Why Plaintiffs Should Have To Prove Irreparable Harm In Copyright Preliminary Injunction Cases

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I. INTRODUCTION

It has become lamentably common for courts to issue preliminary injunctions in copyright cases once rights holders have shown a reasonable likelihood of success on the merits without going on to require them to prove that they will suffer irreparable harm unless the injunction is issued.¹ Harm is too often presumed to be irreparable if plaintiffs have made out a prima facie case of infringement.² This presumption cannot be squared with traditional principles of equity, as interpreted in numerous Supreme Court decisions.

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¹ See, e.g., PAUL GOLDSTEIN, GOLDSTEIN ON COPYRIGHT § 13.1.2(b) at 13:17 (3d Ed. 2005) (citing cases); 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 14.06[A][2][b] (2009); WILLIAM F. PATRY, PATRY ON COPYRIGHT § 22:44 (2009) (characterizing the presumption of irreparable harm as “lamentable” and noting that it has been applied in all but the 5th Circuit).

² See, e.g., Triad Sys. Corp. v. Southeastern Express Co., 64 F.3d 1330, 1335 (9th Cir. 1995)(presuming irreparable harm upon a showing of likelihood of success on the merits); Video Trip Corp. v. Lightning Video, Inc., 866 F.2d 50, 51-52 (2d Cir. 1989)(same).
The presumption of irreparable harm is particularly troublesome and inappropriate in cases involving transformative uses of existing works, such as remixes and mashups of movies and music on user-generated content sites like YouTube, because free expression and free speech interests of creative users are at stake and transformative use cases are often close. Indeed, if any presumption about harm is appropriate in transformative use cases, it should probably run in favor of irreparability of harm to the defendants’ free expression and speech interests under First Amendment case law which treats preliminary injunctions as presumptively unconstitutional prior restraints on speech.

Part II of this Article discusses traditional principles of equity under which the Supreme Court has opined that the burden of proof of irreparable injury should rest squarely on the shoulders of plaintiffs who seek the extraordinary remedy of preliminary injunctive relief. Especially relevant is the Supreme Court’s 2006 decision in eBay, Inc. v. MercExchange, LLC, which rejected the Court of Appeals for the Federal Circuit’s categorical rule in favor of issuance of injunctions in patent cases. We regard the presumption of irreparable harm in copyright cases to be inconsistent with the holding and logic of eBay, as some trial courts, but unfortunately not all, have recognized in the post-eBay case law.

While we think that eBay and other Supreme Court decisions make this presumption inappropriate in all preliminary injunction

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3 See, e.g., Edward Lee, Warming Up to User-Generated Content, 2008 U. ILL. L. REV. 1459 (giving examples of remixes and mashups); CENTER FOR SOCIAL MEDIA, CODE OF BEST PRACTICES ON FAIR USE FOR ONLINE VIDEO, June 2008, available at http://www.centerforsocialmedia.org/resources/fair_use/C23/ (recognizing free expression interests of creative reusers of video content); see also LAWRENCE LESSIG, REMIX: MAKING ART AND COMMERCE THRIVE IN THE HYBRID ECONOMY (2008) and sources cited in Part III.


in copyright cases, Part III explains why presuming irreparable harm is especially problematic when the challenged work is transformative and when the defendant raises a plausible arguments that the use was fair, that only ideas were appropriated, or that similarities in expression were not substantial enough to infringe. Presuming irreparable harm in transformative use cases is, moreover, inconsistent with the Supreme Court’s rejection of any presumption of harm in transformative fair use cases in *Campbell v. Acuff-Rose Music Corp.* Such a presumption strips defendants of procedural safeguards precisely when these protections are most needed to give effect to the First Amendment interests of follow-on creators and the constitutional goals of copyright in fostering the ongoing progress of the creation and dissemination of original works of authorship.

II. TRADITIONAL PRINCIPLES OF EQUITY REQUIRE Plaintiffs TO PROVE IRREPARABLE HARM TO QUALIFY FOR INJUNCTIVE RELIEF.

In *eBay*, the Supreme Court asserted that under long-standing and well-established principles of equity, plaintiffs must demonstrate four things to qualify for injunctive relief: (1) harm to the plaintiff will be irreparable unless an injunction issues; (2) remedies available at law are inadequate to compensate for the injury; (3) a balance of hardships among the litigants favors the plaintiff; and (4) the injunction would not bring about a disservice to the public interest.\(^7\) At the preliminary injunction stage, plaintiffs must also prove that they are likely to succeed on the merits.\(^8\)

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8 *eBay*, 547 U.S. at 391. According to Douglas Laycock, a prominent remedies scholar, the four-part test the Court announced in *eBay* for judging whether to issue permanent injunctions “never existed before; it was made up out of whole cloth, and is incoherent.” See Letter from Douglas Laycock, Yale Kamisar Collegiate Professor of Law at University of Michigan Law School, to Pamela Samuelson and Kryzstof Bebenek (Nov. 13, 2009) (“Laycock Letter”) (on file with the authors). See also Doug Rendleman, *The Trial Judge’s Equitable Discretion Following eBay v. MercExchange*, 27 REV. LITIG. 63, 76 n. 71 (2007) (“Remedies specialists had never heard of the four-point test.”) Another influential article on standards for issuance of injunctive relief is John Leubsdorf, *The Standard for Preliminary Injunctions*, 91 HARV. L. REV. 525 (1978), which is discussed infra notes 133-36 and accompanying text. Congress may, however, specifically direct that injunctions should issue without full consideration of the usual equitable factors. See, e.g., CBS Broadcasting, Inc. v. EchoStar Communications Corp., 450 F.3d 505, 527 (11th Cir. 2006).

A. *eBay* Requires Courts to Apply Equitable Principles in Patent and Copyright Cases

Prior to the Supreme Court’s decision in *eBay*, the Court of Appeals for the Federal Circuit did not accept that equitable considerations should limit the issuance of injunctions in patent cases. The Federal Circuit reasoned that the very nature of patents, which grant their owners rights to exclude unlicensed firms from making, selling or using their inventions during the life of the patent, justified a general rule that injunctions should issue upon a finding of patent infringement. This court relied on similar reasoning to justify a presumption of irreparable injury when patent plaintiffs established a likelihood of success on the merits when seeking preliminary injunctions.

In its unanimous decision in *eBay*, the Supreme Court rejected the Federal Circuit’s automatic injunction rule and reversed the Federal Circuit’s ruling that MercExchange was entitled to an injunction against eBay’s continued use of its patented method of facilitating electronic markets for sales of goods through establishing a central authority to promote trust among participants. The Court directly challenged the Federal Circuit’s nature-of-the-patent-grant rationale for its categorical rule in favor of injunctive relief upon a finding of infringement.

The creation of a property right in a patented invention, the Court pointed out, “is distinct from the provision of remedies for violation of that right.” The Federal Circuit’s categorical rule ignored key provisions of the patent statute. The same provision that states that “patents shall have the attributes of personal property” also makes clear that these rights are “[s]ubject to the provisions of this title.”

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10 *MercExchange*, 401 F.3d at 1338. See also Richardson v. Suzuki Motor Co., Ltd., 868 F.2d 1226, 1247 (Fed. Cir. 1989) (“It is the general rule that an injunction will issue when infringement has been adjudged, absent a sound reason for denying it.”); W.L. Gore & Assoc., Inc. v. Garlock, Inc., 842 F.2d 1275, 1281 (Fed. Cir. 1988) (“This court has indicated that an injunction should issue once infringement has been established unless there is a sufficient reason for denying it.”).


12 *eBay*, 547 U.S. at 391-92.

