious that the Justices thought the *eBay* standard should apply in both types of IP cases.

Notwithstanding the Court’s reliance on these copyright precedents, courts in copyright cases largely ignored *eBay* for the first several years after that decision.\(^\text{274}\) Over time, however, all but one of the circuit courts have recognized that the old precept that courts should presume irreparable harm based on proof of a likelihood or actuality of copyright infringement was no longer sound law, and district courts now generally heed this proscription.\(^\text{275}\)

Although post-*eBay* courts generally issue permanent injunctions in simple piracy cases,\(^\text{276}\) *eBay* has reinforced judicial discretion to withhold injunctions in appropriate cases. If plaintiffs fail to offer proof of irreparable harm, this is now likely to result in a denial of injunctive relief. Courts in the post-*eBay* period have also become more comfortable withholding injunctions when persuaded that damage awards would be an adequate remedy. Consideration of hardships to defendants or third parties and the impact of an injunction on the public interest are also more common after *eBay*. Courts are much less likely to grant injunctions when the irreparable harms that copyright claimants seek to prevent pertain to non-copyright interests, such as the protection of the plaintiff’s privacy.

Of course, as in the pre-*Campbell* and *Campbell-to-eBay* periods, courts in the post-*eBay* period have often relied upon conventional rationales for denying injunctive relief, as when there was a low

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\(^{274}\) Liu, *supra* note 7, at 218; Phillips, *supra* note 7, at 407; see also Christina Bohannan, *Copyright Harm and Injunctions*, 30 CARDOZO ARTS & ENT. L.J. 11, 17 (2012). There were, however, some exceptions. See Christopher Phelps & Assocs., LLC v. Galloway, 492 F.3d 532, 543 (4th Cir. 2007) (following *eBay* in denying permanent injunction in architectural work case); Magna-Rx, Inc. v. Holley, No. CV 05-3545-PHX, 2008 WL 5068977, at *4 (D. Ariz. Nov. 25, 2008) (following *eBay*, denying plaintiff’s request for permanent injunction in default judgment copyright case); *infra* text accompanying notes 345-56 (discussing *Galloway*).

\(^{275}\) See, e.g., Salinger v. Colting, 607 F.3d 68, 75-76 (2d Cir. 2010) (vacating preliminary injunction because trial court failed to consider *eBay* factors and presumed irreparable harm from likely success on the merits). For further discussion of *Colting*, see *infra* Part III.B.

\(^{276}\) See *infra* Part III.E; see also 4 NIMMER & NIMMER, *supra* note 8, § 14.06[B][1][c][ii].
likelihood of success on the merits,\textsuperscript{277} or of future infringements,\textsuperscript{278} when plaintiffs unduly delayed seeking relief,\textsuperscript{279} and sometimes a combination of these factors.\textsuperscript{280}

A. eBay v. MercExchange

MercExchange sued eBay for infringing its patent on an electronic market system to facilitate sales of goods between private individuals through a central authority capable of securing the transactions.\textsuperscript{281} A jury found the patent valid and infringed.\textsuperscript{282} However, a district court denied MercExchange’s request for a permanent injunction that would have shut down eBay’s auction service.\textsuperscript{283} Because MercExchange was a nonpracticing entity whose business consisted of licensing patents, the district court thought damages would be an adequate remedy.\textsuperscript{284} The Court of Appeals for the Federal Circuit reversed, citing its general rule that injunctions should issue upon a finding of patent infringement absent exceptional circumstances for which eBay didn’t qualify.\textsuperscript{285}


\textsuperscript{278} See infra note 332 (listing citations to several such cases).


\textsuperscript{282} Id.

\textsuperscript{283} Id.


The Supreme Court’s *eBay* decision rejected the Federal Circuit’s “categorical rule” that injunctions should virtually always issue after a finding of patent infringement as well as the district court’s “categorical rule” that injunctions should not issue against non-practicing entities whose business consisted of licensing patents. The Court endorsed the general principle that granting injunctive relief is always subject to equitable discretion. *eBay* characterized the statutory “right to exclude” as being “distinct” from whether the plaintiff had a “right” to an injunctive remedy. Citing to some of its non-IP precedents, the Court ruled that to get an injunction, a plaintiff must always prove:

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.

The Court asserted that “[t]hese familiar principles apply with equal force to disputes arising under the Patent Act.” Because

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286. See *eBay*, 547 U.S. at 393. Christopher Seaman’s empirical study of the post-*eBay* case law shows that courts rarely issue injunctions in nonpracticing entity patent infringement cases. See Seaman, supra note 1, at 1987-88.

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

288. Id. at 392. Under this view, violation of an exclusive IP right does not, by itself, cause irreparable harm. For a discussion of differing conceptions of exclusive rights as they bear on the availability of injunctive relief, see Balganesh, supra note 20, at 602-06.

289. *eBay*, 547 U.S. at 391 (citing Amoco Prod. Co. v. Vill. of Gambell, 480 U.S. 531, 541-44 (1987) (error to presume irreparable harm in environmental protection case; discussing equitable considerations that should inform the exercise of discretion in deciding whether to issue preliminary injunctions); Weinberger v. Romero-Barcelo, 456 U.S. 305, 311-13 (1982) (concluding that Congress did not intend to limit the exercise of equitable discretion in granting injunctions when enacting water pollution laws)).

290. *eBay*, 547 U.S. at 391. Although *eBay* directed courts to find whether the plaintiff “has suffered” an irreparable injury, *id.*, the Court subsequently clarified that the focus should be on whether the plaintiff “is likely to suffer” irreparable harm in the absence of an injunction. See Winter v. Nat. Res. Def. Council, Inc., 555 U.S. 7, 20 (2008).

291. *eBay*, 547 U.S. at 391. Remedies scholar Douglas Laycock has criticized *eBay*’s four-factor test for the issuance of permanent injunctions as having been adapted from a common test for preliminary injunctive relief, saying that this test “make[s] no sense as applied to permanent injunctions.” LAYCOCK, supra note 2, at 426.
that statute provides that courts “may” issue injunctions, the Court inferred that Congress must have intended for these principles to apply in patent cases, as the Court had previously recognized in *Dun*, *Campbell*, and *Tasini* in respect of copyright infringements.

Justice Kennedy’s concurring opinion observed that some patent owners whose business models are based on licensing, not the production and sale of goods or services, had used the threat of an injunction “and the potentially serious sanctions arising from its violation ... as a bargaining tool to charge exorbitant fees” for use of their patent rights. Because patents often cover small components of larger products, the threat of injunctive relief against manufacture of the infringer’s whole product gave patentees “undue leverage in negotiations,” when the public interest might be better served by a damage award. Other considerations bearing on the exercise of equitable discretion, Justice Kennedy said, were the “potential vagueness” of the IP right and the “suspect validity” of such rights.

In two of its subsequent decisions, the Court reinforced *eBay’s* emphasis on the exercise of equitable discretion when considering injunctive relief. The first and most significant was the Court’s 2008 decision in *Winter v. Natural Resources Defense Council, Inc.* It

292. 35 U.S.C. § 283. The Court pointed to one of the Federal Circuit’s precedents recognizing that grants of injunctions were subject to equitable discretion. *eBay*, 547 U.S. at 394 (citing Roche Prods., Inc v. Bolar Pharm. Co., 733 F.2d 858, 865 (Fed. Cir. 1984)). The Roberts concurrence observed that injunctions had issued in the vast majority of patent infringement cases and this page of history should be respected. *Id.* at 394-95 (Roberts, C.J., concurring). Justices Scalia and Ginsburg joined this concurrence.

293. *See supra* text accompanying notes 36-40.

294. *See supra* text accompanying notes 166-85.


296. *eBay*, 547 U.S. at 395-96 (Kennedy, J., concurring). Justices Stevens, Souter and Breyer joined this concurrence. *Abend* presented a comparable scenario in the copyright context. *See supra* text accompanying notes 45-60.

297. *eBay*, 547 U.S. at 396 (Kennedy, J., concurring). The small-part-of-a-complex-product issue has arisen in cases such as *Belushi* and *Tasini*. *See supra* text accompanying notes 41-44, 224-30.

298. *eBay*, 547 U.S. at 397 (Kennedy, J., concurring). The scope of copyrights is often vaguer than the scope of patents. Although the invalidity of rights is less an issue in copyright than in patent cases, some copyrights have such a thin scope that courts should decline to grant an injunction, as in *Dun v. Lumberman’s Credit Ass’n*. *See 209 U.S.* 20, 23-24 (1908).

299. 555 U.S. 7, 20, 24 (2008). In *Winter*, the Court made clear that equitable considerations affect grants of preliminary as well as permanent injunctions. *Id.* at 32 (“The
articulated a four-factor test for deciding whether to grant preliminary injunctions under which the plaintiff must show (1) a likelihood of success on the merits, (2) a likelihood of irreparable harm in the absence of an injunction, (3) a balance of equities tipping in its favor, and (4) the public interest not being disserved by an injunction.\(^{300}\) Winter characterized injunctive relief as an “extraordinary remedy.”\(^{301}\) It criticized lower courts for holding that irreparable harm need merely be a “possibility” when there was a strong likelihood of success on the merits; Winter says that irreparable harm must be “likely.”\(^{302}\)

Moreover, even when harm is irreparable, Winter said that the balance of hardships and the public interest factors might outweigh that harm, for injunctive relief is “an extraordinary remedy never awarded as of right.”\(^{303}\) The Court vacated a lower court’s injunction against the Navy’s use of sonar technology because it had failed to consider the balance of equities and public interest factors.\(^{304}\) The Court thought those factors tipped in favor of the Navy, even if National Resource Defense Council (NRDC) had shown a

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\(^{300}\) Winter, 555 U.S. at 20. Unlike eBay, Winter did not treat the (in)adequacy of legal remedies as a separate factor. By stating that preliminary injunctions should only issue if plaintiffs have proven likely success on the merits, id., Winter cast doubt about whether courts can issue preliminary injunctions when there is a serious question going to the merits and a balance of equities that tips toward the plaintiff. Cf. Real Truth About Obama, Inc. v. Fed. Election Comm’n, 575 F.3d 342, 345-46 (4th Cir. 2009), vacated on other grounds, 559 U.S. 1089 (2010) (likelihood of success on the merits necessary); Salinger v. Colting, 607 F.3d 68, 79 (2d Cir. 2010) (accepting a serious question going to the merits as an alternative basis for a preliminary injunction). Justice Ginsburg’s dissent in Winter did not perceive the majority as having rejected the sliding-scale standard used in several circuits. 555 U.S. at 51 (Ginsburg, J., dissenting).

