

Note

Post-Expiration Patent Injunctions

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I. Introduction

Anyone who, without authority, makes, uses, offers to sell, sells, or imports into the United States any patented invention during the patent’s lifetime infringes that patent.¹ The patent owner can only recover damages from the infringer for six years from the date of infringement.² Since infringement can occur until the last day of a

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¹ See 35 U.S.C.A. § 271(a) (1984 & Supp. 1998); *Paper Converting Mach. Co. v. Magna-Graphics Corp.*, 745 F.2d 11, 16, 223 U.S.P.Q. (BNA) 591, 594 (Fed. Cir. 1984).

² See 35 U.S.C.A. § 286 (1984 & Supp. 1998).

patent's life,³ it is possible that the patent's term may have expired six years before a lawsuit is filed. With the lengthening of the time a patent may stay in litigation,⁴ it is possible for a patent to expire before a final judgment is rendered.

Expiration of the patent may preclude one of the commonly requested forms of relief in a patent case, i.e. an injunction.⁵ The right to exclude is fundamental to remedy most property right violations, including patent infringements.⁶ The injunction and its ability to exclude is the most important remedy from the patentee's point of view.⁷ Even after the patent's expiration, an infringer may possess infringing articles that were made during the patent's lifetime, or articles made from an infringing machine or process that were made during the patent's lifetime.⁸ The infringer may be poised to flood the market with such goods upon expiration, having gained manufacturing knowledge, commercial contacts, and amassed inventory.⁹ During the patent's term, the patent holder can obtain an injunction that "prevent[s] the violation of any right secured by patent."¹⁰

Upon the expiration of a patent, the patent holder is entitled to recover profits that could have been earned during the patent period, but were lost due to infringement.¹¹ In Contrast, the right to injunctive relief after expiration is not expressly provided.¹² Requests for an injunction after expiration take two forms. Some have requested that the infringing items made during the patent period be destroyed.¹³ Others have asked for the infringer to be enjoined from making the patented item for the amount of time it would take for the infringer to recreate the invention after the patent has expired.¹⁴

³ See *Atlas Powder Co. v. Ireco Chems.*, 773 F.2d 1230, 1232, 227 U.S.P.Q. (BNA) 289, 291 (Fed. Cir. 1985) (preliminary injunctions are appropriate for a patent that is going to expire in less than two years).

⁴ The median time interval from filing to disposition for civil cases increased by a month from 1996 to 1997. See Administrative Office of the United States Courts, *Judicial Business of the United States Courts*, 17 (1997). The number of patent cases that were pending for three years or more rose from 209 to 243. See *id.* at 58.

⁵ See, e.g., *W.L. Gore & Assocs. Inc. v. Garlock, Inc.*, 842 F.2d 1275, 1281, 6 U.S.P.Q.2d (BNA) 1277, 1283 (Fed. Cir. 1988).

⁶ See *Panduit Corp. v. Stahlin Bros. Fibre Works, Inc.*, 575 F.2d 1152, 1158 n.5, 197 U.S.P.Q. (BNA) 726, 729 n.5 (6th Cir. 1978).

⁷ See ROBERT PATRICK MERGES, *PATENT LAW AND PUBLIC POLICY* 973 (1997).

⁸ See, e.g., *Smith Int'l, Inc. v. Hughes Tool Co.*, 229 U.S.P.Q. (BNA) 81, 103 (C.D. Cal. 1986), *vacated on other grounds*, 839 F.2d 663, 5 U.S.P.Q.2d (BNA) 1686 (Fed. Cir. 1988).

⁹ See, e.g., *Toledo Mower & Reaper Co. v. Johnston Harvester Co.*, 24 F. 739, 740-41 (C.C.N.D.N.Y. 1885).

¹⁰ 35 U.S.C.A. § 283 (1984 & Supp. 1998); see also *Johns Hopkins Univ. v. Cellpro, Inc.*, 152 F.3d 1342, 1365, 47 U.S.P.Q.2d (BNA) 1705, 1723 (Fed. Cir. 1998).

¹¹ See 35 U.S.C.A. § 284 (1984 & Supp. 1998).

¹² See *id.*

¹³ See *Ortho Pharm. Corp. v. Smith*, 959 F.2d 936, 945, 22 U.S.P.Q.2d (BNA) 1119, 1127 (Fed. Cir. 1992).

¹⁴ See *Smith Int'l*, 229 U.S.P.Q. (BNA) at 103.

Injunctions after a patent's expiration pose two questions that must be answered appropriately for an injunction to issue: (1) Does a post-expiration injunction improperly extend the statutory life of the patent? and (2) is an injunction, rather than monetary relief, the appropriate remedy in post-expiration cases?

II. Does a Post-Expiration Injunction Extend the Statutory Life of a Patent?

Allowing the patent period to run longer than provided under 35 U.S.C. Section 154 is counter to the policies and purposes of patent law.¹⁵ The ability for the public to practice the claimed invention and to enjoy the benefits of its unrestricted exploitation by others upon the expiration of the patent is lost.¹⁶ Granting injunctions which extend past a patent's statutory life may thwart these policy goals. In considering whether post-expiration injunctions extend the patent period, relevant patent and trade secret law will be examined.

A. Federal Circuit Case Law

The Federal Circuit has been presented with the issue of post-expiration injunctions and the possible extension of a patent's statutory lifetime, but has yet to provide a clear answer to such an injunction's legitimacy.¹⁷ The Federal Circuit first discussed the possibility of post-expiration injunctions in *Roche Products, Inc. v. Bolar Pharmaceutical Co.*¹⁸ In *Roche*, the Federal Circuit reversed the district court's finding of no infringement of a patent on an active ingredient in sleeping pills.¹⁹ Roche requested that the Federal Circuit mandate entry of a permanent injunction against Bolar, but Roche's patent expired before oral argument.²⁰ The Federal Circuit concluded that "[t]his case is not moot, however, because although the initially requested [permanent injunction] no longer is necessary, other remedies can be fashioned," such as "an order to confiscate and destroy the data Bolar has generated

¹⁵ See *Brulotte v. Thys Co.*, 379 U.S. 29, 31, 143 U.S.P.Q. (BNA) 264, 265-66 (1964) (denying royalty payments to continue once a patent expires); *Scott Paper Co. v. Marcalus Mfg. Co.*, 326 U.S. 249, 256, 67 U.S.P.Q. (BNA) 193, 197 (1945) (preventing an assignor of a patent anticipated by prior art from suing for infringement). Additionally, a patent's life cannot be started before it is issued. See *Johns Hopkins Univ.*, 152 F.3d at 1366-67, 47 U.S.P.Q.2d at 1723-24 (vacating an order that enjoined items made before the patent issued).

¹⁶ See *Scott Paper*, 326 U.S. at 255, 67 U.S.P.Q. at 196.

¹⁷ Federal Circuit law must be examined first, since it is controlling on issues unique to patent law. See *Foster v. Hallco Mfg. Co.*, 947 F.2d 469, 475, 20 U.S.P.Q.2d (BNA) 1241, 1245 (Fed. Cir. 1991).

¹⁸ 733 F.2d 858, 221 U.S.P.Q. (BNA) 937 (Fed. Cir. 1984), *superceded by statute*, see 35 U.S.C.A. § 271(e)(1) (1984 & Supp. 1998); see also *Scripps Clinic & Research Found. v. Baxter Travenol Lab., Inc.*, 7 U.S.P.Q.2d (BNA) 1562 (D. Del. 1988).

¹⁹ See *Roche*, 733 F.2d at 860, 221 U.S.P.Q. at 938. Bolar infringed the patented drug through testing and investigation related to the FDA drug approval process during the last six months of the patent's life. See *id.* at 860-61, 221 U.S.P.Q. at 938-39. Part of the Court's holding was immediately overturned through legislation which allowed an exemption for drug regulatory testing. See 35 U.S.C.A. § 271(e)(1) (1984 & Supp. 1998).