13 Id. at 392.

14 Id.

The injunctive relief provision states plainly that injunctions “may” issue when patent infringement has been found, not that injunctions must issue.\textsuperscript{16} Indeed, this same provision specifically states that injunctions should issue “in accordance with principles of equity.”\textsuperscript{17}

The Federal Circuit’s categorical rule in favor of injunctions was thus out of sync with the patent statute, as well as with the Court’s precedents in copyright cases. Like the patent statute, the copyright law provides creators with a right to exclude unlicensed parties from certain exploitations of their works;\textsuperscript{18} yet it also provides that courts “may” issue injunctions,\textsuperscript{19} not that they must. The Court noted that it had “consistently rejected invitations to replace traditional principles of equitable considerations with the rule that an injunction automatically follows a determination that a copyright has been infringed.”\textsuperscript{20} In \textit{New York Times Co. v. Tasini},\textsuperscript{21} for instance, the Court sought to allay concerns about public access to the historical record by suggesting that the appropriate remedy for unauthorized inputting of free-lancer articles to electronic databases might be compensation, rather than an injunction that would require removal of the articles from the databases.

The Court agreed with the Federal Circuit on one point, however: that the trial court in eBay had erred by adopting a categorical rule that injunctive relief was unavailable because of the “plaintiff’s willingness to license its patents” and “its lack of commercial activity in practicing the patents,” from which the lower court inferred that harm was not irreparable.\textsuperscript{22} This rigid rule would preclude injunctive

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\textsuperscript{16} eBay, 547 U.S. at 392 (citing 35 U.S.C. § 283).

\textsuperscript{17} eBay, 547 U.S. at 392 n.2. Although the Court did not quote the whole of this provision, it is worth noting that it goes on to say that the injunction may “prevent the violation of any right secured by a patent, on such terms as the court deems reasonable.” 35 U.S.C. § 283 (2006). (emphasis added).


\textsuperscript{20} eBay, 547 U.S. at 392-93. Professor Laycock agrees with the Supreme Court in eBay that a permanent injunction should not automatically issue upon a showing of liability; he simply contests the view that the four-part test announced in eBay is a traditional test. See DOUGLAS LAYCOCK, MODERN AMERICAN REMEDIES (Supp. 2009) (discussing eBay).

\textsuperscript{21} 533 U.S. 483, 505 (2001). \textit{See also} Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 578 n.10 (1994) (opining that monetary relief may suffice in close fair use cases where there is a strong public interest in the availability of a transformative work, even if its author took more than could be justified as a fair use).

\textsuperscript{22} MercExchange LLC v. eBay, Inc., 275 F. Supp. 2d 695, 712 (E.D. Va. 2005).}
relief for university researchers or solo inventors who might prefer to license their patents than to practice their inventions directly. The Court saw “no basis for categorically denying them the opportunity to do so.” The correct approach is to apply traditional principles of equity in judging whether injunctive relief was appropriate as to a non-practicing entity. The Federal Circuit had erred in the “opposite direction,” however, by adopting a categorical rule in favor of injunctions rather than applying traditional principles of equity.

B. PRESUMING IRREPARABLE HARM IS INCONSISTENT WITH eBay.

The common practice of presuming irreparable harm in copyright infringement cases at the preliminary injunction stage is akin to the categorical rule in favor of injunctions adopted by the Federal Circuit and rejected by the Court in eBay.

The Court in eBay specifically said that plaintiffs “must demonstrate” that they have satisfied each of the four factors to qualify for issuance of an injunction. The only plausible interpretation of this statement is that the plaintiff bears the burden of proof as to each factor. The first of these factors, as the Court articulated the test in eBay, is that the plaintiff “has suffered irreparable injury.” A presumption of irreparable injury is thus plainly inconsistent with the requirement that the plaintiff “must

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23 eBay, 547 U.S. at 393. Justice Kennedy, writing for himself, and Justices Stevens, Souter, and Breyer, concurred, but pointed out that some non-practicing entities were using the threat of injunctive relief “as a bargaining tool to charge exorbitant fees.” Id. at 396. “When the patented invention is but a small component of the product the companies seek to produce and the threat of an injunction is employed simply for undue leverage in negotiations, legal damages may well be sufficient to compensate for the infringement, and an injunction may not serve the public interest.” Id. at 396-97.

24 Id. at 393-94. Justice Roberts, writing for himself and Justices Ginsburg and Scalia, was, however, more sanguine about the common historical practice of issuing injunctions in patent infringement cases. Id. at 394-95.

25 Id. at 391.

26 Id. The Court should probably have said that plaintiffs must offer proof of the likelihood of irreparable harm before injunctive relief is granted, rather than proof that the plaintiff had already suffered irreparable harm, as injunctions are aimed at preventing future harms. The Second Circuit Court of Appeals has characterized the need for the plaintiff to show the likelihood of irreparable harm as “[p]erhaps the single most important prerequisite” for injunctive relief. See, e.g., Bell & Howell: Mamiya Co. v. Masel Supply Co., 719 F.2d 42, 45 (2d Cir. 1983) (citing 11 C. WRIGHT & A. MILLER, FEDERAL PRACTICE & PROCEDURE § 2948 (1973) and numerous cases).
satisfy” a four-factor test which includes the irreparable injury factor before injunctions can issue.27

While the Court in eBay focused on the appropriate standard for issuance of a permanent injunction, traditional principles of equity apply with equal, if not greater, force to preliminary injunctions, as the Court made clear in Amoco Production Co. v. Gambell,28 a precedent on which the Court relied in eBay.29 The Court in Amoco ruled that the trial court had erred in presuming irreparable harm because this was “contrary to traditional equitable principles.”30 The Court asserted in Amoco that “[t]he standard for a preliminary injunction is essentially the same as for a permanent injunction with the exception that the plaintiff must show a likelihood of success on the merits rather than actual success.”31 This principle makes sense given that the statutory authority for issuance of permanent and preliminary injunctions does not generally distinguish between them or establish different tests for issuance of each kind of injunction.32

The requirement that a plaintiff must prove irreparable harm to qualify for a preliminary injunction does not dissolve merely because it has shown a likelihood of success on the merits, as the Court recently confirmed in Winter v. National Resources Defense Council.33 In Winter, the trial court concluded, and the Ninth Circuit agreed, that NRDC had made a strong showing of likelihood of success on the merits of its claim that the Navy’s use of sonar equipment in training exercises was not in compliance with certain environmental laws.34 Both courts thought that “when a plaintiff demonstrates a strong likelihood of prevailing on the merits, a preliminary injunction

27 eBay, 547 U.S. at 391.


29 The Court cited Amoco twice in its eBay decision. eBay, 547 U.S. at 391.


31 Amoco, 480 U.S. at 546 n.12.


34 Id. at 375.
may be entered based only on a ‘possibility’ of irreparable harm.”  

The Supreme Court strongly disagreed. “Issuing a preliminary injunction based only on a possibility of irreparable harm is inconsistent with our characterization of injunctive relief as an extraordinary remedy that may only be awarded upon a clear showing that the plaintiff is entitled to such relief.” The likelihood of success on the merits and a showing of irreparable harm are two separate and independent requirements for the grant of preliminary injunctive relief, and each must be proven and analyzed separately.

There is, in other words, no intrinsic link between a plaintiff’s likelihood of success on the merits and the need for the plaintiff to show irreparable harm. Plaintiffs cannot meet their evidentiary burdens on both factors by proving only the first. Winter thus makes it obvious that courts should not presume irreparable harm merely because a copyright owner or patentee has proven a likelihood of success on the merits.

C. MOST COURTS HAVE FOLLOWED EBAY IN PATENT AND COPYRIGHT CASES

After eBay, most courts in patent and copyright cases have recognized that traditional principles of equity must be satisfied before either preliminary or permanent injunctive relief is granted. In Canon, Inc. v. GCC Int’l Ltd., for instance, the district court granted a preliminary injunction against infringement of a patent on a printer cartridge component, but recognized that eBay requires “the movant [to] demonstrate the likelihood of irreparable injury in the absence of a grant of the requested injunction.” The far-flung nature of the defendant’s enterprises and difficulties in assessing damages specific to the case provided a basis for concluding that the plaintiff had satisfied the irreparable injury requirement.

