
Professor Daryl Lim, of the John Marshall Law School in Chicago, Illinois, has provided one of the most detailed and insightful analyses of the important, but maddeningly vague, doctrine of patent misuse and its relationship to antitrust law. Patent misuse in the United States began as an equitable doctrine designed to prevent a patentee from enforcing its patent rights when it had engaged in certain forms of inequitable conduct. The doctrine of patent misuse soon became intertwined with antitrust law which provided both a defense to patent enforcement as well as a powerful tool for private treble damage litigation. The scope of patent misuse has waxed and waned over the years without ever definitively deciding whether patent misuse is coextensive with the requirements of antitrust law, broader than antitrust law, or simply different.

Professor Lim tackles this complicated topic in an innovative and effective way. In addition to thoughtful legal, economic, and policy analysis, he uses a comprehensive empirical survey and coding of all patent misuse cases through the end of 2012 and substantial qualitative empirical research through interviews with practitioners and judges about the perceived, and actual, metes and bounds of this slippery doctrine. He thus throws valuable light on the state of the conventional wisdom as well as when and how actual practice and case law departs from that conventional wisdom.

The monograph begins with a brief discussion of the roots and requirements of both patent misuse and antitrust law and a more detailed chapter on the history of the misuse doctrine. Professor Lim then focuses on the elements of the defense and how it applies (or not) to specific licensing practices such as tying, package licensing, refusals to license, extensions beyond the patent term, grant backs, patent pools, and royalty structures, as well as fraudulent patent procurement, vexatious litigation, and abuse of process.

The following chapter analyzes key objections to the nature and expansion of the defense including vagueness, administrability, lax standing requirements, and the possibility of overdeterrence. Finally Professor Lim offers a road map for the future of misuse where the doctrine could be applied in a narrow, but principled, way beyond the current dictates of antitrust law in such areas as the abuse of standard setting procedures, reverse payments and product hopping in the pharmaceutical industry, and in the related fields of trademark and copyright misuse.

The final chapters outline the empirical landscape of patent misuse and highlights the survey of the four Supreme Court cases, seventy appellate decisions, and 294 district court decisions in which patent misuse was raised as an issue. Despite a relatively small number of cases spread over many years, the survey highlights the narrowing of the doctrine over time, particularly following the 1982 creation of the United States Circuit Court for the Federal Circuit which has had exclusive jurisdiction over most patent matters. There is a wide variety of interesting data in the survey ranging from the influence of key courts and judges to the types of industries where misuse claims are most frequently asserted.

In his brief conclusion, Professor Lim notes the dynamic relationship between patent misuse and antitrust law and that the equitable nature of patent misuse suggests a broader scope than merely the current parameters of antitrust law. At the same time he wisely observes: “For misuse to thrive
advocates must find avenues unreached or unreachable by the antitrust laws but which nonetheless threatened the central tenets of patent or antitrust policy.” (434).

This detailed and sophisticated monograph is focused almost exclusively on the United States but will also be of interest to any scholars and practitioners outside the United States who wish to reflect on the ongoing relationship and tensions between antitrust and patent law and policy.

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