²⁰ See *Roche*, 733 F.2d at 865, 221 U.S.P.Q. at 942.

during its infringing activity.”²¹ The Federal Circuit left the appropriateness of the injunction for the district court to decide since 35 U.S.C. Section 283 “clearly makes the issuance of an injunction discretionary.”²² The court referred the district court to the historic equity principles of injunctions, cautioning that injunctions are to deter, not punish.²³ Additionally, when fashioning the injunction, the court stated that the public’s interest must be taken into account.²⁴

In *Ortho Pharmaceutical Corp. v. Smith*,²⁵ the district court specifically limited the duration of its previously issued permanent injunction to the life of Smith’s patent on an oral contraceptive steroid.²⁶ Smith claimed that the district court should have modified the injunction to extend two years beyond the patent’s life and prohibit the use of all data produced from testing the infringing contraceptive during the patent period.²⁷ The Federal Circuit refused to change the district court’s injunction because no “evidence of record or . . . any persuasive case law” mandates the revision of the permanent injunction.²⁸ In addition, Smith failed to argue that the district court abused its discretion in fashioning the injunction, thus contributing to the Federal Circuit’s holding against Smith.²⁹

²¹ *Id.* The *Roche* court cited *Pfizer, Inc. v. International Rectifier Corp.*, 217 U.S.P.Q. (BNA) 157 (C.D. Cal. 1982), in support of such an injunction. *See id.* The problem with the *Roche* court’s reliance on *Pfizer* is that *Pfizer* involved an injunction issued from a contempt proceeding. *See Pfizer*, 217 U.S.P.Q. at 162. International Rectifier violated the court’s preliminary injunction by testing allegedly infringing doxycycline tablets to obtain data for FDA approval. *See id.* The court ordered all products and data made before Pfizer’s patent expired to be destroyed. *See id.* at 163. “Post-injunction infringement, and in turn, contempt, is determined by reference to the terms of the injunction.” *Eli Lilly & Co. v. Medtronic, Inc.*, 735 F. Supp. 652, 661, 14 U.S.P.Q.2d (BNA) 1352, 1359 (E.D. Pa. 1990), *vacated on other grounds*, 915 F.2d 670, 16 U.S.P.Q.2d (BNA) 2020 (Fed. Cir. 1990). A contempt injunction may extend past the patent period, since the injunction is not attempting to rectify the infringement of a patent, but the violation of a court order. *See Eli Lilly*, 735 F. Supp. at 661, 14 U.S.P.Q.2d at 1359-60. These injunctions have no impact on the analysis of a post-expiration injunction’s possible extension of the patent’s statutory period. *See Ortho Pharm. Corp. v. Smith*, 959 F.2d 936, 946, 22 U.S.P.Q.2d (BNA) 1119, 1127 (Fed. Cir. 1992).

²² *Roche*, 733 F.2d at 865, 221 U.S.P.Q. at 842.

²³ *See id.* at 866-67, 221 U.S.P.Q. at 943.

²⁴ *See id.* The district court should consider that Bolar only tested the patented product and Bolar’s research and records “may embody information that would contribute to the health and happiness of the human race” when determining if an injunction is necessary. *Id.* at 866, 221 U.S.P.Q. at 943.

²⁵ 959 F.2d 936, 22 U.S.P.Q.2d (BNA) 1119 (Fed. Cir. 1992).

²⁶ *See id.* at 940, 22 U.S.P.Q.2d at 1122.

²⁷ *See id.* at 945, 22 U.S.P.Q.2d at 1126-27.

²⁸ *Id.* at 946, 22 U.S.P.Q.2d at 1127.

²⁹ *See id.* Smith argued that the use of the test data was infringement, something that should be addressed in a contempt proceeding. *See id.* In addition, Smith only cited support from cases in which injunctions were extended through contempt proceedings. *See id.* (citing *Pfizer* and *Eli Lilly*). Contempt proceedings concern post-injunction infringement, not patent infringement. *See Eli Lilly & Co. v. Medtronic, Inc.* 735 F. Supp. 652, 661, 14 U.S.P.Q.2d (BNA) 1352, 1359-60 (E.D. Pa. 1990), *vacated on other grounds*, 915 F.2d 670, 16 U.S.P.Q.2d (BNA) 2020 (Fed. Cir. 1990).

*Kearns v. Chrysler Corp. (Kearns I)*³⁰ is the Federal Circuit's most enlightening decision concerning post-expiration injunctions. Kearns owned three patents on intermittent windshield wipers which expired before trial.³¹ Kearns requested injunctive relief because Chrysler's infringement deprived him of his patent's "full value," but the district court refused, noting that "there is nothing in statute or common law giving [Kearns] the right to an injunction against practicing the disclosures in an expired patent."³² The Federal Circuit agreed, and likened expiration to unenforceability: When a patent becomes unenforceable, injunctive relief is no longer available because there are no rights to enforce.³³ Granting Kearns an injunction would "extend the statutory term beyond that established by Congress."³⁴ Kearns argued that the language of *Roche* supports a post-expiration injunction.³⁵ Yet the court found that Kearns's request was different for two reasons: (1) Roche's relief "was intended to return the parties to the status quo before infringement (e.g. destruction of data obtained as a result of the infringement) and was not intended to prohibit future use of the invention," and (2) "the relief was also considered in the context of harm to a patent owner that had been selling the patented product."³⁶ The Federal Circuit concluded that the district court did not abuse its discretion.³⁷

B. Pre-Federal Circuit Case Law

The issue of post-expiration injunctions was heavily litigated in the late 1800's and early 1900's before the advent of the Federal Circuit.³⁸ Although this case law is

³⁰ 32 F.3d 1541, 31 U.S.P.Q.2d (BNA) 1746 (Fed. Cir. 1994).

³¹ *See id.* at 1543, 31 U.S.P.Q.2d at 1747.

³² *See id.* at 1549, 31 U.S.P.Q.2d at 1752. Kearns clarifies his position in *Kearns v. Wood Motors, Inc. (Kearns II)*, 46 U.S.P.Q.2d (BNA) 1318 (Fed. Cir.), *cert. denied*, 118 S. Ct. 2347 (1998). Kearns argued that "an inventor is entitled to an 'exclusive right' to his invention and is not enjoying that exclusive right if anyone else is using the invention without his permission." *Id.* at 1319. Kearns believed that since his patent had been infringed continuously by others, he deserved a whole new patent term. *See id.* at 1319-20. The Federal Circuit refuted this argument, stating that "[t]he remedy for infringement is not to lengthen the term of the patent, but to entitle the inventor to sue for enforcement of his patent rights." *Id.* at 1320. Kearns simply reiterated the wrong argument by focusing on the extension of the patent term, instead of remedying wrongs which occurred during the patent term.

³³ *See Kearns I*, 32 F.2d at 1550, 31 U.S.P.Q.2d at 1752 (reciting that relief under 35 U.S.C. § 283 is only to cure violations of secured patent rights); *see, e.g., Joy Techs., Inc. v. Flakt, Inc.*, 6 F.3d 770, 772-73, 28 U.S.P.Q.2d (BNA) 1378, 1380 (Fed. Cir. 1993).

³⁴ *Kearns I*, 32 F.3d at 1550, 31 U.S.P.Q.2d at 1753.

³⁵ *See id.*

³⁶ *Id.* Kearns requested Chrysler be enjoined for a number of years after the patent expired, and Kearns had not sold or was in any position to sell his inventions. *See id.* at 1549-50, 31 U.S.P.Q.2d at 1752-53.

³⁷ *See id.* at 1551, 31 U.S.P.Q.2d at 1753. The Federal Circuit had seen Kearns many times before this specific appeal, and Kearns had "fired several of his attorneys and attempted to conduct massive multiple suits pro se." *Id.* at 1551 n. 11, 31 U.S.P.Q.2d at 1753 n. 11. Kearns's request for additional relief might have simply fallen on tired ears. *See, e.g., Kearns II*, 46 U.S.P.Q.2d at 1319-20.

