

Toward a Unified Theory of Intellectual Property Misuse

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The misuse doctrine in intellectual property law has been the subject of frequent commentary and litigation. The doctrine in basic form provides that the owner of an otherwise valid copyright or patent is precluded from enforcement of its intellectual property rights if it has been found to have engaged in impermissible conduct in connection with the exercise of its legal rights. The misuse doctrine is equitable in nature and origin, drawing its force from the concept of unclean hands - i.e., when a party petitions the court for relief, it must do so free of the taint of impermissible conduct. The early misuse findings were in patent cases, typically involving a tying arrangement in which the patent holder would refuse to sell the patented product unless the buyer also purchased an unpatented article. From these early rulings, the doctrine expanded to reach a variety of conduct. More recently, courts have generally adopted a counterpart to the misuse doctrine in copyright cases. In the heyday of the misuse doctrine, courts indicated that the doctrine would reach conduct that was not violative of the antitrust laws. Some more recent decisions, however, have suggested that the misuse doctrine is coterminous with the antitrust laws. Thus, under this view, which is particularly prevalent in Federal Circuit patent cases, an alleged patent infringer must essentially prove an underlying antitrust violation involving the patent in order to assert a successful misuse defense. Judge Richard Posner essentially endorsed this view in *USM Corp. v. SPS Technologies*. Donald Chisurn has observed that "it is clear that the courts lack a clear and general theory for resolving th[e misuse/antitrust] inquiry." The misuse doctrine serves important intellectual property policies that frequently -- but not always -- intersect with antitrust law principles. Although it is often stated that the fundamental premise of intellectual property protection -- by virtue of its grant of a right to exclude -- conflicts with antitrust law's policy favoring free competition, the misuse doctrine can serve as one of several harmonizing doctrines between the two areas of law. The principal normative thesis of this article is that the misuse doctrine should draw its analytical framework from two sources. The first source is quite conventional -- antitrust principles can certainly serve to give the misuse doctrine meaning and content, particularly with regard to the substantive content of misuse doctrine - i.e., what types of conduct may be proscribed. The second source for the misuse doctrine should be patent and copyright law and policy. Allowing patent and copyright policy to provide substantive content to the misuse doctrine will result in analytically distinct outcomes in certain cases. Contrary to Judge Posner's prediction, copyright and patent law can provide an alternative framework for analysis of misuse problems. Although courts and commentators have sometimes suggested that the misuse doctrine should be linked to the substantive framework of intellectual property law, no systematic attempt has been made to develop a general approach to the problem. This article suggests that intellectual property law can meaningfully inform the misuse analysis and can lead to outcomes that differ from the traditional antitrust analysis. Moreover, it is not clear that a properly defined misuse doctrine would necessarily capture all conduct that would violate the antitrust laws and simply add an additional category of impermissible behavior. Instead, it may well be that the misuse doctrine

would not reach some conduct that would potentially violate the antitrust laws, while reaching other conduct that would not be actionable under the Sherman and Clayton Acts. By doing so, the misuse doctrine can further both the purpose of the antitrust laws and the substantive policy goals and limitations of intellectual property law.