Several other patent cases have specifically considered the inconsistency of the pre-eBay presumption of irreparable injury with the logic and holding in eBay. In Sun Optics, Inc. v. FGX Int’l, Inc.,

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35 Id.
36 Id. at 375-76.
38 Id. at 254.
39 Id. at 255-56.
the court denied the plaintiff’s motion for a preliminary injunction against infringement and opined that the presumption of irreparable injury “did not survive eBay.”41 A design patentee argued that a showing of likelihood of success on the merits gave rise to a presumption of irreparable harm in Torpso Hockey v. Kor Hockey.42 However, the court opined that “eBay’s logic forbids courts to categorically presume irreparable harm in the preliminary injunction context, even if a patentee has established that it will likely succeed on the merits.”43

In a thoughtful analysis, the trial court in Hologic, Inc. v. Senorx, Inc. similarly rejected the argument that likelihood of success on the merits should give rise to a presumption of irreparable injury.44 The court expressed “doubt[] that the Supreme Court intended for the presumption to survive for purposes of preliminary injunctions.”45 It reached this conclusion by finding that, just as in the case of permanent injunctions, “a presumption of irreparable harm in the preliminary injunction context would appear to replace equitable considerations with a rule that an injunction . . . automatically follows a determination that a valid patent has likely been infringed.”46 In Hologic, the District Court found some likelihood of the plaintiff’s success on the merits, but stressed that the degree of that likelihood had nothing to do with the issue of harm. Even if it had “found unequivocally [sic] that the evidence preliminarily showed infringement of a valid patent,” the court explained, it “would not grant a preliminary injunction.”47 Several other courts have followed a

41 Id. at *3. The court noted that eBay had rejected general rules and categorical approaches to injunctive relief akin to the presumption of irreparable injury. Id. at 1.

42 491 F. Supp. 2d 871 (D. Minn. 2007).

43 Id. at 881.


45 Id.

46 Id.

47 Id. at *14. The court reached this conclusion because it found that the plaintiff’s poor sales prior to patent infringement indicated an inability to penetrate the market; because any harm that it would suffer from infringement could be compensated with money damages; and because statements disclosing the defendant’s assets indicated that it would not be likely to be judgment-proof following a full trial. Id. at *16-17.
similar approach, framing eBay as a broad prohibition against burden-shifting categorical rules for issuance of injunctions.\textsuperscript{48}

Although most decisions have recognized that eBay has implications for the issuance of injunctions in copyright cases,\textsuperscript{49} a few courts have not been persuaded of eBay’s relevance. In Salinger v. Colting, for instance, the court presumed irreparable harm to the reclusive writer’s interests based on its view that Colting’s novel, which imagined the life of the fictional character Holden Caufield sixty years later, probably infringed the copyright in Catcher in the Rye and

\textsuperscript{48}See, e.g., MercExchange, L.L.C. v. eBay, Inc., 500 F. Supp. 2d 556, 569 (E.D. Va. 2007) (“traditional equitable principles require the plaintiff to demonstrate that it has suffered an irreparable injury” and “a presumption of irreparable harm is inconsistent with” this requirement); IMX, Inc. v. Lendingtree, LLC, 469 F. Supp. 2d 203, 224-26 (D. Del. 2007) (eBay requires plaintiff to show irreparable injury); Novartis Pharms. Corp. v. Teva Pharms., No. CIV 05-CV-01877 HAA ES, 2007 WL 2669338, at *13 (D.N.J. Sept. 6, 2007) (holding that under eBay, “on motions for injunctions, courts should not apply categorical rules and presumptions”); Paice LLC v. Toyota Motor Corp., No. 2:04CV211DF, 2006 WL 2385139, at *4 (E.D. Tex. August 16, 2006) (“The eBay decision demonstrates that no presumption of irreparable harm should automatically follow from a finding of infringement.”); 24 Technologies, Inc. v. Microsoft Corp., 434 F. Supp. 2d 437 (E.D. Tex. 2006) (refusing to issue permanent injunction because the plaintiff failed to prove irreparable harm). The Federal Circuit, however, has yet to abjure the presumption of irreparable injury upon a finding of likelihood of success on the merits in preliminary injunction patent cases. See, e.g., Abbott Labs. v. Andrx Pharmaceuticals, Inc., 452 F.3d 1331, 1347 (Fed. Cir. 2006) (affirming denial of preliminary injunction because plaintiff had failed to prove likelihood of success on the merits, but suggesting that this failure of proof was why it was not entitled to a presumption of irreparable harm). See also Christiana Industries v. Empire Electronics, Inc., 443 F. Supp. 2d 870, 884 (E.D. Mich. 2006) (applying a presumption of irreparable harm in a patent-related preliminary injunction, saying that “[t]he eBay Court addressed the proper analysis for permanent injunctive relief”).

\textsuperscript{49}See, e.g., Christopher Phelps & Assoc., LLC v. Galloway, 492 F.3d 532, 543 (4th Cir. 2007) (rejecting plaintiffs’ argument that they were entitled to permanent injunction because of the finding of infringement, citing eBay); Jacobsen v. Katzer, 609 F. Supp. 2d 925, 937-938 (N.D. Cal. 2009) (denying preliminary injunction despite likelihood of success on the merits because plaintiff had failed to prove irreparable harm); Momento, Inc. v. Seccion Amarilla USA, 2009 WL 1974798 (N.D. Cal. 2009) (granting preliminary injunction, but recognizing that eBay requires “a plaintiff to demonstrate . . . irreparable injury”); Microsoft Corp. v. AGA Solutions, Inc., 586 F. Supp. 2d 195, 203-204 (E.D.N.Y. 2008) (denying motion for permanent injunction because plaintiff had failed to prove irreparable harm from copyright infringement, as eBay required); Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Inc., 518 F. Supp. 2d 1197, 1213-14 (N.D. Cal. 2007) (“Based on eBay and Amoco, there is no language in the text of the Copyright Act that would permit a departure from traditional equitable principles such that a presumption of irreparable harm would be allowed in any injunctive context.”). See also North American Medical Corp. v. Axiom Worldwide, Inc., 522 F.3d 1211, 1227 (11th Cir. 2008) (eBay “calls into question whether courts may presume irreparable harm merely because a plaintiff in an intellectual property case has demonstrated a likelihood of success on the merits”).
granted a preliminary injunction against the book’s publication.\textsuperscript{50} The \textit{Salinger} decision dismissed the relevance of \textit{eBay} in a footnote, saying that “that case dealt only with the presumption of irreparable harm in the patent law context and is thus not controlling in the absence of Second Circuit precedent applying it in the copyright context.”\textsuperscript{51}

Given that the Court in \textit{eBay} explicitly relied upon its prior copyright decisions for the propositions that courts should not use categorical rules in issuing injunctions and that courts have discretion not to issue injunctions in copyright cases in accordance with traditional principles of equity,\textsuperscript{52} the \textit{Salinger} presumption of irreparable injury seems plainly erroneous.\textsuperscript{53}

More elaborate, but equally flawed, was the reasoning in a footnote in \textit{Lennon v. Premise Media Corp.} explaining why the trial court believed that the pre-\textit{eBay} presumption of irreparable harm was still appropriate in copyright preliminary injunction cases.\textsuperscript{54} We agree


\textsuperscript{51} \textit{Salinger}, 2009 WL 1916354, at *16, n. 6. The \textit{Salinger} case is discussed at greater length \textit{infra} at notes 107-13 and accompanying text.

\textsuperscript{52} \textit{eBay}, 547 U.S. at 391-92.