³⁸ A plausible reason for the large number of cases involving post-expiration injunctions is the historical division between courts of equity and courts at law. *See* 5 DONALD S. CHISUM, CHISUM ON PATENTS § 20.02[1][b]

only persuasive authority to the Federal Circuit,³⁹ the cases provide guidance in evaluating the legal arguments for and against post-expiration injunctions. Although the circuits were divided between allowing and denying post-expiration injunctions, later courts indicated that the weight of authority supported such injunctions.⁴⁰ Courts that denied these injunctions indicated that the patent, the item which gave a patentee the power to enjoin, had expired, and so an injunction could not issue.⁴¹ This is the same argument that was accepted by the Federal Circuit in *Kearns I*.⁴²

Courts that granted injunctions after the patent expired enjoined any sale or use of infringing articles that were made during the patent period.⁴³ In dicta, the Supreme Court even endorsed enjoining, after expiration, infringement arising from the possession of items that were made during the patent period.⁴⁴ Courts adopted two

(1994); James Fleming, Jr., *Right to a Jury Trial in Civil Actions*, 72 YALE L.J. 655, 671-72 (1963). A court acting under the jurisdiction of equity could not order a remedy at law. See *Root v. Railway Co.*, 105 U.S. 189, 190 (1881), *overruled sub silentio*, see *In re Lockwood*, 50 F.3d 966, 30 U.S.P.Q.2d (BNA) 1292 (Fed. Cir. 1995). Thus, courts acting in equity would either have to dismiss a case in which a patent had expired or create an adequate remedy at equity. A patentee would have to bring suit both in equity and at law to get complete relief. See Fleming, 72 YALE L.J. at 671-72. Later, the Supreme Court held that the expiration of a patent does not defeat the jurisdiction of a court sitting in equity if the patent was in force at the time the bill was filed. See *Beedle v. Bennett*, 122 U.S. 71, 75 (1887); see also FED. R. CIV. PROC. 1; 5 DONALD S. CHISUM, CHISM ON PATENTS § 20.02[1][e] (1994).

³⁹ Other than Federal Circuit case law, only United States Court of Customs and Patent Appeals and Court of Claims case law is controlling. See *South Corp. v. United States*, 690 F.2d 1368, 1369, 215 U.S.P.Q. (BNA) 657, 657-58 (Fed. Cir. 1982). Other Circuit law is only looked at as persuasive authority. See *id.*

⁴⁰ See *Fulton Co. v. Bishop & Babcock Co.*, 17 F.2d 1006, 1006 (6th Cir. 1927) (“[I]t is fairly well settled that the patent upon an article will be enforced by forbidding sales, after the patent expires, of infringing articles made before the expiration.”); *Motion Picture Patents Co. v. Centaur Film Co.*, 217 F. 247, 252 (D.N.J. 1914) (“[I]t is well held that . . . infringing articles so made during the life of a patent cannot lawfully be sold after its expiration.”); Eric C. Woglom & Donald K. Reedy, *The Equities of Injunctive Relief In Patent Cases*, 321 PATENTS, COPYRIGHT, TRADEMARK, & LITERARY PROP. COURSE HANDBOOK SERIES (PLI) 237, 280-81 (1991).

⁴¹ See *American Sulphite Pulp Co. v. Hinckley Fibre Co.*, 235 F. 173, 173 (N.D.N.Y. 1916); *Westinghouse v. Carpenter*, 43 F. 894, 895 (C.C.S.D. Iowa 1888) (“[W]ith the expiration of his patent the plaintiff’s right to forbid anybody to make, sell, or use the articles to which this invention refers expires.”); *Consolidated Safety Valve Co. v. Ashton Valve Co.*, 26 F. 319, 320 (C.C.D. Mass. 1886).

⁴² See *Kearns I*, 32 F.3d at 1550, 31 U.S.P.Q.2d at 1753.

⁴³ See *Motion Picture Patents*, 217 F. at 251 (restraining the sale, lease, or use of any motion picture or photography taken by the infringing camera); *American Sulphite Pulp Co. v. Crown-Columbia Pulp & Paper Co.*, 169 F. 140, 144 (Cir. Or. 1909) (restraining the sale or use of infringing pulp digestors made during the patent period); *New York Belting & Packing Co. v. Magowan*, 27 F. 111, 112 (Cir. N.J. 1886) (enjoining the selling of any infringing vulcanized rubber packing manufactured before the patent expired); *Toledo Mower & Reaper Co. v. Johnston Harvester Co.*, 24 F. 739, 740-41 (C.C.N.D.N.Y. 1885) (enjoining the selling or using, either before or after expiration of the patent, of any infringing reapers or mowers that were produced during the patent period); *American Diamond Rock Boring Co. v. Rutland Marble Co.*, 2 F. 356, 357 (Cir. Vt. 1880) (restraining use of infringing machines made during patent period); *American Diamond Rock Boring Co. v. Sheldon*, 1 F. 870, 873 (Cir. Vt. 1880) (extending the injunction to include infringing conical boring heads made during the patent period). One court even allowed goods to be enjoined under a preliminary injunction. See *Underwood Typewriter Co. v. Elliott-Fisher Co.*, 156 F. 588, 588-90 (C.C.S.D.N.Y. 1907) (allegedly infringing typewriter machines were to be delivered up to the marshal to be held until final decree).

⁴⁴ See *Clark v. Wooster*, 119 U.S. 322, 325 (1886) (although “the principal grounds for issuing an injunction may have ceased to exist by the expiration of the patent, yet there might be other grounds . . . arising from the possession by the defendants of folding guides illegally made or procured while the patent was in force”).

main reasons to support the proposition that post-expiration injunctions did not extend the patent's lifetime. First, the infringer had no right to the items it had produced during the patent period, and the infringing products needed to be taken away, regardless of the status of the patent.⁴⁵ The infringer should not be allowed to "prepare for the expiration of a patent by illegally manufacturing articles."⁴⁶ Second, enjoining the sale or use of the items made in violation of the patent holder's rights makes the patentee whole.⁴⁷ Courts framed the post-expiration injunction as rectifying inappropriate actions that occurred *during* the patent period, not after it.⁴⁸ Thus, in the eyes of most courts in the early 1900's, post-expiration injunctions simply did not extend a patent's statutory life.

C. Accelerated Reentry Damages in Patent Cases

Recently, patent holders have requested compensation for their future profits that will be lost in their competition with the alleged infringer after the patentee's patent expires.⁴⁹ Since the infringer gains a head start by practicing the invention illegally during the patent's lifetime, the infringer experiences an "accelerated reentry" into the market after the patent's expiration.⁵⁰ Although this is not a request for an injunction after the patent's expiration, a request for accelerated reentry damages does pose a

⁴⁵ See *American Sulphite Pulp Co.*, 169 F. at 144 ("[N]ot until after the expiration of the patent that business rivals are at the liberty to manufacture [infringing] articles."); *Underwood Typewriter*, 156 F. at 590; *Toledo Mower*, 24 F. at 741 (items made during the patent period are "unlawfully" made); *American Diamond Rock Boring Co. v. Rutland*, 2 F. at 357; *American Diamond Rock Boring Co. v. Sheldon*, 1 F. at 872-73.

⁴⁶ *American Diamond Rock Boring Co. v. Sheldon*, 1 F. at 872-73 (court worried about the infringer's ability to "deluge" the market with infringing products upon the patent's expiration, giving the infringer an unfair advantage); see also *Toledo Mower*, 24 F. at 740 (infringer threatened to supply market with large quantity of infringing mowers made during the patent period). After the patent expires, the courts seem to recognize the unfair "head start" that the infringer may obtain by keeping infringing items beyond expiration. See *id.*

⁴⁷ See *American Diamond Rock Boring Co. v. Rutland*, 2 F. at 357 (a post-expiration injunction "gives [the patentee] no right acquired beyond his term, and merely secures to him the full right he was entitled to during the term").

⁴⁸ See *Motion Picture Patents*, 217 F. at 252; *American Sulphite Pulp*, 169 F. at 144; *Underwood Typewriter*, 156 F. at 590; see also *Jordon v. Hemphill Co.*, 180 F.2d 457, 465, 84 U.S.P.Q. (BNA) 398, 405 (4th Cir. 1950) (denying a post-expiration injunction since there was "no necessity for an injunction against further infringement") (emphasis added).

