

17.25 Copyright—Affirmative Defense—Copyright Misuse

Comment

The Ninth Circuit explicitly adopted copyright misuse as a defense to copyright infringement in *Practice Management Information Corp. v. American Medical Association*, 121 F.3d 516, 520 (9th Cir. 1997), *amended by* 133 F.3d 1140 (9th Cir. 1998). “Copyright misuse is an equitable defense to copyright infringement which precludes the copyright holder’s enforcement of its copyright during the misuse period.” *Vernor v. Autodesk, Inc.*, 621 F.3d 1102, 1115 (9th Cir. 2010). The defense applies only when there is an allegation of copyright infringement. *Altera Corp. v. Clear Logic, Inc.*, 424 F.3d 1079, 1090 (9th Cir. 2005). Although copyright misuse precludes enforcement of a copyright during the period of misuse, it does not invalidate the copyright. *Prac. Mgmt.*, 121 F.3d at 520 n.9.

The misuse doctrine “forbids the use of the copyright to secure an exclusive right or limited monopoly not granted by the Copyright Office.” *Id.* at 520 (quoting *Lasercomb Am., Inc. v. Reynolds*, 911 F.2d 970, 977 (4th Cir. 1990)). The purpose of the defense is to prevent copyright holders “from leveraging their limited monopoly to allow them control of areas outside the monopoly.” *Apple Inc. v. Psystar Corp.*, 658 F.3d 1150, 1157 (9th Cir. 2011) (quoting *A&M Recs., Inc. v. Napster, Inc.*, 239 F.3d 1004, 1026 (9th Cir. 2001)); *see also Prac. Mgmt.*, 121 F.3d at 520-21 (holding that a copyright holder misused its copyright when it required a licensee to exclusively use the copyright holder’s copyrighted coding system, because that gave the copyright holder a “substantial and unfair advantage over its competitors”).

The contours of the copyright misuse defense are still being defined because courts often do not address the issue when the underlying copyright infringement claim is unsuccessful. *See, e.g., MDY Indus., LLC v. Blizzard Ent., Inc.*, 629 F.3d 928, 941 (9th Cir. 2010) (declining to address copyright misuse issue because there was no infringement); *Vernor*, 621 F.3d at 1115 (noting that the district court did not decide copyright misuse because it found no infringement); *Sony Comput. Ent., Inc. v. Connectix Corp.*, 203 F.3d 596, 608 (9th Cir. 2000) (declining to consider copyright misuse defense when the plaintiff failed to show a likelihood of success on the merits of its copyright infringement claim). There is a useful discussion of this affirmative defense in the concurring opinion in *Omega S.A. v. Costco Wholesale Corp.*, 776 F.3d 692, 699-706 (9th Cir. 2015) (Wardlaw, J., concurring).

The Ninth Circuit has not yet decided whether the equitable defense of copyright misuse should be submitted to a jury or is an issue for the court to decide. The Fifth Circuit appears to permit a jury to decide whether the defense applies. *See Alcatel USA, Inc. v. DGI Techs., Inc.*, 166 F.3d 772, 793-95 (5th Cir. 1999) (concluding that “the district court abused its discretion when it ignored the jury’s finding that [the plaintiff] misused its operating system copyright”).

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