\textsuperscript{53} The ruling in \textit{Salinger} is on appeal to the Second Circuit. We predict that the appellate court will reverse for failure to analyze the factors necessary to establish a basis for issuance of a preliminary injunction. Colting’s appeal should be helped by the brief amicus curiae submitted by the New York Times and other news organizations. \textit{See} \textit{NY Times Brief, supra note 4}.

\textsuperscript{54} 556 F. Supp. 2d 310, 319 n.1 (S.D.N.Y. 2008) (defendant failed to offer evidence to rebut a presumption of irreparable harm in decision denying preliminary injunction). Neither in \textit{Salinger} nor in \textit{Lennon} did the court offer a justification for presuming irreparable harm in preliminary injunction copyright cases. One possible rationale for the presumption would focus on the nature of the copyright grant which provides owners with rights to exclude and which an injunction would vindicate. However, this argument would seem to be foreclosed by \textit{eBay}, 547 U.S. at 392 (rejecting the Federal Circuit’s nature-of-the-grant rationale for its automatic injunction rule). A second rationale might focus on the difficulty of measuring damages in copyright cases and the risk that rights holders may not get adequate relief without an injunction. Professor David McGowan has endorsed this rationale for retaining this presumption post-\textit{eBay}. See David McGowan, \textit{Irreparable Harm}, 14 \textit{LEWIS \\& CLARK L. REV.} (forthcoming 2010) (manuscript at 9-10) (invoking
with the conclusion that Premise made a fair use of the short clip it took from John Lennon’s song “Imagine” for a documentary film on bias against religion among proponents of the theory of evolution, and hence, the motion for preliminary injunction against distribution of the film was properly denied. However, the court in Lennon is simply incorrect in asserting that eBay only applies to standards for issuance of permanent injunctions. Also specious is its assertion that the presumption of irreparable harm is warranted in preliminary injunction cases because “a court deciding whether to impose a permanent injunction has before it the full record after judgment on the merits, [while] the record on a motion for a preliminary injunction is to some degree incomplete.” In our view, the incompleteness of immeasurability as a justification for the presumption of irreparable harm). However, insofar as this is presented as a categorical rule, it also seems inconsistent with eBay. If the plaintiff can show why harm is immeasurable, that may well satisfy her burden of proof on irreparability of harm, but in that case, she doesn’t need the presumption. A third rationale might be based on a theory that the preliminary injunction only seeks to preserve the status quo. However, this is not always, and perhaps not even generally, true. Many copyright lawsuits challenge conduct that is already happening in the marketplace. See, e.g., Tasini, 533 U.S. 483 (challenge to inclusion of articles in electronic databases without permission from free-lancers); Lennon, 556 F. Supp. 2d 310 (seeking to enjoin motion picture that had been released into the marketplace); Mattel, Inc. v. Pitt, 229 F. Supp. 2d 315 (S.D.N.Y. 2002) (challenge to modified Barbie doll). A fourth rationale might focus on judicial economy. See, e.g., McGowan, supra, at *5 (concluding that eBay does not foreclose this rationale for presuming irreparable harm). The presumption certainly relieves copyright plaintiffs from the burden of bringing forward evidence of irreparable harm and judges from having to assess the merits. However, when plaintiffs ask for extraordinary remedies, requiring them to offer some proof about harm seems a reasonable burden, especially in light of Supreme Court precedents. The burden of proof of the irreparability of harm may well be lighter when the defendant has made exact or near exact copies that are drawing away sales from the plaintiff’s work, see infra note 97 and accompanying text, but this is not a sound reason to do away with the need for the plaintiff to make some sort of showing about the irreparability of harm.

55 Lennon, 556 F. Supp. 2d at 327.

56 Id. at 319 n.1. This footnote in Lennon also argues that the presumption of irreparable harm is only one consideration in decisions about whether to issue injunctions, and so eBay doesn’t apply because courts in copyright cases may still exercise discretion in denying preliminary injunctions. Id. But a presumption of irreparable injury is, as we have shown above, a categorical rule that shifts to the defendant a burden to show what the eBay decision says a plaintiff must demonstrate. See supra Part II-B. The Lennon decision also cited to the Second Circuit’s decision in Time Warner Cable Co. v. DIRECTV, Inc., 497 F.3d 144 (2d Cir. 2007) as preserving a presumption of irreparable harm in a false advertising case, but the court there articulated a general rule that likelihood of injury cannot be presumed, offering a specific rationale for an exception in cases involving false statements in advertisements.

57 Lennon, 556 F. Supp. 2d at 319, n.1.
the record at the preliminary injunction stage cuts against issuance of an injunction, not in favor of it.

Consider the concerns the Supreme Court had in Amoco about the risks of erroneous rulings posed by incomplete evidence at the preliminary injunction stage. The Court pointed out that a plaintiff at the preliminary injunction stage already bears a lighter burden and must show only “a likelihood of success on the merits rather than actual success.” Because the assessment of a likelihood of success will generally be based on incomplete information, courts should be more careful in assessing irreparability of harm before issuing preliminary injunctions because of the risk that the preliminary assessment on the merits may be mistaken.

The likelihood of success factor might, for instance, tip only slightly in favor of the plaintiff; if she offers no evidence that harm will be irreparable, but relies only on the presumption of irreparable harm, the risk is substantial that the court will have made a mistake issuing the injunction insofar as the harm is minimal or only speculative. The whole point of having a multi-factor test for analyzing whether to grant this extraordinary remedy would be lost if eligibility for preliminary injunctions boiled down to a necessarily incomplete assessment focused only on the likelihood of success on the merits.

The presumption of irreparable harm in copyright cases is, moreover, of relatively recent vintage and of dubious soundness, even without eBay. But eBay is, in any event, the controlling precedent, and a presumption of irreparable injury to the plaintiff in preliminary injunction copyright cases cannot be reconciled with eBay and the Court’s other precedents which emphasize the importance of applying

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58 Amoco, 480 U.S. at 546, n.12.


60 Allora, 2007 WL 1246448, at *7 (harm irreparable only if it is “actual and imminent,” not “remote [or] speculative”).

61 Part III-B discusses the troubling implications of incomplete findings and risks of erroneous issuance of preliminary injunctions in transformative use cases.

62 See, e.g., Patry, supra note 1, at § 22:45-22:51. Patry strongly criticizes this presumption and the way courts have used it to shift the burden of proof on the irreparability of harm to the defendant. Id. at § 22:46-22:47. He notes that “compelling [a] plaintiff to establish actual evidence of irreparable harm is consistent with the general rule that where the facts relating to a disputed issue lie peculiarly within the knowledge of one party, placing the burden of proof on his or her adversary is unfair. Nowhere is this principle more appropriately applied then [sic] where one party claims irreparable harm.” Id. at § 22:47.
traditional principles of equity in assessing the appropriateness of injunctive relief.\textsuperscript{63}

III. **Presuming Irreparable Harm Is Particularly Inappropriate in Transformative Use Cases**

Even if we leave aside the forceful arguments presented in Part I about the inconsistency of the irreparable harm presumption in preliminary injunction cases with the Supreme Court’s jurisprudence on injunction standards, another strong reason to reject this presumption in copyright preliminary injunction cases is that it undermines the constitutional values of U.S. copyright law when applied to transformative works, such as clips of songs or movies in documentary films or in user-generated content.\textsuperscript{64} Transformative use cases often raise subtle questions of fair use and other non-infringement defenses; moreover, harm is likely to be minimal, speculative, or remediable through monetary compensation in transformative as compared to non-transformative use cases.\textsuperscript{65}

The presumption of irreparable harm in copyright preliminary injunction cases is akin to the presumption against commercial user fair use claims first announced in *Sony Corp. of Am. v. Universal City Studios, Inc.*,\textsuperscript{66} but later repudiated in *Campbell v. Acuff-Rose Music, Inc.*\textsuperscript{67} The logic and motivation for the *Campbell* Court’s rejection of

\textsuperscript{63} Id. at § 22:44 (eBay “has thrown the presumption [of irreparable harm] into grave doubt”). See also Nimmer, supra note 1, at sec. 4:14[5] (“The Supreme Court’s decision in eBay caused a new day to dawn….No longer applicable is the presumption of irreparable harm, which allowed the collapse of factors down to one.”). See also Richard Dannay, *Copyright Injunctions and Fair Use: Enter eBay—Four-Factor Fatigue or Four-Factor Freedom?,* 55 J. Corp. Soc’y 449, 460 (2007) (“For either preliminary or permanent injunctions, eBay would appear to prohibit any presumption of irreparable harm as contrary to traditional equitable principles.”).