⁴⁹ See *Mars, Inc. v. Conlux USA Corp.*, 818 F. Supp. 707, 716, 28 U.S.P.Q.2d (BNA) 1161, 1168 (D. Del. 1993); *TP Orthodontics Inc. v. Professional Positioners Inc.*, 17 U.S.P.Q.2d (BNA) 1497, 1504-05 (E.D. Wis. 1990), vacated in part, 20 U.S.P.Q.2d (BNA) 1017, 1024 (E.D. Wis. 1991) (denying accelerated reentry damages for infringement of patented tooth positioning appliance for failure to prove lost sales); *Amsted Indus. Inc. v. National Castings Inc.*, 16 U.S.P.Q.2d (BNA) 1737, 1752 (N.D. Ill. 1990) (requesting sales data of alleged contributory infringement of railway freight cars' underframes after the expiration of Amsted's patent); *BIC Leisure Prods., Inc. v. Windsurfing Int'l, Inc.*, 687 F. Supp. 134, 135, 9 U.S.P.Q.2d (BNA) 1152, 1152 (S.D.N.Y. 1988) (asking for lost profits on patented windsurfing board from infringer's accelerated reentry).

⁵⁰ See, e.g., David N. Makous, *Patent Damages For the Profits of Infringer After Patent Expiration: Accelerated Re-Entry Damages*, 8 NO. 8 J. PROPRIETARY RTS. 2 (1996).

question similar to those presented by post-expiration injunctions, the possible illegitimate extension of a patent's statutory life.⁵¹

District courts have rejected the argument that accelerated damages improperly extend the lifetime of the patent holder's monopoly.⁵² District courts have embraced the *theory* of accelerated reentry damages,⁵³ but have yet to award them.⁵⁴ Parties opposing this theory of damages cite to two United States Supreme Court cases for support, *Brulotte*⁵⁵ and *Scott Paper*.⁵⁶ *Brulotte* and *Scott Paper* both reject the possible extension of any patent beyond its term.⁵⁷ In *Brulotte*, Thys requested royalty payments from Brulotte for an expired patent.⁵⁸ The Court denied this request because the patent had expired.⁵⁹

District courts have universally rejected the argument that these Supreme Court cases bar accelerated reentry damages.⁶⁰ Accelerated reentry damages only compensate the patent holder for the infringer's "*past* infringement, not its post-expiration conduct."⁶¹ A patent holder only seeks compensation for future losses, through the infringer's sales and advanced market position, from *past* acts which occurred during the patent's lifetime.⁶² Even the Supreme Court identified this distinction in *Brulotte*, specifically noting that "royalty payments due for the post-expiration period . . . are not deferred payments for use during the pre-expiration

⁵¹ See Morgan Chu & Tami K. Lefko, *Beyond Lost Profits: Maximizing Patent Damages (Part II)*, 15 No. 2 COMPUTER L. 1, 5 (1998).

⁵² See *TP Orthodontics*, 17 U.S.P.Q.2d at 1505; *Amsted*, 16 U.S.P.Q.2d at 1754; *BIC Leisure*, 687 F. Supp. at 137-38, 9 U.S.P.Q.2d at 1154; Chu & Lefko, *supra* note 51, at 5; Christopher S. Marchese, *Patent Infringement And Future Lost Profits Damages*, 26 ARIZ. ST. L.J. 747, 771-72 (1994).

⁵³ See *TP Orthodontics*, 17 U.S.P.Q.2d at 1504-05; *Amsted*, 16 U.S.P.Q. 2d at 1752; *BIC Leisure*, 687 F. Supp. at 137-38, 9 U.S.P.Q.2d at 1154; Makous, *supra* note 50, at 6.

⁵⁴ See Marchese, *supra* note 52, at 771.

⁵⁵ *Brulotte v. Thys Co.*, 379 U.S. 29, 143 U.S.P.Q. (BNA) 264 (1965).

⁵⁶ *Scott Paper Co. v. Marcalus Mfg. Co.*, 326 U.S. 249, 67 U.S.P.Q. (BNA) 193 (1945).

⁵⁷ See *Brulotte*, 379 U.S. at 31, 143 U.S.P.Q. at 265; *Scott Paper Co.*, 326 U.S. at 256, 67 U.S.P.Q. at 197; Makous, *supra* note 50, at 4 (believing that *Brulotte* prohibits compensation after expiration of a patent and, thus, accelerated reentry damages).

⁵⁸ See *Brulotte*, 379 U.S. at 30, 143 U.S.P.Q. at 265.

⁵⁹ See *id.* at 32, 143 U.S.P.Q. at 266.

⁶⁰ See *Amsted Indus. Inc. v. National Castings Inc.*, 16 U.S.P.Q.2d (BNA) 1737, 1754 (N.D. Ill. 1990); *BIC Leisure Prods., Inc. v. Windsurfing Int'l, Inc.*, 687 F. Supp. 134, 137-38, 9 U.S.P.Q.2d (BNA) 1152, 1154 (S.D.N.Y. 1988).

⁶¹ *Amsted*, 16 U.S.P.Q.2d at 1753 (emphasis added). "Amsted is entitled to compensation not for National's post-expiration sales *per se*, but for the 'accelerated reentry' into the market which National enjoyed as the result of its pre-expiration infringement." *Id.* at 1752.

⁶² See *TP Orthodontics Inc. v. Professional Positioners Inc.*, 17 U.S.P.Q.2d (BNA) 1497, 1505 (E.D. Wis. 1990), *vacated in part*, 20 U.S.P.Q.2d (BNA) 1017, 1024 (E.D. Wis. 1991); *BIC Leisure*, 687 F. Supp. at 138, 9 U.S.P.Q.2d at 1154.

period”⁶³ The courts, in dealing with accelerated reentry damages, have accepted the same argument as early circuit courts did in upholding post-expiration injunctions; only *pre*-expiration actions are being remedied with post-expiration relief, and thus, the patent’s life is not being extended.

D. Trade Secret Injunctions that Issue After the Trade Secret’s Public Disclosure

Trade secret law is another area of intellectual property law which has dealt with the issuance of injunctions after the property right has expired. Injunctions are a common form of relief in trade secret cases.⁶⁴ Although permanent injunctions are often issued, the duration of an injunction comes into question when the trade secret becomes public knowledge.⁶⁵ Initially, three theories were employed to determine the proper length of an injunction after public disclosure of the trade secret: The *Conmar* rule⁶⁶ did not allow an injunction, the *Shellmar* rule⁶⁷ allowed a perpetual injunction, and the *Winston Research* rule⁶⁸ allowed an injunction which extended for the amount of time an independent person, with no prior knowledge of the trade secret, would take to recreate the article after the trade secret was publicly disclosed. Presently, the *Conmar* rule is no longer used and most jurisdictions have adopted the *Winston Research* rule,⁶⁹ which is the form of relief identified in the Uniform Trade Secrets Act (UTSA).⁷⁰

When considering allowing injunctions which extended past the trade secret’s disclosure, courts questioned whether such injunctions would improperly extend the protection period of the trade secret. When a trade secret becomes public knowledge, the owner’s once secret information is no longer protected by the law.⁷¹ The issuance of a permanent injunction after the information is disseminated “would subvert the

⁶³ *Brulotte*, 379 U.S. at 31, 143 U.S.P.Q. at 265.

⁶⁴ See Ruth E. Leistensnider, *Trade Secret Misappropriation: What is the Proper Length of An Injunction After Public Disclosure?*, 51 ALB. L. REV. 271, 273 (1987).

⁶⁵ See *id.*

⁶⁶ See *Conmar Prods. Corp. v. Universal Slide Fastener Co.*, 172 F.2d 150, 155, 80 U.S.P.Q. (BNA) 108, 113 (2d Cir. 1949).

⁶⁷ See *Shellmar Prods. Co. v. Allen-Qualley Co.*, 87 F.2d 104, 109, 32 U.S.P.Q. (BNA) 24, 27 (7th Cir. 1936).

⁶⁸ See *Winston Research Co. v. Minnesota Mining & Mfg. Co.*, 350 F.2d 134, 142, 146 U.S.P.Q. (BNA) 422, 427 (9th Cir. 1965).

⁶⁹ See D. Kirk Jamieson, *Just Deserts: A Model To Harmonize Trade Secret Injunctions*, 72 NEB. L. REV. 515, 517 (1993) (Jamieson’s article notes inadequacies in the current compensatory models and identifies four crucial improvements to determining the length of an injunction); see also *Viscofan, S.A. v. United States Int’l Trade Comm’n*, 787 F.2d 544, 550, 229 U.S.P.Q. (BNA) 118, 124 (Fed. Cir. 1986) (citing the *Winston Research* rule with approval).

⁷⁰ See UNIF. TRADE SECRETS ACT § 2 cmt., 14 U.L.A. 450 (1985).