\(^{301}\) Winter, 555 U.S. at 24 (majority opinion).

\(^{302}\) Id. at 21-22.

\(^{303}\) Id. at 24.

\(^{304}\) Id. at 32-33.
strong likelihood that the Navy had violated U.S. environmental laws.\textsuperscript{305}

Another of the Court’s significant post-	extit{eBay} remedy-related decisions was 	extit{Petrella v. Metro-Goldwyn-Mayer, Inc.}, in which the Court ruled that a long delay (in that case, eighteen years) in bringing a lawsuit was not a complete defense to copyright infringement claims.\textsuperscript{306} That delay could, however, be considered when deliberating about whether to issue an injunction.\textsuperscript{307}

\textbf{B. The Slow Demise of the Presumption of Irreparable Harm}

In the first few years after \textit{eBay} and \textit{Winter}, courts in copyright cases seem to have paid little attention to \textit{eBay}, and some questioned whether \textit{eBay}'s four-factor test should be applied in copyright cases.\textsuperscript{308} An empirical study of the post-\textit{eBay} case law published in 2012 reported that a large percentage of copyright infringement cases decided in the first three years after the \textit{eBay} decision ignored
eBay altogether. The study reported that only 11 percent cited eBay at all, and those that did generally applied its factors “in a very cursory and mechanical way.” As will become clear in Sections C and D, courts have taken eBay much more seriously in the past decade.

By ignoring or narrowly construing eBay and Winter, courts in the early years continued to presume irreparable harm whenever copyright plaintiffs had shown a likelihood or actuality of success on the merits. Consider the 2009 district court ruling in Salinger v. Colting, which preliminarily enjoined publication of Colting’s book imagining Salinger’s fictional character, Holden Caulfield, from Catcher in the Rye as an old man. That court relied on Second Circuit precedents that presumed irreparable harm when a plaintiff was likely to succeed on the merits. Colting argued that the presumption was no longer sound law after eBay and that all four

309. Liu, supra note 7, at 218. Liu reported that of the 506 copyright injunction cases in his sample, only 11 percent cited to eBay. Id. at 228. But see Sag & Samuelson, supra note 1, at 19-21 (showing that eBay was cited more frequently in the first few years of copyright injunction cases than Liu reported).

310. Liu, supra note 7, at 228.

311. Id. at 218. More than forty commentaries have cited Liu for these propositions, often assuming his conclusions still hold. See, e.g., 3 GOLDSTEIN, supra note 15, §§ 13.1.2.2, 13.2.1 (2021) (quoting Liu article at length); Alfred C. Yen, Rethinking Copyright’s Relationship to the First Amendment, 100 B.U. L. REV. 1215, 1225 n.64 (2020) (citing Liu as showing that plaintiffs establishing copyright infringement get injunctive relief over 90 percent of time); Amy Adler & Jeanne C. Fromer, Taking Intellectual Property Into Their Own Hands, 107 CALIF. L. REV. 1215, 1225 n.6 (2020) (“That said, [successful copyright and trademark plaintiffs] generally do [get injunctive relief], and one empirical study after the Supreme Court’s 2006 decision found that courts almost never withhold injunctive relief from successful copyright plaintiffs.” (citing Liu)). But see Sag & Samuelson, supra note 1, at 19, 26-27 (showing statistically significant lower injunction grant rates in the past decade of copyright infringement cases).

312. 641 F. Supp. 2d 250, 253-54, 269 (S.D.N.Y. 2009), vacated, 607 F.3d 68 (2d Cir. 2010). In an earlier article, I argued that this presumption should not apply in transformative fair use cases. See Pamela Samuelson & Krzysztof Bebenek, Why Plaintiffs Should Have to Prove Irreparable Harm in Copyright Preliminary Injunction Cases, 6 I/S: J.L. & POL’Y FOR INFO. SOC’Y 67, 68 (2010). Some commentators assert that eBay need not be read as rejecting presumptions of irreparable harm in copyright cases. See, e.g., David McGowan, Irreparable Harm, 14 LEWIS & CLARK L. REV. 577, 580 (2010); Andrew F. Spillane, Comment, The Continuing Vitality of the Presumption of Irreparable Harm in Copyright Cases, 15 MARQ. INTELL. PROP. L. REV. 257, 260 (2011) (“Courts should graft a rebuttable presumption of irreparable harm onto the first eBay factor.”).

eBay factors should be considered, but the district court thought that eBay had no relevance in copyright cases.\textsuperscript{314}

In 2010, the Second Circuit vacated the preliminary injunction in \textit{Colting} and remanded the case for reconsideration in light of eBay and Winter.\textsuperscript{315} It stated that eBay should be understood as having repudiated the presumption of irreparable harm in copyright cases and mandated that courts must consider all four eBay factors before granting injunctive relief.\textsuperscript{316} The Colting decision found further support for these propositions in Winter, which put the burden on plaintiffs to make a showing on the four factors to support issuance of a preliminary injunction.\textsuperscript{317} The court also recognized that when defendants raised colorable fair use defenses, both the plaintiff and defendant had First Amendment interests at stake that should be considered in preliminary injunction proceedings.\textsuperscript{318}

Soon thereafter, two Ninth Circuit decisions expressed agreement with Colting that presuming irreparable harm based on a likelihood of success on the merits was inconsistent with eBay and Winter and that all four factors must be addressed. The first was Perfect 10, Inc. v. Google, Inc., which affirmed denial of a preliminary injunction against Google for displaying and allowing display of thumbnail versions of Perfect 10’s photographs.\textsuperscript{319} Invoking eBay and Winter, the Ninth Circuit rejected Perfect 10’s argument that a court must

\textsuperscript{314} Salinger v. Colting, 607 F.3d 68, 74 (2d Cir. 2010).
\textsuperscript{315} Id. at 79.
\textsuperscript{316} Id. at 77-83. The Second Circuit did not question the district court’s conclusion that Salinger was likely to prevail on the merits. Id. at 83.
\textsuperscript{317} Id. at 78 (citing Winter v. Nat. Res. Def. Council, Inc., 555 U.S. 7 (2000)).
\textsuperscript{318} Id. at 81. Colting cited approvingly to Lemley & Volokh, supra note 18, at 199-202, which characterized preliminary injunctions in plausible copyright fair use cases as prior restraints on speech. 607 F.3d at 76, 80-81. For commentary praising Colting for its greater attention to freedom of expression values in copyright cases, see, e.g., Kathleen K. Olson, Injunctions and the Public Interest in Fair Use Cases After eBay, 17 COMM’N L. & POL’Y 235, 236 (2012) (praising Colting for “put[ting] an end to the traditional practice of near-automatic grants of injunctive relief” and “offer[ing] courts the opportunity to rectify the existing imbalance between copyright plaintiffs and defendants with credible fair use claims and restor[ing] the public interest as an integral factor in granting injunctive relief”); Bohannan, supra note 274, at 17-18 (emphasizing the free expression interests at stake and praising eBay and Colting for requiring proof of irreparable harm instead of presuming it in copyright cases). But see Andrew Gilden, Copyright Essentialism and the Performativity of Remedies, 54 WM. & MARY L. REV. 1123, 1130-31 (2013) (“The court’s rhetoric expresses sensitivity toward free speech interests ... but the decision itself does little to dislodge the permissions-based norms that prompted remedy reforms in the first place.”).
\textsuperscript{319} 653 F.3d 976, 977-78 (9th Cir. 2011).
presume, when there is a likelihood of success on the merits, that plaintiff will suffer irreparable harm should injunctive relief be withheld.\textsuperscript{320} It concluded that the circuit’s longstanding rule for a presumption was “effectively overruled” by the Supreme Court’s decision in \textit{eBay}.\textsuperscript{321} Perfect 10 proffered evidence that it was in financial jeopardy, surely a type of irreparable harm, but it had not shown that Google’s acts had caused that harm or that an injunction would mitigate it, so the court concluded that Perfect 10 had presented insufficient evidence of irreparable harm caused by the claimed infringement to justify issuance of an injunction.\textsuperscript{322}

A week later, another Ninth Circuit panel also disavowed the irreparable harm presumption in \textit{Flexible Lifeline Systems, Inc. v. Precision Lift, Inc.}\textsuperscript{323} It reversed a district court’s grant of a preliminary injunction prohibiting Precision from using Flexible’s copyrighted technical drawings for aircraft or vehicle maintenance stands and platforms because the court had presumed irreparable harm instead of requiring Flexible to prove it.\textsuperscript{324} The Ninth Circuit rejected Flexible’s argument that the presumption survived \textit{eBay} and \textit{Winter} with respect to copyright infringement claims and ruled that the Supreme Court decisions had made the presumption impermissible.\textsuperscript{325} The court directed the district court to address all four factors before issuing an injunction.\textsuperscript{326}

The Second and the Ninth Circuits were not the first appellate courts to reject the presumption of irreparable harm in copyright cases or to embrace full consideration of the \textit{eBay} factors. The Fourth Circuit had done so in 2007 and the First and Eleventh Circuits in 2008.\textsuperscript{327} Yet because the Second and Ninth Circuits have

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\item \textsuperscript{320} \textit{Id.} at 979-81. The Ninth Circuit acknowledged that many of its prior decisions had endorsed a presumption of irreparable harm from a showing of likely success on the merits of copyright infringement claims. \textit{Id.} at 979.
\item \textsuperscript{321} \textit{Id.} at 981 (quoting Miller v. Gammie, 335 F.3d 889, 893 (9th Cir. 2003) (en banc)).
\item \textsuperscript{322} \textit{Id.} at 981-82; see also Sony Comput. Ent., Inc. v. Connectix Corp., 203 F.3d 596, 608 n.11 (9th Cir. 2000) (reversing grant of preliminary injunction because alleged infringement played minimal role in developing emulation platform and damages would be adequate).
\item \textsuperscript{323} 654 F.3d 989, 1000 (9th Cir. 2011) (per curiam).
\item \textsuperscript{324} \textit{Id.} at 991, 993, 1000.
\item \textsuperscript{325} \textit{Id.} at 995-98. The court also relied on the Second Circuit’s \textit{Colting} decision. See \textit{id.} at 998-99.
\item \textsuperscript{326} \textit{Id.} at 1000.
\item \textsuperscript{327} The first was \textit{Christopher Phelps & Assocs., LLC v. Galloway}, 492 F.3d 532, 543 (4th Cir. 2007). The second and third were \textit{CoxCom, Inc. v. Chaffee}, 536 F.3d 101, 111-12 (1st Cir. 2008). The Fourth Circuit had done so in 2007 and the First and Eleventh Circuits in 2008.\textsuperscript{327} Yet because the Second and Ninth Circuits have

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long been the leading appellate courts in copyright cases and the Colting and Flexible Lifeline Systems decisions were especially well-reasoned, other circuits have relied upon them when newly considering the impact of eBay on the availability of injunctive relief in copyright cases. The Third Circuit was the most recent to join this chorus. Only the Sixth Circuit still presumes irreparable harm in copyright infringement cases.