\textsuperscript{65} See, e.g., Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 591 (1994) (market harm less easily inferred in transformative use cases). See also NY Times Brief, supra note 4, at 2-3 (“transformative commentary” should be treated “far different[ly]” than “sheer piracy” in copyright preliminary injunction cases); Molly Shaffer van Houweling, *Distribution Values in Copyright*, 83 Texas L. Rev. 1535 (2005) (recommending greater breathing room for amateur transformative creators).


\textsuperscript{67} 510 U.S. 569 (1994).
the *Sony* commercial use unfairness presumption are pertinent to whether a presumption of irreparable harm is proper in transformative use cases. Req"uiring plaintiffs to produce evidence of irreparable harm in transformative use cases rather than simply presuming it is also more consistent with the First Amendment values that fair use and the idea/expression distinction are supposed to embody.\(^\text{69}\)

A. THE SUPREME COURT HAS ALREADY REJECTED PRESUMPTIONS OF HARM IN THE CLOSELY RELATED AREA OF FAIR USE ANALYSIS

*Sony* is understandably best known for its ruling that a technology developer could not be held contributorily liable for copyright infringement merely because it sold video tape recording devices that some customers were using to infringe copyrights.\(^\text{70}\) *Sony* has, however, also been widely cited for its endorsement, albeit in dicta, of a significant shortcut in the analysis of fair use.\(^\text{71}\) The Court in *Sony* opined that “every commercial use of copyrighted material is presumptively an unfair exploitation of the monopoly privilege that belongs to the owner of the copyright.”\(^\text{72}\) It went on to say that “[i]f the intended use is for commercial gain, th[e] likelihood [of harm to the market] may be presumed.”\(^\text{73}\)

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\(^{68}\) Id. at 591 (“No 'presumption' or inference of market harm that might find support in *Sony* is applicable to a case involving something beyond mere duplication for commercial purposes.”)

\(^{69}\) Eldred v. Ashcroft, 537 U.S. 186, 190-191 (2003) (characterizing fair use and the idea/expression distinction as two safeguards for free speech and free expression interests built into copyright law). See also *NY Times Brief*, supra note 4, at 4-18 (arguing that preliminary injunctions in transformative use cases are prior restraints on speech that are presumptively unconstitutional); Pamela Samuelson, *Unbundling Fair Uses*, 77 *Fordham L. Rev.* 2537, 2546-80 (2009) (discussing free expression and free speech interests manifest in the fair use case law).


\(^{72}\) *Sony*, 450 U.S. at 451. *Sony* involved private non-commercial copying (that is, time-shift copying of television programs shown on broadcast television), which the Court opined should be presumed to be fair. *Id.*

\(^{73}\) *Id.*
This dual presumption against fair use in commercial use cases took on greater significance when the Court re-endorsed it in *Harper & Row Publishers, Inc. v. Nation Enterprises*.74 Harper & Row sued the Nation for copyright infringement because this commercial enterprise had published a magazine which included an article consisting largely of quotes and paraphrases of statements from Gerald Ford's about-to-be-published memoirs of his Presidency. In *Harper & Row*, the Court quoted the *Sony* dicta that the commercial nature of a use, such as the Nation's, should be treated as presumptively unfair.75 Harm to the market from the Nation’s “scooping” of the excerpts from the Ford memoirs could likewise be presumed.76

Once amplified by *Harper & Row*, the *Sony* presumption caused some courts to give short shrift to fair use defenses in commercial use cases without careful and thorough fair use analysis. Judge Pierre Leval was among the many critics of the *Sony* presumption, saying that as a result of courts’ applying it,

> [t]he public, which is the intended beneficiary of the copyright law, lost the publication of a number of illuminating historical works. Other works that were published were less valuable and interesting than they might otherwise have been because of the suppression of interesting material that might lose in a fair use tussle in which no one understood the rules.77

Jessica Litman likewise observed that “[t]he presumption against commercial fair use quickly proved unworkable, making fair use unavailable to biographers, parodists, and news organizations because they published their works for commercial gain.”78 It became evident that the Court would need to revisit the *Sony* presumption, and it did so in *Campbell*.

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75 *Id.* at 562 (quoting *Sony*, 464 U.S. at 451).

76 *Harper & Row*, 471 U.S. at 567-68. The Court also relied on the cancellation of an arrangement with Time Magazine to publish excerpts to whet the public’s appetite for the Ford memoirs. *Id.*


Campbell made clear that commercial uses should not automatically be presumed unfair, especially as to “transformative” uses of pre-existing works, such as the rap parody of a well-known song in that case. A transformative use, the Court stated, was one that “adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message.” Although non-transformative uses might also qualify as fair, the Court perceived the creation of transformative works as furthering “the goal of copyright to promote science and the arts.” Transformative works “lie at the heart of the fair use doctrine’s guarantee of breathing space within the confines of copyright.”

After Campbell, it is inappropriate to presume harm to the plaintiff’s market when commercial uses are transformative in character. Transformative uses do not generally supplant demand for the original work, which is why they are more likely than non-transformative uses to be fair. “No ‘presumption’ or inference of market harm that might find support in Sony,” the Court stated, “is applicable to a case involving something beyond mere duplication for commercial purposes.” Rather, the Court held that the fair use “calls for case-by-case analysis.”

Courts analyzing fair use defenses in transformative use cases after Campbell have sometimes been persuaded that market harm claims, once analyzed instead of presumed, lack merit. Some plaintiffs, for instance, have been unable to show that a potential

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79 Campbell, 510 U.S. at 583-84.

80 Id. at 579. The Court’s definition of “transformative uses” is best understood as encompassing three categories of uses: those that truly transform expression from an earlier work (as in a parody), those that make productive uses of expression from pre-existing works (as when a biographer quotes from an earlier work to prove a point), and orthogonal uses (as when the earlier work is used for an entirely different purpose than the original). Samuelson, Unbundling, supra note 69, at 2548-58. Substantial free expression and free speech interests may be present in all three types of uses that the Court has bundled within the term “transformative uses.”

81 Campbell, 510 U.S. at 579.

82 Id.

83 Id. at 591.

84 Id.

85 Id.

86 Id. at 577.
market existed for the allegedly infringing use to usurp.\textsuperscript{87} Even when a potential market does exist, the court may find no market harm because the copyright holder may have no intention of entering that market.\textsuperscript{88} A transformative use might also be too insubstantial to pose a serious threat to the original work.\textsuperscript{89} Or the market for the work in question may be too remote from the market for the original.\textsuperscript{90}

The Court in \textit{Campbell} also made clear that courts should be wary of issuing injunctions in transformative use cases, even if the use is ultimately found infringing, when money damages would be an adequate remedy.\textsuperscript{91} Considering monetary relief as an alternative to an injunction is particularly appropriate when there is a potentially strong public interest in access to the second work for the creative contribution it makes to the progress of knowledge.\textsuperscript{92} Just as \textit{Campbell}'s central holding requires courts to conduct a close, case-by-case analysis of the market harm factor of the fair-use test, the \textit{Campbell} liability rule dictum suggests that courts ought to be similarly cautious in analyzing harm rather than presuming it in copyright cases.