⁷¹ See RESTATEMENT OF TORTS § 757 cmt. b (1939); Leistensnider, *supra* note 64, at 272.

public's interest in allowing technical employees to make full use of their knowledge and skill and in fostering research and development."⁷² Yet temporary injunctions which extend past the trade secret's disclosure "eliminate any unfair head start the defendant may have gained."⁷³ Such an injunction restores the status quo by placing everyone at the same position with regards to the original trade secret owner.⁷⁴ The post-expiration injunction only rectifies illegal activities which occurred while the trade secret was secret.⁷⁵

E. Analysis

Roche and *Kearns I* imply that the Federal Circuit believes certain post-expiration injunctions do not extend the patent's statutory period.⁷⁶ The distinction given by the court between *Kearns's* and *Roche's* injunction requests provides some guidance in determining when injunctions do not extend a patent's life.⁷⁷ If the patent holder is selling its patented product and only requests an injunction which returns the parties to the status quo, presumably through enjoining the sale of or use of products or data produced during the patent period, the patent period is not being extended since only *past* harms are being redressed.⁷⁸ Pre-Federal Circuit case law and the recent accelerated reentry damage cases agree with this analysis.⁷⁹ Therefore, in order to make the patentee whole, the infringer should not be able to later use or sell infringing goods that were made during the patent period.

In *Kearns I*, the Federal Circuit draws an interesting distinction between two types of injunctions. Post-expiration injunctions that destroy data and infringing items

⁷² See *Winston Research*, 350 F.2d at 142, 146 U.S.P.Q. at 427. *Shellmar* injunctions can only be properly framed as the holder of the trade secret asserting its rights against the tort feisor, not the world. *Shellmar Prods. Co.*, 87 F.2d at 109, 32 U.S.P.Q. at 27.

⁷³ *Lamb-Weston, Inc. v. McCain Foods, Ltd.*, 941 F.2d 970, 974, 19 U.S.P.Q.2d (BNA) 1775, 1778 (9th Cir. 1991).

⁷⁴ See *Winston Research*, 350 F.2d at 142, 146 U.S.P.Q. at 427; Jamieson, *supra* note 69, at 519-20.

⁷⁵ See *Winston Research*, 350 F.2d at 142, 146 U.S.P.Q. at 427.

⁷⁶ But the Federal Circuit has been absolute in denying preliminary injunctions for expired patents, simply noting that expiration makes such an injunction "moot." See *Metaullics Systems Co. v. Cooper*, 100 F.3d 938, 939, 40 U.S.P.Q.2d (BNA) 1798, 1799 (Fed. Cir. 1996), *abrogated on other grounds by*, *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1456, 46 U.S.P.Q.2d (BNA) 1169, 1174-75 (Fed. Cir. 1998); *Illinois Tool Works, Inc. v. Grip-Pak, Inc.*, 906 F.2d 679, 681 n.1, 15 U.S.P.Q.2d (BNA) 1307, 1308 n.1 (Fed. Cir. 1990).

⁷⁷ See *Kearns I*, 32 F.3d 1541, 1550, 31 U.S.P.Q.2d (BNA) 1746, 1753 (Fed. Cir. 1994).

⁷⁸ See *id.*

⁷⁹ Although the accelerated reentry damage cases deal with monetary relief, as opposed to injunctive relief, the principles they teach have direct application to post-expiration injunctions. See *Woglom & Reedy*, *supra* note 40, at 280 (the same equitable principles present in the post-expiration injunctions are reflected in accelerated reentry damages). *BIC Leisure* even cites *Roche*, a post-expiration injunction case, as supporting the theory of accelerated reentry damages. See *BIC Leisure Prods., Inc. v. Windsurfing Int'l, Inc.*, 687 F. Supp. 134, 138, 9 U.S.P.Q.2d (BNA) 1152, 1154 (S.D.N.Y. 1988). Yet some commentators believe that the Federal Circuit's limitation on post-expiration injunctions in *Kearns I* might put the legitimacy of accelerated reentry damages in question. See *Marchese*, *supra* note 52, at 770 n.174.

made during the patent period, in the Federal Circuit's eyes, are different than post-expiration injunctions that enjoin the infringer from practicing the patent after it expires for the number of years it would take the infringer to produce the products from scratch.⁸⁰ Yet there seems to be little difference between the effects of these two injunctions. Both solutions attempt to return the parties to the status quo, one immediately through the destruction of goods, the other through the passage of time and the prevention of the use or production of the once-patented goods. Under either scenario, the same number of years will pass before the infringer can put a product on the shelf, either through the actual production time required or the delay ordered by an injunction. During this time, any other member of the public will be able to practice the invention, only the infringer will be enjoined. Both injunctions deny the public the infringing goods from the infringer after the patent period has expired, but only for the amount of time it would take a non-infringer to make the goods publicly available after expiration.

In a trade secret case, the typical post-disclosure injunction under the *Winston Research* rule enjoins the defendant for the approximate period required to develop a product after public disclosure.⁸¹ In *Winston Research*, the Ninth Circuit addressed the problem of distinguishing between returning everyone to the status quo and denying the public the full benefit of newly disclosed information.⁸² A *Winston Research* injunction balances the public's and the original trade secret owner's interests, while the *Shellmar* rule, which institutes a perpetual injunction, goes too far by treading on the public's interest in exploiting the newly public trade information.⁸³ A *Winston Research* injunction is not seen as extending the trade secret's protection period. Thus, trade secret law recognizes no difference between the two types of injunctions identified in *Kearns I*.⁸⁴ Both injunctions serve the same purpose. Yet

⁸⁰ See *Kearns I*, 32 F.3d at 1550, 31 U.S.P.Q. at 1752. A district court granted an injunction, later vacated because of a settlement agreement, which extended six months past the expiration of the patent, reasoning that the time "was a rough equivalent of the time necessary to convert manufacturing to the formerly patented 'O' ring technology." *Smith Int'l, Inc. v. Hughes Tool Co.*, 229 U.S.P.Q. (BNA) 81, 103 (C.D. Cal. 1986), *vacated on other grounds*, 839 F.2d 663, 5 U.S.P.Q.2d (BNA) 1686 (Fed. Cir. 1988). "Reasonable restraints may be placed on an infringer to both eliminate the consequences of *past* bad acts and prevent *further* encroachment on the patent." *Eli Lilly & Co. v. Medtronic, Inc.*, 735 F. Supp. 652, 662, 14 U.S.P.Q.2d (BNA) 1352, 1360 (E.D. Pa. 1990) (emphasis added), *vacated on other grounds*, 915 F.2d 670, 16 U.S.P.Q.2d (BNA) 2020 (Fed. Cir. 1990).

⁸¹ See *Winston Research Co. v. Minnesota Mining & Mfg. Co.*, 350 F.2d 134, 141, 146 U.S.P.Q. (BNA) 422, 427-28 (9th Cir. 1965).

⁸² See *Winston* 350 F.2d at 137, 146 U.S.P.Q. at 424. Trade Secret law promotes (1) research and development of technology and (2) commercial ethics. See *Kewanee Oil Co. v. Bircron Corp.*, 416 U.S. 470, 481-82, 181 U.S.P.Q. (BNA) 673, 678-79 (1974). Although patent law does not encourage commercial ethics, both trade secret and patent law share the goal of encouraging invention. See *id.* at 481, 181 U.S.P.Q. at 678; Leistensnider, *supra* note 64, at 277-78. The *Winston Research* injunction only furthers the first goal that trade secret and patent law share, thus supporting this type of injunction in patent law. See Jamieson, *supra* note 69, at 518.

⁸³ See Jamieson, *supra* note 69, at 516-18.