In view of the now-considerable consensus about eBay's implications for injunctions in copyright cases and its abrogation of presumptions of irreparable harm, courts have been much more receptive to defense arguments that plaintiffs have failed to satisfy the eBay and Winter standards for issuance of injunctions in the past decade, as numerous cases below illustrate.

C. Post-eBay Cases Denying Permanent Injunctions Despite Infringement

Although most post-eBay decisions addressing the proper eBay and Winter injunctive relief tests have involved requests for

2008), and Peter Letterese & Assocs., Inc. v. World Inst. of Scientology Enters., Int'l, 533 F.3d 1287, 1323 (11th Cir. 2008). See infra text accompanying notes 345-56 (discussing Galloway).

328. See, e.g., Gergen et al., supra note 1, at 218 n.74 (noting that Second and Ninth Circuits are leading jurisdictions in copyright cases). As of August 29, 2021, the Colting decision had been cited 601 times (at least once in every circuit except the D.C. Circuit), Citing References, THOMSON REUTERS WESTLAW, (search “607 F.3d 68;” then select “citing references” hyperlink; then filter by “cases” and “jurisdiction”), 406 times for its repudiation of the presumption of irreparable harm, Citing References, THOMSON REUTERS WESTLAW, (search “607 F.3d 68;” then select “citing references” hyperlink; then filter by “cases” and “headnote topic 99k1139(2) k”), and 457 times for the four-factor test, Citing References, THOMSON REUTERS WESTLAW, (search “607 F.3d 68;” then select “citing references” hyperlink; then filter by “cases” and “headnote topic 99k1127(2) k”); Flexible Lifeline Systems had been cited 282 times in all but the D.C. Circuit, Citing References, THOMSON REUTERS WESTLAW, (search “654 F.3d 989;” then select “citing references” hyperlink; then filter by “cases” and “jurisdiction”).

329. See, e.g., Flava Works, Inc. v. Gunter, 689 F.3d 754, 755 (7th Cir. 2012) (vacating preliminary injunction because lower court presumed irreparable harm; post-eBay, a court must consider all factors).


331. See Enchant Christmas Light Maze & Mkt. Ltd. v. Glowco, LLC, 958 F.3d 532, 536 n.1 (6th Cir. 2020) (acknowledging that the irreparable harm presumption was on its “last legs”). Although declining to repudiate the presumption, the Sixth Circuit stressed the extraordinary nature of the injunction remedy and the “clear showing” that the movant must make to qualify for this remedy. Id. at 539.
preliminary injunctions, some, like eBay, have involved motions for permanent injunctions. Actual success on the merits no longer guarantees that plaintiffs can obtain permanent injunctions.332 A failure to prove irreparable harm or adequacy of compensatory relief, a balance of hardships tipping toward defendants, and the public interest have been given serious consideration in several post-eBay copyright infringement decisions.

1. Failure to Prove Irreparable Harm and Inadequacy of Legal Remedies

Even though a jury found that Robin Thicke and Pharrell Williams’s song “Blurred Lines” infringed copyright in Marvin Gaye’s “Got to Give It Up,” a district court denied the Gaye heirs’ motion for a permanent injunction in Williams v. Bridgeport Music, Inc. for failing to prove irreparable harm and inadequacy of legal remedies.333 Invoking the Ninth Circuit’s Perfect 10 decision for the proposition that injunctions are “extraordinary and drastic” and “never awarded as of right,” the trial court dutifully reviewed eBay’s four factors.334 Gaye’s heirs contended that they were suffering irreparable harm because of the infringement, but the court concluded that they failed to offer proof of such harm, as eBay required.335 Although the prospect of future infringement was certain unless an injunction issued, the court decided that awarding

332. See, e.g., Berry v. Dillon, 291 F. App’x 792, 794-96 (9th Cir. 2008) (holding permanent injunction unnecessary because there was no risk of continued violations; defendants reasonably believed their use of plaintiff’s freight control system software was non-infringing); Getty Images (US), Inc. v. Microsoft Corp., 61 F. Supp. 3d 296, 296-97 (S.D.N.Y. 2014) (denying injunction because Microsoft voluntarily withdrew widget after Getty complained that it caused infringement); Vargas v. Viacom Int’l, Inc., 366 F. Supp. 3d 578, 582-84 (S.D.N.Y. 2019) (denying preliminary injunction because defendant had stopped making infringing video available and tried to stop third parties from doing the same, so there was no prospect of future irreparable harm).


334. Id. at *122 (quoting Perfect10, Inc. v Google, Inc., 653 F.3d 976, 980 (9th Cir. 2011)).

335. Id. at *125-27; see also Greg Young Publ’g, Inc. v. Zazzle, Inc., No. 2:16-cv-04587 (KSx), 2020 WL 3871451, at *2-6 (C.D. Cal. July 9, 2020) (denying permanent injunction even though jury found website’s hosting of infringing photos was willful because plaintiff’s claims of irreparable harm were unconvincing and defendant could answer in damages).
an ongoing 50 percent royalty would sufficiently compensate the Gaye heirs for future infringement harms.\textsuperscript{336}

Williams and Thicke argued that the public interest would be served by withholding injunctive relief because the public loved their song and there was considerable creativity in the song beyond the infringing part.\textsuperscript{337} Although the court accepted that these considerations had a bearing on the public interest, it concluded that the public interest factor slightly favored the Gaye heirs because enforcing copyrights serves the public interest.\textsuperscript{338} Yet, because the Gaye heirs had failed to prove irreparable harm and had an adequate remedy at law, the court denied the requested injunction.\textsuperscript{339}

Adequacy of compensatory relief explained another post-\textit{eBay} decision, \textit{Mon Cheri Bridals, Inc. v. Wu}, in which a court denied a permanent injunction despite a finding of infringement.\textsuperscript{340} Wu made and sold wedding dresses, some of which infringed lace patterns in which Mon Cheri owned copyrights.\textsuperscript{341} Mon Cheri asked the court to issue an injunction against further infringements; it also wanted the infringing dresses in Wu’s possession or under his control impounded.\textsuperscript{342} The court rejected both requests, regarding the jury award of $324,000 as having provided Mon Cheri with a meaningful remedy for the infringement.\textsuperscript{343} Another consideration was the impossibility of enjoining the sale of the infringing parts of the dresses without also enjoining the non-infringing parts.\textsuperscript{344}

2. Balance of Hardships Tipping to Defendants

The balance-of-hardships factor played a key role in denial of a permanent injunction in \textit{Christopher Phelps & Associates, LLC v.}
When Phelps sued Galloway for infringing his architectural design, Galloway’s house was only half finished. Phelps initially sought a preliminary injunction to stop further construction of the infringing house or to require Galloway to modify the design to avoid infringement, but the trial court denied both requests. After winning a jury verdict in its favor, Phelps sought a permanent injunction against the lease or sale of the infringing house, inspired perhaps by the pre-ebay Palmetto decision, but the district court also denied this motion.

On appeal, Phelps argued that he was entitled to a permanent injunction because Galloway had so clearly infringed. The Fourth Circuit concluded that ebay foreclosed this argument. As for Phelps’s request to enjoin Galloway from selling or leasing the infringing house, the court characterized the requested injunction as “overbroad, as it would encumber a great deal of property unrelated to the infringement,” such as the land on which the house sat, “the swimming pool, the fence, and other non-infringing features.” In addition, the house had “a predominantly functional character,” beyond the design features protected by copyright.

While agreeing with Phelps that Galloway would inevitably sell or otherwise transfer the house before the copyright expired, the court was unpersuaded that a transfer would infringe. Enjoining the resale or lease of the house, the court declared, would “take on a fundamentally punitive character” and “impose a draconian

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345. 492 F.3d 532, 544 (4th Cir. 2007). After seeing a Phelps-designed house, Galloway contacted the builder to get a copy of the plans and acted as his own general contractor to build it. Id. at 535-36. Phelps found out about the infringement because some subcontractors contacted him for clarification about construction details. Id.
346. Id. at 536.
347. Id. at 542-43. The trial court concluded that “there [was] no likelihood that completion of the house [would] result in further infringement.” Id. at 542.
348. Id. at 537; see supra text accompanying notes 251-60 (discussing Palmetto).
349. Galloway, 492 F.3d at 537.
350. Id. at 543. However, the Fourth Circuit remanded the case for consideration of Phelps’s request for an injunction requiring Galloway to return the infringing plans to Phelps or to destroy them. Id. at 546-47.
351. Id. at 545.
352. Id. at 544.
353. Id. (opining that resale of an infringing house is not a distribution of a copy within the meaning of 17 U.S.C. § 106 (citing 1 PATRY, supra note 21, § 3.111)); see supra text accompanying notes 256-60 (discussing Palmetto court’s conclusion that resale or lease of an infringing house would violate an exclusive right under copyright law).
burden on Galloway, effectively creating a *lis pendens* on the house and subjecting him to contempt proceedings simply for selling his own property.”

