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Law and Technology Writing Workshop

The Expanding Reach of Copyright Protection Systems: An Update on the DMCA, "Super-DMCA" State Statutes, and Anti-circumvention Provisions in International Treaties

REPORTING OF CASE

<u>Lexmark International, Inc. v. Static Control Components, Inc.</u>

I. Facts

On December 30, 2002, Plaintiff Lexmark International, Inc. ("Lexmark") filed a complaint against Defendant Static Control Components, Inc. ("SCC"), and moved for a preliminary injunction to prevent SCC from making, selling, distributing, or otherwise trafficking its SMARTEK microchip. Judge Forester granted the requested injunction on February 27, 2003.

Lexmark, a developer, manufacturer, and supplier of laser printers and toner cartridges, claimed that SCC's wholesale copying of its copyrighted Toner Loading Programs to the SMARTEK microchip constituted infringement. Lexmark also claimed that the microchip violated the Digital Millennium Copyright Act ("DMCA") by circumventing an authentication sequence designed to prevent access to its copyrighted Toner Loading and Printer Engine Programs.

Lexmark's model T520/522 and T620/622 laser printers each contain a Printer Engine Program that controls various printing operations, such as paper movement and motor control. Toner cartridges for these printers are equipped with microchips containing a Toner Loading Program that monitors the amount of toner in the cartridge. Each time a cartridge is replaced or a printer is switched on or is opened and closed, the Printer Engine and Toner Loading Programs run an authentication sequence to verify that

the cartridge is an authorized Lexmark cartridge. Access to both Programs is denied if the authentication sequence fails, thus rendering an unauthorized cartridge inoperable.

SCC developed the SMARTEK microchip for use with remanufactured toner cartridges.   Each microchip contains an exact copy of Lexmark's Toner Loading Program. In addition, the microchips are programmed to mimic the authentication sequence performed by an original Lexmark microchip. The circumvention of the authentication sequence allows SCC's unauthorized, remanufactured cartridges to function in Lexmark's T-series printers.

II. Analysis

Judge Forester appealed to the plain meaning of the statutory language to determine that SCC's SMARTEK microchip violated the DMCA. The specific provision evaluated in this case was § 1201(a)(2), which prohibits the manufacture, distribution, and/or sale of any product or device that:

> (A) is primarily designed or produced for the purpose of circumventing a technological measure that effectively controls access to a work protected under this title;
> (B) has only limited commercially significant purpose or use other than to circumvent a technological measure that effectively controls access to a work protected under this title; or
> (C) is marketed by that person or another acting in concert with that person with that person's knowledge for use in circumventing a technological measure that effectively controls access to a work protected under this title.

17 U.S.C. § 1201(a)(2)(A)-(C). Lexmark's Toner Loading and Printer Engine Programs were both works protected by the copyright statute, and access to each was regulated by Lexmark's authentication sequence. Judge Forester concluded that by mimicking the authentication sequence and thus providing unauthorized access to both programs, the SMARTEK microchip satisfied the tests for liability under § 1201(a)(2).

Judge Forester rejected SCC's argument that the technological means for circumvention employed by the SMARTEK microchip should be protected by the reverse engineering exception to § 1201(a) of the DMCA. Under § 1201(f), means for circumvention may be employed to achieve interoperability between an independently created computer program and a copyrighted program. However, the Toner Loading program used in the SMARTEK microchip was not independently created, but rather directly copied from an original Lexmark microchip.

[NOTE: After I submitted this case report, the *Chamberlain* case became available. Had it been available prior to submission, I would have included a similar synopsis of that case. Also, at this point in time, I thought I would be doing a survey piece. However, I ultimately wrote a modified case note that evaluated both *Lexmark* and *Chamberlain*.]