⁸⁴ See 3 ROGER M. MILGRIM, MILGRIM ON TRADE SECRETS § 15.02 (1994).

currently the Federal Circuit recognizes the denial of the practice of an invention to anyone after the patent expires as an improper extension of that patent's life.⁸⁵

III. Is an Injunction An Appropriate Remedy for Post-Expiration Relief?

Even if a post-expiration injunction does not improperly extend a patent's lifetime, one must ask whether an injunction is an appropriate form of relief for post-expiration harms. After a patent expires, new producers of the product usually enter the market with a zero market share.⁸⁶ An infringer, on the other hand, gains a "head start" upon the patent's expiration as a result of the infringer's past actions.⁸⁷ The infringer may obtain "the accumulation of production know-how, having manufacturing facilities in place, or the establishment of name recognition, goodwill or relationships with customers or distribution channels."⁸⁸

"[T]he nature of the patent grant ... weighs against holding that monetary damages will always suffice to make the patentee whole."⁸⁹ The principal right granted under a patent is the right to exclude.⁹⁰ Yet there is no absolute entitlement to an injunction, even during the patent's statutory life.⁹¹ Under 35 U.S.C. Section 283 the "courts having jurisdiction of cases under this title *may* grant injunctions."⁹² Even if a post-expiration injunction does not extend the statutory life of the patent, injunctive relief may be inappropriate. This question will be investigated in both the patent and trade secret context.

A. Case Law Under the Federal Circuit

The Federal Circuit has suggested the use of monetary relief for post-expiration compensation. In *Roche*, the Federal Circuit, in its remand to the district court for a determination of damages, instructed that the "district judge, before getting into the

⁸⁵ See *Keams II*, 46 U.S.P.Q.2d (BNA) 1318, 1320 (Fed. Cir.), *cert. denied*, 118 S. Ct. 2347 (1998) (noting that only Congress can change "200 years of legal development" and allow an injunction to prevent a member of the public from practicing an expired invention).

⁸⁶ See S. Lakshmanan & Jeffery H. Kinrich, *Damage Measures In Patent Infringement Actions*, 453 PATENTS, COPYRIGHTS, TRADEMARKS, & LITERARY PROP. COURSE HANDBOOK SERIES (PLI) 167, 187 (1996).

⁸⁷ *Id.* at 187-88; see also, *BIC Leisure Prods., Inc. v. Windsurfing Int'l, Inc.*, 687 F. Supp. 134, 138, 9 U.S.P.Q.2d (BNA) 1152, 1154 (S.D.N.Y. 1988); Daniel M. McGavock & Rochelle Kopp, *Emerging Topics in the Calculation Of Economic Damages in Patent Litigation*, 5 NO. 3 J. PROPRIETARY RTS. 17, 22 (1993).

⁸⁸ McGavock & Kopp, *supra* note 87, at 22; see also Lakshmanan & Kinrich, *supra* note 86, at 187.

⁸⁹ *H.H. Robertson Co. v. United Steel Deck, Inc.*, 820 F.2d 384, 390, 2 U.S.P.Q.2d (BNA) 1926, 1930 (Fed. Cir. 1987).

⁹⁰ See *id.*, 820 F.2d at 390, 2 U.S.P.Q.2d at 1930.

⁹¹ See *Keams I*, 32 F.3d 1541, 1551, 31 U.S.P.Q.2d (BNA) 1746, 1753 (Fed. Cir. 1994).

⁹² 35 U.S.C. § 283 (1994 & Supp. 1997) (emphasis added); see also *Keams I*, 32 F.3d at 1551, 31 U.S.P.Q.2d at 1753; *Roche Prods., Inc. v. Bolar Pharm. Co.*, 733 F.2d 858, 865, 221 U.S.P.Q. (BNA) 937, 942 (Fed. Cir. 1984), *superseded by statute*, see 35 U.S.C.A. § 271(e)(1) (1984 & Supp. 1998).

issue of equitable relief, must determine if he can deal with the case by adequate money damages.”⁹³ The court looked to the principles of equity, suggesting a solution be uniquely molded for each case, avoiding harsh equitable relief.⁹⁴ The Federal Circuit was specifically concerned that equitable relief would be particularly harsh in *Roche* because of the public health benefits of the patented sleeping agent and the good faith behind Bolar’s actions.⁹⁵

Even though the court believed an injunction in *Roche* may be harsh, the court also recognized the unique head start gained by Bolar’s infringement. A “generic drug’s commercial success is related to how quickly it is brought on the market after a patent expires.”⁹⁶ Considering the FDA approval process takes more than two years, Bolar was trying to get a jump start during the lifetime of Roche’s patent that Bolar could use to aid its entry into the market after the patent expired.⁹⁷

In *Johns Hopkins University v. Cellpro, Inc.*,⁹⁸ the Federal Circuit provided further analysis on the appropriateness of injunctive relief in patent cases. The Federal Circuit vacated a district court’s order to enjoin the use of six vials of Johns Hopkins’s patented product that were produced before Johns Hopkins’s patent issued.⁹⁹ The district court’s order did not “enjoin activities that either have infringed the . . . patent or are likely to do so and thus does not prevent infringement—the proper purpose of an injunction under Section 283.”¹⁰⁰ The Federal Circuit further clarified this statement noting that “Section 283 does not provide remedies for past infringement; it only provides for injunctive relief to prevent future infringement.”¹⁰¹ Section 284 provides for compensation for past infringement and assures that a patentee will be made whole.¹⁰²

⁹³ *Roche*, 733 F.2d at 866, 221 U.S.P.Q. at 943.

⁹⁴ *See id.* at 866-67, 221 U.S.P.Q. at 943. Only Congress can change the language of 35 U.S.C. § 283 to *mandate* injunctions, regardless of the historic equity principles. *See id.*; *see also Kearns I*, 32 F.3d at 1550, 31 U.S.P.Q.2d at 1752 (monetary relief is adequate and full compensation for Chrysler’s past infringement).

⁹⁵ *See Roche*, 733 F.2d at 866, 221 U.S.P.Q. at 943; *see also* *Vitamin Technologists, Inc. v. Wisconsin Alumni Research Found., Inc.*, 146 F.2d 941, 944-45, 63 U.S.P.Q. (BNA) 262, 267 (9th Cir. 1944); *City of Milwaukee v. Activated Sludge, Inc.*, 69 F.2d 577, 593, 21 U.S.P.Q. (BNA) 69, 85-86 (7th Cir. 1934). These unique equitable concerns the Federal Circuit cited may have been solved by 35 U.S.C. § 271(e)(1) which exempts obtaining data for FDA approval during a patent’s lifetime from being patent infringement. *See, e.g.*, 35 U.S.C.A. § 271(e)(1) (1984 & Supp. 1998); *Eli Lilly & Co. v. Medtronic, Inc.*, 872 F.2d 402, 10 U.S.P.Q.2d (BNA) 1304 (Fed. Cir. 1989), *aff’d*, 496 U.S. 661, 15 U.S.P.Q.2d (BNA) 1121 (1990).

⁹⁶ *Roche*, 733 F.2d at 860, 221 U.S.P.Q. at 938.

⁹⁷ *See id.*

⁹⁸ 152 F.3d 1342, 47 U.S.P.Q.2d (BNA) 1705 (Fed. Cir. 1998).

⁹⁹ *See id.* at 1367, 47 U.S.P.Q.2d at 1723-24.

¹⁰⁰ *Id.* at 1366, 47 U.S.P.Q.2d at 1723-24.

¹⁰¹ *Id.*

¹⁰² *See id.*

In contrast, two district courts have concluded that an injunction is the only way to remove this illegitimate head start.¹⁰³ In *Pfizer*, International Rectifier (IR) was held in contempt for violating the court's preliminary injunction because they continued to use the allegedly infringing doxycycline in order to be in an advantageous position to compete with Pfizer and gain FDA approval upon the patent's expiration.¹⁰⁴ Without IR's violation of the court's injunction, IR would not have been able to obtain FDA approval and meet the large public demand for doxycycline immediately upon the expiration of Pfizer's patent.¹⁰⁵ The court estimated that IR would have from six to eighteen months advanced market reentry because of its actions.¹⁰⁶ To rectify this problem, the *Pfizer* court ordered all of the doxycycline and the data produced through doxycycline's use impounded and destroyed.¹⁰⁷

In *Smith International, Inc. v. Hughes Tool Co.*,¹⁰⁸ the district court also endorsed the use of an injunction instead of monetary damages to remedy an illegitimate head start. Before the expiration of Hughes's patent on O-ring technology for sealing drill bits, Smith had manufactured a large supply of "V" ramp bits and flat gland bits using Hughes's patented technology.¹⁰⁹ The court instituted a six month injunction, which was equivalent to the time necessary for Smith to produce the bits after Hughes' patent expired.¹¹⁰ The court believed that "if an injunction has successfully prevented damage [to Hughes], then no award of damages (or royalties, a substitute for damages) should be awarded."¹¹¹ Thus, both *Pfizer* and *Smith International* concluded that an injunction is the only way to make the patent holder whole and eliminate any illegitimate head start gained by an infringer.