The court concluded that the balance of hardships did not support issuance of the requested injunction. Besides, the $20,000 actual damage award had “fully and adequately compensated [Phelps] for the copying and use of its design as manifested in the single Galloway house.”

3. Public Interest Considerations

Phelps was not the only copyright owner whose effort to permanently enjoin an infringer smacked of vindictiveness. In *TD Bank N.A. v. Hill*, the public interest factor loomed large in the Third Circuit’s decision to reverse a permanent injunction in a “bitter feud” between a bank and its “rock star” former CEO. Years before, Hill had prepared a book manuscript about his business philosophy and experience whose copyright he assigned to the bank. After starting another bank, Hill wrote *FANS! Not Customers: How to Create Growth Companies in a No-Growth World*, which included substantial portions of the unpublished manuscript; Hill made the book available through numerous online booksellers and publicized it through mass media.

When TD Bank found out about the new book, it registered its copyright claim in the manuscript, sent takedown notices to twenty

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354. *Galloway*, 492 F.3d at 544-45 (“Congress manifested an expectation that injunctions will not be routinely issued against substantially completed houses whose designs violated architectural copyrights.”).

355. *Id.* at 544-46.

356. *Id.* at 544. Strangely enough, the Fourth Circuit stated that Phelps had shown an inadequate remedy at law and shown irreparable harm. *Id.* I disagree with both conclusions. Phelps offered no evidence of irreparable harm from the infringement, and it is inconsistent with *eBay* to conclude that violating an exclusive right is, of itself, irreparable injury. There was, moreover, no likelihood of future infringement by this defendant. *See id.* at 546. Money damages sufficed.

357. 928 F.3d 259, 265-66, 284-86 (3d Cir. 2019). Hill was a founder and past CEO of a bank that merged with TD Bank. *Id.* at 266-67. For the sake of simplicity, I refer here to the two banks as one entity.

358. The bank had originally planned to publish the book with Penguin Books, but changed its mind after it and Hill had a falling-out. *Id.*

359. *Id.* Hill copied 16 percent of the manuscript in the new book. *Id.* at 267.
retailers, and filed a copyright complaint against Hill. The trial court granted TD Bank’s summary judgment motion on the copyright claim, but initially declined to issue an injunction because TD Bank failed to show a likelihood of continued infringement. However, after Hill recommenced promotion of FANS!, TD Bank moved for a permanent injunction, which the trial court granted, concluding that TD Bank had been irreparably injured by being deprived of its right to withhold the unpublished work from the public.

The Third Circuit acknowledged that before eBay, it would have been appropriate to presume irreparable harm once infringement had been found. However, after eBay, the Third Circuit concluded that this presumption was no longer sound law: “[When] considering the propriety of a copyright injunction [courts] should no longer place a ‘thumb on the scales’ in favor of injunctive relief and inquire merely whether ‘there is good reason why an injunction should not issue.’”

The Third Circuit was unpersuaded by the lower court’s theory of irreparable harm. The bank was, in its view, pursuing an injunction “not to safeguard the commercial marketability” of the unpublished manuscript, “but merely to suppress unwelcome speech.” Because TD Bank had no intention of publishing the manuscript, it had suffered no harm from the infringement. An adequate remedy at law could be had through a reasonable royalty award or a share of Hill’s profits from sales of FANS!

Although the Third Circuit thought that the balance of equities favored neither party, it decided that the public interest factor weighed heavily against upholding the injunction. Hill had a story...
to tell, said the court, and people wanted to hear it.\textsuperscript{372} Hill should not have to risk being found in contempt by sounding too much like himself when rewriting the infringing parts.\textsuperscript{373}

The public’s interest in access to infringing copies weighed heavily in the Second Circuit’s decision in \textit{Cariou v. Prince}.\textsuperscript{374} The district court found that Richard Prince had infringed copyrights in thirty of Patrick Cariou’s photographs by incorporating them in his appropriation artworks.\textsuperscript{375} It permanently enjoined further infringement and ordered the infringing works still in the defendant’s possession to be impounded and destroyed.\textsuperscript{376} The Second Circuit concluded that Prince’s fair use defense should prevail as to twenty-five of the thirty works in question and remanded the case for further proceedings as to the other five works.\textsuperscript{377} However, the court directed that

[j]n the event that Prince and Gagosian are ultimately held liable for copyright infringement, and in light of all parties’ agreement at oral argument that the destruction of Prince’s artwork would be improper and against the public interest, a

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\textsuperscript{373}TD Bank, 928 F.3d at 285.

\textsuperscript{374}Id. at 285.

\textsuperscript{375}Cariou v. Prince, 784 F. Supp. 2d 337, 354 (S.D.N.Y. 2011) (rejecting Prince’s fair use defense), \textit{rev’d in part and vacated in part}, 714 F.3d at 694. The trial court also found Gagosian Gallery liable for vicarious and contributory infringement because it had publicly displayed the infringing paintings and prepared an exhibition catalog with reproductions of Prince’s works. \textit{Id.} at 354-55.

\textsuperscript{376} \textit{Id.} at 355-56.

\textsuperscript{377}Cariou, 714 F.3d at 712.
\end{footnotesize}
position with which we agree, the district court should revisit what injunctive relief, if any, is appropriate.378

4. Administrability Considerations

Difficulties in fashioning appropriate relief help to explain yet another decision denying injunctive relief, despite a finding of indirect copyright infringement, in BMG Rights Management (US) LLC v. Cox Communications, Inc.379 Cox, an internet access provider, ignored hundreds of thousands of robotic notices sent by BMG informing Cox that particular customers were infringing music copyrights by peer-to-peer filesharing.380 BMG wanted Cox to send infringement notices to those customers with BMG’s offer to settle the music copyright claims.381 When Cox refused, BMG sued it for indirect infringement.382 A jury returned a verdict in BMG’s favor and awarded it a substantial sum.383 BMG also sought a permanent injunction directing Cox to refrain from contributing to further infringements by its users.384 The court denied the requested injunction as overbroad, vague, and unduly intrusive on Cox’s business.385


381. Id. at 967-68.

382. Id. at 963.

383. Id. at 969.

384. Id. at 994.

385. Id. at 994-98. Administrability considerations may tip the balance against the grant of an injunction. See, e.g., Douglas Rendleman, The Inadequate Remedy at Law Prerequisite
D. Post-eBay Cases Denying Preliminary Injunctions

After eBay, preliminary injunctions also became harder to get because copyright owners could no longer rely on the presumption of irreparable harm. Courts looked more closely to see if money damages would suffice. Courts also took seriously a balancing of hardships, both to the defendant’s business and to third parties. The public interest factor was less commonly invoked as a basis for denying a preliminary injunction, but in some cases, this factor became salient enough to weigh against the requested grant.

1. Failure to Prove Irreparable Harm and Inadequate Legal Remedies

Post-eBay, it has become relatively common for courts to deny preliminary injunctions when convinced that damages would be an adequate remedy or claims of irreparable harm lacked evidentiary support. For example, in Jacobsen v. Katzer, the court was persuaded that a software developer had shown a strong likelihood of success on the merits of his copyright infringement claim, but the court nonetheless denied his preliminary injunction motion because Jacobsen failed to prove he would be irreparably harmed absent an injunction.

Jacobsen involved a claim of infringement of model train software that Jacobsen had made available under an open source license that included certain restrictions. Katzer was the CEO of a company that incorporated Jacobsen’s software into its commercial product.


388. Jacobsen, 535 F.3d at 1380 (quoting the license terms).
marketed to model railroad enthusiasts. Jacobsen claimed that Katzer’s breach of the open source license was a condition, not a covenant, of the license, so Katzer’s use of the software infringed Jacobsen’s copyright.

Jacobsen appealed the denial of his motion for a preliminary injunction to the Federal Circuit, which agreed that the license restrictions were a condition of the grant, breach of which could result in infringement. The Federal Circuit directed the lower court to presume irreparable harm when reconsidering Jacobsen’s renewed motion for a preliminary injunction.

On remand, Jacobsen argued that breach of an open source license could cause irreparable harm, even if nonmonetary in character. Yet, because the Supreme Court had recently decided Winter, the district court did not follow the Federal Circuit’s direction to presume that Katzer’s infringement had caused irreparable harm. It felt bound instead to follow Winter’s renunciation of this presumption. In the court’s view, Jacobsen had proffered only speculation, not proof, that any such harm was likely, thereby failing to satisfy the Winter standard.

Despite Fox having shown a likelihood of success on one of its copyright claims, a court denied its motion for a preliminary injunction in Fox Broadcasting Co. v. Dish Network, L.L.C. Fox’s main claims concerned Dish’s development of a system to enable

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389. Id. at 1376.
390. Id. at 1377.
391. Id. at 1380-82.
392. Id. at 1383.
394. Jacobsen, 609 F. Supp. 2d at 936. The Federal Circuit signaled that presuming irreparable harm might need to be rethought in light of eBay, but directed its use in this case, perhaps because the Ninth Circuit had not yet disavowed the presumption. See Jacobsen, 535 F.3d at 1378.
395. Jacobsen, 609 F. Supp. 2d at 937-38. The court did not address the balance of hardships or public interest factors. Despite this preliminary injunction denial, Jacobsen negotiated a favorable settlement with Katzer under which Katzer agreed to refrain from reproducing, modifying, or distributing the software and to pay Jacobsen $100,000 plus costs and attorney fees. Joint Administrative Motion Regarding Settlement, Jacobsen v. Katzer, 609 F. Supp. 2d 925 (N.D. Cal. 2009) (No. C06-1905).
customers to build home-taped libraries of prime-time television programs and to use Dish’s tool to skip commercial ads in the taped programs. 397 Fox claimed this system infringed copyrights and breached contracts authorizing Dish, the third largest subscription TV provider, to disseminate Fox programming. 398 The district court decided that because Dish’s customers, not Dish, made the copies, the home-taping was fair use, so Dish was neither directly nor indirectly liable on this claim. 399 As for commercial skipping, the court found that the quality assurance copies that Dish staff prepared for the purpose of testing when to skip commercials were likely infringing. 400 However, the court decided that Fox failed to show those copies were irreparably harming it. 401 The court thought that a damage award would be more appropriate for this copying; it regarded the dispute between Fox and Dish as mainly contractual in nature. 402 The Ninth Circuit decided that the district court had not abused its discretion in denying the requested injunction. 403