The standard for irreparable harm in preliminary injunction copyright cases is not, of course, identical to the market harm prong of the fair use analysis, but there is substantial overlap in their focus on harm and the need for an assessment of the risks that certain uses will

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\textsuperscript{88} \textit{See, e.g.}, Mattel, Inc. v. Walking Mountain Prods., 353 F.3d 792, 806 (9th Cir. 2003) (finding no market harm because plaintiff is likely neither to enter a “market for adult-oriented artistic photographs of Barbie,” nor to “license others to do so”).

\textsuperscript{89} \textit{See, e.g.}, Wright v. Warner Books, Inc., 953 F.2d 731, 739 (2d Cir. 1991) (because “marginal amounts of expressive content were taken . . . . [i]mpairment of the market . . . is unlikely”).

\textsuperscript{90} \textit{See, e.g.}, Narell v. Freedman, 872 F.2d 907, 914 (9th Cir. 1989) (“Readers interested in Narell’s book are highly unlikely to find historical romance novels an acceptable substitute.”).

\textsuperscript{91} \textit{See Campbell}, 510 U.S. at 578 n.10.

\textsuperscript{92} \textit{Id.} (suggesting that courts should “bear in mind that the goals of copyright law, ‘to stimulate the creation and publication of edifying matter,’” [citation omitted], are not always best served by automatically granting injunctive relief when parodists are found to have gone beyond the bounds of fair use,” in part because there may be a strong public interest in access to the second work).
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harm the market for protected works. In both contexts, courts must consider the likelihood that harm will occur, how measurable the harm may be, and its significance. Requiring plaintiffs in transformative use cases to prove irreparable harm before qualifying for preliminary injunctive relief will not impose an undue burden on them, for many circumstances may give rise to an inference that harm will be irreparable.

Harm is generally considered irreparable when an award of monetary damages would be insufficient to address the wrong. Such an insufficiency may exist when it is difficult to ascertain the proper amount of monetary compensation due. Harm that defies easy calculation and can rightly be called irreparable tends either to undermine the plaintiff’s business to a significant extent, or to compromise its ability to obtain a money judgment.

Consider, for instance, *Ty, Inc. v. GMA Accessories, Inc.* in which the Seventh Circuit upheld a finding of irreparable harm when the defendant copied and marketed nearly identical toys to those sold by the plaintiff. GMA’s invasion of Ty’s core market risked causing serious losses of profits, market share, and good will whose monetary

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93 See, e.g., Wildmon v. Berwick Universal Pictures, 983 F.2d 21, 24 (5th Cir. 1992) (describing irreparable injury as one “for which compensatory damages are unsuitable”); Hughes Network Systems, Inc. v. InterDigital Communications Corp., 17 F.3d 691, 694 (4th Cir. 1994) (“Where the harm suffered by the moving party may be compensated by an award of money damages at judgment, courts generally have refused to find that harm irreparable.”). It is an interesting question whether open source developers should be entitled to preliminary or permanent injunctive relief when wrongdoers incorporate open source code into proprietary products because money damages will not suffice to remedy the harm to the open source community arising from breaches of open source licenses. We thank Brian Carver for this thought.

94 See, e.g., Allied Marketing Group, Inc. v. CDL Marketing, Inc., 878 F.2d 806, 810 n.1 (5th Cir. 1989) (recognizing irreparable harm where “economic rights are involved when the nature of those rights makes establishment of the dollar value of the loss . . . especially difficult or speculative”) (internal quotes omitted). Professor Laycock believes that damages in copyright cases often are irreparable as “[d]amages cannot be used to replace a state of the world in which the copyright has not been infringed, and damages can rarely be measured with any accuracy. How many sales the copyright holder lost is usually a speculative number. How many sales the defendant made (restitution, not damages) is usually a real and knowable number, but the apportionment problems in measuring defendant’s profits are notoriously difficult . . .” Laycock Letter, supra note 8, at 2.

95 See generally PATRY, supra note 1, §§ 22:37-40.

96 132 F.3d 1167 (7th Cir. 1997).
value would be difficult to calculate with precision.\textsuperscript{97} The court acknowledged that the existence of a licensing market would ordinarily allow calculation of damages and militate against a finding of irreparable harm, but perceived this case to be different. Here, Ty's business strategy relied on strictly limiting the supply and distribution of Beanie Babies toys, the better to drive up demand and resale value. Accordingly, Ty rarely issued licenses. By interfering with this strategy through infringement, the court found, GMA threatened injury to Ty's market beyond the mere cost of a license.\textsuperscript{98}

Other scenarios where infringement may irreparably threaten the plaintiff's business include cases where the nature of the copyrighted work means there is but a limited time for exploitation. In \textit{Atari, Inc. v. North American Phillips Consumer Electronics Corp.},\textsuperscript{99} the Seventh Circuit found that the plaintiff, a video game manufacturer, had offered ample evidence of irreparable harm without aid of the presumption, as the injury from infringement was compounded by "[t]he short-lived nature of video games."\textsuperscript{100} Seasonal works, likely to go out of style after a short amount of time, also fall into this category.\textsuperscript{101} Courts should also consider the threat of insolvency of either the plaintiff or the defendant as pertinent to irreparable harm.\textsuperscript{102}

In many cases involving highly transformative works, infringement may be uncertain and harm to the market quite speculative. A second work's transformative character will typically mean it will not supplant the work in its the core market nor in proximate markets. The Supreme Court acknowledged this in \textit{Campbell}, noting that, in the context of the fair use test, "when . . . the second use is transformative . . . market harm may not be so readily inferred."\textsuperscript{103} The Ninth Circuit expressed a similar sentiment in \textit{Kelly}

\begin{footnotes}
\item \textsuperscript{97} See James M. Fischer, \textit{What Hath eBay v. MercExchange Wrought?}, 14 LEWIS & CLARK L. REV. (forthcoming 2010) (manuscript at 10) (harm likely to be irreparable as to infringement that invades the plaintiff's core market).
\item \textsuperscript{98} \textit{Ty}, 132 F.3d at 1172-73.
\item \textsuperscript{99} 672 F.2d 607 (7th Cir. 1982).
\item \textsuperscript{100} \textit{Id.} at 620.
\item \textsuperscript{101} \textit{PATRY}, supra note 1, at § 22:39.
\item \textsuperscript{102} \textit{Id.} at § 22:40.
\item \textsuperscript{103} \textit{Campbell}, 510 U.S. at 591.
\end{footnotes}
v. Arriba Soft Corp.,\textsuperscript{104} which found that thumbnail images of photographs displayed by a search engine did not threaten markets for the photos.\textsuperscript{105} The court explained that generally, “[a] transformative work is less likely to have an adverse impact on the market of the original than a work that merely supersedes the copyrighted work.”\textsuperscript{106}

Unfortunately, some courts have failed to recognize this. In Salinger v. Colting,\textsuperscript{107} for instance, the court granted a preliminary injunction forbidding Colting to publish his book mainly because the court thought Salinger was likely to succeed on the merits.\textsuperscript{108} In its analysis of fair use, the court gave little weight to the fact that Colting had imaginatively recast Salinger’s character in a wholly new novel that was highly transformative.\textsuperscript{109}

The court in Salinger speculated that publication of Colting’s novel “could substantially harm the market for a Catcher sequel or other derivative works.”\textsuperscript{110} This ignores that Salinger had, over the course of many years, shown no interest in writing a sequel of any kind or of authorizing a sequel, which is why the court understandably concluded that the degree of market harm was “slight[].”\textsuperscript{111} Notwithstanding this finding, the novel’s transformative character, and the dictum in Campbell cautioning against presuming harm as to transformative uses, the court proceeded to presume irreparable harm and to issue a preliminary injunction.\textsuperscript{112} Had Salinger been required to