B. Pre-Federal Circuit Case Law

Earlier circuit cases also contemplated whether injunctive or monetary relief is appropriate for patents that have expired. Courts that believed that post-expiration

¹⁰³ See *Smith Int'l, Inc. v. Hughes Tool Co.*, 229 U.S.P.Q. (BNA) 81, 103 (C.D. Cal. 1986), *vacated on other grounds*, 839 F.2d 663, 5 U.S.P.Q.2d (BNA) 1686 (Fed. Cir. 1988); *Pfizer, Inc. v. International Rectifier Corp.*, 217 U.S.P.Q. (BNA) 157, 162-63 (C.D. Cal. 1982).

¹⁰⁴ See *Pfizer*, 217 U.S.P.Q. at 159. IR called the use "experimental," which "appeared to [the] court to have all the sincerity of a professional wrestler who, having been caught gouging his opponents in the eye, nevertheless holds up his hand and composes his face to indicate injured innocence." *Id.* at 160.

¹⁰⁵ See *id.* at 162.

¹⁰⁶ See *id.*

¹⁰⁷ See *id.* at 163; see also *Eli Lilly*, 735 F. Supp. 652, 661, 14 U.S.P.Q.2d (BNA) 1352, 1359-60 (E.D. Pa. 1990), *vacated on other grounds*, 915 F.2d 670, 16 U.S.P.Q.2d (BNA) 2020 (Fed. Cir. 1990).

¹⁰⁸ 229 U.S.P.Q.2d (BNA) 81 (C.D. Cal. 1986), *vacated as moot*, 839 F.2d 663, 5 U.S.P.Q.2d (BNA) 1686 (Fed. Cir. 1988).

¹⁰⁹ See *id.*, 229 U.S.P.Q.2d at 103.

¹¹⁰ See *id.*

¹¹¹ *Id.*

injunctions improperly extended the patent period also concluded that a remedy at law was more than adequate.¹¹² In *American Safety Device Co. v. Kurland Chemical Co.*,¹¹³ Kurland made twenty-four infringing machines before American Safety's patent expired.¹¹⁴ The court denied American Safety's request to enjoin the use or sale of the machines because there was no evidence that Kurland had made them in anticipation of the patent's expiration or that Kurland would sell these machines.¹¹⁵ Although the court recognized that post-expiration injunctions were supported in case law, the court believed an adequate remedy at law existed and "[w]here there is a plain and adequate remedy at law . . . there is no basis for the intervention of equity in patent litigation."¹¹⁶

Yet the weight of pre-Federal Circuit authority supports the use of an injunction as opposed to monetary relief. In *Fulton Co. v. Bishop & Babcock Co.*,¹¹⁷ the Sixth Circuit enjoined, after the patent's expiration, the sale of all infringing flexible metal bellows made by Bishop during the patent's term.¹¹⁸ The court noted that "the [infringing] article itself came into existence in violation of law . . . [and] [t]o permit it to be sold would be to impair the patent grant by shortening its term. Damages are not an adequate remedy, for the same reasons that always apply during the patent term."¹¹⁹ In *Toledo Mower & Reaper Co. v. Johnston Harvester Co.*,¹²⁰ Johnston produced a large number of infringing lawn mowers during the patent term in order to be in a position to meet market demand upon the patent's expiration.¹²¹ The court granted an injunction because of these "special circumstances for equitable relief."¹²² "The restraint of the sale" of infringing items made during the patent period "would make fitting the exercise of equitable jurisdiction . . . [o]therwise plaintiff's remedy would not be plain, adequate, and complete."¹²³

¹¹² See *Miller v. Schwerner*, 130 F. 561, 563-64 (C.C.S.D. Iowa 1904) (no facts were pled that suggest that monetary compensation cannot make the plaintiff whole for sales of any items made during the patent's lifetime).

¹¹³ 68 F.2d 734 (2d Cir. 1934).

¹¹⁴ See *id.* at 734.

¹¹⁵ See *id.*

¹¹⁶ *Id.* at 735.

¹¹⁷ 17 F.2d 1006 (6th Cir. 1927).

¹¹⁸ See *id.* at 1006-07.

¹¹⁹ *Id.* at 1007.

¹²⁰ 24 F. 739 (C.C.N.D.N.Y. 1885).

¹²¹ See *id.* at 741.

¹²² *Id.*

¹²³ *Motion Picture Patents Co. v. Centaur Film Co.*, 217 F. 247, 252 (D.N.J. 1914).

C. Accelerated Reentry Damages in Patent Cases

There is general acceptance for the award of monetary damages as a remedy for the accelerated reentry of infringers. In all of the district court cases involving a request for post-expiration damages, monetary relief was contemplated.¹²⁴ The district court in *Amsted* briefly addressed injunctive relief in the accelerated reentry damage context.¹²⁵ National argued that Amsted had waived its right to accelerated reentry damages because it did not make a motion for preliminary injunction.¹²⁶ In rejecting this argument, the court concluded that since Amsted was seeking monetary damages, as opposed to an injunction, Amsted need not prove the element of irreparable harm in association with an infringer's head start.¹²⁷ Although the use of monetary damages to remedy an infringer's accelerated reentry implies its adequacy, National's argument failed because a preliminary injunction is *never* needed to preserve a patent holder's right to receive a permanent injunction or lost profits.¹²⁸ None of these cases have concluded that acceptance of monetary relief bars injunctive relief as an alternative for an expired patent.

D. Trade Secret Injunctions that Issue After the Trade Secret's Public Disclosure

Courts have historically given injunctive relief in trade secret cases when "there exists a present real threat of disclosure, even without actual disclosure."¹²⁹ In *Winston Research*,¹³⁰ the Ninth Circuit held that an injunction was an adequate remedy because Winston had not made any profits to disgorge based on the confidential information before it became public.¹³¹ The appropriate term of the injunction "is that which competitors would require after public disclosure to develop a competitive machine."¹³² The UTSA, which is codified in many states, provides that injunctive relief may continue after a trade secret has ceased to exist.¹³³ Thus, it is established

¹²⁴ See *TP Orthodontics Inc. v. Professional Positioners Inc.*, 17 U.S.P.Q.2d (BNA) 1497, 1505 (E.D. Wis. 1990), *vacated in part*, 20 U.S.P.Q.2d (BNA) 1017, 1024 (E.D. Wis. 1991); *Amsted Indus. Inc. v. National Castings Inc.*, 16 U.S.P.Q.2d (BNA) 1737, 1754 (N.D. Ill. 1990); *BIC Leisure Prods., Inc. v. Windsurfing Int'l, Inc.*, 687 F. Supp. 134, 137-38, 9 U.S.P.Q.2d (BNA) 1152, 1152 (S.D.N.Y. 1988).

¹²⁵ See *Amsted*, 16 U.S.P.Q.2d at 1754.

¹²⁶ See *id.*

¹²⁷ See *id.*

¹²⁸ See *id.* at 1755.

¹²⁹ *B.F. Goodrich Co. v. Wohlgemuth*, 137 U.S.P.Q. (BNA) 804, 807 (Ohio 1963); see also, Jamieson, *supra* note 69, at 523; Leistensnider, *supra* note 64, at 273; MELVIN F. JAGER, TRADE SECRET LAW § 5.50(1) (1985).

¹³⁰ *Winston Research Co. v. Minnesota Mining & Mfg. Co.*, 350 F.2d 134, 146 U.S.P.Q. (BNA) 422 (9th Cir. 1965).

¹³¹ See *id.* at 144, 146 U.S.P.Q. at 429.

¹³² *Id.* at 142, 146 U.S.P.Q. at 428.

¹³³ See UNIF. TRADE SECRETS ACT § 2, 14 U.L.A. 450 (1985).

law that injunctions may remedy an unfair competitive advantage after a trade secret has been revealed.