The adequacy of legal remedies likewise doomed a photographer’s motion for a preliminary injunction in Frerck v. John Wiley & Sons, Inc. 404 Frerck had licensed Wiley to use his photographs in Wiley textbooks; each license defined the number of permissible copies, image size, distribution area, form of media, and duration for each book. 405 Frerck claimed that Wiley’s uses exceeded the number permitted by the licenses and that Wiley had used some photographs without seeking permission. 406 The court opined that Frerck had a “significant chance” of prevailing on the merits of his claims. 407 However, it was unconvinced by Frerck’s argument that

397. Fox, 747 F.3d at 1064-65.
398. Fox, 905 F. Supp. 2d at 1093, 1096.
399. Id. at 1098, 1102.
400. Id. at 1104-06.
401. Id. Because Fox did not own copyrights in the commercials, it could not claim infringement based on the commercial skipping functionality.
402. Id. at 1110-11.
403. Fox Broad. Co. v. Dish Network, LLC, 747 F.3d 1060, 1072-73 (9th Cir. 2014).
405. Frerck, 850 F. Supp. 2d at 891.
406. Id.
407. Id. at 892-93.
he would suffer irreparable harm unless an injunction issued even if Wiley would likely continue to infringe these copyrights in the future.408 The court held that Frerck failed to show that the harm from Wiley’s infringement could not be fully redressed through an award of money damages.409

2. Balance of Hardships: Considering the Effects of an Injunction on the Defendant’s Business or Third Parties

In several post-*eBay* cases, courts decided against issuing preliminary injunctions mainly because the injunction requested would have harmful effects on the defendants’ businesses or on third parties.410 Before *eBay*, courts rarely took into account the impact of a preliminary injunction on the defendant’s ability to carry on its business except when a plaintiff’s delay in suing or moving for injunctive relief had led the defendant to make significant investments in commercializing the work alleged to infringe.411

*Softech Worldwide, LLC v. Internet Technology Broadcasting Corp.* was a post-*eBay* case that withheld a preliminary injunction because of its likely effects on third parties.412 Softech had subcontracted with Internet Technology Broadcasting Corp. (ITBC) to develop software for a project that ITBC had undertaken for the Veterans Administration (VA) to assist in electronic distribution of

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408. *Id.* at 894.
409. *Id.* at 893-94.
411. See, e.g., *New Era III*, 873 F.2d 576, 584 (2d Cir. 1989); see also *supra* text accompanying note 125 (discussing New Era’s delay in bringing suit).
materials to VA staff. After a falling-out between the parties, ITBC continued to maintain the software for the VA over Softech’s objection. Noting that ITBC had raised plausible defenses, the court denied the injunction, perceiving no irreparable harm because the software at issue was not for sale on the open market, so there was no risk of further infringement. ITBC’s work “in servicing the software in this case [was] essential to that software’s useful functioning for the VA,” and “the VA would suffer harm to its software infrastructure” if the court issued the injunction. The court was persuaded that a damages award would be an adequate remedy if Softech eventually prevailed.

Harm to the defendant’s business also factored into a denial of injunctive relief in Allora, LLC v. Brownstone, Inc. Allora, an architect, sued Brownstone for infringement after the developer breached geographic license restrictions on where it could build three houses of Allora’s design. Upon learning of this breach, Allora revoked the licenses and insisted that Brownstone cease construction of the infringing houses. When the court heard Allora’s motion for preliminary injunction, the three houses were, respectively, 95 percent, 60 percent, and 30 percent complete. The court concluded that allowing Brownstone to complete construction would cause only “very slight” harm to Allora, but an injunction would cause “massive damage” to Brownstone. An injunction would also “destroy [its] reputation[] with financial institutions” and with its subcontractors who “would be deprived of their means to make a living.” The neighborhood would, moreover, be “left

413. Id. at 370-71.
414. Id.
415. Id. at 375-76. Softech had been paid $3.3 million for developing this software. Id. at 373.
416. Id. at 377.
417. Id.; see also Flexible Lifeline Sys., Inc. v. Precision Lift, Inc., 654 F.3d 989, 993 (9th Cir. 2011) (denying injunction against defendant’s continued use of accused drawings so it could perform responsibilities under government contract).
420. Id. at *1-2.
421. Id.
422. Id. at *8.
423. Id. at *7.
424. Id. at *7-8.
with the unpleasant site and potential hazards associated with incomplete construction projects for an undetermined and likely lengthy amount of time.” As in Softech, the court thought a damage award would address harm to the uniqueness of Allora’s designs.

Lilith Games (Shanghai) Co. v. uCool, Inc. was much less convincing than Allora of the post-eBay cases withholding preliminary injunctive relief because of the effects on a defendant’s business. Lilith claimed that uCool had copied source code and some nonliteral elements of its videogame as well as having misappropriated trade secrets. Despite being persuaded that Lilith had shown likely success on the merits, the court denied its preliminary injunction motion. By the time Lilith sued, uCool’s game had become very popular in the United States, and some users posted comments online suggesting that Lilith must have copied uCool’s game because the two firms’ games were so similar. Having been unable to make a deal with an exclusive distributor because uCool’s game was already established in the U.S. market, Lilith argued it had been irreparably harmed by uCool’s infringement. But the court concluded that Lilith had failed to show irreparable harm because its game did not have a reputation in the United States. The court noted that granting Lilith’s motion would mean that “uCool would be forced to take down its most popular game, threatening uCool’s viability as a company.” Protecting an American business that has likely infringed copyrights and misappropriated trade secrets seems wrong.

425. Id. at *8.
426. Id.
428. Id. at *4.
429. Id. at *38-39.
430. Id. at *3-4.
431. Id.
432. Id. at *33-44.
433. Id. at *34. The court said that this would irreparably harm uCool and result in a significant loss of goodwill. Id. at *35.
434. The court asserted that Lilith’s delay in filing suit was another reason for denying the injunction. Id. at *35-36. Another court might have been more tolerant of the delay given that Lilith was a startup company just trying to enter the U.S. market and was worried about the high costs of litigation; it had made an effort to negotiate with uCool and to make a deal with an exclusive distributor. Id. at *3-4.
3. Considering the Public Interest in Close Cases

The public interest has played a less significant role in the post-
eBay preliminary injunction case law than one might have expected.435 The D.C. Circuit may have implicitly heeded this factor when it vacated a district court’s grant of partial summary judg-
ment and a takedown injunction in an important, close post-
eBay access-to-information case, American Society for Testing & Material-
als, Inc. v. Public.Resource.org, Inc.436

American Society for Testing and Materials (ASTM) and five other standard-setting organizations sued Public.Resource for infringement because it posted their copyrighted technical stan-
dards for a wide variety of fields, such as building, product safety, energy efficiency, and educational testing, on its website.437 Public.Resource challenged the validity of the plaintiffs’ copyright claims, arguing that once legislatures incorporated the standards by reference into laws, the standards were no longer copyright-
protectable because no one can own the law and the public has a right to free access to the laws that govern them.438 Alternatively,

435. But see White v. Alcon Film Fund, LLC, 955 F. Supp. 2d 1381 (N.D. Ga. 2013) (denying injunctive relief in case alleging film infringed book copyright because of public interest in competition); Molinelli-Freytes v. Univ. of P.R., 792 F. Supp. 2d 150, 163 (D.P.R. 2010) (denying preliminary injunction because the defendant’s use of plaintiff’s work advanced scientific research). It is common for courts to assert that the public interest is best served by enforcing copyrights. See, e.g., Klitzner Indus., Inc. v. H. K. James & Co., 555 F. Supp. 1249, 1259-60 (E.D. Pa. 1982) (“[I]t is virtually axiomatic that the public interest can only be served by upholding copyright protections.”). Even after eBay, courts sometimes express similar sentiments. See, e.g., Warner Bros. Ent., Inc. v. WTV Sys., Inc., 824 F. Supp. 2d 1003, 1015 (C.D. Cal. 2011) (stating that “it is virtually axiomatic” that preliminary injunction would serve the public interest); see also 1 GOLDSTEIN, supra note 15, § 13.1.2 (quoting Klitzner and explaining that “where the probability of success is high, temporary relief is required to protect the integrity of the copyright law and of investments made in reliance on the copyright law”). But see 6 PATRY, supra note 21, § 22:64 (criticizing Klitzner dicta).


438. Id. at 446-47. The D.C. Circuit declined to rule on Public.Resource’s challenge to the copyrightability of codes adopted as laws. Id. at 447. On remand, the district court in ASTM will have to consider the implications of the Court’s uncopyrightability-of-law ruling in Georgia.
Public.Resource claimed that its posting of the ASTM incorporated-standards-as-laws was fair use.\footnote{Id. at 446.} The district court was unpersuaded by these defenses and permanently enjoined Public.Resource from all unauthorized use of the standards.\footnote{Id. at 444-45.}

The D.C. Circuit ordered the district court to reconsider Public.Resource’s fair use defense in keeping with its more favorable analysis of the fair use factors.\footnote{Id. at 458.} Although the circuit court invoked the \textit{Campbell} decision in its substantive analysis of fair use,\footnote{Id. at 452-53.} it did not cite to \textit{eBay}, \textit{Campbell}, or \textit{Tasini} in ruling that the lower court had erred in issuing the injunction.\footnote{Id. at 458.}

\subsection*{E. Injunctions Remain Common in “Simple Piracy” Cases}

resulted in injunctive relief. The collective rights management organization, Broadcast Music Inc., was often able to obtain injunctions to restrain bars and other establishments from unlicensed public performances of music from its repertoire. Unlicensed performance of music in karaoke bars has similarly been enjoined in the post-*eBay* period.