\textsuperscript{104} 336 F.3d 811 (9th Cir. 2003).
\textsuperscript{105} Id. at 820–21.
\textsuperscript{106} Id. at 821.
\textsuperscript{107} 2009 WL 1916354 (S.D.N.Y. 2009).
\textsuperscript{108} Id. at *16.
\textsuperscript{109} See id. at *8–*9.
\textsuperscript{110} Id. at *14.
\textsuperscript{111} Id. at *15. Insofar as Salinger’s objection to Colting’s novel is rooted in his desire to protect his characters from “mutilation” in the hands of authors such as Colting, such an objection should not be given weight in U.S. copyright cases because U.S. law does not protect the moral rights of literary authors.
\textsuperscript{112} Id. at *15–*16. We agree with the Eleventh Circuit in Suntrust Bank v. Houghton Mifflin Co., 268 F.3d 1257, 1276 (11th Cir. 2001) that it is inappropriate to presume irreparable harm when a defendant raises a plausible fair use defense in a transformative use copyright case. See also NY Times Brief, supra note 4, at 25–26.
prove irreparable harm, the court would have had to give some weight and attention to its own finding that the risk of any market harm—whether compensable by money damages or not—was merely slight.\footnote{Salinger, 2009 WL 1916354, at *26–*27 (noting that the record was “barren of any specific harm, let alone monetary harm, to the plaintiff at all” and that monetary relief would be adequate, even if Colting’s use was infringing).}

The use of a presumption of irreparable harm in copyright preliminary injunction cases threatens a wide swath of transformative uses of copyrighted works in user-generated remixes and mashups, which make use of clips from movies and music, even though these transformative uses are unlikely to harm the market for the works from which they draw.\footnote{See, e.g., Tushnet, supra note 64, Part III (discussing noncommercial remixes and mashups).} Re-editing scenes from a film to create a spoof trailer for a movie with a wholly different plot does not, we think, supplant demand for the original.\footnote{See, e.g., David M. Halbfinger, His ‘Secret’ Movie Trailer Is No Secret Anymore, New York Times, Sep. 30, 2005, available at http://www.nytimes.com/2005/09/30/movies/30shin.html. Though professionally made, the work in question spawned a host of user-generated imitations.} Nor will making a 30-second YouTube clip of one’s child dancing to a Prince song interfere with the entertainer’s ability to make a living.\footnote{Cf. Lenz v. Universal Music Corp., 572 F. Supp. 2d 1150, 1151-1152 (N.D. Cal. 2008).} It is inappropriate to presume irreparable harm to user-generated content because this risks enjoining creative uses that pose no meaningful likelihood of harm to copyright markets.

B. ENJOINING TRANSFORMATIVE USES WITHOUT REQUIRING PROOF OF IRREPARABLE HARM IS INCONSISTENT WITH THE FIRST AMENDMENT

Issuing preliminary injunctions to prevent the dissemination of highly transformative works, such as user-generated content or the Colting novel, suppresses the transformative users’ own creative contributions and ability to express him- or herself freely.\footnote{See, e.g., NY Times Brief, supra note 4, at 5-18.} Just as the \textit{Sony} commercial unfairness presumption sometimes caused courts to be blind to commercial uses that might quality as fair uses, the presumption of irreparable harm in transformative use cases is an unwarranted thumb on the scales of justice because it tips the scales too strongly in the plaintiff’s favor. This may cause courts to enjoin a use without careful reflection about whether a follow-on creator might
have a viable First Amendment interest worthy of vigorous protection. Requiring plaintiffs to prove that they will be irreparably harmed offers an important procedural safeguard against unreasonable restraints on free expression interests of follow-on creators.\textsuperscript{118}

In many areas of law, including obscenity,\textsuperscript{119} defamation,\textsuperscript{120} even state secrets,\textsuperscript{121} courts have refused to enjoin potentially illegal speech because an injunction would constitute an unconstitutional prior restraint. The Supreme Court observed in \textit{Pittsburgh Press Co. v. Pittsburgh Commission on Human Relations} that “[t]he special vice of a prior restraint is that communication will be suppressed . . . before an adequate determination that it is unprotected by the First Amendment.”\textsuperscript{122} Prior restraints, according to the Court in \textit{Nebraska Press Ass’n v. Stuart},\textsuperscript{123} are “the most serious and the least tolerable infringement on First Amendment rights.”\textsuperscript{124}

Professors Mark Lemley and Eugene Volokh have shown that preliminary injunctions in copyright cases have all the relevant characteristics of prior restraints on speech and ought to be subject to the same First Amendment protections as other speech has been.\textsuperscript{125} Merely designating copyright as a property right, they maintain, is wholly insufficient to distinguish it from other speech regulations that courts unquestioningly acknowledge as prior restraints. Accordingly, “content-based laws, specifically targeted at speech, must be seen as

\textsuperscript{118} Id. at 17 (pointing out the need for "procedural and substantive protections which fundamental constitutional doctrine demand must be scrupulously considered before implementing such a harsh and unfavored remedy" as a preliminary injunction in transformative use cases).


\textsuperscript{120} See, e.g., St. Margaret Mercy Healthcare Ctrs., Inc. v. Ho, 663 N.E.2d 1220 (Ind. Ct. App. 1996) (applying U.S. Supreme Court precedent on prior restraints in case involving state defamation law).


\textsuperscript{122} 413 U.S. 376, 390 (1973).

\textsuperscript{123} 427 U.S. 539 (1976).

\textsuperscript{124} Id. at 559.

\textsuperscript{125} Lemley & Volokh, \textit{supra} note 4.
speech restrictions regardless of whether one frames them as ‘property’ rules.”

When the use in question is transformative, the defendant’s speech interest is particularly strong. In *Eldred v. Ashcroft*, the Supreme Court reiterated the notion that copyright law contains built-in First Amendment safeguards in the form of the fair use defense and the idea/expression distinction. Because transformative users often raise plausible fair use or other non-infringement defenses, they are in greater need than non-transformative commercial users of procedural safeguards to ensure that First Amendment interests of these follow-on creators are adequately respected.

The Court in *Eldred* stated that “[t]he First Amendment securely protects the freedom to make . . . one’s own speech; it bears less heavily when speakers assert the right to make other people’s speeches.” Insofar as transformative and non-transformative use of speech interests lie along a spectrum, the speech interest of follow-on creators will typically increase as these uses becomes more transformative and the creative contribution of the second creators is more extensive. As long as the presumption of irreparable harm remains in force, however, the preliminary injunction test will fail to give the second creator’s interest due regard.

If any presumption of irreparable harm should arise in transformative use preliminary injunction cases, it is one that should recognize the free speech and free expression interests of transformative users that would be curtailed if the injunction issues. In *Elrod v. Burns*, the Supreme Court held that “[t]he loss of First Amendment freedoms, even for minimal periods of time, even for minimal periods of time,

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126 Id. at 184; see also Samuelson, *Principles*, supra note 4, at 808-11 (questioning property-based rationales for enjoining public disclosure of trade secrets when the defendant raises plausible First Amendment defenses).


128 Id. at 191.

129 Id. Free speech and expression interests are, however, not the only significant values that may be undermined when irreparable harm is presumed at the preliminary injunction stage. Competition and innovation interests of follow-on creators and autonomy interests of consumers may also be implicated in copyright preliminary injunction cases, as when copyright owners seek to enjoin the distribution of a technology that allows consumers to make new and possibly infringing uses of their works. See von Lohmann, supra note 70, at 833-38 (giving numerous examples of technologies to enable personal use copying of copyrighted works to which copyright owners might object).

unquestionably constitutes irreparable injury.” A presumption of irreparable harm in favor of the first author prevents courts from recognizing and assessing the harm that an injunction may cause to follow-on creators. In this way, it undermines copyright’s First Amendment protections, to which a full, factor-by-factor analysis at the preliminary injunction stage could give effect.

