

## Colloquy Essay

### WHAT *TOOL WORKS* TELLS US ABOUT TAILORING PATENT MISUSE REMEDIES<sup>†</sup>

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No one was surprised when, in *Illinois Tool Works, Inc. v. Independent Ink, Inc.*,<sup>1</sup> the Supreme Court reversed the rule that a patentee accused of tying in violation of section 1 of the Sherman Act is presumed to have economic power in the product market to which the patent pertains.<sup>2</sup> That presumption was contrary to both logic and experience.

The Court's reasoning is interesting, however, because it points the way to tailoring remedies for patent misuse. The default remedy for misuse is that courts refuse to enforce the patent against any defendant, not just against the victim of misuse.<sup>3</sup> *Tool Works* drew on section 271(d)(5) of the Patent Act<sup>4</sup> to reform an antitrust liability rule not mentioned in the statute but influenced by the policy choices it reflects. Similarly, though section 271(d)(5) does not mention misuse remedies, the policy choices it reflects undermine the rationale for the default remedy for patent misuse.

#### I.

Patent misuse is an affirmative defense to an infringement action. A patentee misuses a patent when the patentee takes some action to broaden

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<sup>1</sup> 547 U.S. 28 (2006).

<sup>2</sup> One patent may claim exclusive rights to technology sold in several product markets, and several patents may claim exclusive rights to technology sold in a single product market, so the statement in the text is somewhat imprecise, but it serves well enough for the relevant cases.

<sup>3</sup> I refer to this rule as the "default misuse remedy." Consistent with this remedy, there is no standing requirement for alleging misuse. Any party—licensee or not—may defend an infringement action by alleging that the patentee engaged in misuse directed at someone else. This rule makes no more sense than the remedy itself, but it is not my target here. If the remedy is reformed along the lines I suggest in the text, there would be little incentive for anyone other than the alleged misuse victim to assert a misuse defense.

<sup>4</sup> 35 U.S.C. § 271(d)(5) (2000).