Courts in several post-*eBay* cases granted injunctions to stop technology companies from engaging in what they perceived to be “simple piracy.” Several cases involved services engaged in unlicensed transmissions of broadcast television programs over the internet. Also enjoined was a defendant’s distribution of an app enabling users to gain unauthorized access to cable television programs. A movie studio got a preliminary injunction against an online videostreaming service that aimed to make movies more

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450. See *supra* note 184.


family friendly by modifying their contents after making master copies of movies “ripped” from DVDs and BluRay disks.453

When presented with novel questions of copyright law, courts may initially be reluctant to issue preliminary injunctions, even though permanent injunctions are likely if the novel questions are resolved in the plaintiff’s favor, as in Capitol Records, LLC v. ReDigi, Inc.454 The novel question in ReDigi was whether that firm’s platform that allowed owners of copies of digital music to “resell” their copies to others was sheltered by the first sale rule or a fair use defense.455 The district court ruled that neither defense was persuasive; yet, it denied Capitol Records’ request for a preliminary injunction.456 After the Second Circuit affirmed the lower court finding of copyright infringement, ReDigi was enjoined from further operation of its platform.457

Fox News Network, LLC v. TVEyes, Inc. posed another novel fair use question as to whether TVEyes infringed by making clips of Fox News programs searchable and downloadable by its customers.458 The Second Circuit reversed a lower court’s ruling that some of the watch functionality of the TVEyes news clipping service was fair use and directed that court to issue an injunction to restrain the watch-related functionality that TVEyes had enabled of clips of Fox News programming, which the court concluded infringed Fox’s copyrights.459

F. No Preliminary Injunction to Protect Non-Copyright Interests

The longstanding pre-eBay presumption of irreparable harm once plaintiffs showed actual or likely infringement has meant that

453. Disney Enters., Inc. v. VidAngel, Inc., 869 F.3d 848 (9th Cir. 2017).
455. Id. at 652.
456. The trial court denied Capitol Records’ motion for a preliminary injunction despite the likelihood of success on the merits because of Colting and eBay. See Gilden, supra note 318, at 1171-72 (reporting on ReDigi preliminary injunction decision).
458. 883 F.3d 169 (2d Cir. 2018).
459. Id. at 181-82. Fox did not contest the legality of what the Second Circuit characterized as TVEyes’s search functionality. Id. at 182. TVEyes is still in business as a search engine for broadcast news programming. Welcome to TVEyes., TVEYES, https://tveyses.com/about-us-2/ [https://perma.cc/84UW-A3V8].
courts in copyright cases rarely analyzed or reflected on whether the harms being enjoined were of the sort that copyright law was designed to protect against. Post-eBay, courts have had to be more thoughtful about the kinds of harms that justify issuance of injunctions. When plaintiffs ask for an injunction to vindicate non-copyright harms, courts have denied injunctive relief.

The most prominent decision of this sort was Garcia v. Google, Inc., in which a Ninth Circuit en banc panel reversed an earlier panel ruling that would have ordered Google to take down the “Innocence of the Muslims” video, which Garcia claimed infringed a copyright interest that she had in her performance in the video. The first panel agreed with Garcia that she had an independently copyright-protectable interest in her performance, which had been infringed by the video producer’s alteration of the performance and use beyond the implied license granted when she acted in the video. The first panel found persuasive Garcia’s plea for an injunction because she was suffering irreparable harm as the recipient of multiple death threats arising from her unwitting performance as part of an anti-Muslim video that had caused outrage and violence in the Middle East.

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461. It is far from uncommon for copyright claims to be asserted in an effort to vindicate non-copyright interests. See, e.g., Cathay Y.N. Smith, Weaponizing Copyright, 35 HARV. J.L. & TECH. 193 (2021) (identifying five common non-copyright objectives when bringing such suits: “to silence and erase facts, suppress criticism and speech, punish and retaliate, protect reputation and moral rights, and preserve privacy”); see also Jeanne C. Fromer, Should the Law Care Why Intellectual Property Rights Have Been Asserted?, 53 HOUS. L. REV. 549 (2015) (expressing concern about attempted exercises of IP rights to vindicate non-IP objectives); Eric Goldman & Jessica Silbey, Copyright’s Memory Hole, 2019 BYU L. REV. 929.

462. 786 F.3d 733 (9th Cir. 2015) (en banc), rev’g 766 F.3d 929 (9th Cir. 2014); see also supra texts accompanying notes 345-73 (discussing Galloway and TD Bank, in which plaintiffs wanted injunctive relief to wreak vengeance rather than to vindicate copyright interests). Consumers Union was an early example of this kind of unsuccessful claim. See supra text accompanying notes 30-35.


464. Id. at 932, 938-40. A majority of the panel thought all four eBay and Winter factors tipped in favor of the injunction. Id. at 940. One judge was unpersuaded that Garcia had a copyright interest in her performance or that the eBay and Winter factors favored issuance of an injunction. Id. at 940-49 (Smith, J., dissenting).
The en banc Garcia decision is mostly known for its ruling that Garcia did not have a copyright-protectable interest in her performance after it was integrated into the video. But it also ruled that courts should only issue injunctions when plaintiffs have shown irreparable harms to their authorial copyright interests. Although the en banc court did not “take lightly threats to life or the emotional turmoil Garcia has endured, her harms are untethered from—and incompatible with—copyright and copyright’s function as the engine of expression.”

While the en banc panel could have reversed on this basis alone, it characterized the earlier panel decision’s takedown order as “unwarranted and incorrect as a matter of law” and objectionable because it “gave short shrift to the First Amendment values at stake,” for the injunction “censored and suppressed a politically significant film—based upon a dubious and unprecedented theory of copyright.” In so doing, the earlier decision “deprived the public of the ability to view firsthand, and judge for themselves, a film at the center of an international uproar.” Garcia shows that suppressing lawful speech is not the proper role for copyright law, even when that speech is offensive.

Another case in which a plaintiff sought an injunction to address non-copyright harms was Bollea v. Gawker Media, LLC. Widely known as the professional wrestler Hulk Hogan, Bollea sued Gawker Media for copyright infringement because it published a video of him having sex with a woman who was not his wife. He

465. Garcia, 786 F.3d at 740-44. The en banc court likened Garcia’s theory that her performance was independently copyrightable to “copyright cherry picking,” which would enable any contributor from a costume designer down to an extra or best boy to claim copyright in random bits and pieces of a unitary motion picture without satisfying the requirements of the Copyright Act.” Id. at 737.
466. Id. at 745.
467. Id.
468. Id. at 746-47.
469. Id. at 747. The en banc panel called the takedown order “a... prior restraint of speech.” Id.
471. Bollea, 913 F. Supp. 2d at 1326-27. Bollea acquired the copyright from the videographer. Id. at 1327.
sought a preliminary injunction against Gawker Media’s further use of the video, claiming that he was irreparably harmed by Gawker’s publication.472

Even if Bollea could establish a likelihood of success on the merits and even if the balance of hardships tipped in his favor, the court decided that no injunction should issue, for Bollea had “produced no evidence demonstrating that he [would] suffer irreparable harm in the copyright sense absent a preliminary injunction.”473 Any harm to his professional image or to him personally was due only “to the ‘private’ nature of the Video’s content,” which did not “constitute irreparable harm in the context of copyright infringement.”474 Bollea’s copyright claim was “nothing more than a belated attempt to bolster his previous claims based on the common-law right to privacy.”475

IV. REFLECTIONS ON eBAY AND EQUITABLE PRINCIPLES

Having canvassed the case law on denials of injunctive relief in three different periods—before Campbell, from Campbell to eBay, and post-eBay—the Article turns now to considering, first, whether the post-eBay copyright case law is consistent with traditional principles of equity, and second, why eBay seems not to have opened the floodgates to damages-only remedies for copyright infringement.

Section A suggests that even if eBay’s critics are right that the Court deviated from certain traditional principles of equity, courts in the post-eBay copyright infringement cases have only rarely been led astray because of these mistakes. If anything, the eBay decision has had corrective effects on how courts in copyright cases assess whether to issue injunctions. Section B discusses several reasons

472. Id. at 1326-27.
473. Id. at 1329. The court thought that none of the eBay factors favored Bollea, in part because he had no intention of commercializing the video. Id. at 1328-31.
474. Id. at 1329 (footnote omitted). The court quoted from Salinger v. Colting, 607 F.3d 68, 81 (2d Cir. 2010), and from Judge Leval’s decision in New Era II, 695 F. Supp. 1493, 1526 (S.D.N.Y. 1988), for the proposition that copyright protects authorial commercial interests and should not be exercised “to coddle artistic vanity or to protect secrecy.” Id. at 1329-30.
why courts are still reluctant to withhold injunctive relief when infringement has been found or found to be likely, *eBay* and its progeny notwithstanding.

**A. Effects of *eBay*'s Departure from Traditional Equitable Principles**

Private law and remedies scholars have heavily criticized the *eBay* decision for what they charge are its numerous departures from traditional principles of equity when considering whether to issue injunctions.\(^{476}\) One article criticized *eBay* for having “swept aside long-settled presumptions about when injunctions should issue,” presumptions that courts have long used to “structure or streamline” injunction analyses.\(^{477}\) Especially criticized has been *eBay*'s rejection of a presumption of irreparable harm when IP rights have been infringed.\(^{478}\)

The presumption of irreparable harm has traditionally performed a useful burden-shifting function.\(^{479}\) Once plaintiffs showed that their rights had been or were likely infringed, this presumption

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477. Gergen et al., *supra* note 1, at 205, 212. *But see* Bray, *supra* note 476, at 1043 (“Although [cases such as *eBay*] can easily be read as absolutely rejecting any presumptions about equitable remedies, a narrower reading is also plausible. The Court could be understood as insisting that lower courts resist any presumptions that would make the injunction decision effectively automatic.”); McGowan, *supra* note 312, at 582 (“Rebuttable presumptions economize on litigation costs by economizing on information costs.”).

478. Gergen et al., *supra* note 1, at 212.

shifted the burden onto defendants to offer rebuttal evidence.\textsuperscript{480} The \textit{Campbell} decision is more compatible with these principles than \textit{eBay} in its assertion that a presumption of irreparable injury is sound in “simple piracy” cases.\textsuperscript{481} Although courts continued to support this presumption in the first several years after \textit{eBay}, the predominant view now is that \textit{eBay} overturned that presumption, as Part III.B showed.