E. Analysis

The district courts in both *Smith International* and *Pfizer* deemed injunctive relief as the only remedy to remove the illegitimate head start an infringer obtains before the patent expires.¹³⁴ These injunctions either destroyed data¹³⁵ or prevented the infringer from practicing the invention for a specified number of months.¹³⁶ Earlier circuit court cases have also concluded that the only adequate remedy to prevent infringers who are poised to flood a market is to enjoin the infringers from using or selling products that were made during the patent period.¹³⁷

With the recent acceptance of accelerated reentry damages, courts have become comfortable with monetary relief, as opposed to injunctive relief, to rectify illegitimate head starts.¹³⁸ Yet when applying accelerated reentry damages, there is a question of how many years after a patent's expiration a court may award the patent holder reentry damages.¹³⁹ An injunction would solve this problem by replacing a speculative monetary figure applied to the infringer's competitive advantage with a definitive injunction that would either take from the infringer those products that provide the advantage or deny the infringer entry until competitors reach the same level of readiness with a finite, absolute, and easily definable injunction.¹⁴⁰ Thus, an injunction solves the problem of limiting the number of years the infringer is punished by removing the infringer's competitive advantage after expiration.

Regardless of the support in the district courts for post-expiration injunctive relief, Federal Circuit case law is not as certain about the appropriateness of such injunctions. In *Roche*, the Federal Circuit specifically instructed the district court, on remand, to look toward adequate monetary damages before fashioning an injunctive remedy.¹⁴¹ Furthermore, in *Johns Hopkins University*, the Federal Circuit interpreted

¹³⁴ See *Smith Int'l, Inc. v. Hughes Tool Co.*, 229 U.S.P.Q. (BNA) 81, 103 (C.D. Cal. 1986), *vacated on other grounds*, 839 F.2d 663, 5 U.S.P.Q.2d (BNA) 1686 (Fed. Cir. 1988); *Pfizer, Inc. v. International Rectifier Corp.*, 217 U.S.P.Q. (BNA) 157, 163 (C.D. Cal. 1982).

¹³⁵ See *Pfizer*, 217 U.S.P.Q. at 163.

¹³⁶ See *Smith Int'l*, 229 U.S.P.Q. at 103.

¹³⁷ See *Fulton Co. v. Bishop & Babcock Co.*, 17 F.2d 1006, 1006-07 (6th Cir. 1927).

¹³⁸ See, e.g., *Amsted Indus. Inc. v. National Castings Inc.*, 16 U.S.P.Q.2d (BNA) 1737, 1754 (N.D. Ill. 1990).

¹³⁹ See Makous, *supra* note 50, at 7.

¹⁴⁰ Since the owner of a non-expired patent can ask for accelerated reentry damages, a request for injunction before the patent's expiration should be granted to eliminate the infringer's advantage. See Lakshmanan & Kinrich, *supra* note 86, at 188.

¹⁴¹ See *Roche Prods., Inc. v. Bolar Pharm. Co.*, 733 F.2d 858, 866, 221 U.S.P.Q.2d (BNA) 937, 943 (Fed. Cir. 1984), *superseded by statute*, see 35 U.S.C.A. § 271(e)(1) (1984 & Supp. 1998).

Section 283 as providing injunctive relief only for *future* infringements, not *past* infringements.¹⁴² Unfortunately, post-expiration injunctions run counter to this interpretation, i.e. they enjoin the use of products made *during* the patent period.¹⁴³ Since the patent has expired, there can be no future infringement to enjoin under Section 283.¹⁴⁴

The courts can still look to the general principles of equity to fashion a remedy and prevent the infringer from benefiting from unlawful actions.¹⁴⁵ The infringer has no right to the fruits of infringement during the patent period, and courts have held that these fruits can be taken away by an injunction.¹⁴⁶ Furthermore, in fashioning a remedy, courts can look to trade secret law where injunctive relief after the trade secret right has expired is the rule.¹⁴⁷ Thus, because an injunction in trade secret law furthers goals similar to those of patent law, i.e. the promotion of research and development, the remedies of trade secret law could be adopted in patent law.

IV. Conclusion

Both *Kearns I* and *Johns Hopkins University* present a substantial roadblock to anyone attempting to obtain a post-expiration injunction.¹⁴⁸ Although neither case specifically holds that such injunctions are illegitimate, the Federal Circuit in both cases narrowed the legal foundation on which a post-expiration injunction can stand. The court's analysis in *Kearns I*, and the court's further analysis in *Kearns II*, limits the instances in which an injunction after a patent's expiration does not extend the patent period.¹⁴⁹ An injunction *may* not extend the patent's lifetime if (1) the injunction only destroys data obtained through an infringing activity occurring during the patent period, returning the parties to the status quo, and (2) the patentee is selling the patented product so that it is harmed by the infringer's head start.¹⁵⁰

The Federal Circuit further limits the scope of a post-expiration injunction by preventing a patentee from relying on Section 283.¹⁵¹ Section 283 cannot be used to

¹⁴² See *id.* at 1367, 47 U.S.P.Q.2d at 1724.

¹⁴³ See *Johns Hopkins Univ. v. Cellpro, Inc.*, 152 F.3d 1342, 1367, 47 U.S.P.Q.2d (BNA) 1705, 1724 (Fed. Cir. 1998).

¹⁴⁴ See *Motion Picture Patents Co. v. Centaur Film Co.*, 217 F. 247, 251 (D.N.J. 1914).

¹⁴⁵ See *Toledo Mower & Reaper Co. v. Johnston Harvester Co.*, 24 F. 739, 741 (C.C.N.D.N.Y. 1885).

¹⁴⁶ See *id.*; *Motion Picture Patents*, 217 F. at 252.

¹⁴⁷ See *Jamieson*, *supra* note 69, at 529-36.

¹⁴⁸ See *Johns Hopkins Univ.*, 152 F.3d at 1365-67, 47 U.S.P.Q.2d at 1723-24; *Kearns I*, 32 F.3d 1541, 1550, 31 U.S.P.Q.2d (BNA) 1746, 1752-53 (Fed. Cir. 1994).

¹⁴⁹ See *Kearns I*, 32 F.3d at 1550, 31 U.S.P.Q.2d at 1752-53.

¹⁵⁰ See *id.*

¹⁵¹ See *Johns Hopkins Univ.*, 152 F.3d at 1365-67, 47 U.S.P.Q.2d at 1723-24).

remedy the harms of *past* infringement, which are the *only* harms which can occur under an expired patent.¹⁵² Thus, a court can either fashion an injunction under its general equitable powers¹⁵³ or issue damages to remedy the head start, such as seen in the accelerated reentry damage cases.¹⁵⁴

On the other hand, the district court and pre-Federal Circuit cases cited above demonstrate that the issuance of an injunction after a patent expires does occur.¹⁵⁵ Arguing for a post-expiration injunction or for accelerated reentry damages would add another remedy to a patent holder's arsenal when litigating an expired patent and may aid in settlement negotiations. A post-expiration injunction provides an additional way to insure that the relief to a patent holder is adequate. "The consequences [of a post-expiration injunction] may be serious, but if [the infringers] had wished to avoid them they ought to have refrained from such manufactur[ing]" of infringing articles.¹⁵⁶

¹⁵² See *id.* at 1367, 47 U.S.P.Q.2d at 1724.

¹⁵³ See *Toledo Mower & Reaper Co. v. Johnston Harvester Co.*, 24 F. 739, 741 (C.C.N.D.N.Y. 1885).

¹⁵⁴ See *Amsted Indus. Inc. v. National Castings Inc.*, 16 U.S.P.Q.2d (BNA) 1737, 1754 (N.D. Ill. 1990).

¹⁵⁵ See, e.g., *Smith Int'l, Inc. v. Hughes Tool Co.*, 229 U.S.P.Q. (BNA) 81, 103 (C.D. Cal. 1986), *vacated on other grounds*, 839 F.2d 663, 5 U.S.P.Q.2d (BNA) 1686 (Fed. Cir. 1988); *Pfizer, Inc. v. International Rectifier Corp.*, 217 U.S.P.Q. (BNA) 157, 163 (C.D. Cal. 1982); *Motion Picture Patents Co. v. Centaur Film Co.*, 217 F. 247, 252 (D.N.J. 1914).

¹⁵⁶ *New York Belting & Packing Co. v. Magowan*, 27 F. 111, 112 (Cir. N.J. 1886).