The crux of the preliminary injunction standard often lies in the court’s balancing of the plaintiff’s and defendant’s potential exposure to harm. In an influential article, Professor Leubsdorf argued that because courts typically rule on preliminary injunctions before the factual record can be fully developed, “the preliminary injunction standard should aim to minimize the probable irreparable loss of rights caused by errors incident to hasty decision.” Leubsdorf’s theory stresses that courts should weigh not only the degree of irreparable harm that the plaintiff potentially faces, but also the likelihood that, if the court issues an injunction in error, “the defendant may sustain precisely the same loss of his rights” as the plaintiff. Numerous courts have followed the lead of the Seventh Circuit in American Hospital Supply Corp. v. Hospital Products Ltd. by perceiving Leubsdorf’s theory to capture the key balancing challenge they face when ruling on preliminary injunction motions.

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131 Id. at 373. Courts have sometimes also insisted upon higher standards of proof before preliminary injunctions issue when defendants have raised plausible First Amendment defenses in intellectual property cases. See, e.g., CBS, Inc. v. Davis, 510 U.S. 1315, 1316 (1994) (requiring proof of high probability of success on the merits and grave and irreparable harm). See also Proctor & Gamble Co. v. Bankers Trust Co., 78 F.3d 219, 225-26 (6th Cir. 1996) (characterizing preliminary injunction against disclosure of alleged trade secret as prior restraint bearing heavy burden of unconstitutionality).

132 See, e.g., Laycock, supra note 30, at 164-68 (discussing First Amendment considerations that may weigh against issuance of injunctions).

133 Leubsdorf, supra note 8, at 540-41.

134 Id. at 541.

135 780 F.2d 589 (7th Cir. 1986). In American Hospital, Judge Posner distilled Leubsdorf’s theory into a mathematical formula which he claimed served to illustrate the relationship among the factors that courts must consider. Accordingly, some commentators now refer to the standard as the Leubsdorf-Posner theory.

136 See, e.g., Thomas R. Lee, Preliminary Injunctions and the Status Quo, 58 WASH. & LEE L. REV. 109, 156 nn. 276-77, 157 (2001) (collecting cases and observing that “the conceptual goal mapped out by Leubsdorf and refined by Posner finds almost no detractors or competitors in the academy or in federal jurisprudence”). See also Joshua P. Davis, Taking Uncertainty Seriously: Revising Injunction Doctrine, 34 RUTGERS L.J. 363, 367 n. 20 (2003) (observing that “[r]eliance on an analysis fundamentally akin to Leubsdorf’s framework is now common in federal courts” and collecting cases). For reasons explained
Just as the Sony presumption of unfairness in commercial use cases prevented courts from properly analyzing some fair use defenses, the presumption of irreparable harm whittles the preliminary injunction test down to a single question of likelihood of success on the merits.\textsuperscript{137} As Lemley and Volokh observe, “[i]f [likelihood of success] can be demonstrated, a preliminary injunction is the expected remedy.”\textsuperscript{138} Treatise author William Patry asserts that “too many courts in copyright cases have handled the balance of hardships abysmally.”\textsuperscript{139} Patry singles out for especially harsh criticism the Ninth Circuit, where upon a strong showing of likely success on the merits, the presumption of irreparable harm “kicks into overdrive.”\textsuperscript{140} The Ninth Circuit has opined that the presumption “means that the balance of hardships issue cannot be accorded significant—if any—weight in determining whether a court should enter a preliminary injunction.”\textsuperscript{141} This is difficult to square with the First Amendment when speech interests of a transformative user are at stake.\textsuperscript{142}

in Part II, we believe that the Supreme Court’s eBay and post-eBay jurisprudence requires that plaintiffs bear the burden of proof on all factors pertinent to injunctive relief, see supra notes 33–36 and accompanying text; however, the Leubsdorf-Posner framework more closely approximates the standard the Court has recently adopted than the appellate court practice of presuming harm in copyright cases whenever plaintiffs have established a likelihood of success on the merits.

\textsuperscript{137} See, e.g., NIMMER, supra note 1, at § 14.06[A][2][b] (under the predominant test, “the plaintiff’s burden for obtaining a preliminary injunction in copyright cases reduces to a showing of likelihood of success on the merits”).

\textsuperscript{138} Lemley & Volokh, supra note 4, at 159.

\textsuperscript{139} PATRY, supra note 1, at § 22:62.

\textsuperscript{140} Id.


\textsuperscript{142} NIMMER, supra note 1, at § 14.06[A][1][b] (“The frequency of copyright TROs and injunctions against expressive material under the copyright rubric is surprising when juxtaposed against the reluctance of courts to engage in prior restraints on speech under the analysis mandated by the First Amendment.”). First Amendment interests of defendants should be taken into account in the balance of hardships factor in judging whether to issue preliminary injunctions in copyright cases. Laycock Letter, supra note 8, at 3.
Applying the full multi-factor balancing test when plaintiffs in copyright cases seek preliminary injunctions would be more respectful of transformative users’ First Amendment rights. However, even enforcing eBay’s requirement that plaintiffs must prove irreparable harm would go a long way to rectifying the problem. After all, the potential for harm to the plaintiff will tend to diminish as the transformative character of a use, and with it the defendant’s speech interest, increases. And if there is to be any presumption involved in the inquiry, the Supreme Court’s clear designation of loss of First Amendment rights as irreparable harm would seem to require that courts presume irreparable harm to the defendant for the suppression of his or her speech.

IV. CONCLUSION

Copyright owners who seek preliminary injunctions should be required to prove that they will be irreparably harmed unless the court grants their request for an injunction in keeping with the Supreme Court’s jurisprudence on the application of traditional principles of equity, and in particular with eBay. Proof, rather than a presumption, is a particularly important procedural safeguard in copyright law because a preliminary injunction can prohibit speech before a trial on the merits in contravention of a defendant’s First Amendment rights. Courts in other areas of law, like defamation, routinely deny such injunctions, recognizing that silencing speech before its legal status can be fully determined would constitute an impermissible prior restraint. In copyright, such concerns are similarly acute wherever a defendant has created a transformative work that raises a close question of fair use or the idea/expression dichotomy. Courts and commentators have long recognized that both of these doctrines serve in part to strike a definitional balance between the seemingly conflicting imperatives of the Copyright Act and the First Amendment.

This loss of protection is not merely theoretical. The Supreme Court has previously recognized that presumptions of harm can cause

143 See, e.g., NYTimes Brief, supra note 4, at 3-18.
144 See, e.g., Joseph P. Liu, Copyright and Breathing Space, 30 COLUM. J. L. & ARTS 429 (2007)(discussing First Amendment “breathing space” in defamation law as a model upon which courts in copyright cases should draw).
courts to overreach and find harm where little exists. In *Campbell*, the Court repudiated the *Sony* presumption, whereby courts considering fair use defenses presumed that the commercial use of a work harmed the market for the original work. The presumption of irreparable harm for preliminary injunctions parallels the *Sony* presumption of unfairness in commercial use cases that *Campbell* rejected. The presumption of irreparable harm has caused courts to replace what should be a careful balancing test that takes into account the potential for harm to both parties, along with the risk of judicial error, with a single blunt question about the likelihood of success on the merits. The presumption of irreparable injury shortcut ignores both historical practice in copyright disputes and the Supreme Court’s repeated insistence that copyright infringement in transformative cases does not necessarily cause copyright holders sufficient harm to warrant an injunction. Transformative use cases often combine a significant amount of original creative input by defendants with particularly close and difficult questions of infringement. Courts presuming irreparable harm are thus most likely to enjoin speech in error precisely where a defendant’s free expression interest is at its peak.