However sound this criticism may be, \textit{eBay}’s repudiation of this presumption has had largely salutary effects in copyright cases because courts prior to \textit{eBay} had treated the presumption as though it was virtually irrebuttable.\textsuperscript{482} It was akin to the Federal Circuit’s categorical pro-injunction rule in patent cases that the Court overturned in \textit{eBay}.\textsuperscript{483} Courts in copyright cases are now more willing to make a meaningful assessment about what harms have resulted from the infringement, whether they can be remedied through monetary relief, and whether future infringements are likely before deciding whether the irreparable harm evidence favors or disfavors injunctive relief.\textsuperscript{484} During the period in which the hard presumption prevailed, courts had no need to articulate what kinds of harms from copyright infringement were irreparable and why.\textsuperscript{485} The demise of that presumption has meant that courts have had to start explaining why some harms are indeed irreparable.\textsuperscript{486}

A second criticism of \textit{eBay} concerns its separation of irreparable injury and inadequacy of legal remedies as two factors when in equity, these considerations have traditionally been considered two

\textsuperscript{480} See, e.g., Paramount Pictures Corp. v. Carol Publ’g Grp., 11 F. Supp. 2d 329, 338 (S.D.N.Y. 1998) (explaining the traditional rule for burden shifting).
\textsuperscript{482} See 6 PATRY, supra note 21, § 22:1 (“[I]n the lower courts injunctions [in copyright cases] are too often handed out as freely as swag at a celebrity event.”).
\textsuperscript{483} See supra text accompanying notes 285-86.
\textsuperscript{484} See supra Part III.C-D.
\textsuperscript{485} See supra text accompanying note 460.
\textsuperscript{486} See, e.g., Salinger v. Colting, 607 F.3d 68, 81 (2d Cir. 2010) (noting harm may be irreparable “for many reasons, including that [such] a loss is difficult to replace or difficult to measure or that it is a loss that one should not be expected to suffer”); Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd., 518 F. Supp. 2d 1197, 1210-19 (C.D. Cal. 2007) (extensively discussing irreparable harm standard in copyright cases); see also GOELSTEIN, supra note 15, § 13.1.2.2 (discussing circumstances demonstrating irreparable harm in copyright cases); McGowan, supra note 312, at 587-85 (discussing the same).
elements of the same inquiry.\textsuperscript{487} Even though Winter’s four-factor test for preliminary injunctive relief dropped inadequacy of legal remedies as a separate factor,\textsuperscript{488} courts in copyright cases have generally continued to treat the inadequate legal remedies factor as distinct from the irreparable harm factor.\textsuperscript{489}

Criticizing eBay for treating irreparable harm and inadequate legal remedies as separate factors may also be sound. However, the eBay Court’s insistence on separating them has had positive effects in copyright cases because courts have been much more willing to think carefully about whether monetary relief would suffice.\textsuperscript{490} In the past decade, it has consequently become more common for courts to withhold injunctions because of the adequacy of legal remedies.\textsuperscript{491}

A third cluster of criticisms has been that eBay does not acknowledge equitable defenses, such as unclean hands, laches, and estoppel, which have historically been important considerations when courts decide whether to issue injunctions.\textsuperscript{492} There is, moreover, no place in the eBay framework for a related set of equitable principles that guard against “anti-opportunism; not using an injunction as a tool of oppression; preventing repetitive, continuous, or threatened harm; preventing repeat litigation; and protecting the court’s ability to adjudicate.”\textsuperscript{493} The eBay four-factor test also ignores consideration of the good or bad faith of an infringer, which has historically influenced judicial decisions about injunctive relief and shifts the

\textsuperscript{487} Gergen et al., supra note 1, at 209 (characterizing the first and second factors as “redundant”).


\textsuperscript{489} See supra note 386 and accompanying text (listing cases).

\textsuperscript{490} Professor Rendleman has observed that a compensatory award is “a cleaner, more impersonal remedy to enforce” as compared to injunctions. Rendleman, supra note 385, at 356-57.

\textsuperscript{491} See supra Part III.C.1, D.1. The “rough consensus” among remedies scholars prior to eBay had been that the no-adequate-remedy-at-law requirement was “outdated” and that “the distinction between legal and equitable remedies is disappearing and should disappear.” Bray, supra note 476, at 1006, 1008 (emphasis omitted). The Court revived the importance of this requirement in eBay. Id. at 1004. Bray asserts that “on the whole, the Court has constructed an idealized history of equity that is well suited to judicial decisionmaking” that is “largely consistent with traditional equitable principles.” Id. at 1001.

\textsuperscript{492} Gergen et al., supra note 1, at 208.

\textsuperscript{493} Id. at 233.
burden on the public interest factor to plaintiffs when that burden was conventionally on defendants.494

As valid as these criticisms may be, courts have taken these equitable defenses and principles seriously in the last decade of post-eBay copyright cases, even though they do not fit within the eBay test framework. Numerous cases refused to issue injunctions on laches and other equitable grounds.495 The Fourth Circuit rejected Phelps’s requested injunction to forbid Galloway from reselling or leasing the infringing house because, among other things, doing so would be punitive, not equitable.496 The Third Circuit’s TD Bank decision likewise found the bank’s request for injunctive relief to be oppressive.497 In some cases, courts have declined to enjoin defendants whom they regarded as innocent.498 Also attentive to equitable principles have been cases that considered negative impacts of injunctive relief on innocent third parties.499

Lilith is the one post-eBay copyright case that failed to conform to traditional equitable principles.500 The court was persuaded that Lilith had shown a likelihood that uCool’s copying of source code and elements of Lilith’s user interface violated Lilith’s videogame copyright.501 Under traditional equitable principles, the court should have presumed irreparable harm in this “simple piracy” case and put the burden on uCool to offer rebuttal evidence.502 The burden would have been difficult to meet because Lilith also showed that

494. Id. at 239 (“[I]njunctions tend to be particularly appropriate for bad-faith violators—in the sense of violators with notice—but a distinction between good-faith and bad-faith violations seems at least facially orthogonal to the eBay test.”); Hasen, supra note 476, at 794 (stating that the burden conventionally on defendants to show public interest is not disserved by injunction).
495. See supra notes 279-80 and accompanying text.
496. See supra Part III.C.2.
497. See supra Part III.C.3.
499. See, e.g., supra Part III.D.2 (discussing Softech).
501. Id. at *4.
502. Id. at *2.
this infringement had interfered with its ability to negotiate an exclusive contract with a U.S. distributor.\footnote{503}

Critics have also faulted eBay for "operat[ing] as a doctrinal straitjacket of a sort that courts sitting in equity have commonly resisted."\footnote{504} These critics have pointed to language in eBay suggesting that eBay's four factors are prongs, such that a plaintiff's failure of proof as to any one factor would doom the plaintiff's motion for injunctive relief instead of weighing the factors together in a holistic way.\footnote{505} Courts in the post-eBay copyright case law have, however, treated the factors as a balancing test.\footnote{506} In Galloway and TD Bank, for example, some factors supported injunctive relief, while others disfavored it.\footnote{507}

B. Why Don't Courts Withhold Injunctions More Often in Copyright Cases?

For decades, legal commentators have endorsed the idea that courts should sometimes deny requested injunctive relief in copyright infringement cases.\footnote{508} The Supreme Court's endorsement of this option in Campbell, Tasini, and eBay has seemingly made this idea more salient. As Part III has shown, courts in the past decade have indeed become more willing to award damages instead of almost always ordering injunctions.\footnote{509}

\footnote{503. See supra text accompanying note 431.}
\footnote{504. Gergen et al., supra note 1, at 211.}
\footnote{505. Id. at 208, 213.}
\footnote{506. See supra note 410 and accompanying text (listing cases). Pre-eBay architecture cases also nicely illustrate this. See supra Part II.C. But see Splitfish AG v. Bannco Corp., 727 F. Supp. 2d 461, 465-69 (E.D. Va. 2010) (interpreting Winter and a subsequent Fourth Circuit decision as requiring plaintiffs to satisfy all four steps of the eBay test, although finding that Splitfish had done so and granting a preliminary injunction).}
\footnote{507. See supra notes 345-73 and accompanying text.}
\footnote{509. See, e.g., Ronald T. Coleman Jr., Trishanda L. Treadwell & Elizabeth A. Loyd,
The most common fact patterns in the injunction denial cases have concerned disputes in which the litigants had a falling-out during a contractual or other relationship, in which the infringing element was a small part of a larger work and the defendant made substantial investments in the overall project, in which the claimed irreparable harm was for injuries not cognizable in copyright cases, and in which courts took into account the hardships an injunction would impose on third parties or the defendant. Much rarer have been injunction denials in close fair use cases and other cases in which courts were persuaded that the public interest would be served by allowing public access to the infringing works. Courts occasionally invoke the First Amendment as a consideration in whether injunctions should issue.

Applicability of the Presumption of Irreparable Harm After eBay, 32 FRANCHISE L.J. 3, 9 (2012) ("eBay also has made a difference by serving to remind lower courts that injunctive relief is truly an extraordinary remedy that should be granted only when money damages cannot make the plaintiff whole. This renewed focus is particularly important at the preliminary injunction stage, where many intellectual property cases are won or lost as a practical matter.").


511. See, e.g., Abend v. MCA, Inc., 863 F.2d 1465 (9th Cir. 1988); Frerck v. John Wiley & Sons, Inc., 850 F. Supp. 2d 889 (N.D. Ill. 2012); see supra text accompanying notes 45-60, 404-09. Injunctions are also less common in “thin” copyright cases. See, e.g., Dun v. Lumbermen’s Credit Ass’n, 209 U.S. 20, 23-24 (1908); Silverstein v. Penguin Putnam, Inc., 368 F.3d 77, 84 (2d Cir. 2004) (“[A]ny protectible interest Silverstein may have in his compilation could be so slight that it cannot properly be enforced by a preliminary or permanent injunction.”).


515. See, e.g., Garcia, 786 F.3d at 747; Suntrust Bank v. Houghton Mifflin Co., 252 F.3d 1165, 1166 (11th Cir. 2001) (per curiam), vacating as moot, 136 F. Supp. 2d 1357 (N.D. Ga. 2001); Rosemont Enters. v. Random House, Inc., 366 F.2d 303, 311 (2d Cir. 1966). See supra notes 85, 193, 469 and accompanying text. It is interesting that Judge Leval invoked the First Amendment in support of withholding an injunction in New Era II, but grounded his article’s parallel proposition in the constitutional purpose of copyright law. Leval, supra note 145, at 1134-35; see supra text accompanying notes 114-18, 158-59.
Nonetheless, it is worth speculating about why courts in copyright cases do not order damages instead of injunctions more frequently. After all, Colting and Flexible recognized that Winter spoke of injunctive relief as an “extraordinary remedy” and put significant burdens on plaintiffs to make “clear showing[s]” that injunctive relief was warranted. As Professor Bray has pointed out, these statements should not be taken to indicate that injunctive relief is or should be “rare or unusual,” but rather that injunctions are “departure[s] from the norm” that legal remedies are generally adequate to rectify wrongs.

Even so, compensatory remedies may be inadequate for a host of reasons, which is why injured parties often seek relief in equity with its power to order a wrongdoer to act or cease acting to prevent irreparable harm. Harm may, for instance, be irreparable when the copyright owner does not have an existing licensing market for uses such as those the infringer has exploited. The owner may also simply be unwilling to license a particular use being complained of or to license a particular person or entity. In both types of situations, courts may be at a loss to assess an appropriate compensatory award.

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517. Bray, supra note 476, at 1038.

518. Id. This conception of injunctive relief places it in a hierarchy under which injunctive remedies are conditioned on and unavailable unless legal remedies are inadequate. Rendleman, supra note 385, at 348.

519. Samuel L. Bray, The System of Equitable Remedies, 63 UCLA L. REV. 530, 552-53 (2016). Courts have sometimes said that the standard for issuing mandatory injunctions (that is, ones that direct the wrongdoer to do something) is stricter than the standard for prohibitory injunctions (that is, ones that direct the wrongdoer to stop doing something), although it is not clear exactly how much higher the standard is. See, e.g., Dobbs & Roberts, supra note 1, § 2.9(1).

520. See, e.g., 4 Nimmer & Nimmer, supra note 8, § 14.06[B].

521. See, e.g., Beastie Boys v. Monster Energy Co., 87 F. Supp. 3d 672, 677-79 (S.D.N.Y. 2015) (granting permanent injunction to musicians who suffered irreparable harm because they were unwilling to license their music for product advertising).

522. When copyright owners sue states or state-related institutions for infringement, injunctive relief may be the only available remedy. The Supreme Court’s Eleventh Amendment jurisprudence precludes awards of damages or infringer profits in cases involving states or state-related institutions. See, e.g., Allen v. Cooper, 140 S. Ct. 994 (2020).
Although a number of commentators have endorsed damage-only remedies for unlicensed derivative works,\textsuperscript{523} this would, if applied across the board, undermine the copyright owner’s right to decide whether, when, to whom, and on what terms to license rights for derivatives in a particular market segment.\textsuperscript{524} The unlicensed derivative may unfairly compete with the author’s own derivative work or one that the author would have licensed but for the infringement; the unlicensed derivative may also be of inferior quality to that which the author would have licensed; or it may disrupt the author’s planned rollout of derivatives.\textsuperscript{525}

In general, authors will be interested in licensing derivative works, such as translations or motion picture versions of stories, but what if the author does not want to license derivative works at all? It is a tricky question whether a damages-only award is the right solution to this kind of unlicensed derivative work problem. After all, there would be no market harm to the author’s own or licensed derivatives, and awarding the author a share of the infringer’s profits might be an equitable outcome, both for the author and for the public, who might benefit from the derivative work’s availability. Because U.S. copyright law does not generally protect the moral rights of authors, but only their economic interests, harms to authors’ reputational or dignitary interests caused by unlicensed derivatives might seem irrelevant.

Courts have, however, sometimes opined that authors should not be, in effect, forced to license derivatives. The Supreme Court in \textit{Harper & Row} stated that authors have a First Amendment right not to speak, which was why the Court thought that President Ford and his publisher should enjoy the right to control the first publication of excerpts from his memoirs.\textsuperscript{526} Along similar lines, the Second Circuit opined in \textit{Colting} that authors have a First Amendment right not to be compelled to speak, which the court thought would result if Salinger could not stop publication of Colting’s sequel to

\textsuperscript{523} See, e.g., Geller, supra note 508, at 187-89; Kozinski & Newman, supra note 508, at 525-26.

\textsuperscript{524} See, e.g., Pamela Samuelson, \textit{The Quest for a Sound Conception of Copyright’s Derivative Work Right}, 101 Geo. L.J. 1505, 1527-28 (2013); Dannay, supra note 271, at 452-53.

\textsuperscript{525} Samuelson, supra note 524, at 1530-31.

Although the Third Circuit in *TD Bank* questioned the “compelled speech” dicta in *Colting*, that case was distinguishable in that the bank was acting vindictively and the infringing work’s author simply wanted to reuse parts of his prior manuscript in a subsequent book.

Some commentators have balked at proposals to award damages as an alternative to injunctive relief for copyright infringement, describing such proposals as creating “an ersatz species of compulsory licenses.” While some might say that only Congress can authorize such licenses, *eBay* and its progeny have provided courts with the opportunity to provide a damages alternative to injunctive relief on a case-by-case basis instead of making across-the-board rules as congressionally adopted compulsory licenses must do.

Another objection to damages as an alternative to injunctive relief has been a concern that damage awards would inadequately deter infringement. It would seem to condone an “infringe now, pay later” attitude. Professor Rendleman has observed that “[m]onetary...
compensation tolerates the wrong and allows the perpetrator to buy injustice.”

Courts may sometimes be inclined to issue injunctions because they realize that injunctive relief may induce the litigants to settle their dispute; the prospect of that injunction may give plaintiffs some leverage that the prospect of a damages-only remedy will not. eBay may have had some effects on the willingness of litigants to settle infringement disputes because plaintiffs have somewhat less leverage now than they did in the pre-eBay period. It is, however, impossible to measure the extent of that effect.

Another consideration that may explain why there are not more damages-instead-of-injunction remedies in copyright cases may be the reluctance of defendants to make the alternative argument out of concern that it might undermine their chances of success with other defenses: “Your honor, my client did not infringe because its use of the plaintiff’s work was fair and non-infringing—but please, your honor, if you disagree, only order it to pay this modest amount as damages.” This may not seem like a winning strategy.

Yet, because fair use rulings are typically decided on summary judgment, the argument-in-the-alternative consideration would seem to have relatively little explanatory power. In the aftermath of Campbell, moreover, courts have become much more receptive to fair use defenses. As Judge Leval noted in his famous article, courts may be inclined to rule in favor of fair use in close cases when they think an injunction would disserve the overall purposes of copyright law.

whole work is likely “to drive settlement rates far above what would be socially optimal.” Id. at 415.

534. Rendleman, supra note 385, at 352.

535. See, e.g., Dannay, supra note 271, at 459 (asserting that the threat of injunctive relief is the “800-pound gorilla” in fair use cases). The Kennedy concurrence in eBay also expressed concern about “undue leverage.” eBay Inc. v. MercExchange, L.L.C., 547 U.S. 388, 396 (2006) (Kennedy, J., concurring). Other commentators are more sanguine about injunctions as inducements to private settlements. Rendleman, supra note 385, at 352.

536. See, e.g., Asay et al., supra note 181 (empirical study showing significance of transformativeness tipping in favor of fair use defenses).

537. Leval, supra note 145, at 1131 & n.114. But see Gilden, supra note 318, at 1149-50 (expressing concern that courts will construe the scope of copyright more broadly if they think it is unnecessary to issue injunctions because monetary compensation would remedy harm to the plaintiff).
CONCLUSION

In the past decade, the *eBay* decision has had a considerable impact on the issuance of injunctions in copyright cases. The previously common view that any violation of an exclusive right entitles copyright owners to injunctive relief because that violation, like a trespass to land, constitutes irreparable harm cannot be reconciled with *eBay*'s conception of exclusive rights and remedies as “distinct” from one another.\(^{538}\)

*eBay* has meant that copyright owners now bear a much stiffer burden of proof when seeking injunctive relief. It is no longer enough to show actual or likely success on the merits. The longstanding presumption of irreparable harm is no more, and plaintiffs who fail to offer meaningful proof of such harm are likely to be denied this remedy. It is fair to say that *eBay* resurrected irreparable harm as a key factor in judicial decisions about whether to exercise discretion to order this remedy for infringement. Even so, *Campbell*'s endorsement of presuming irreparable harm in “simple piracy” cases (that is, when the defendant has made exact or near-exact copies of the plaintiff’s work that is undercutting the market for legitimate copies) should perhaps be revived as a reasonable exception to *eBay*'s general rule against presumptions.

Courts are also more attentive now to hardships that injunctions impose on defendants as a balancing factor. Defendants have more opportunity to counter plaintiffs’ arguments about hardships. The public interest, however, has so far played a lesser role in the post-*eBay* cases, except in close or novel issue cases. Going forward, courts should pay closer attention to the effects of injunctive relief on public interests and consider harms that injunctions would cause to innocent third parties as part of the public-interest factor rather than in the hardship-balancing factor.

The burdens on judges are greater now also. They cannot just invoke the old presumption of irreparable harm and ignore the hardship-balancing and public-interest factors. They are required to explain their reasoning as to each of the four factors and describe

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538. *eBay*, 547 U.S. at 392.
how they have weighed factors together when some favor the plaintiff and some the defendant.

The Supreme Court’s decision in *Campbell* may have helped to pave the way for the ruling in *eBay*. However, as this Article has shown, *Campbell*’s note 10 had much less impact on court decisions in the years leading up to the *eBay* decision than one might have expected from one of the foundational cases in copyright jurisprudence. At the very least, *eBay*’s reliance on *Campbell* and other copyright cases seemingly clarified the relevance of its holding on requests for injunctive relief in copyright disputes.

Overall, *eBay* has had a positive effect on judicial consideration of injunctive relief in copyright cases. Before *eBay*, courts almost automatically issued injunctions when copyright owners had shown that the defendants had likely or actually infringed their rights. They too easily presumed from this finding that the infringement or likely infringement had caused irreparable harm without considering a balancing of hardships or the public interest. Yet, *eBay* has rarely hindered the issuance of injunctions in simple piracy cases. This is as it should be.